RioZim Limited

RIOZIM LIMITED ANNUAL REPORT 2022

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ABOUT THIS REPORT

RioZim Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present its annual report for the year ended 31 December 2022.

REPORTING SCOPE

The report contains information about the operations and exploration projects of RioZim Limited ("the Company") and its subsidiaries ("the Group") in Zimbabwe. Any references in this report to "our", "we", "us", "the Group", "Company" and "RioZim" refers to RioZim Limited.

REPORTING FRAMEWORKS

This report was compiled with due consideration of the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, 2019
- International Financial Reporting Standards (IFRS).
- Zimbabwe Code on Corporate Governance (ZIMCODE)

DATA AND ASSURANCE

The financial statements were audited by Mazars Chartered Accountants (Zimbabwe), in accordance with the International Standards on Auditing (ISAs). The independent auditor's report is contained on pages 36 to 40.

REINSTATEMENTS

The Group did not make any reinstatements of data previously published.

CURRENCY

All references to $ refer to ZW$ throughout this report.

FORWARD LOOKING STATEMENT

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. While these statements represent our judgements and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We do not undertake to update publicly or to release any revisions to these forward-looking statements, to reflect events or circumstances after the date of the publication of this report or to reflect the occurrence of unanticipated events.

FEEDBACK

We welcome your feedback on our annual report. If you have any suggestions on how we can improve our reporting or clarifications that you may need on any information provided in this report, please send your comments to Mr T. A. Chiurayi, the Company Secretary on : **Tawanda.Chiurayi@riozim.co.zw.**

WELCOME TO OUR 2022 ANNUAL REPORT

The RioZim Annual Report is available on the following website:

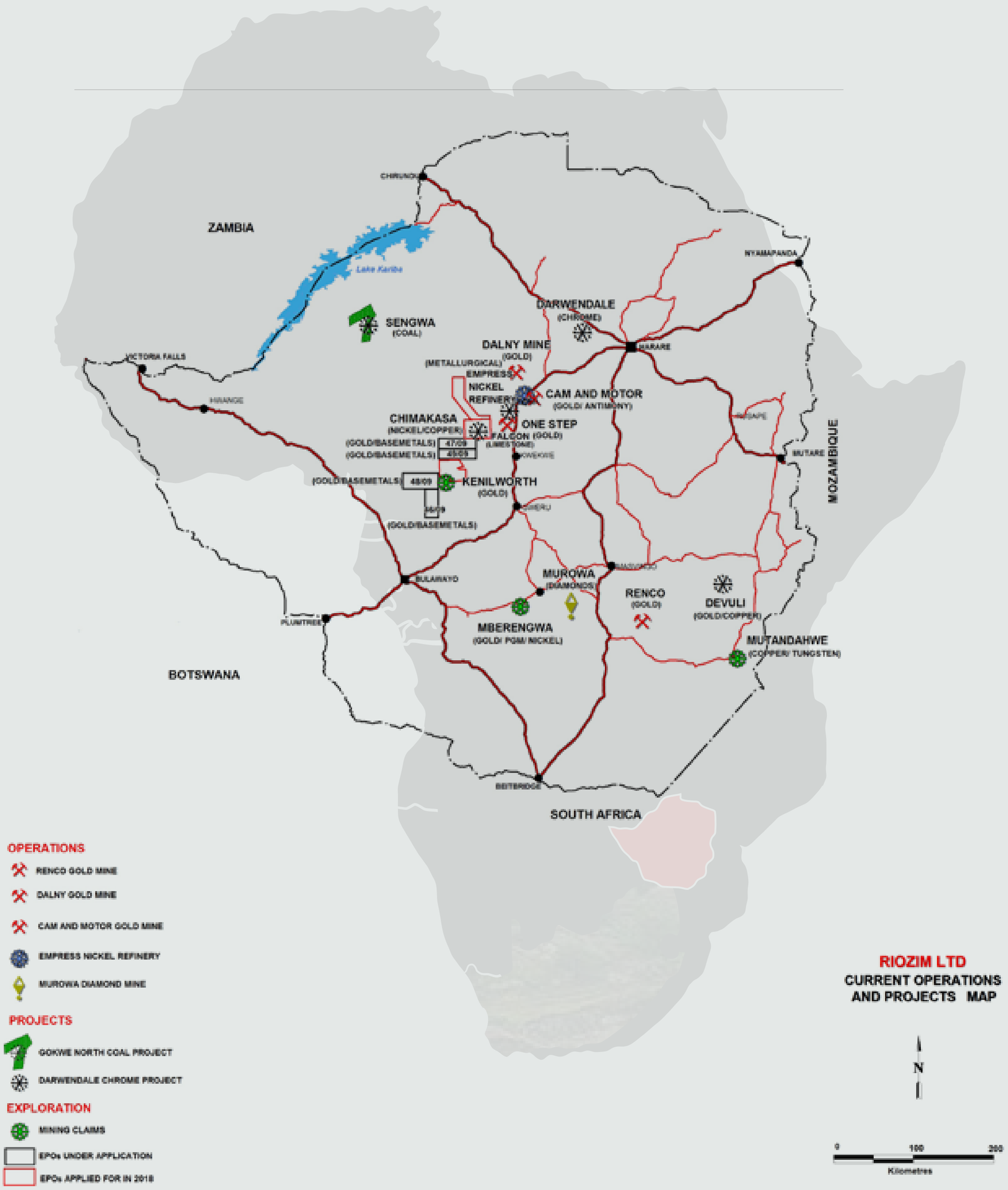
www.riozim.co.zw

Members may also obtain a copy of the Annual Report from the office of the Transfer Secretaries.

OUR OPERATIONS AT A GLANCE

COMPANY OPERATIONS

In the year under review, the Group operated Renco Mine located in Masvingo and Cam & Motor Mine located in Kadoma. Operations at One-Step Mine were suspended at the begining of the year to pave way for resumption of mining operations at Cam & Motor pits. Dalny Mine and Empress Nickel Refinery were on care and maintenance throughout the year. In addition, the Group holds a 50% interest in Sengwa Colliery (Private) Limited, a company with coal assets located in Gokwe North and a 22.2% interest in RZM Murowa (Private) Limited, a diamond operation located in Zvishavane. The location of these operations as well as the Group's areas of interest are shown below:



BOARD OF DIRECTORS

S R BEEBEEJAUN
Non-Executive Chairman
Date of appointment: 25 July 2012

Fellow of the Chartered Institute of Insurance (UK), Winner of the H G Greening award, which rewards the first prize in all life subjects worldwide, Holder of a Licence – ès Sciences Economiques from University of Montpellier France, Alumnus of the Harvard Business School.

C DENGU
Non-Executive Deputy Chairman
Date of appointment: 6 November 2014

Fellow of the British Institute of Chartered Secretaries and Administrators (FCIS), Masters of Business Administration (MBA), Post Graduate Training in Advanced Financial Management Techniques for Public Enterprises from Strathclyde Graduate Business School, Senior Executive Program Africa (SEPA) from Harvard Business School.

M M SHAH
Group Chief Executive Officer
Date of appointment: 8 July 2019

Master's degree in Finance from London Metropolitan Business School (LMBS) and the London School of Economics, Member of the Institute of Chartered Accountants in India (ICAI) and the ISACA in the USA, Alumnus of the Harvard Business School.

R SWAMI
Group Chief Finance Officer
Date of appointment: 25 April 2018

B. (Com) Honours Degree from St Xavier's College, University of Calcutta, CPA from American Institute of Certified Public Accountants, Associate Member of the Institute of Chartered Accountants of India, Associate Member of the Institute of Company Secretaries of India.

M T SACHAK
Non-Executive Director
Date of appointment: 6 November 2014

BSc in Chemical Engineering from University College London, BSc in Electrical Engineering from Florida Atlantic University, Masters of Business Administration (MBA) from Florida International University.

M S BINDRA
Non-Executive Director
Date of appointment: 18 June 2021

Fellow Member of the Institute of Chartered Accountants of England and Wales (FCA) UK, Associate Member of the Institute of Chartered Accountants of India (ACA), Q.A Lead Auditor ISO-9001:2000 and ISO 10011 Moody International [IRCA] UK, Associate Member of the British Institute of Management.

G K JAIN
Non-Executive Director
Date of appointment: 25 April 2018

B.A. in Economics from Hansraj College, Delhi University, India, M.A Jurisprudence from Oxford University, UK.

MANAGEMENT STRUCTURE

M M SHAH
GROUP CHIEF
EXECUTIVE OFFICER

CA (India), M.Sc Accounting & Finance (UK), Alumni of Harvard University

R SWAMI
GROUP CHIEF
FINANCE OFFICER

ACA(India), ACS (India), CPA (USA), B.Com (Hons)

M NYAMHUNGA
CHIEF OPERATIONS OFFICER

B.Sc Metallurgical Engineering (Hons) (UZ), MBA

T A CHIURAYI
GENERAL COUNSEL
& COMPANY SECRETARY

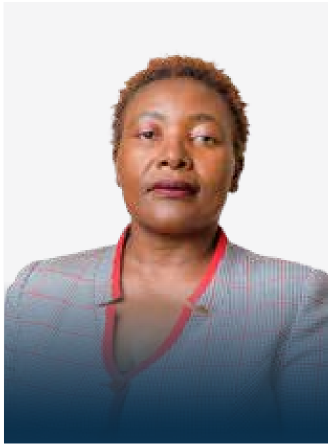
LLBs (Hons) (UZ), MBA

C BENZA
GROUP FINANCIAL CONTROLLER

CA (Z), CA (SA), BAcc (UZ), B Compt (Hons) (UNISA)

L DUBE
GROUP SUPPLY CHAIN MANAGER

HND Purchasing, Dip Bus Studies



J NJANIKE
GROUP HUMAN RESOURCES MANAGER

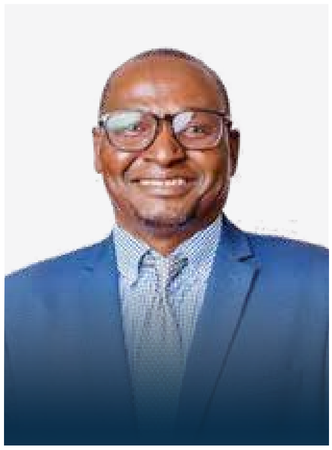
B.Sc Economics, IPMZ, LCCI Mngt, MBA

DR W GWATIRINGA
CORPORATE AFFAIRS EXECUTIVE

IOB (Z), IOB (SA), MBA, PHD

P TAKAEDZA
CHIEF GEOLOGIST

B.Sc Geology (UZ)



M MACHIKICHO
GENERAL MANAGER ENGINEERING SERVICES

B.Sc Mechanical Engineering (UZ)

MANAGEMENT STRUCTURE

T DUBE
GENERAL MANAGER
Renco Mine

B.Sc Mining Engineering (Hons) (UZ), M.Sc Mining Engineering (Wits)

I NYAMUKONDIWA
GENERAL MANAGER
Cam & Motor Mine

B.Sc (Hons) Geology (UZ), B.Sc General Geography and Geology (UZ)

J MAPISAUNGA
GENERAL MANAGER
RZM Murowa (Associate)

B.Sc Industrial & Manufacturing Engineering (NUST), MBA MSc Engineering (NUST)

S MHURIRO
GENERAL MANAGER
RioEnergy

African Leadership Program (Oxford), Dip Food & Bev Management, Dip Hospitality Management

C KARIWO
GENERAL MANAGER
Empress Nickel Refinery

B.Sc Metallurgy (UK), Dip Mgt Dev (UNISA)

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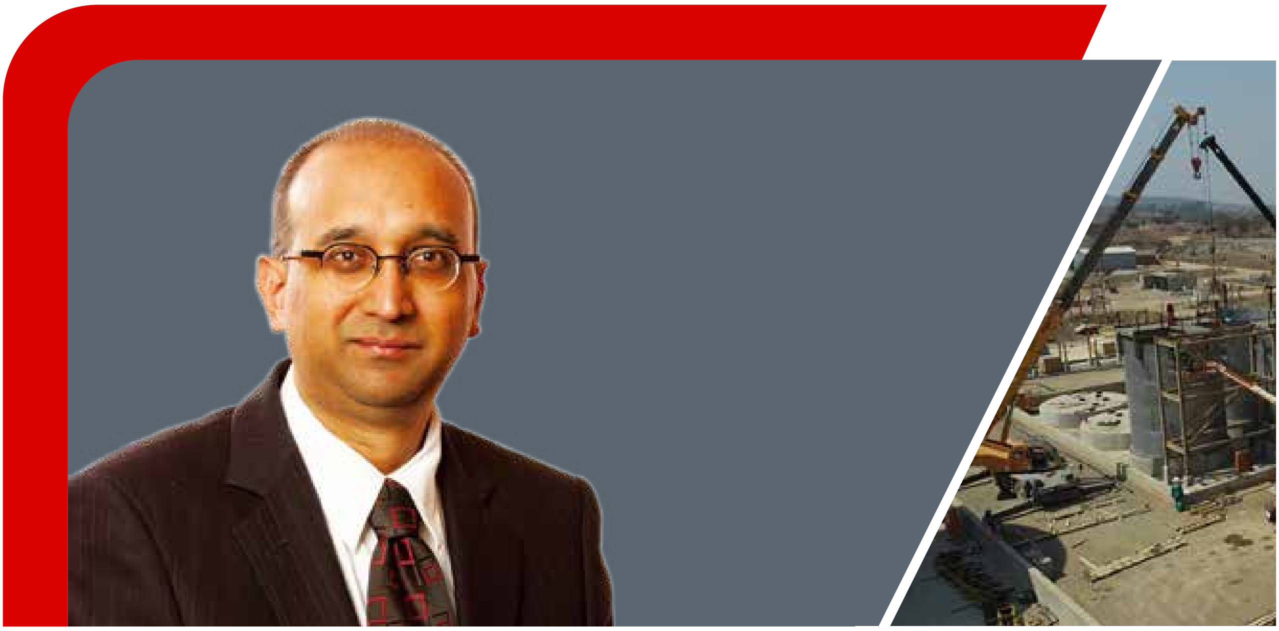
PERFORMANCE & OPERATIONAL REVIEWS

CHAIRMAN'S STATEMENT



S R Beebeejaun - Chairman

INTRODUCTION

The success of the Group this year is testament to the shareholders' continued dedication to the Group. By investing in excess of US$100million, the Group delivered two milestone high-tech expansion projects to secure the future of the Company, these being: The Biological Oxidation (BIOX) plant at Cam & Motor Mine and Project Crown Jewel 500tph plant at RZM Murowa. These two multimillion dollar investments in the Company came in the face of a mix of macroeconomic adversities, power shortages and increased global uncertainty.

The BIOX Plant was officially commissioned by His Excellency the President of the Republic of Zimbabwe Cde Dr. E.D. Mnangagwa on the 14th of April 2022. This project will resuscitate mining operations and bring a new lease of life to Kadoma town and its surrounding communities.

Notwithstanding the positive contributions of these two projects to the Group's production, the Company continued to suffer from acute power supply challenges, which significantly weighed down the Group's efforts to increase production volumes. Foreign currency challenges and exchange rate distortions also continued to negatively impact the Group's profitability. The Group, however, welcomes the efforts by the Government to address these challenges as shown by the upward revision of the United Stated dollar retention ratio from 60% to 75% subsequent to period end in February 2023.

Cam & Motor Mine BIOX Plant Commissioning

CHAIRMAN'S STATEMENT (cont'd)

GROUP PERFORMANCE

Gold production recorded a 17% decline to 929kg from 1122kg produced in the prior year. Subsequent to the commissioning of the BIOX plant at Cam & Motor mine, the Group focused on optimising the plant to bring it to name plate capacity and eliminating teething challenges hence production was subdued. Dalny was placed under full care and maintenance during the year, which exacerbated the decline in gold production for the current year. The gold price remained firm and fairly consistent from the prior year and averaged US$1 766/ Oz. for the year compared to US$1 774/ Oz. in the prior year. The Group's revenue for the year was ZW$20.6 billion, which was an exponential increase from the prior year's revenue of ZW$5.8 billion despite the decline in gold production mainly due to the depreciation of the local currency against the United States dollar.

GOLD BUSINESS

Renco Mine

Renco Mine power supply challenges worsened at Renco Mine in the current year which significantly cut back production running time. Resultantly, gold production dropped by 28% from prior year's production of 561kg to 402kg in the year under review. The Group is focusing on back-up generators to lessen the negative impact of acute power supply deficits to the Mine despite the higher operating costs these come with.

Dalny Mine

Dalny was placed under full care and maintenance from the beginning of the year after it ran out of open pit resources that could be mined economically at sustainable grades. Consequently, there was no production during the current year which is in contrast to the 209kg produced in 2021 when the mine was fully operational. In order to reduce the cash flow impact of the fixed care and maintenance costs, the mine embarked on small scale mining operations, which were at an advanced stage as at year end

One-Step Mine

The Group was focused on the resumption of mining operations at the Cam & Motor pits in preparation for the running of the BIOX plant which was at completion stage at the beginning of the year. Consequently, mining operations at One-Step were discontinued at the close of 2021 hence no gold was produced from One-Step in the current year. The Group continues to evaluate all available options for the future exploitation of its One-Step resource.

Cam & Motor Mine

Mining operations commenced from the refractory sulphide Cam & Motor pits as the year started to pave way for the commissioning and bringing into production the BIOX plant. The BIOX plant was successfully brought into production from February 2022 in test mode and successfully commissioned in April 2022. The plant experienced some teething challenges which were successfully resolved as the year progressed. The mine therefore, produced 527kg for the year thus achieving a 50% growth compared to 351kg produced from One-Step mining operations in the prior year. Despite this, the plant operated well below its capacity due to supply challenges as with our other operations.

The BIOX Plant was officially commissioned by His Excellency the President of the Republic of Zimbabwe Cde. Dr. E.D. Mnangagwa on the 14th of April 2022. This project will resuscitate mining operations and bring a new lease of life to Kadoma town and its surrounding communities.

CHAIRMAN'S STATEMENT (cont'd)

BASE METALS BUSINESS

The Refinery operated under care and maintenance throughout the period. There was no traction in the current year on the Company's efforts to secure raw material feed for the Refinery. Engagements to secure potential sources of raw material are continuing and our stakeholders will be kept informed. Meanwhile the Refinery continued with its various cash generating projects to maintain the integrity of the plant and to fund some of its care and maintenance costs.

CHROME BUSINESS

The legal dispute relating to the Company's chrome claims in Darwendale still awaited finalisation by the courts as at year end.

DIAMONDS BUSINESS

RZM Murowa (Private) Limited managed to successfully complete and bring to production its Project Crown Jewel 500tph plant in the second half of the year. The forecast production upside from the plant will, however, only reflect subsequent to year end as focus in the current year was on stabilising and optimising the plant. Production for the year therefore, marginally increased by 3% to 426 000 carats compared to the 2021 production of 414 000 carats.

There were no mining activities from the pits and material processed was obtained from the pre-mined low grade and tailings stock piles. The Associate continues to expand its exploration activities including detailed evaluations on extending the life of its pits to further extend life of mine. The Associate continues to contribute to the overall profitability of the Group as share of profit from the Associate was ZW$102.1 million whilst the prior year's profit contribution was ZW$525.8 million.

ENERGY BUSINESS

178 MW Solar Project

Progress on the project had been stalled due to the COVID-19 pandemic with traction only recorded in obtaining all the regulatory requirements for the implementation of the solar projects across the Group's mines. The Group has since resumed engagements with various potential funding partners after the relaxation of the COVID-19 protocols worldwide. The Group remains optimistic of reaching financial closure for the solar projects.

2 800MW Sengwa Power Station

The Company continued its engagements with various stakeholders during the year for potential partnerships on this project and our stakeholders will be informed on any further developments.

CHAIRMAN'S STATEMENT (cont'd)

OUTLOOK

The future prospects of the Group are underpinned on the successful performance of the BIOX Plant at Cam & Motor Mine and the 500tph plant at RZM Murowa once all the necessary teething challenges are addressed. Plant recoveries are forecast to stabilise at Cam & Motor Mine going forward as the Mine has now gained considerable understanding of the operating modalities of the BIOX plant. The Group is also benefitting from the pool of skills from the various experts that were brought in to train our technicians.

Power supply remains a major threat to the Group's operations. The Group is focusing on back-up power generators across the mines albeit this will be at a significantly high operating cost. In the medium to long term, the Group continues to pursue its pipeline power projects, with particular focus on solar energy, which will be a lasting solution to the power challenges for the mines.

The COVID-19 pandemic has since eased after an increase in cases at the beginning of the year due to the emergence of the Omicron variant. The various protocols that were in place were relaxed allowing free movement of people and cargo both locally and across borders. Despite a positive outlook, the Group remains observant of the prevailing situation and has maintained strict health and safety controls across the Group.

DIRECTORATE

There were no changes in the directorate in the current year.

DIVIDENDS

No dividends were declared for the period.

APPRECIATION

I would like to extend my appreciation to my esteemed Directors for leading the Company through yet another difficult year. I am confident that the milestone projects achieved under the Directors' oversight in the current year will spearhead the Group back to profitability. The continued resilience and dedication of our Management and Employees to the Company is commendable. I further acknowledge the support the Company receives from our stakeholders; we sincerely value you

S R Beebeejaun
Chairman
15 April 2023

GROUP CEO'S REVIEW

M M SHAH - Group Chief Executive Officer

INTRODUCTION

The operating environment was difficult throughout the year, characterised by acute power deficits, soaring exchange rates, and inconsistent policies. Foreign currency challenges continued to negatively impact the Company as the current nostro retention of 60% fell short of the Group's foreign currency requirements. The Group's expenditure predominantly requires foreign currency.

Power supply was erratic throughout the year, with load shedding extending to several hours which reduced plant running hours. Consequently, production declined by 17% from the comparative prior year period. The fall in production resulted in the Group incurring a net loss for the year.

Part of RZM Murowa Plant

GROUP CEO'S REVIEW (cont'd)

OPERATIONS REVIEW

Renco Mine

The Mine produced 402kg, which was a decline of 28% from 561kg achieved in the prior year. Renco was the most affected by the power supply challenges which persisted throughout the year. The power challenges included prolonged hours of outages coupled with crippling power cuts due to various faults on the Renco power supply lines. Even though the mine has installed back up power generators; these are inadequate to cover both underground mining activities and the processing plant.

The fall in gold production was attributed to a 9% decline in head grade from 2.62g/t in 2021 to 2.38g/t in the period under review. The fall in head grade is attributed to blind mining as the mine depleted its developed reserves and mining was predominantly from the undeveloped resources.

The Renco Mine resource statement as at 31 December 2022 is as below:

Renco Mine resource statement	Tonnes	Grade (g/t)	Content (kg)
Proved ore reserves as at 1 January 2022	53 640	5.99	322
Plus generated during the year	35 130	4.53	159
Less depleted by mining during the year	17 570	4.00	70
Proved ore reserves as at 31 December 2022	**71 200**	**5.76**	**411**
Probable ore reserves as at 1 January 2022	**283 660**	**6**	**1 682**
Plus generated during the year	45 010	4	184
Less depleted by mining during the year	36 340	3	123
Probable ore reserves as at 31 December 2022	**292 330**	**5.96**	**1 743**
Total ore reserves as at 31 December 2022	**363 530**	**5.92**	**2 154**
Measured mineral resources as at 31 December 2021	**143 980**	**5.38**	**775**
Measured mineral resources as at 31 December 2022	**143 980**	**5.38**	**775**
Indicated mineral resources as at 31 December 2021	**2 036 530**	**5.78**	**11 781**
Indicated mineral resources as at 31 December 2022	**2 036 530**	**5.78**	**11 781**
Inferred mineral resources as at 31 December 2021	**3 054 650**	**7.47**	**22 809**
Inferred mineral resources as at 31 December 2022	**3 054 650**	**7.47**	**22 809**

GROUP CEO'S REVIEW (cont'd)

Cam & Motor Mine

The toll processing arrangement of ore from the Group's nearby One-Step Mine was suspended at the beginning of the year following the resumption of mining activities at the Cam & Motor Mine pits . Testing of the BIOX Plant also commenced at the beginning of the year after completion of the plant installations. The BIOX Plant was commissioned and commenced production on the 14th of April 2022.

The BIOX Plant had an immediate impact at Cam as shown by a 50% increase in gold production from 351kg produced in 2021 to 526kg achieved in the year. The production growth was mainly attributed to increased plant throughput at high grades as mining resumed at the Cam pits which have fairly high grades.

The Cam & Motor Mine resource statement as at 31 December 2022:

Cam & Motor Mine resource statement	Tonnes	Grade (g/t)	Content (kg)
Proved ore reserves as at 31 December 2021	**2 362 254**	**6.39**	**15 084**
Plus generated during the year	-	-	-
Less depleted by mining during the year	-	-	-
Proved ore reserves as at 31 December 2022	**2 362 254**	**6.39**	**15 084**
Probable ore reserves as at 31 December 2021	**379 424**	**4.28**	**1 624**
Plus generated during the year	-	-	-
Less depleted by mining during the year	**-**	**-**	**-**
Probable ore reserves as at 31 December 2022	**379 424**	**4.28**	**1 624**
Total ore reserves as at 31 December 2022	**2 741 678**	**6.09**	**16 708**
Measured mineral resources as at 31 December 2021	**817 993**	**4.77**	**3 904**
Measured mineral resources as at 31 December 2022	**704 059**	**5.27**	**3 713**
Indicated mineral resources as at 31 December 2021	**679 880**	**2.99**	**2 032**
Indicated mineral resources as at 31 December 2022	**679 880**	**2.99**	**2 032**
Inferred mineral resources as at 31 December 2021	**650 960**	**2.28**	**1 486**
Inferred mineral resources as at 31 December 2022	**650 960**	**2.28**	**1 486**

GROUP CEO'S REVIEW (cont'd)

Dalny Mine

Dalny was placed under full care and maintenance at the beginning of the year after the mine ran out of open pitable resources. As a result, there was no gold production, however 7kgs was recovered from care and maintenance activities. In contrast 209kgs were produced in prior year when the mine was fully operational.

The mine is focused on dewatering its shafts in an effort to open up flooded underground workings. The long term plan of Dalny is hinged on resuscitation of underground operations where the resources are predominantly located.

The following is the Dalny Mine resource statement as at 31 December 2022.

Dalny Mine resource statement	Tonnes	Grade (g/t)	Content (kg)
Proved ore reserves as at 31 December 2021	**232 050**	**5.04**	**1 170**
Plus generated during the year	**-**	**-**	**-**
Less depleted by mining during the year	-	-	-
Proved ore reserves as at 31 December 2022	**232 050**	**5**	**1 170**
Probable ore reserves as at 31 December 2021	**261 500**	**4.58**	**1 199**
Plus generated during the year	**-**	**-**	**-**
Less depleted by mining during the year	-	-	-
Probable ore reserves as at 31 December 2022	**261 500**	**4.58**	**1 199**
Total ore reserves as at 31 December 2022	**493 550**	**4.80**	**2 369**
Measured mineral resources as at 31 December 2021	**641 715**	**7.20**	**4 618**
Measured mineral resources as at 31 December 2022	**654 500**	**7.18**	**4 702**
Indicated mineral resources as at 31 December 2021	**942 713**	**4.87**	**4 588**
Indicated mineral resources as at 31 December 2022	**1 368 500**	**3.91**	**5 353**
Inferred mineral resources as at 31 December 2021	**543 520**	**3.66**	**1 987**
Inferred mineral resources as at 31 December 2022	**509 500**	**3.78**	**1 926**

GROUP CEO'S REVIEW (cont'd)

Empress Nickel Refinery (ENR)

In previous years the refinery salvaged materials to produce base metals from the dump pits. Unfortunately, these have been exhausted, resulting in no production in the current year; this was against matte production of 210 tons and 78tns PGM production in the prior year.

Engagements with various stakeholders to secure raw material feed to the Refinery are ongoing and no breakthrough has been reached.

Associate – RZM Murowa (Private) Limited

The Mine commissioned its 500TPH Plant in the second half of the year, this was an addition to the current 170 TPH Plant. The increased capacity from the two plants increased carats production by 3% to 426ckt from 414ckt produced in the comparative period in 2021.

The Associate continues to contribute to the Group through the Share of Profit from an Associate, which stood at ZW$102.1 million for the current year whilst in prior year the Associate contributed ZW$525.8 million.

HUMAN RESOURCES

The Company continues to invest in upgrading its human capital as a cornerstone of our business. The Company continues to prioritise the developmental and training programmes which are necessary to upgrade the skills and aptitude of our employees. During the period, Dalny Mine was placed under full care and maintenance. The staff complement was subsequently reduced by 19% from 3 180 employees in 2021 to 2 563 employees in the period under review. Despite a difficult year, the Group managed to continue channelling resources towards its graduate traineeship, apprenticeships and on the job attachments programmes which are offered to students recruited from various vocational institutions, colleges and universities across the country.

CORPORATE SOCIAL RESPONSIBILITY

The well-being of the communities in which the Company operates in remains at the centre of the Group's developmental and long term sustainability strategy. The Group was focused mainly on upgrading the health and sanitation systems across these communities. The Group continued to operate health clinics which provided medical facilities and access to medication for the benefit of our communities. Boreholes were also drilled in order to alleviate water challenges and improve on sanitation in the communities.

FUTURE PROSPECTS

The successful commissioning of the two projects, being the 500TPH at Murowa and the BIOX Plant at Cam is expected to drive the Group into sustainable profit generation.

The two plants contributed towards increased production in the current period and this momentum is expected to be carried through to the upcoming financial year. The Group will, however, remain focused on optimising the two plants to reach optimal production capacity levels.

Power supply challenges will remain a potential threat to our operations. The Company will continue to invest in back up power generators to minimise potential production losses due to power cuts. Notwithstanding the risk posed by the potential power supply challenges, the commissioning of these two plants in the current year brought a new lease of life to the Group, and the outlook is positive.

APPRECIATION

Inspite of the challenging year, the Company survived through the remarkable leadership of our Board and tireless effort and dedication of our Employees. I therefore extend my great appreciation to the Board and the Employees for carrying the Company through this difficult year. I also wish to thank all our stakeholders for their unwavering support throughout the year.

M M Shah
Group Chief Executive Officer
15 April 2023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HEALTH, SAFETY & ENVIRONMENT

INTRODUCTION

The Group continued in its thrust to ensure high standards of Health, Safety and Environment (HSE) by enforcing organisational standards, safe work procedures, legal and other requirements across all the business units. The HSE systems are paramount in creating a safe working environment for our employees and contractors.

Health

The health of our employees takes priority over all other issues in order to foster a healthy workforce. This objective was driven by carrying out mandatory medical examinations and wellness programmes. The Group also enforced strict adherance to laid down policies and procedures which includes pre-employement medical examinations before engagement of new employees and contractors.

The Group maintained the COVID–19 protocols throughout the year 2022 which resulted in a significant reduction in the number of COVID–19 cases at the Group's several locations.

Safety

During the period under review, nine (9) Lost Time Injuries (LTIs) were recorded; a reduction from twelve (12) recorded in the prior year. However, the Group recorded two (2) fatalities. Earlier in the year, one employee was involved in a road traffic accident whilst on duty at Cam & Motor Mine. The employee sustained injuries which resulted in the first fatality of the period. The second fatality occured at the Dalny pit when an employee slipped and drowned whilst working on a dewatering pump.

Continuous efforts through pre-task risk assessments, HSE interactions and inspections, trainings and reviewing safe work procedures are being made to ensure a safe work place. In an effort to ensure that we adhere to our Emergency Preparedness Plan, the Renco Mine Rescue Team participated in the South Zone Chamber of Mines Mandatory Training Exercise at Mimosa Mine and the Chamber of Mines National Mine Rescue Competitions at Jena Mines during the period under review.

Environment

All the locations observed the National Tree Planting Day in December 2022 under the following theme: "Trees and Forests for Ecosystem Restoration and Improved Livelihoods". The tree of the year was Waterberry, Mukute/ Muhute, Umdoni, Syzgium cordatum. A cumulative total of one thousand and ninety-six (1096) trees were planted at Renco Mine during the period under review.

Monitoring of mine effluent was done on a daily basis throughout the period and this resulted in all operations discharging environmental friendly effluent into the communities close to our operations.

Renco Mine commenced work to put infrastructure for the de-siltation of the catch dam to increase its holding capacity during the second half of the year 2022. This work is in line with the mine's Environmental Management Plan.

The Group collaborated with local schools and the community at large in carrying out clean-up campaigns in an effort to maintain a clean environment.

The Group remains committed to ensuring that all its operations are compliant with the requirements of the Environmental Management Act and other legal and regulatory requirements.

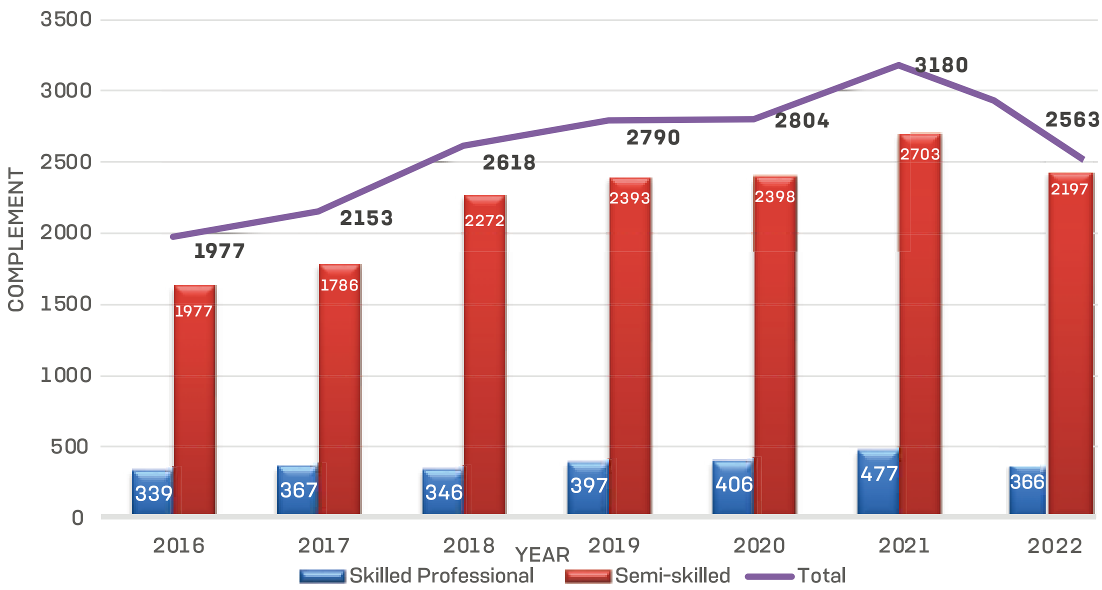
Cam & Motor Mine tree planting day

LABOUR PRACTICES

INTRODUCTION

The Group closed year 2022 with a total complement of 2563 (2021 : 3180) comprising of 1563 permanent employees and 1000 fixed term employees. The majority of the employees are in the semi to unskilled grouping at 86% whilst skilled workers form 14% of the workforce. The decrease in the staff complement is as a result of ending of project specific contracts for staff that worked at the BIOX Plant. The Company placed Dalny Mine on care and maintenance at the beginning of the year which resulted in some positions being redundant.

Staff turnover stood at 7.5% in 2022 as compared to 5.46% in 2021. The increase in staff turnover was mainly attributed to new mines which opened in the country in 2022 creating opportunities for staff movements



Year	Permanent	Fixed Term	Total Complement
2016	1522	455	1977
2017	1487	666	2153
2018	1656	962	2618
2019	1616	1174	2790
2020	1609	1195	2804
2021	1626	1554	3180
2022	1563	1000	2563

LABOUR PRACTICES (cont'd)

HUMAN CAPITAL

Investing in Our People

A pool of dedicated and competent workforce is needed to support the company's objectives. In that regard, the company continues to pursue talent development and retentions programs methodically and thoroughly.

The Company provided industrial learning to students from higher institutions and apprenticeship training programs at our various locations within the group, contributing to the improvement of human capital skills at national level. The Group provided training opportunities to more than one hundred (100) trainees from various tertiary institutions during the year.

Industrial Relations Climate

The labour relations environment was to a large extent calm. Employee engagements was incorporated in the day-to-day operations which cultivated a good and friendly environment between management and the workforce.

Renco Mine football team

REPORT OF THE DIRECTORS

INTRODUCTION

The Company faced another turbulent year, characterised by arbitrary exchange rate distortions, power supply deficits, and inconsistent policy changes which, in combination, weighed down the performance of the Group in the current year. The Company managed to bring its multimillion BIOX Plant Project to completion even though the initial projection on the timelines of completion of the project were not met due to foreign currency challenges.

The comissioning of the BIOX Plant provided a significant boost to Gold output for the year, however this was outweighed by the growing cost base of the Group due to micro-economic challenges. Resultantly the Group incured a net loss for the year of ZW$20 billion compared to ZW$ 2.1 billion recorded in the prior year.

It is with this background that the Directors hereby present their report, together with the consolidated and separate financial statements of RioZim Limited and its subsidiaries (together the "Group") for the year ended 31 December 2022.

FINANCIAL RESULTS

The foreign currency auction system which was introduced in prior years continued through the current year and remained a reference for determination of official exchange rates. The Group used the auction rates for recording transactions in the books of records and for reporting purposes as auction rates remained the only legal exchange rates in the country.

The Group recorded a net loss of ZW$20 billion for the year compared to a net loss of ZW$2.1 billion recorded in the prior year.

Presentation Currency

The functional currency of the Group remained the USD in line with IAS21"The effect of changes in the foreign exchange rates" considerations (ZW$).

Foreign currency denominated transactions and balances were translated to the presentation currency, the Zimbabwean dollar (ZW$), at the applicable auction exchange rates as more fully explained on note 4.12.

Group Financial Results

	Dec 2022 ZW$000	Dec 2021 ZW$000
Revenue	20 595 816	(5 768 667)
Operating loss	(9 166 832)	(1 554 213)
Loss before tax	(10 461 471)	(1 157 817)
Income tax expense	(9 579 151)	(940 125)
Loss for the year	(20 040 622)	(2 097 942)
Total comprehensive loss for the year	(372 464)	(431 585)
Dividends	-	-

Dividends

The dividend policy states that the ability to declare and pay dividends is based on the level of profitability, internal cash requirements, on-going capital expenditure requirements, financial prudence, any contractual, legal or regulatory restrictions on the payment of dividends by the Company, its tax position and any other factors considered relevant by the Directors.

After a detailed consideration in line with the above policy, the Directors deemed it prudent not to declare dividends for the period.

REPORT OF THE DIRECTORS (cont'd)

SHARE CAPITAL

The Company's share structure has not changed as detailed in the table below:-

	2022		2021	
	No. of shares 000	**Nominal value ZW$000**	**No. of shares 000**	**Nominal value ZW$000**
Authorised share capital:				
Ordinary shares				
Ordinary shares of US$0.01 each	140 000	1 400	140 000	1 400
Special Dividend Share of a nominal value of US$124 876	0.001	125	0.001	125
	140 000	**1 525**	**140 000**	**1 525**
Preference shares				
Cumulative redeemable fixed rate preference shares of US$0.01 each	**10 000**	**100**	**10 000**	**100**
Issued share capital:				
Ordinary shares				
Ordinary shares of a nominal value of US$0.01 each	122 030	1 220	122 030	1 220
Special Dividend Share of a nominal value of US$124 876	0.001	125	0.001	125
	122 030	**1 345**	**122 030**	**1 345**
Preference shares				
Cumulative redeemable fixed rate preference shares of US$0.01 each	-	-	-	-

Notes:

*The entitlement to the Special Dividend expired on 31 December 2013 and the share now ranks equally with other ordinary shares.

Unissued share capital

	2022		2021	
	No. of shares 000	**Nominal value ZW$000**	**No. of shares 000**	**Nominal value ZW$000**
Ordinary shares				
Ordinary shares of US$0.01 each	17 970	180	140 000	1 400
Preference shares				
Cumulative redeemable fixed rate preference shares of US$0.01 each	10 000	100	10 000	100

At the 66th Annual General Meeting (AGM) the members renewed their authority to place 5% of the unissued ordinary shares under the control of the directors until the next AGM. The Company will be seeking authority for renewal of the same resolution as contained in the Notice to Shareholders convening the 67th AGM.

REPORT OF THE DIRECTORS (cont'd)

BORROWING POWERS

In terms of the Company's Articles of Association, the Company's borrowings should be limited at any given time to twice the value of the funds that are attributable to the shareholders and any excess should be sanctioned by the Company at a General Meeting. As at balance sheet date, the Company was within the prescribed borrowing powers.

AUDITORS

Mazars Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the auditors of the RioZim Limited Group. Members will be asked to fix their remuneration for the past audit and confirm their re-appointment for the ensuing year at the 67th Annual General Meeting. In terms of Section 69(6) of SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, 2019, companies must change their audit partners every five years and their audit firm every ten years. Mazars have been auditing RioZim Limited for the past one (1) year and as such are eligible for re-appointment in line with the laws and regulations.

DIRECTORATE

Composition

There were no changes to the board composition in the current year.

Directors' Remuneration

A resolution will be proposed at the Annual General Meeting to approve the Directors' Remuneration amounting to ZW$163,258,000.00 for the period 1 January 2022 to 31 December 2022.

By order of the Board

RioZim Management Services (Private) Limited
(For Secretaries)
Per T A Chiurayi
31 March 2023

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

DIRECTORS' RESPONSIBILITIES

The Directors of RioZim Limited are responsible for preparing the financial statements and related information contained in this report in accordance with the applicable laws, regulations and International Financial Reporting Standards (IFRS). The financial statements should present fairly in all material respects, the financial position and the performance of the Group.

The Directors are required to:

- maintain internal controls that are necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and;
- assess the going concern status of the Group.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Companies and Other Business Entities Act [Chapter 24.03]. The Directors also have the responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Compliance with International Financial Reporting Standards (IFRS), the Companies and Other Business Entities Act and the Zimbabwe Stock Exchange (ZSE) Listing Requirements

The consolidated and separate financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value.

The Group used the auction exchange rates for all conversions in the current year. The auction exchange rates are widely accepted to meet the requirements of IAS 21 (Effects of Changes in Foreign Exchange Rates).

GOING CONCERN

The Company's BIOX Project was successfully commissioned on the 14th of April 2022 by His Excellency the President of the Republic of Zimbabwe Cde. Dr. E.D. Mnangagwa. The BIOX Plant will enable Cam & Motor to increase production through processing its high grade sulphide resources.

In assessing the going concern status of the Group the Directors took into consideration the Group's budgets, forecasts, and the commissioning of the BIOX Plant project which will have a positive bearing on the future performance and cash flows of the Group. The forecasts show that the Group will be profitable and will generate positive cash flows.

The Company's shareholders, creditors and all other stakeholders also remain confident of the prospects of the Group and continue to offer their support. The Group will therefore, continue to operate as a going concern, and preparation of the accompanying financial statements on a going concern basis is still appropriate.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING (cont'd)

COVID-19 ASSESSMENT

Subsequent to period end, the COVID-19 pandemic eased as cases declined significantly. The Omicron variant which emerged towards year end was contained subsequent to period end as the number of cases decreased. The Government relaxed some of the COVID-19 restrictions and protocols including inland and cross-border movement of people and cargo. Vaccines continue to be in adequate supply and easily accessible, which contributed positively towards achieving herd immunity.

The Group, however, continued to operate under strict adherence to the guidelines of the Ministry of Health and Child Care and World Health Organisation (WHO) to protect its employees from the spread of COVID-19.

Despite the progress achieved to date in managing the COVID-19 pandemic, the future remains uncertain and the Group will continue to monitor the situation going forward.

SIGNIFICANT ASSUMPTIONS AND ESTIMATES

Life of Mine (LOM)

In estimating the Life of Mine the Directors considered both developed and undeveloped resources together with the future cash flow generation forecast for each mine. With the BIOX project which was commissioned on the 14th of April 2022, the Group will be able to generate adequate cash flows to fund exploration activities to develop its undeveloped probable and indicated resources into minable reserves, therefore, these categories have been included in the estimation of LOM. Refer to note 4.6 for detailed explanation.

Valuation of ENR Metals WIP Inventory

The metals WIP inventory is measured at the lower of cost and its net realisable value (NRV). The net realisable value is determined as the sale value of the metals in their current condition instead of the full recovery of the inventory through production considering the long time lag the Refinery has been on care and maintenance due to inability to secure raw materials. The same assumptions have been applied in the current year. Refer to note 4.9 for the detailed explanation.

The Directors believe that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements. The financial statements for the year ended 31 December 2022 which appear on pages 41-93 have been approved by the Board of Directors and are signed on their behalf by:

S R Beebeejaun
Board Chairman
31 March 2023

R Swami
Chief Finance Officer
31 March 2023

CORPORATE GOVERNANCE STATEMENT

The focus for the Board is to ensure that there is a strong corporate governance framework as this is vital in achieving the Company's strategy. The corporate governance framework ensures the business is operating to enhance shareholder value and to benefit all stakeholders. The guiding principles put in place to direct the Company's operations deliver long-term sustainable success. The Board oversees the implementation of rules, controls, policies and resolution that direct corporate behaviour and ensure the Company is a good corporate citizen through sound corporate governance practices.

The Board promotes best practices in corporate governance which are appropriate for the dynamic environment the Company operates in, guided by the National Code on Corporate Governance Zimbabwe (ZIMCODE) and the Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, 2019.

BOARD RESPONSIBILITIES

The Board of Directors is responsible for implementing the principles of corporate governance being accountability, efficiency and effectiveness, fairness, responsibility, risk management, transparency and independence. The Board is responsible for the success of the Company by overseeing the performance of the business. It provides strategic direction for short and long term goals and addresses opportunities and threats.

The Board is responsible for providing oversight and accountability to Management and ensuring Management is acting in the best interest of the shareholders. It directly or through its committees monitors financial performance, ensures compliance with legal and ethical standards and provides guidance and support to Management. The Board's main role is to represent the interests of shareholders and ensures that the Company is operating in a manner that maximises shareholder value.

Board Composition

In the year under review the Board comprised seven (7) members with five (5) of the members being Non-Executive Directors. There were no changes to the Board in the year under review. The position of Chairman and Chief Executive Officer remained separate with the Chairman leading the Board as an Independent Non-Executive Director and the Chief Executive Officer running the day-to-day business of the Company.

Board Expertise

The Board members make informed decisions in the best interest of the shareholders as they bring diverse perspectives, skills and expertise. The skills and expertise possessed include strategic leadership, legal and regulatory expertise, financial acumen, industry knowledge, ethical and social responsibility, governance expertise and risk management.

Board Attendances

S R Beebeejaun*	Non-Executive Director	2/2
C Dengu**	Non-Executive Director	2/2
M S Bindra	Non-Executive Director	2/2
G K Jain	Non-Executive Director	0/2
M T Sachak	Non-Executive Director	2/2
M M Shah	Executive Director	2/2
R Swami	Executive Director	2/2

***Chairman**

****Deputy Chairman**

CORPORATE GOVERNANCE STATEMENT (cont'd)

BOARD COMMITTEES

The Board has established Committees in order to handle the complexity of the business environment. Specialised Committees enable the Board to handle this complexity through subgroup-focused responsibility and expertise. The specialised expertise of the Board Committees are critical to the Board's ability to reach effective decisions and fulfil its duties. The Company has three (3) committees, the effectiveness of which is evaluated by the Board on an annual basis. A comprehensive description of the Committees is provided below.

Risk, Audit, Finance and Investment Committee

In the year under review, the Risk, Audit, Finance and Investment Committee comprised three (3) Non-Executive Directors. The Committee was chaired by Mr. M.T. Sachak, an Independent Non-Executive Director possessing the necessary expertise and experience. Executive Directors, the External Auditors and Internal Audit Department attended the meetings as invitees. The Committee met three (3) times in the year under review.

The Committee deals with two (2) issues being Audit and Risk; and Finance and Investment. In terms of Audit and Risk, the role of the Committee is to ensure the integrity of the financial reporting and audit process and to oversee the maintenance of sound internal control and risk management systems. The role of the Committee in Finance and Investment is to review the Company's financial position and provide investment policies and guidelines on where to invest funds, ensuring that the investments are managed in a way that aligns with the Company's goals and objectives.

The duties of the Committee include:

- Reviewing with Management and the External Auditors the Company's financial statements, Zimbabwe Stock Exchange and media releases in respect of each half year and full year.
- Reviewing with Management and the External Auditors the accounting policies and practices adopted by the Company and their compliance with accounting standards, Zimbabwe Stock Exchange Listing Rules and relevant legislation.
- Recommending to the Board the External Auditors to be proposed to shareholders on an annual basis; pre-approving all auditing; periodically consulting with the External Auditors; reviewing the performance of the External Auditors; and reviewing and proposing for approval by the shareholders the fees and other compensation to be paid to the External Auditors.
- Reviewing the regular reports prepared by the Internal Auditor including the effectiveness of the Company's internal financial controls.
- Reviewing and evaluating the internal processes for determining and managing key risk areas including risks of information technology systems.
- Ensuring implementation of risk strategies approved by the Board.
- Ensuring the Company has an effective risk management system and that macro-risks are reported at least annually to the Board.
- Considering the Company's medium term financial strategy in relation to both revenue and capital.
- Determining the investment policy; considering all investment and divestment proposals; approving internal processes relating to investments and undertaking the proper evaluation of capital or other relevant expenditure.

Remuneration and Nomination Committee

In the year under review, the Remuneration and Nomination Committee comprised three (3) Non-Executive Directors and was chaired by Mr. M. T. Sachak. The Chief Executive Officer, Chief Financial Officer and other management personnel attended the meetings as invitees. The Committee met three (3) times in the year under review.

The Committee's role is to ensure the overall remuneration policy and approach fits the Company's strategic goals. It examines the selection and appointment practices for Board Members and Senior Management. The Committee also ensures that the Board has the appropriate balance of skills, knowledge, independence and diversity to enable it to discharge its duties and responsibilities effectively. It ensures that the overall nomination and remuneration policy and approach fits the strategic goals.

Sustainable Development Committee

In the year under review, the Committee comprised three (3) Non-Executive Directors and was chaired by Mr. C. Dengu. All Mine Managers attended the meetings as well as the Corporate Affairs Executive. The Committee met twice in the year under review.

The Committee oversees the Company's strategy, commitments, targets and performance relating to safety, occupational health, environment, social impact management and socio-economic development. It ensures Management has in place the policies, standards, systems and people required to meet the Company's commitment to sustainable development.

CORPORATE GOVERNANCE STATEMENT (cont'd)

COMMITTEES ATTENDANCE

Name	Risk, Audit, Finance and Investment	Remuneration and Nomination	Sustainable Development
S R Beebeejaun Non-Executive Chairman	N/A	N/A	N/A
C Dengu Non-Executive Deputy Chairman	3/3	N/A	2/2
M S Bindra Non-Executive Director	N/A	3/3	1/2
G K Jain Non-Executive Director	0/3	0/3	N/A
M T Sachak Non-Executive Director	3/3	3/3	2/2
M M Sharma Chief Executive Officer	N/A	N/A	N/A
R Swami Chief Financial Officer	N/A	N/A	N/A

DECLARATION OF DIRECTORS OR EMPLOYEE INTERESTS

i) As provided by statute and in accordance with the principle of transparency, the Company observes a closed period one month prior to the end of the relevant accounting period to the announcement of the half year or year-end results, as the case may be. During the closed period neither Director nor officers of the Company may deal, either directly or indirectly, in the shares of the Company.

ii) Outside of the closed periods, Directors and officers of the Company must obtain prior written approval from the Company in order to deal in its shares.

iii) Directors and officers of the Company are obligated to declare any material interest they may have that may be deemed to be in conflict with their appointments.

iv) During the year under review the following declarations were submitted: -
In accordance with section 213 of the Companies and Other Business Entities Act [24:31] and as detailed in the Direct and Indirect Shareholding of Directors on page 34 of this report, Messrs C. Dengu and M. T. Sachak declared that they had shares both directly and indirectly in the Company.

v) In accordance with section 213 of the Companies and Other Business Entities Act, the Directors declared their other directorships including those held in subsidiaries of RioZim Limited.

vi) In accordance with section 57 of the Companies and Other Business Entities Act, Mr. C. Dengu declared his interest as investment advisor for the Sengwa Power Project and the Solar Power Projects, in terms of the contract entered into between RioZim Limited and CDFT Capital, a Mauritian based company for which he is a non-resident shareholder and managing director.

DIRECTORS REMUNERATION

Creating long-lasting shareholder value and the Company's long term financial performance are considered in the remuneration of the Directors. The Directors are remunerated appropriately in accordance with their responsibilities ensuring that such remuneration is in line with market requirements. The Shareholders decide on the remuneration of the Board of Directors annually at the Annual General Meeting.

DIRECT AND INDIRECT SHAREHOLDING OF DIRECTORS

As at 31 December 2022

Director's name	No. of Shares as at 31 December 2022
C Dengu*	187
M Sachak**	51 441
Total	**51 628**

* Mr. C. Dengu holds 187 ordinary shares in his personal capacity and indirect shareholding through the Caleb Dengu Family Trust which owns 71 507 ordinary shares in RioZim Limited.

**Mr. M.T. Sachak holds 51 441 ordinary shares in his personal capacity and an indirect shareholding through Triedward Investments (Private) Limited which owns 68 368 ordinary shares in RioZim Limited.

There were no changes in the above shareholding of Directors as at 28 April 2023, the date of publication of these financial statements

As at 31 December 2021

Director's name	No. of Shares as at 31 December 2021
C Dengu*	187
M Sachak**	51 441
Total	**51 628**

* Mr. C. Dengu held 187 ordinary shares in his personal capacity and indirect shareholding through the Caleb Dengu Family Trust which owns 71 507 ordinary shares in RioZim Limited.

**Mr M Sachak held 51 441 ordinary shares in his personal capacity and an indirect shareholding through Triedward Investments (Private) Limited which owns 68 368 ordinary shares in RioZim Limited.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIOZIM LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of RioZim Limited set out on pages 41 to 92 which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

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 and Separate Financial Statements* section of our report. We are independent of the group and 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 financial statements in Zimbabwe. We have fulfilled our 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 opinion.

Material Uncertainty relates to Going Concern

We draw attention to note 32 of the consolidated and separate financial statements, which indicates that the group's current liabilities exceed its current assets by ZW$35,799,947,000 (December 2021:ZW$2,750,260,000) and the Group reported a net loss of ZW$20,040,622,000 (December 2021: ZW$2,097,942,000). The Company's current liabilities exceed current assets by ZW$32,906,834,000 (December 2021; ZW$2,308,734,000) and the Company made a loss of ZW$18,355,491,000 (December 2021; ZW$2,306,805,000). As stated in note 32, these conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters relate to the consolidated and separate financial statements. The following key audit matters were identified during the year.

Key audit matter	How the matter was addressed
Impairment assessment of property, plant and equipment Impairment assessment is an area of focus for management due to volatile commodity prices which leaves the industry exposed to adverse economic conditions and uncertainty on whether the positive trends observed during the year are sustainable. Consequently, management performed an impairment assessment of property, plant and equipment. Management performed impairment assessments to determine the recoverable amount of the cash-generating unit ("CGU"), which includes both the Group's and the Company's property, plant and equipment. The Group is regarded as the CGU as its operations are vertically integrated and are managed as a single entity. The recoverable amount for property, plant and equipment was based on a combination of the discounted cash flow model and valuation of resources (in situ resources) that are not included in the existing life-of- mine plans. The assumptions which were used for cash flow forecasts and in situ resources valuations are based on future results and expected market and economic conditions. The most significant assumptions in these forecasts and valuations are production volumes, costs of production, capital expenditure, forecasts for metal prices, and long-term real discount rates. The impairment assessment was a matter of most significance to our current year audit due to significant management judgement involved in the valuations to determine the recoverable amount of the assets. No impairment loss was recognised as the estimated recoverable value is greater than the carrying value of the assets	In testing the future cash flows, our audit procedures included, amongst others, the following: • We tested the future cash flows by comparing the forecast to current performance, and our knowledge of the business; and • We tested the accuracy of the impairment model used by management by performing an independent recalculation and comparing our results with those of management. The key assumptions used by management in their impairment assessment were subjected to audit procedures as follows: • We confirmed the qualifications and experience of the persons involved in the assessments. • We compared production volumes per the life-of-mine plan assumption to the reserves and resource statement signed by the Group's Competent Person and to actual production volumes of the current year and no material differences were noted. As part of this assessment, we evaluated other assumptions and methods that are significant to their work for their relevance and reasonableness. • We assessed the reasonableness of management's life-of-mine plan, operating and capital costs as well as unit costs incurred by comparing them to

	historical forecasts, current operational results, and existing contracts in place. Based on the work performed, we found these forecasts to be reasonable. • We tested the reasonableness of the inflation rate applied on costs and metal prices in the impairment model by comparing it to current rates and market forecasts. Based on the work performed, we found the rate used by management to be reasonable.

Other matter

The financial statements of the Group and Company for the year ended 31 December 2021 were audited by another auditor who expressed a qualified opinion on those statements on 30 April 2022.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled RioZim Limited Annual Report for the year ended 31 December 2022, which includes the Report of the Directors, Statement of Directors' Responsibility ,Corporate Governance Statement, Direct and Indirect Shareholding of Directors, Chairman's Statement, Group Chief Executive Officer Review, Health, Safety and Environment information, Labour Practices, Shareholder Split, Notice of the Annual General Meeting and the proxy form which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal controls as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 company's internal control.

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

- Conclude on the appropriateness of the 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 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/or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate 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 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and also communicated with them all relationships and other matters that may reasonably be thought to negatively impact on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Lovemore Kamuzangaza.

mazars

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Lovemore Kamuzangaza
Registered Auditor

PAAB Practising Certificate Number
0425
For and behalf of Mazars Zimbabwe
27 Clyde Road, Eastlea
HARARE

28 April 2023

STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2022

	Notes	GROUP 2022 ZW$000	GROUP 2021 ZW$000	COMPANY 2022 ZW$000	COMPANY 2021 ZW$000
Revenue	6	20 595 816	5 768 667	20 595 816	5 768 667
Cost of sales		(19 665 336)	(5 747 486)	(19 664 722)	(5 747 486)
Gross profit		**930 480**	**21 181**	**931 094**	**21 181**
Distribution and selling costs		(8 363)	(16 093)	(8 363)	(16 093)
Administrative expenses		(10 644 214)	(1 694 868)	(10 618 999)	(1 617 497)
Loss on disposal of property,plant and equipment		-	(134)	-	(134)
Other income	8	555 265	135 701	555 265	135 701
Operating loss		**(9 166 832)**	**(1 554 213)**	**(9 141 003)**	**(1 476 842)**
Finance costs	9	(1 396 788)	(129 451)	(1 287 235)	(112 354)
Share of profit from an associate	10	102 149	525 847	-	-
Loss before tax		**(10 461 471)**	**(1 157 817)**	**(10 428 238)**	**(1 589 196)**
Income tax expense	11	(9 579 151)	(940 125)	(7 927 253)	(717 609)
Loss for the year		**(20 040 622)**	**(2 097 942)**	**(18 355 491)**	**(2 306 805)**
Loss for the year attributable to:					
Owners of the parent		(19 988 335)	(2 088 185)	(18 355 491)	(2 306 805)
Non-controlling interests	21	(52 287)	(9 757)	-	-
		(20 040 622)	**(2 097 942)**	**(18 355 491)**	**(2 306 805)**
Loss per share (cents):					
Basic	12	(16 379.85)	(1 711.21)	(15 041.79)	(1 890.36)
Diluted basic	12	(16 379.85)	(1 711.21)	(15 041.79)	(1 890.36)

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	GROUP 2022 ZW$000	GROUP 2021 ZW$000	COMPANY 2022 ZW$000	COMPANY 2021 ZW$000
Loss for the year		**(20 040 622)**	**(2 097 942)**	**(18 355 491)**	**(2 306 805)**
Other comprehensive income					
Other comprehensive income/(loss) to be reclassified to profit or loss:					
Foreign currency translation gains		19 819 191	1 666 641	4 969 219	524 072
Net other comprehensive income to be reclassified to profit or loss		**19 819 191**	**1 666 641**	**4 969 219**	**524 072**
Other comprehensive income/(loss) not to be reclassified to profit or loss:					
Re-measurement losses on defined benefit plans	25	(214 217)	(1 531)	(214 217)	(1 531)
Income tax effect		52 954	378	52 954	378
Fair value gain on other comprehensive income investments	16.1	10 768	915	10 768	915
Income tax effect		(538)	(46)	(538)	(46)
Net other comprehensive loss not to be reclassified to profit or loss		**(151 033)**	**(284)**	**(151 033)**	**(284)**
Total other comprehensive income for the year, net of tax		**19 668 158**	**1 666 357**	**4 818 186**	**523 788**
Total comprehensive loss for the year		**(372 464)**	**(431 585)**	**(13 537 305)**	**(1 783 017)**
Total comprehensive loss attributable to:					
Owners of the parent		(114 746)	(394 845)	(13 537 305)	(1 783 017)
Non-controlling interests	21	(257 718)	(36 740)	-	-
		(372 464)	**(431 585)**	**(13 537 305)**	**(1 783 017)**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		GROUP		COMPANY	
	Notes	**2022 ZW$000**	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
ASSETS					
Non-current assets					
Property, plant and equipment	13	47 891 528	8 319 842	41 268 545	6 966 451
Exploration, evaluation and development assets	14	8 679 608	1 078 280	6 609 278	969 709
Right of use asset	15	81 744	22 728	81 744	22 728
Investment in subsidiaries	16.2	-	-	113 599	18 039
Investment in associate company	10	18 521 109	2 882 544	5 502 698	873 815
Employee benefit asset	25	-	200 284	-	200 284
Fair value through other comprehensive income investments	16.1	24 659	13 891	24 659	13 891
Total non-current assets		**75 198 648**	**12 517 569**	**53 600 523**	**9 064 917**
Current assets					
Inventories	17	9 565 620	1 520 076	9 308 994	1 468 675
Trade and other receivables	18	4 795 721	1 274 808	8 722 407	1 832 285
Cash and cash equivalents	19	394 558	84 437	393 874	84 328
Total current assets		**14 755 899**	**2 879 321**	**18 425 275**	**3 385 288**
Total assets		**89 954 547**	**15 396 890**	**72 025 798**	**12 450 205**
EQUITY & LIABILITIES					
Shareholders' equity					
Share capital	20.3	1 345	1 345	1 345	1 345
Share premium	20.3	20 789	20 789	20 789	20 789
Fair value through other comprehensive income reserve	20.4	23 403	13 173	23 403	13 173
Accumulated (losses)/profits	20.5	(22 211 319)	(2 061 721)	(21 273 758)	(2 757 004)
Foreign currency translation reserve	20.6	26 027 656	6 003 034	8 996 691	4 027 472
Equity attributable to equity holders of the parent		**3 861 874**	**3 976 620**	**(12 231 530)**	**1 305 775**
Non-controlling interests	21	(290 808)	(33 090)	-	-
Total equity		**3 571 066**	**3 943 530**	**(12 231 530)**	**1 305 775**
Non-current liabilities					
Interest bearing loans and borrowings	22	1 466 173	811 190	1 466 173	811 190
Mine Rehabilitation Provision	23	2 486 067	333 074	1 467 214	191 368
Other Payables	24.1	20 706 978	3 288 201	20 706 978	3 288 201
Deferred tax liabilities	11	10 904 633	1 377 898	9 021 070	1 146 233
Employee benefit liability	25	169 321	-	169 321	-
Lease liability	24.2	94 463	13 417	94 463	13 417
Total non-current liabilities		**35 827 635**	**5 823 780**	**32 925 219**	**5 450 409**
Current liabilities					
Trade and other payables	24.1	42 312 856	4 534 473	43 089 119	4 598 914
Interest-bearing loans and borrowings	22	8 225 156	1 085 077	8 225 156	1 085 077
Lease liability	24.2	17 834	10 030	17 834	10 030
Total current liabilities		**50 555 846**	**5 629 580**	**51 332 109**	**5 694 021**
Total liabilities		**86 383 481**	**11 453 360**	**84 257 328**	**11 144 430**
Total liabilities and shareholders' equity		**89 954 547**	**15 396 890**	**72 025 798**	**12 450 205**

These financial statements were approved by the Board of Directors on 31 March 2023 and signed on its behalf by:

S R Beebjaun
Chairman
Harare
31 March 2023

R Swami
Chief Finance Officer
Harare
31 March 2023

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2022

GROUP

	Attributable to equity holders of the parent							
	Share capital [Note 20.3] ZW$000	Share premium [Note 20.3] ZW$000	Fair value through other comprehensive income reserve [Note 20.4] ZW$000	Foreign translation reserve [Note 20.6] ZW$000	Accumulated losses [Note 20.5] ZW$000	Total ZW$000	Non-controlling interests [Note 21] ZW$000	Total equity ZW$000
Balance as at 1 January 2021	**1 345**	**20 789**	**12 304**	**4 309 410**	**27 617**	**4 371 465**	**3 650**	**4 375 115**
Loss for the year	-	-	-	-	(2 088 185)	(2 088 185)	(9 757)	(2 097 942)
Other comprehensive income /(loss) net of tax	-	-	869	1 693 624	(1 153)	1 693 340	(26 983)	1 666 357
Total comprehensive income	**-**	**-**	**869**	**1 693 624**	**(2 089 338)**	**(394 845)**	**(36 740)**	**(431 585)**
Balance as at 31 December 2021	**1 345**	**20 789**	**13 173**	**6 003 034**	**(2 061 721)**	**3 976 620**	**(33 090)**	**3 943 530**
Loss for the year	-	-	-	-	(19 988 335)	(19 988 335)	(52 287)	(20 040 622)
Other comprehensive income/(loss) net of tax	-	-	10 230	20 024 622	(161 263)	19 873 589	(205 431)	19 668 158
Total comprehensive income / (loss)	**-**	**-**	**10 230**	**20 024 622**	**(20 149 598)**	**(114 746)**	**(257 718)**	**(372 464)**
Balance as at 31 December 2022	**1 345**	**20 789**	**23 403**	**26 027 656**	**(22 211 319)**	**3 861 874**	**(290 808)**	**3 571 066**

COMPANY

	Share capital [Note 20.3] ZW$000	Share premium [Note 20.3] ZW$000	Foreign translation income reserve [Note 20.6] ZW$000	Fair value Through other comprehensive income reserve [Note 20.4] ZW$000	Accumulated losses [Note 20.5] ZW$000	Total ZW$000
Balance as at 1 January 2021	**1 345**	**20 789**	**3 503 400**	**12 304**	**(449 046)**	**3 088 792**
Loss for the year	-	-	-	-	(2 306 805)	(2 306 805)
Other comprehensive income/(loss) net of tax	-	-	524 072	869	(1 153)	523 788
Total comprehensive income/(loss)	**-**	**-**	**524 072**	**869**	**(2 307 958)**	**(1 783 017)**
Balance as at 31 December 2021	**1 345**	**20 789**	**4 027 472**	**13 173**	**(2 757 004)**	**1 305 775**
Loss for the year	-	-	-	-	(18 355 491)	(18 355 491)
Other comprehensive income/(loss) net of tax	-	-	4 969 219	10 230	(161 263)	4 818 186
Total comprehensive income / (loss)	**-**	**-**	**4 969 219**	**10 230**	**(18 516 754)**	**(13 537 305)**
Balance as at 31 December 2022	**1 345**	**20 789**	**8 996 691**	**23 403**	**(21 273 758)**	**(12 231 530)**

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2022

		GROUP		COMPANY	
	Notes	**2022 ZW$000**	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Cash flows from operating activities					
Loss before tax		(10 461 471)	(1 157 817)	(10 428 238)	(1 589 196)
Adjustments to add/(deduct) non-cash items					
Finance costs	9	1 396 788	129 451	1,287,235	112 354
Depreciation of property,plant and equipment	13	2 735 404	659 046	2,821,034	588 170
Amortisation of exploration, evaluation and development assets	14	797 610	174 424	797,610	169 887
Loss on disposal of property,plant and equipment		-	134	-	134
Write-down of inventory	17	267 622	1 226	267,622	1 226
Depreciation on right of use of asset	15	59 032	8 368	59,032	8 368
Decrease in mine rehabilitation provision	23	(199 825)	(24 923)	88,301	(10 823)
Share of profit from an associate	10	(102 149)	(525 847)	-	-
Other non-cash (expenses)/income		(865)	(538)	(941)	(278)
Working capital adjustments:					
Change in inventories		(8 313 166)	(93 551)	(8,107,941)	(92 614)
Change in trade and other receivables		(3 520 913)	(187 246)	(1,387,424)	(103 189)
Change in trade and other payables		25 521 553	2 697 367	22 632 216	2 596 027
Interest paid		(826 839)	(58 199)	(803,525)	(58 199)
Tax paid	11	-	(9 178)	-	(9 178)
Net cash flows from operating activities		**7 352 781**	**1 612 717**	**7 224 981**	**1 612 689**
Cash flows from investing activities					
Investment in exploration and evaluation assets	14	(1 869 390)	(490 884)	(1,742,167)	(490 884)
Additions to property, plant and equipment	13	(2 456 696)	(2 494 764)	(2,456,696)	(2 494 764)
Proceeds on disposal of property,plant and equipment		-	410	-	410
Net cash used in investing activities		**(4 326 086)**	**(2 985 238)**	**(4,198,863)**	**(2 985 238)**
Cash flow from financing activities					
Inflows from borrowings		362 695	1 364 431	362,695	1 364 431
Repayment of borrowings	22	(3 296 061)	(40 833)	(3,296,061)	(40 833)
Repayment of lease liability	24.2	(47 474)	(5 337)	(47,474)	(5 337)
Net cash generated from/(used) in financing activities		**(2 980 840)**	**1 318 261**	**(2,980,840)**	**1 318 261**
Net increase/(decrease) in cash and cash equivalents		45 855	(54 260)	45,278	(54 288)
Unrealised exchange gains on foreign currency balances		264 266	43 903	264,268	43 903
Cash and cash equivalents at beginning of period		84 437	94 794	84,328	94 713
Cash and cash equivalents at 31 December	19	**394 558**	**84 437**	**393,874**	**84 328**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

RioZim Limited ('the Company') and its subsidiaries (together 'the Group') are involved in exploration, mining and metallurgical operations in different locations in Zimbabwe. The Group has mining operations and a metallurgical plant.

The Company is a limited liability company incorporated and domiciled in Zimbabwe. The address of its registered office is 1 Kenilworth Road, Highlands, Harare.

The Company is listed on the Zimbabwe Stock Exchange. These financial statements were authorised for issue by the Board of Directors on 31 March 2023.

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

The consolidated and separate financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31). The consolidated and separate financial statements have been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value.

The consolidated and separate financial statements are presented in Zimbabwean Dollars (ZW$), and all values are rounded to the nearest thousand (ZW$000), except where otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of RioZim Limited and its subsidiaries as at 31 December 2022. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. (Refer to note 21 for detailed disclosure on the Group's non-controlling interests) When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Investment in associate

An associate is an entity over which the Group has significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date (Refer to note 10 for detailed disclosure on the Group's associate). Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.2 Foreign currencies

The Group's consolidated and separate financial statements are presented in Zimbabwean Dollars, which is the Group's presentation currency. The Group's functional currency is the United States Dollars (refer to note 4.12 for the detailed description on the Group's functional currency). The Group does not have any foreign operations.

Transactions denominated in other currencies are initially recorded by the Group's entities in the Group's functional currency at the spot rates at the date the transaction first qualifies for recognition (refer to note 4.13 for the detailed description on exchange rates). Monetary assets and liabilities denominated in other currencies are translated at the functional currency spot rates of exchange at the reporting date. All exchange differences are recognised in profit or loss.

Non-monetary items that are measured at historical cost in other currencies are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in another currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

At the reporting date, the Group translates its items of income and expenses and financial position into the presentation currency using the following procedures:

- assets and liabilities for each statement of financial position presented including comparatives are translated at the closing rate;
- income and expenses for each statement of comprehensive income including comparatives is translated at exchange rates at the dates of the transactions, where it is impractical to apply exchange rates at the dates of the transactions, average rates will be applied;
- equity including NCI are translated at historical exchange rates at the date the entry to equity was recorded, except for the change in retained earnings during the year, which is translated using the historical exchange rates used to translate each period's income statement.
- all resulting exchange differences are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.3 Property, plant and equipment

i) Initial Recognition

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, fair value of any other consideration given to acquire the asset and any costs directly attributable to bringing the asset into operation. Such costs also include the cost of replacing part of the plant and equipment and borrowing costs for construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use and rehabilitation obligation is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 4) and provisions (Note 23) for further information about the recognised rehabilitation provision.

When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

ii) Subsequent measurement

Land and buildings comprise commercial premises, mine houses and offices. Land is not depreciated. Depreciation is calculated using the straight-line method over their estimated useful lives, as follows:

Furniture and fittings	3 - 8 years
Heavy mobile equipment	4 years
Motor vehicles	3 - 5 years
Plant and equipment	shorter of economic life of asset and life of mine
Freehold buildings	100 years

No depreciation is charged when the carrying amounts of items of property, plant and equipment are equal or less than their residual values or when the item has not yet been brought into use (e.g. capital work in progress).

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

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

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.5 Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a Unit of Production (UOP) method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below:

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above).

Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.5 Stripping (waste removal) costs(cont.)

- future economic benefits (being improved access to the ore body) are probable.
- the component of the ore body for which access will be improved can be accurately identified.
- the costs associated with the improved access can be reliably measured.

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

In identifying components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations. Given the nature of the Group's operations, components are generally either major pushbacks or phases and they generally form part of a larger investment decision which requires board approval.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Exploration and development assets' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently amortised using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less amortisation and any impairment losses.

3.6 Exploration, evaluation and development expenditure

3.6.1 Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

- Exploration and evaluation activity includes:
- Researching and analysing historical exploration data.
- Gathering exploration data through geophysical studies.
- Exploratory drilling and sampling.
- Determining and examining the volume and grade of the resource.
- Surveying, transportation and infrastructure requirements.
- Conducting market and finance studies.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

If a project does not prove viable, all irrecoverable costs associated with the project are written off. When it is decided to proceed with development, any provisions made in previous years are reversed to the extent that the relevant costs are recoverable. If an undeveloped project is sold, any gain or loss is included in operating profit, such operations being a normal part of the Group's activities. Exploration and evaluation expenditure is capitalised net of proceeds from the sale of ore extracted during the exploration and evaluation phase. Where these proceeds exceed the exploration and evaluation costs, any excess income is recognised in profit or loss.

Exploration and evaluation assets are subsequently measured at cost less accumulated impairment losses, up until the mine starts producing, after which the cost less any accumulated impairment losses will be amortised over the life of the mine concerned.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.6 Exploration, evaluation and development expenditure (cont.)

3.6.2 Development expenditure

If a project proves viable after the exploration and evaluation work completed to date supports the future development of a mine and such development receives appropriate approvals, all subsequent expenditure on the construction, installation or completion of infrastructure facilities including purchase cost of any machinery and equipment and any costs directly attributable to bringing the machinery and equipment into operation (freight, duties and taxes not recoverable from the tax authorities) are capitalised under 'Capital Work in Progress'.

Upon completion of the mine construction phase, the assets are transferred to 'Property, plant and equipment' if tangible, or to 'Exploration and development assets' if intangible. The items of property, plant and equipment and development costs are stated at cost, less accumulated depreciation/amortisation and accumulated impairment losses. The initial cost of the mine assets comprises purchase price or construction cost, any costs directly attributable to bringing the asset into operation,the initial estimate of the rehabilitation obligation, and,for qualifying assets(where relevant), borrowing costs.

3.7 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset or cash generating unit (CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of at least five years or the expected useful life of the asset or CGU.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of accumulated depreciation/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a valued amount, in which case, the reversal is treated as a revaluation increase.

3.8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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 performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.8. Financial instruments (cont.)

i) Financial assets (cont.)

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, and fair value through OCI investments.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is recognised as part of finance income in the statement of profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

This category is the most relevant to the Group. The Group's financial assets at amortised cost includes 'Trade and other receivables' (not subject to provisional pricing) and 'Cash and cash equivalents' which are classified under current assets.

Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value i.e. where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

This category applies to the Group`s trade receivables with provisional pricing (quotational period). The "Quotational Period (QP)" is the period after the physical shipment of goods during which the sales price is subject to change based on fluctuations in quoted commodity market prices up to the date of final settlement. The QP can be between one to six months.

Given the exposure to the commodity price, these provisionally priced trade receivables will fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised as 'gains/losses on provisionally priced trade receivables' in revenue. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices as well as taking into account relevant other fair value considerations as set out in IFRS 13, including interest rate and credit risk adjustments.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.8. Financial instruments (cont.)

i) Financial assets (cont.)

Financial assets designated at fair value through OCI (equity investments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

After initial measurement, this category of financial assets is subsequently measured at fair value with unrealised gains or losses recognised in OCI. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets designated at fair value through OCI comprise equity investments.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised(i.e.,removed from the Group's consolidated and separate statement of financial position) when:
- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either :(a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group neither had any arrangements involving partial transfer of its rights to receive cash flows from a financial asset nor entered into any pass-through arrangements during the year.

Impairment of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for expected credit losses (ECLs) is recognised for all debt instruments not held at fair value through profit or loss. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Default events may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group takes into consideration its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets designated at fair value through OCI (equity investments)
Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.8. Financial instruments

ii) Financial liabilities (cont.)

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. Fees paid on establishment of facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are subsequently measured at amortised cost using the effective interest rate method

Derecognition

A financial liability is derecognised when the associated obligation is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

3.9. Inventories

The Group's inventories include gold, nickel, copper, cobalt, Platinum Group of Metals (PGMs) in concentrate, metal and minerals in circuit, ore stockpiles, materials and spares.

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Write downs to net realisable value and inventory losses are expensed to profit and loss in the period in which they occur.

Cost is determined by using the weighted-average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation incurred in converting materials into finished goods, based on the normal production capacity. The cost of production is allocated to joint products using a ratio of weights at each month end. Separately identifiable costs of conversion of each metal are specifically allocated.

Materials and spares are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

3.10. Taxation

i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit or assessed loss differs from profit/loss as reported in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.10 Taxation (cont.)

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

iii) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.11. Employee benefits

The Group has both defined benefit and defined contribution pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee shall receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The cost of providing benefits under the defined benefit plan is determined annually by independent actuaries using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.11. Employee benefits (cont.)

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation in profit or loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

3.12. Provisions

i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance cost.

ii) Rehabilitation provision

The Group records a provision for rehabilitation costs for its mine facilities. Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of the Group's facilities and mine properties. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas. The Group assesses its mine rehabilitation provision at each reporting date.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item.

Additional disturbances which arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss. If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to profit or loss.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in profit or loss.

The Group recognises the deferred tax asset in respect of the temporary difference on the rehabilitation provision and the corresponding deferred tax liability in respect of the temporary difference on a rehabilitation asset

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.13. Revenue from contracts with customers and other income

The Group is involved in mining and metallurgical operations and produces gold bullion and metals. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control of goods or services is transferred generally when the product is physically loaded onto a vessel, train or other delivery mechanisms.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

a) Gold bullion sales

Revenue from gold bullion sales is brought to account when control of the gold bullion has been transferred to the buyer and selling prices are known or can be reasonably estimated. The Company sells all its gold bullion to a local buyer, therefore revenue is recognised when the gold bullion is physically delivered to the buyer.

b) Metal sales

The Group produces nickel, copper, Platinum Group of Metals(PGMs) and other metals in concentrate for sale to third parties. Metal sales are measured at the price agreed between RioZim and the buyer. Negotiations begin at London Metals Exchange (LME) market prices prevailing on the day of shipment. For the Group's metal in concentrate sales, the performance obligations are the delivery of the concentrate which is satisfied on the shipment date. The revenue is measured at the consideration to which the Group expects to be entitled in exchange for those metals.

Contract terms for the Group's sale of metal in concentrate to third parties allow for a sales value adjustment based on final assay results of the metal in concentrate by the customer to determine the final content. These are referred to as provisional pricing arrangements, and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the quotation period (QP)). The provisional pricing arrangements based on initial assays give rise to variable consideration.

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty relating to the final assays is subsequently resolved. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring metals in concentrate to the customer using provisional assays agreed by both parties. Adjustments to the sales value are done based on the final assays after final processing of the metal by the customer i.e. at the end of the QP. The period between provisional invoicing and final settlement can be between one to six months.

Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically transferred onto a vessel, train, conveyor or other delivery mechanism. The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP, and a corresponding trade receivable is recognised. The Group applies the practical expedient to not adjust the promised consideration for the effects of a significant financing component as the period between transfer of the metals to a customer and when the customer pays for the metals is one year or less.

For these provisional pricing arrangements, any future adjustments to the sales price based on movements in quoted market prices up to the date of final settlement over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15.

Other Income

a) Interest income

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss.

b) Rental income

Rental income arising from operating leases on property, plant and equipment is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss.

c) Export incentives

Export incentives are recognised when gold and metal sales are completed and the export proceeds have been received by the Company. The incentives are a percentage of all export receipts and are paid by the Central Bank.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.14. Fair value measurement

The Group measures financial instruments such as certain financial assets at fair value at each reporting date.

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

- In the principal market for the asset or liability. Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

3.15 Current versus non-current classification

The Group presents assets and liabilities in a statement of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within 12 months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. An arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of an identified asset and the arrangement conveys a right to control the use of the asset for a period of time, even if that asset is not explicitly specified in an arrangement.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.16 Leases (cont.)

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (refer to note 3.3 for useful lives of the Group's category of assets).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets lease recognition exemption to leases of office equipment and other plant tooling that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the company's equity holders.

3.18 Adoption of new and revised accounting standards

i) New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations applied for the first time in 2022, but did not have an impact on the consolidated and separate financial statements of the Group have not been disclosed.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.18 Adoption of new and revised accounting standards (cont.)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e. the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfill the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period and the Group has not identified any contracts as being onerous, therefore these amendments had no impact on the consolidated and separate financial statements of the Group.

i) New and amended standards and interpretations (cont.)

Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated and separate financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated and separate financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated and separate financial statements of the Group as it is not a first time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated and separate financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

3.18 Adoption of new and revised accounting standards (cont.)

ii) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on its financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS12, which narrowed the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.

4.1. Going concern

The Directors assess the ability of the Group to continue as a going concern at the end of each financial year. The assessment involves making assumptions in the budgets and forecasts. Refer to note 32 for more details.

4.2. Ore reserve and mineral resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data.

The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. The Group estimates and reports ore reserves in line with the principles contained in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2012), which is prepared by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia,known as the"JORC Code."

The JORC Code requires the use of reasonable investment assumptions, including:

- Future production estimates — which include proved and probable reserves, resource estimates and committed expansions.
- Expected future commodity prices, based on current market price, forward prices and the Group's assessment of the long-term average price.
- Future cash costs of production, capital expenditure and rehabilitation obligations.

Consequently, management will form a view of forecast sales prices, based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate reserves under the JORC Code. Lower price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of reserves may change. Such changes may impact the Group's reported financial position and results which include:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where charges are determined using the useful life of the related assets.
- Provisions for rehabilitation and environmental provisions may change where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

4.3. Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified(i.e.,measured, indicated or inferred). The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. Refer to note 14 for the carrying amount of exploration, evaluation and development assets.

4.4. Depreciation

The Group's management determines the useful lives, residual values and related depreciation charges for its property, plant and equipment.This estimate is based on projected lives of these assets. Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated production over the remaining life of mine. Each item's life, which is assessed annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Changes in estimates are accounted for prospectively. Refer to note 13 for the carrying amount of property, plant and equipment and accounting policy note 3.3 for the useful lives of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.5. Mine rehabilitation provision

The Group assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (3% (2021: 3%)), and changes in discount rates (10% (2021: 10%)). These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Refer to Note 23 for the carrying amount of the provision for mine rehabilitation.

4.6. Life of Mine (LoM)

The Group estimates the LoM for its individual mines at each reporting date taking into consideration the reserves, measured and indicated resources, and specific circumstances of each mine. Inferred resources are excluded from the LoM determination. Management also considers the cash flow generation for each mine and each mine's ability to fund and develop measured and indicated resources into mineable reserves for this category to be included in the LoM. Therefore, changes in circumstances for the different mines in each reporting period will impact the actual and future cash flow projections for each mine, which may impact the LoM estimation.

The BIOX plant was commissioned and brought to production from April 2022, the Company therefore forecast to generate sufficient cash resources to support the Group's capital projects and exploration activities. Therefore, the measured and indicated resources category have been included in the LoM for all the Group's mining sites.

The LoM for each mine have therefore been estimated as below:

- Renco Mine - 11.39 years (2021: 19.2 years)
- Cam & Motor Mine – 5.68 years (2021: 6.2 years)
- Dalny Mine – 9.71 years (2021: 8.7 years)

4.7. Impairment of non-financial assets

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. In such circumstances, some or all of the carrying amount of the assets/CGUs may be further impaired or the impairment charge reduced with the impact recognised in profit or loss.

The assumptions made in calculating the value in use include:

- A forecast period which is linked to the life of mine (LOM) (refer to note 4.6):
- Average prices for the next ten years: Gold - US$1 650 per ounce, Nickel- US$18 000 per ton, Copper -US$9 000 per ton.
- Discount rate of 10% per annum.
- Inflation rate of 3% per annum.

4.8 Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets should be recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure and other capital management transactions) and judgment about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods. Refer to Note 11 for the carrying amount of deferred tax asset recognised

4.9 Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys. Refer to Note 17 for the carrying amount of inventory.

Empress Nickel Refinery (ENR) has metal inventory in various stages of production. In process metal inventory quantities are determined by estimating the volumes of metal bearing material in the plant and applying the estimated contained metal percentages determined through assaying techniques. Estimation of the volumes is carried out by the Group's metallurgical department and assaying is done by the Chemists using methods that are believed to be appropriate for the different metals. At each reporting period management engages an external independent expert to corroborate the quantity and assays of the contained metals as determined by the internal metallurgists. Management therefore places reliance on the work done by the external experts to determine the final quantities and assays of the metals. The determination of both the volumes and the assays involves the exercise of significant professional judgements and the use of estimates. The plant has remained under care and maintenance and inventory from prior years has remained.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.10 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation. IAS 19 requires that the discount rate is set based on the market yield on high quality corporate bonds, or government bonds. In countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds shall be used. Zimbabwe does not have an active liquid market for corporate bonds or government bonds. However, corporate bonds which the Group obtained during the year for medium term maturities had yields averaging 10% per annum. The Group has used these medium term bonds as a reference in the absence of a liquid market for bond securities in the country, therefore a discount rate of 10% was used. Other key assumptions for pension obligations are based in part on current market conditions. Refer to Note 25 for the carrying amount of the defined benefit obligation and more information on the estimates and assumptions used.

4.11. Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. Refer to note 30.

4.12. Functional currency

The country returned to a multi-currency system in prior year with both foreign currencies mainly United States Dollar and local Zimbabwean Dollar being acceptable currencies of transacting.

The Group's sales revenue continues to be settled in the proportion of 60% United States Dollars and 40% in Zimbabwean Dollars. Subsequent to year end, the USD portion was revised upwards to 75% from February 2023. With the continuous changes in the operating environment, the determination of the Group's functional currency requires significant judgement.

The Group takes into consideration IAS 21: "The Effects of Changes in Foreign Exchange Rates" -the currency that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled); the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).

The Group determined that its functional currency remained USD.

4.13. Exchange rates

The Reserve Bank of Zimbabwe auction market determines the spot exchange rates between the Zimbabwean Dollar and foreign currencies. The prices of local inputs however, continued to indicate exchange rates in the alternative unofficial markets which were significantly higher than the interbank exchange rates during the year. The Group adopted the interbank exchange rates for conversion of all transactions and balances from the Group's functional currency, the United States Dollar to the Group's presentation currency, the Zimbabwean Dollar.

The interbank exchange rates increased in the current year, closing the year at US$1: ZW$684.33 compared to 108.67 as at 31 December 2021. The movement in exchange rates resulted in significant movement in current year transactions and balances against the comparative year, 2021.

4.14. Determination of material partly-owned subsidiaries

The Group holds 50% interest in Sengwa Colliery (Private) Limited which is located in Gokwe North. RZM Murowa Holding (Private) Limited holds the remaining 50% interest. The Group has the majority representation on the board as well as the management contract.

Furthermore, the Group's approval is required for all operational decisions and based on this, management determined that in substance, the Group controls this entity with RZM Murowa Holding (Private) Limited constituting the non-controlling interest. Refer to Note 21 for the information on the material partly-owned subsidiaries.

4.15. Stripping (waste removal) costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components.

These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.15. Stripping (waste removal) costs(cont.)

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure.

Furthermore, judgements and estimates are also used to apply the UOP method in determining the depreciable lives of the stripping activity asset(s).

4.16. Incremental borrowing rate

The incremental borrowing rate (IBR) is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available for similar transactions or when they need to be adjusted to reflect the terms and conditions of that particular transaction.

The Group estimates the IBR using observable market interest rates on its interest bearing borrowing with financial institutions.

The Group cannot readily determine the interest rate implicit in its lease transactions, therefore, it uses the IBR.

5 OPERATING SEGMENT INFORMATION

Management has determined the Group's operating segments based on the information reviewed by the Board for the purpose of allocating resources and assessing performance. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently with those in the reported consolidated and separate financial statements.

Gold segment
This operating segment develops and mines gold that is ultimately sold as gold bullion.

Base metals segment
This operating segment comprises of base metals refining facilities that produce and sale Copper, Nickel concentrates and PGMs.

The Group management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated and separate financial statements. However, the Group's financing (finance costs and finance income), interests in associate (share of profit from associate) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

5 OPERATING SEGMENT INFORMATION

Year ended 31 December 2022

	Gold ZW$000	Base Metals ZW$000	Adjustments & eliminations ZW$000	Consolidated ZW$000
Revenue				
External customers	20 541 794	43 522	-	20 585 316
Total revenue	**20 541 794**	**43 522**	**-**	**20 585 316**
Results				
Depreciation (note i)	(2 984 153)	(197 295)	(410 599)	(3 592 047)
Amortisation of development costs (note i)	(797 610)	-	-	(797 610)
Segment loss (note ii)	**(390 367)**	**(257 607)**	**(8 518 858)**	**(9 166 832)**
Net finance cost				(1 396 788)
Share of associate profit				102 149
Income tax expense				(9 579 151)
Loss for the year				**(20 040 622)**
Segment assets (note iii)	58 326 815	5 426 737	7 679 886	71 433 438
Segment liabilities (note iv)	10 736 453	25 165 938	50 481 090	86 383 481
Investment in an associate	-	-	18 521 109	18 521 109
Other disclosures				
Capital expenditure (note v)	4 281 452	36 965	7 668	4 326 085

i. Represents depreciation of property, plant and equipment and ammortisation of development cost.
ii. Loss for each operating segment does not include net Head Office costs of ZW$7 037 794 000 which are managed on a group basis.
iii. Segment assets do not include Subsidiary assets of ZW$190 994 000 and Head Office assets of ZW$26 744 000 as these assets are managed on a Group basis.
iv. Segment liabilities do not include deferred tax liabilities of ZW$10 904 633 000, Interest-bearing loans and borrowings of ZW$7 227 393 000, Lease Liabilities of ZW$112 297 000 and Defined employee benefit liabilities of ZW$169 321 000 as these liabilities are managed On a Group basis.
v. Capital expenditure consists of additions to property, plant and equipment, mine properties, exploration, evaluation and development assets.

Year ended 31 December 2021

	Gold ZW$000	Base Metals ZW$000	Adjustments & eliminations ZW$000	Consolidated ZW$000
Revenue				
External customers	5 406 245	362 422	-	5 768 667
Total revenue	**5 406 245**	**362 422**	**-**	**5 768 667**
Results				
Depreciation (note i)	(576 604)	(57 456)	(24 986)	(659 046)
Amortisation of development costs (note i)	(174 424)	-	-	(174 424)
Segment loss (note ii)	**(390 367)**	**(257 607)**	**(906 239)**	**(1 554 213)**
Net finance cost				(129 451)
Share of associate profit				525 847
Income tax expense				(940 125)
Profit for the year				**(2 097 942)**
Segment assets (note iii)	9 893 751	1 038 777	1 581 818	12 514 346
Segment liabilities (note iv)	1 738 068	4 036 764	5 678 528	11 453 360
Investment in an associate	-	-	2 882 544	2 882 544
Other disclosures				
Capital expenditure (note v)	2 485 765	44 120	455 763	2 985 848

i. Represents depreciation of property, plant and equipment and ammortisation of development cost.
ii. Loss for each operating segment does not include net Head Office costs of ZW$906 239 000 which are managed on a Group basis.
iii. Segment assets do not include Defined employee benefit assets of ZW$200 284 000, Subsidiary assets of ZW$1 248 963 000 and Head Office assets of ZW$ 132 571 000 as these assets are managed on a Group basis.
iv. Segment liabilities do not include deferred tax liabilities of ZW$1 377 898 000, Interest-bearing loans and borrowings of ZW$1 896 267 000, Lease Liabilities of ZW$23 448 000 and Sundry payables of ZW$2 380 915 000 as these liabilities are managed On a Group basis.
v. Capital expenditure consists of additions to property, plant and equipment, mine properties, exploration, evaluation and development assets.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

5 OPERATING SEGMENT INFORMATION

Geographic information and information about major customers

All the Group's operations are located in Zimbabwe and they are situated in two geographic locations, Masvingo Province and Mashonaland West Province.

Revenue from one customer in the gold segment amounted to ZW$20 541 794 000 (2021:ZW$5 406 245 000) and revenue from customers in the base metals segment amounted to ZW$54 022 000 (2021: ZW$362 422 000).

Revenues from external customers are based on the locations of the customers:

The bulk of the base metals are purchased by the European market. Base metal sales to local buyers were nil (2021: Nil). Gold is solely purchased by Fidelity Printers and Refineries (Private) Limited of Zimbabwe.

	GROUP		COMPANY	
	2022 ZW$ 000	**2021 ZW$ 000**	**2022 ZW$ 000**	**2021 ZW$ 000**
Zimbabwe	20 541 794	5 406 245	20 541 794	5 406 245
External customers				
Europe	54 022	362 422	54 022	362 422
Total revenue per statement of profit or loss	**20 595 816**	**5 768 667**	**20 595 816**	**5 768 667**

6 REVENUE

	GROUP 2022 ZW$ 000	GROUP 2021 ZW$ 000	COMPANY 2022 ZW$ 000	COMPANY 2021 ZW$ 000
Gold	20 541 794	5 406 245	20 541 794	5 406 245
Base Metals	43 522	381 027	43 522	381 027
Change in the value of provisionally priced trade receivables	10 500	(18 605)	10 500	(18 605)
Total revenue	**20 595 816**	**5 768 667**	**20 595 816**	**5 768 667**

7 OPERATING PROFIT

Operating profit is stated after charging:

	GROUP 2022 ZW$ 000	GROUP 2021 ZW$ 000	COMPANY 2022 ZW$ 000	COMPANY 2021 ZW$ 000
Employee benefits:				
-Salaries and Wages	(6 326 404)	(1 755 820)	(6 326 404)	(1 755 820)
-Pension costs	(578 506)	(125 961)	(578 506)	(125 961)
-Other	(3 412 817)	(544 891)	(3 412 817)	(544 891)
Audit remuneration:				
-Prior year	(70 921)	(14 554)	(70 921)	(14 554)
Exploration and claims costs	(2)	(1 278)	(2)	(1 278)
Net interest income/(cost) on defined benefit fund	(227)	(12 817)	(227)	(12 817)
Directors' emoluments (Note 26)	(163 258)	(7 772)	(163 258)	(7 772)
Short term and low value lease payments recognised as lease expense	-	(131 405)	-	(131 405)
Write down of inventory	(267 622)	(1 226)	(267 622)	(1 226)
Depreciation (Note 13)	(2 735 405)	(659 046)	(2 821 034)	(588 170)
Amortisation (Note 14)	(797 610)	(174 424)	-	(169 887)
Depreciation on right of use asset	59 032	(8 368)	59 032	(8 368)
Loss on disposal of property, plant and equipment	-	(134)	-	(134)

These costs include items included in cost of sales

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

8 OTHER INCOME

	GROUP		COMPANY	
	2022 ZW$ 000	**2021 ZW$ 000**	**2022 ZW$ 000**	**2021 ZW$ 000**
Income from rentals, clinic and clubs	102 694	24 704	102 694	24 704
Export incentives	-	-	-	-
Sundry income	452 571	110 997	452 571	110 997
	555 265	**135 701**	**555 265**	**135 701**

Sundry income includes management fees from associate and scrap sales

9 FINANCE COST

	GROUP 2022 ZW$ 000	GROUP 2021 ZW$ 000	COMPANY 2022 ZW$ 000	COMPANY 2021 ZW$ 000
Interest on loans and borrowings	815 182	46 185	815 182	46 185
Interest on lease liability	11 657	3 864	11 657	3 864
Unwinding of discount on mine rehabilitation provision	208 761	32 403	99 209	15 306
Interest cost from defined benefit plans	155 389	12 817	155 389	12 817
Interest on other payables	205 799	34 182	205 798	34 182
	1 396 788	**129 451**	**1 287 235**	**112 354**

The average cost of debt for 2022 was 10% per annum (2021 : 10%).

10 INVESTMENT IN ASSOCIATE

The Group has a 22.2% (2021: 22.2%) interest in RZM Murowa Diamonds (Private) Limited, an unlisted diamonds mining company, operating in Zimbabwe. The associate is strategic to the Group as it brings diversity to the Group's major minerals produced which are gold and base metals.

The Group's interest in RZM Murowa Diamonds (Private) Limited is accounted for using the equity method in the consolidated financial statements. The financial period for the associate is the same as that of the Group. The Group trades with RZM Murowa Diamonds (Private) Limited on an arm's length basis and there are no restrictions that affect trading between the entities.

The following table illustrates the summarised financial information of RZM Murowa Diamonds (Private) Limited:

	2022 ZW$ 000	**2021 ZW$ 000**
Associate's statement of financial position:		
Current assets	50 453 399	6 790 890
Non-current assets	67 631 760	10 226 273
Current liabilities	(25 280 118)	(2 513 286)
Non-current liabilities	(12 810 601)	(2 064 753)
Equity	**79 994 440**	**12 439 124**
Share of net assets	17 758 766	2 761 486
Reconciliation of carrying amount of investments to share of net assets:		
Share of net assets	17 758 766	2 761 486
Impact of deemed cost on currency conversion	762 343	121 058
Carrying amount of the investment	**18 521 109**	**2 882 544**

Summarised statement of profit or loss of RZM Murowa Diamonds (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

10 INVESTMENT IN ASSOCIATE

	2022 ZW$ 000	2021 ZW$ 000
Revenue	31 068 139	8 111 642
Cost of sales	(16 728 654)	(3 157 851)
Administrative and selling & distribution expenses	(13 618 426)	(2 909 802)
Finance costs	(445 622)	(34 416)
Profit before tax	**275 437**	**2 009 573**
Income tax credit	184 693	359 106
Profit for the year	**460 130**	**2 368 679**
Other comprehensive loss	-	-
Total comprehensive profit	**460 130**	**2 368 679**
Group's share of profit for the year	102 149	525 847
Carrying amount of the investment		
At 1 January	2 882 544	1 317 637
Foreign currency translation gains	15 536 416	1 039 060
Share of profit for the year	102 149	525 847
At 31 December	**18 521 109**	**2 882 544**

Investment in associate is accounted for at cost at company level.
The fair value of the investment estimates its carrying amount.

The reconciliation of the cost of the investment in associate is shown below:

	2022 ZW$ 000	2021 ZW$ 000
At 1 January	873 815	657 673
Foreign currency translation gains	4 628 883	216 142
At 31 December	**5 502 698**	**873 815**

The Group has performed an impairment assessment of its investment in associate and concluded that the investment is not impaired.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

11 INCOME TAX

	GROUP		COMPANY	
	31 Dec 2022 ZW$000	31 Dec 2021 ZW$000	31 Dec 2022 ZW$000	31 Dec 2021 ZW$000
Consolidated statement of profit or loss				
Current income tax expense	-	9 178	-	9 178
Deferred tax:				
Relating to origination and reversal of temporary differences	9 579 151	930 947	7 927 253	708 431
Income tax (debit)/credit reported in the statement of profit or loss	**9 579 151**	**940 125**	**7 927 253**	**717 609**
Consolidated statement of other comprehensive income (OCI)				
Deferred tax related to items recognised in OCI during the year:				
Fair value gains on available-for-sale investments	538	46	538	46
Defined benefit plans	(52 954)	(378)	(52 954)	(378)
Income tax charged to OCI	**(52 416)**	**(332)**	**(52 416)**	**(332)**

Reconciliation of tax expense and the accounting profit multiplied by RioZim' s domestic tax rate for the years ended 31 December 2022 and 2021:

	2022 US$000	2021 US$000	2022 US$000	2021 US$000
Profit/(Loss) before tax	(10 461 471)	(1 157 817)	(10 428 238)	(1 589 196)
At RioZim' s statutory income tax rate of 24.72% (2021: 24.72%)	(2 586 076)	(286 212)	(2 577 860)	(392 849)
Tax effects of:				
- Associate results reported net of tax	(25 251)	(129 989)	-	-
-Non-deductible expenses	12 570 955	1 354 423	11 006 613	1 071 980
- tax losses	-	-	-	-
-Non taxable income	-	-	-	-
-Other	(380 477)	1 903	(501 500)	38 478
Tax credit	**9 579 151**	**940 125**	**7 927 253**	**717 609**

DEFERRED INCOME TAX

	GROUP				COMPANY			
	Consolidated statement of financial position		Consolidated statement of comprehensive income		Statement of financial position		Statement of comprehensive income	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Exploration and evaluation assets	(2 145 599)	(266 551)	(10 064 773)	(1 361 647)	(1 633 814)	(239 712)	(1 394 102)	(179 358)
Property,plant and equipment	(10 331 324)	(1 402 494)	(743 105)	118 814	(8 901 153)	(1 126 307)	(7 774 846)	(780 622)
Other	(32 029)	(5 586)	(26 443)	(8 451)	(339 289)	(35 498)	(303 791)	(28 409)
Investment in associate	(926 055)	(144 127)	(781 928)	(98 988)	(275 135)	(144 127)	(131 008)	(134 943)
Losses available for offset against future taxable income	1 846 202	402 238	1 443 964	393 806	1 834 604	395 819	1 438 785	392 837
Provisions	684 172	38 622	645 550	25 852	293 717	3 592	290 125	22 398
Net deferred tax assets	**(10 904 633)**	**(1 377 898)**			**(9 021 070)**	**(1 146 233)**		
			(9 526 735)	**(930 614)**			**(7 874 837)**	**(708 097)**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

11 INCOME TAX (cont'd)

Deferred Tax (cont'd)

Reflected in the consolidated statement of financial position as follows:

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Deferred tax assets	-	-	-	-
Deferred tax liabilities	(10 904 633)	(1 377 898)	(9 021 070)	(1 146 233)
Deferred tax asset/(liability) (net)	**(10 904 633)**	**(1 377 898)**	**(9 021 070)**	**(1 146 233)**
Reconciliation of deferred tax liability, net				
Opening 1 January	(1 377 898)	(447 283)	(1 146 233)	(438 135)
Tax (debit)/ income during the period recognised in profit or loss	(9 579 151)	(930 947)	(7 927 253)	(708 431)
Tax charge during the period recognised in OCI	52 416	332	52 416	333
Closing balance as at 31 December	**(10 904 633)**	**(1 377 898)**	**(9 021 070)**	**(1 146 233)**

Tax losses

Tax losses are carried forward indefinitely. The unrecognised tax losses are as follows:

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Accumulated tax losses	7 468 456	1 627 176	7 421 536	1 601 210
Recognised tax losses for which a deferred tax asset has been recognised	(7 468 456)	(1 627 176)	(7 421 536)	(1 601 210)
Unutilised tax losses for which no deferred tax asset has been recognised	-	-	-	-

12 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit/(loss) attributable to the ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year excluding treasury shares.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to the ordinary equity holders of the Group after adjusting for impact of dilutive instruments.

Headline earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Group adjusted for profits, losses and items of capital nature that do not form part of the ordinary activities of the Group.

The following reflects the income and share data used in the earnings per share computations:

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Profit/(loss) attributable to equity holders of the parent for basic earnings	(19 988 335)	(2 088 185)	(18 355 491)	(2 306 805)
Loss on disposal of property,plant and equipment	-	134	-	134
Headline (loss)/earnings	**(19 988 335)**	**(2 088 051)**	**(18 355 491)**	**(2 306 671)**

Weighted average number of ordinary shares for earnings per share

	'000	'000	'000	'000
Number of issued shares as at 31 December	122 030	122 030	122 030	122 030
Weighted average number of ordinary shares	122 030	122 030	122 030	122 030

There were no dilutive instruments during the period, therefore the weighted average number of ordinary shares was the same for basic, diluted and headline earnings per share.

(Loss)/earnings per share (cents)				
Basic	(16 379.85)	(1,711.21)	(15 041.79)	(1,890.36)
Diluted basic	(16 379.85)	(1,711.21)	(15 041.79)	(1,890.36)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

13 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings ZW$000	Plant and equipment ZW$000	Heavy mobile equipment ZW$000	Capital work In progress ZW$000	Motor vehicles ZW$000	Furniture and fittings ZW$000	Total ZW$000
Cost							
At 31 December 2020	**2 232 118**	**1 703 621**	**367 961**	**1 307 387**	**18 709**	**71 281**	**5 701 077**
Additions	2 169	162 629	229 750	2 069 365	25 277	5 574	2 494 764
Transfers	-	-	-	(186 043)	-	-	(186 043)
Disposals	-	-	-	-	(2 283)	-	(2 283)
Foreign currency translation exchange gain/(loss)	750 374	(2 872)	217 622	681 100	35 409	(29 755)	1 651 878
At 31 December 2021	**2 984 661**	**1 863 378**	**815 333**	**3 871 809**	**77 112**	**47 100**	**9 659 393**
Additions	-	360 165	-	2 033 303	38 464	24 764	2 456 696
Additions - Mine rehabilitation provision	-	379 647	-	-	-	-	379 647
Transfers	-	21 700 411	(118 706)	(23 457 457)	118 706	-	(1 757 046)
Disposals	-	-	-	-	-	-	-
Foreign currency translation exchange gain/(loss)	13 746 714	5 831 459	1 950 453	19 337 834	(64 933)	426 266	41 227 793
At 31 December 2022	**16 731 375**	**30 135 060**	**2 647 080**	**1 785 489**	**169 349**	**498 130**	**51 966 483**
	-	-	-	-	-	-	
Accumulated Depreciation							
At 31 December 2020	**148 262**	**352 302**	**153 741**	**-**	**18 685**	**9 254**	**682 244**
Depreciation charge for the year	89 082	310 749	226 057	-	22 753	10 405	659 046
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	(1 739)	-	(1 739)
At 31 December 2021	**237 344**	**663 051**	**379 798**	**-**	**39 699**	**19 659**	**1 339 551**
Depreciation charge for the year	371 461	1 295 724	942 588	-	85 896	39 735	2 735 404
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 December 2022	**608 805**	**1 958 775**	**1 322 386**	**-**	**125 595**	**59 394**	**4 074 955**
Net book value							
At 31 December 2021	**2 747 317**	**1 200 327**	**435 535**	**3 871 809**	**37 413**	**27 441**	**8 319 842**
At 31 December 2022	**16 122 570**	**28 176 285**	**1 324 694**	**1 785 489**	**43 754**	**438 736**	**47 891 528**

COMPANY	Land and buildings ZW$000	Plant and equipment ZW$000	Heavy mobile equipment ZW$000	Capital work In progress ZW$000	Motor vehicles ZW$000	Furniture and fittings ZW$000	Total ZW$000
Cost							
At 31 December 2020	**1 606 466**	**1 185 576**	**508 299**	**1 307 396**	**18 246**	**71 424**	**4 697 407**
Additions	2 169	162 629	229 750	2 069 365	25 277	5 574	2 494 764
Transfers	-	-	-	(186 043)	-	-	(186 043)
Disposals	-	-	-	-	(2 283)	-	(2 283)
Foreign currency translation exchange gain/(loss)	492 323	252 592	78 540	319 960	35 292	(30 314)	1 148 393
At 31 December 2021	**2 100 958**	**1 600 797**	**816 589**	**3 510 678**	**76 532**	**46 684**	**8 152 238**
Additions	-	360 165	-	2 033 303	38 464	24 764	2 456 696
Additions - Mine rehabilitation provision	-	379 647	-	-	-	-	379 647
Transfers	-	21 700 411	(118 706)	(22 080 058)	118 706	-	(379 647)
Foreign currency translation exchange gain/(loss)	10 237 732	4 003 699	1 732 158	18 325 293	(63 082)	430 632	34 666 432
At 31 December 2022	**12 338 690**	**28 044 719**	**2 430 041**	**1 789 216**	**170 620**	**502 080**	**45 275 366**
Accumulated Depreciation							
At 31 December 2020	**92 173**	**326 305**	**153 741**	**-**	**18 120**	**9 017**	**599 356**
Depreciation charge for the year	45 286	282 424	227 313	-	22 739	10 408	588 170
Disposals	-	-	-	-	(1 739)	-	(1 739)
At 31 December 2021	**137 459**	**608 729**	**381 054**	**-**	**39 120**	**19 425**	**1 185 787**
Depreciation charge for the year	187 748	1 783 034	724 768	-	85 897	39 589	2 821 034
At 31 December 2022	**325 207**	**2 391 763**	**1 105 822**	**-**	**125 017**	**59 014**	**4 006 821**
		-					
Net book value							
At 31 December 2021	**1 963 499**	**992 068**	**435 535**	**3 510 678**	**37 412**	**27 259**	**6 966 451**
At 31 December 2022	**12 013 483**	**25 652 956**	**1 324 219**	**1 789 216**	**45 604**	**443 067**	**41 268 545**

* Included in Capital work in progress are intangible assets that will be transferred to Exploration, Evaluation and Development assets upon completion.

Group depreciation expense of ZW$3 033 800 000 (2021:ZW$634 059 000) has been charged in 'cost of sales' and ZW$876 754 000 (2021: ZW$24 987 000 in 'administrative expenses'.

Land and building with a carrying amount of ZW$900,001,000 was secured against a loan owing to CBZ bank.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

14 EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

GROUP

	Exploration and evaluation assets ZW$000	Development costs ZW$000	Total exploration, evaluation and development assets ZW$000
Cost			
At 31 December 2020	**71 130**	**768 020**	**839 150**
Additions	72 968	417 917	490 885
Transfers	-	186 042	186 042
Foreign currency translation exchange gain	-	12 354	12 354
At 31 December 2021	**144 098**	**1 384 333**	**1 528 431**
Additions	1 582 712	286 678	1 869 390
Transfers	-	1 377 399	1 377 399
Foreign currency translation exchange gain	447 543	4 704 606	5 152 149
At 31 December 2022	**2 174 353**	**7 753 016**	**9 927 369**
	-	-	
Amortisation			
At 31 December 2020	**71 130**	**204 597**	**275 727**
Amortisation for the year	-	174 424	174 424
At 31 December 2021	**71 130**	**379 021**	**450 151**
Amortisation for the year	-	797 610	797 610
At 31 December 2022	**71 130**	**1 176 631**	**1,247,761**
Carrying amount			
At 31 December 2021	**72 968**	**1 005 312**	**1 078 280**
At 31 December 2022	**2 103 223**	**6 576 385**	**8 679 608**

COMPANY

	Exploration and evaluation assets ZW$000	Development costs ZW$000	Total exploration, evaluation and development assets ZW$000
At 31 December 2020	**71 130**	**684 128**	**755 258**
Additions	72 968	417 916	490 884
Transfers	-	186 043	186 043
Foreign currency translation exchange loss	-	(17 875)	(17 875)
At 31 December 2021	**144 098**	**1 270 212**	**1 414 310**
Additions	1 582 712	159 455	1 742 167
Transfers	-	-	-
Foreign currency translation gain	447 543	4 247 469	4 695 012
At 31 December 2022	**2 174 353**	**5 677 136**	**7 851 489**
Amortisation			
At 31 December 2020	**71 130**	**203 584**	**274 714**
Amortisation for the year	-	169 887	169 887
At 31 December 2021	**71 130**	**373 471**	**444 601**
Amortisation for the year	-	797 610	797 610
At 31 December 2022	**71 130**	**1 171 081**	**1 242 211**
Carrying amount			
At 31 December 2021	**72 968**	**896 741**	**969 709**
At 31 December 2022	**2 103 223**	**4 506 055**	**6 609 278**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

15 RIGHT OF USE ASSETS

GROUP	Land and buildings ZW$000	Total ZW$000
Cost		
At 1 January 2021	6 441	6 441
Additions	29 207	29 207
Foreign currency translation exchange Gain	467	467
At 31 December 2021	**36 115**	**36 115**
Additions	-	-
Foreign currency translation exchange Gain	118 048	118,048
At 31 December 2022	**154 163**	**154 163**
Depreciation		
At 31 December 2021	**5 019**	**5 019**
Depreciation for the year	8 368	8 368
At 31 December 2021	**13 387**	**13 387**
Depreciation for the year	59 032	59 032
At 31 December 2022	**72 419**	**72,419**
Carrying amount		
At 31 December 2021	**22 728**	**22 728**
At 31 December 2022	**81 744**	**81 744**

COMPANY	Land and buildings ZW$000	Total ZW$000
Cost		
At 1 January 2021	**6 441**	**6 441**
Additions	29 207	29 207
Foreign currency translation exchange Gain	467	467
At 31 December 2021	**36 115**	**36 115**
Additions	-	-
Foreign currency translation exchange Gain	118 048	118,048
At 31 December 2022	**154 163**	**154 163**
Depreciation		
At 1 January 2021	**5 019**	**5 019**
Depreciation for the year	8 368	8 368
At 31 December 2021	**13 387**	**13 387**
Depreciation for the year	59 032	59 032
At 31 December 2022	**72 419**	**72 419**
Carrying amount		
At 31 December 2021	**22 728**	**22 728**
At 31 December 2022	**81 744**	**81 744**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

16 INVESTMENTS

16.1 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME INVESTMENTS

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
At 1 January	13 891	12 976	13 891	12 976
Fair value adjustment	10 768	915	10 768	915
At 31 December	**24 659**	**13 891**	**24 659**	**13 891**

The fair value through other comprehensive income equity instruments comprise of the Group's investment of 1.553% in a medical investment company.

The investment in the medical company which is non listed is carried at fair value. The value of the investment is based on non-market observable information.

16.2 INVESTMENTS IN SUBSIDIARIES

Shares at cost (all 100% held unless indicated otherwise)

Sengwa Colliery (Private) Limited (50%)	55 431	8 802
RioBasemetals Limited	37 638	5 977
RioChrome Limited	8 212	1 304
RioGold (Private) Limited*	-	-
RioZim Management Services (Private) Limited	1 369	217
RioZim Properties Limited	10 265	1 630
RioZim Basemetals Holdings*	-	-
RioZim Development Limited*	-	-
RM Enterprises (Private) Limited*	-	-
RioDiamonds (Private) Limited*	-	-
Rutala Mine (Private) Limited *	-	-
Sengwa Power Station (Private) Limited*	-	-
RioEnergy (Private) Limited*	684	109
	113 599	**18 039**

*These investments are recorded at nil as the nominal value is negligible.
All the subsidiary companies are incorporated in Zimbabwe.

17 INVENTORIES

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Stores and consumables	6 418 250	1 013 891	6 199 263	962 490
Ore stockpiles	730 302	81 937	730 302	81 937
Metals and minerals in concentrates and circuit	2 241 194	377 411	2 203 555	377 411
Finished metals	175 874	46 837	175 874	46 837
	9 565 620	**1 520 076**	**9 308 994**	**1 468 675**

During 2022 ZW$2 994 517 000 (2021: ZW$524 508 000) was recognised as an expense for inventories. This is recognised in the cost of sales. Metals and minerals in concentrates and circuit at the Empress Nickel Refinery amounting to ZW$267 622 000 (2021: ZW$1 226 182) was written off during the year. This is included in administration expenses.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

18 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Trade and other receivables (not subject to provisional pricing)	4 795 721	1 196 674	8 722 407	1 754 151
Trade receivables (subject to provisional pricing)	-	78 134	-	78 134
	4 795 721	**1 274 808**	**8 722 407**	**1 832 285**

18.1 Trade and other receivables (not subject to provisional pricing)

	ZW$000	**ZW$000**	**ZW$000**	**ZW$000**
Trade receivables	856 033	543	856 033	543
Other receivables and prepayments	3 939 688	1 196 131	7 866 373	1 753 608
	4 795 721	**1 196 674**	**8 722 406**	**1 754 151**

Trade and other receivables (not subject to provisional pricing) are non-interest bearing and are generally on terms of 30 days to 120 days. These terms are normal in the mining industry and hence the trade and other receivables carrying amount is considered equal to fair value.

In determining the expected credit losses, the Group uses a credit matrix based on the types and ages of the outstanding receivables and their creditworthiness.

There were no expected credit losses at the reporting date. The expected credit loss as at 31 December 2022 was nil (2021:Nil) therefore all receivables were assessed as recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of all receivables mentioned above.

Refer to note 27 (b) on credit risk of trade and other receivables, which explains how the Group manages and measures credit quality of trade and other receivables that are neither past due nor impaired.

18.2 Trade receivables (subject to provisional pricing)

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Trade receivables (subject to provisional pricing)	-	78 134	-	78 134
	-	**78 134**	**-**	**78 134**

The Group enters into provisional pricing sales arrangement with some of its metals in concentrated customers. Trade receivables (subject to provisional pricing) are non-interest bearing, and are exposed to future commodity price movements over the Quotational Period, hence, fail the SPPI test and are measured at fair value up until the date of settlement. Final settlement value is based on final dry weight, agreed assays and final prices which are determined at the end of the quotational period which is usually between 60 to 180 days after the date of shipment. The quotational period is the period after the physical shipment of goods during which the price and grade of minerals sold is subject to change due to fluctuations in commodity prices and also upon testing by the counterparty of the mineral content.

The change in the fair value of these trade receivables of ZW$10 500 000 (2021: (ZW$18 605 000)) has been recognised as part of revenue.

19 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Cash at bank and on hand	394 558	84 437	393 874	84 328
Cash and cash equivalents	**394 558**	**84 437**	**393 874**	**84 328**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

20 SHARE CAPITAL AND RESERVES

20.1 Authorised Share Capital

	No of Shares 000	Nominal value ZW$000	No of Shares 000	Nominal value ZW$000
Ordinary shares of US$0.01 each	140 000	1 400	140 000	1 400
Special Dividend Share of a nominal value of US$124 876	0.001	125	0.001	125
	140 000	**1 525**	**140 000**	**1 525**
Preference shares				
Cumulative redeemable fixed rate preference shares of US$0.01 each	10 000	100	10 000	100

20.2 Issued share capital

Ordinary shares				
Ordinary shares of a nominal value of US$0.01 each	122 030	1 220	122 030	1 220
Special Dividend Share of a nominal value of US$124 876	0.001	125	0.001	125
Total	**122 030**	**1 345**	**122 030**	**1 345**
Preference shares				
Cumulative redeemable fixed rate preference shares of US$0.01 each	-	-	-	-

Special dividend share

Following the restructuring of the Group in 2004, RioZim Limited's 12 487 582 ordinary shares were converted into one special dividend share. The holder of the special dividend share had a right to cash dividends of RioZim's share in RZM Murowa (Private) Limited dividends for a period of ten years ending 31 December 2013. The entitlement to the special dividend has lapsed and the special dividend share now ranks equally with other ordinary shares but does not have voting rights.

20.3 Issued share capital and share premium

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Share capital	1 345	1 345	1 345	1 345
Share premium	20 789	20 789	20 789	20 789
Issued share capital	**22 134**	**22 134**	**22 134**	**22 134**

The share capital reserve is used to recognise the nominal value of the issued ordinary shares. The share premium reserve is used to record the premium above the par value for issued ordinary shares.

20.4 Fair value through other comprehensive income reserve

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
At 1 January	**13 173**	**12,304**	**13 173**	**12 304**
Fair value gain on fair value through other comprehensive income investments	10 230	869	10 230	869
At 31 December	**23 403**	**13 173**	**23 403**	**13 173**

The fair value through other comprehensive income reserve comprises the fair value adjustment of the Group's investment in a private medical company. The Group holds 136 000 ordinary shares of the medical company.

20.5 Accumulated (losses)/profits

At 1 January	**(2 061 721)**	**27 617**	**(2 757 004)**	**(449 046)**
Profit/(loss) for the year	(19 988 335)	(2 088 185)	(18 355 491)	(2 306 805)
Other comprehensive income/(loss)	(161 263)	(1 153)	(161 263)	(1 153)
At 31 December	**(22 211 319)**	**(2 061 721)**	**(21 273 758)**	**(2 757 004)**

Accumulated profits reserve records all undistributed profits saved by the business to handle future expansion and to handle any future losses when incurred. When losses incurred exceed profits the reserve will go into an accumulated loss position.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

20 SHARE CAPITAL AND RESERVES (cont'd)

20.6 Foreign translation reserve

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
Opening balance 1 January	6 003 034	4 309 410	4 027 472	3 503 400
Other comprehensive income/(loss)	20 024 622	1 693 624	4 969 219	524 072
As at 31 December	**26 027 656**	**6 003 034**	**8 996 691**	**4 027 472**

The foreign currency translation reserve records the accumulated foreign exchange differences arising from the translation of the financial statements from the Group's functional currency the United States dollar (US$) to the Group's presentation currency the Zimbabwean dollar (ZW$)

21 MATERIAL PARTLY OWNED SUBSIDIARIES

Non-controlling interests records the net interest of minority shareholders in the Group's subsidiaries where the Group does not have 100% shareholding.

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interest

	Country of incorporation	**2022**	**2021**
Sengwa Colliery (Private) Limited	Zimbabwe	50%	50%
Principal place of business for Sengwa Colliery is Midlands province in Zimbabwe.			

	ZW$000	**ZW$000**
Accumulated balances of material non-controlling interest:	(290 808)	(33 090)
Loss allocated to material non-controlling interest:	(52 287)	(9 757)
Total Comprehensive (loss)/income allocated to material non-controlling interest:	(257 718)	(36 740)
Summarised statement of profit or loss for the year end 31 December		
Administrative expenses	(20 955)	(3 919)
Income tax (expense)/credit	(83 619)	(15 595
Loss for the year	**(104 574)**	**(19 514)**
Other comprehensive (loss)/income	(410 862)	(53 966)
Total comprehensive (loss)/profit	**(515 436)**	**(73 480)**
Loss for the year attributable to:		
Equity holders of the parent	(52 287)	(9 757)
Non-controlling interests	(52 287)	(9 757)
Total comprehensive (loss)/profit attributable to:		
Equity holders of the parent	(257 718)	(36 740)
Non-controlling interests	(257 718)	(36 740)
Summarised statement of financial position as at 31 December		
Current assets	52 078	1 847
Non-current assets	329 849	70 636
Current liabilities	(940 275)	(134 968)
Non-current liabilities	(23 268)	(3 695)
Total equity	**(581 616)**	**(66 180)**
Attributable to:		
Equity holders of the parent	(290 808)	(33 090)
Non-controlling interests	(290 808)	(33 090)
	(581 616)	**(66 180)**
Summarised cashflow information for the year ended 31 December		
Operating	(20 955)	(3 919)
Working capital changes	20 955	3 919
Net decrease in cash and cash equivalents	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

22 INTEREST-BEARING LOANS AND BORROWINGS

GROUP	Effective interest rate %	Maturity	2022 ZW$000	2021 ZW$000
Current				
Bank loans (facility limit US$15.5m)	10%	On scheduled dates	5 761 220	693 812
Other term loan (Centametal AG)	0%	December 2019*	2 463 936	391 265
			8 225 156	**1 085 077**
Non-current				
Bank loans	10%	On scheduled dates	1 466 173	811 190
			1 466 173	**811 190**
COMPANY				
Current				
Bank loans (facility limit US$15.5m)	10%: (2021: 26%)	On scheduled dates	5 761 220	693 812
Other term loan (Centametal AG)	0%	December 2019*	2 463 936	391 265
			8 225 156	**1 085 077**
Non-current				
Bank loans	10%: (2021: 26%)	On scheduled dates	1 466 173	811 190
			1 466 173	**811 190**

* These facilities matured and are overdue (refer below on Centametal loan)

Security
Bank loans were secured by revenue assignment agreements in respect of gold proceeds.

Land and building with a carrying amount of ZW$899 846 was secured against a bank loan.

All other interest bearing loans and borrowings are unsecured.

Centametal loan
This loan was repayable in equal monthly installments of US$100 000 commencing on 1 July 2014 ending December 2019. The loan is interest free and is unsecured. The outstanding principal loan amount is US$3 600 000 (31 December 2021 : US$3 600 000) and has been recorded at an amortised value of ZW$2 463 936 000 (2021: ZW$391 265 000). The loan is under a legal dispute and is pending finalisation by the courts. Total interest expense for the year on interest-bearing loans and borrowings is ZW$46 185 000 (2021: ZW$2 831 000)

Changes in interest-bearing loans and borrowings arising from financing activities

GROUP AND COMPANY

2022	1 January ZW$000	Interest accrued ZW$000	Net Cash flows ZW$000	Foreign translation exchange gain ZW$000	Other ZW$000	31 December ZW$000
Current Interest -bearing loans and borrowings	1 085 077	815 182	(4 762 234)	10 275 941	811 190	8 225 156
Non-current Interest -bearing loans and borrowings	811 190	-	1 466 173	-	(811 190)	1 466 173
Lease liabilities	23 448	11 657	(47 474)	124 661	(1)	112 297
	1 919 715	**826 839**	**(3 343 535)**	**10 400 602**	**(1)**	**9 803 626**
2021						
Current Interest -bearing loans and borrowings	294 484	46 185	466 223	278 186	-	1 085 077
Non-current Interest -bearing loans and borrowings	-	-	811 190	-	-	811 190
Lease liabilities	23 448	3,864	(9 201)	5 429	(93)	23 448
	317 932	**50 049**	**1 268 212**	**283 615**	**(93)**	**1 919 715**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

23 MINE REHABILITATION PROVISION

	Note	GROUP 2022 ZW$000	GROUP 2021 ZW$000	COMPANY 2022 ZW$000	COMPANY 2021 ZW$000
Balance as at 1 January		**333 074**	**267 077**	**191 368**	**138 408**
Unwinding of discount	9	208 761	32 403	99 209	15 306
Capitalised to property, plant and equipment		379 647	-	379 647	-
Foreign currency translation		1 764 410	58 517	708 689	48 477
Recognised in profit or loss		(199 825)	(24 923)	88 301	(10 823)
Balance at 31 December		**2 486 067**	**333 074**	**1 467 214**	**191 368**

Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis from the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the useful life of the mine (LOM). These provisions have been created based on RioZim' s internal estimates (refer to note 4.6 on LOM estimates).

Assumptions based on the current economic environment have been made, which directors believe are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions.

However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

The provision was calculated using the following assumptions:

	2022	2021
Inflation rate	3%	3%
Life of mine - Renco Mine (years)	11.39	19.2
Life of mine - Cam & Motor Mine (years)	5.68	6.2
Life of mine - Dalny Mine (years)	9.71	8.7
Interest rate	10%	10%
Future value closure costs (ZW$000)	4 517 308	537 541
Present value recognised in Statement of Financial Position (ZW$000)	**2 486 064**	**399 070**

24 PAYABLES

24.1 Trade and other payables

	GROUP 2022 ZW$000	GROUP 2021 ZW$000	COMPANY 2022 ZW$000	COMPANY 2021 ZW$000
Current				
Trade payables	5 515 700	1 092 460	5 515 980	1 092 460
Accruals	1 684 820	149 421	1 668 397	146 813
Leave pay liabilities	1 740 936	263 307	1 740 251	263 307
Statutory liabilities	1 366 607	437 940	1 359 079	436 745
Sundry payables	32 004 793	2 591 345	32 805 412	2 659 589
	42 312 856	**4 534 473**	**43 089 119**	**4 598 914**

Sundry payables include advances from an associate company, amounts due for corporate services and consultancy.

Terms and conditions of the financial liabilities:
Trade and other payables are in the ordinary course of business, generally non-interest bearing and are normally settled on 30 - 90 day terms.

	GROUP 2022 ZW$000	GROUP 2021 ZW$000	COMPANY 2022 ZW$000	COMPANY 2021 ZW$000
Non-current				
Other liabilities	20 706 978	3 288 201	20 706 978	3 288 201
	20 706 978	**3 288 201**	**20 706 978**	**3 288 201**

Non-current other liabilities relate to BCL Limited (in liquidation) liability which is under litigation which has been outstanding since 2016. The legal matter is not expected to be settled in the next 12 months from the reporting period, therefore the total amount owing has been classified under non-current.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

24 PAYABLES (cont'd)

24.2 Lease liabilities

	GROUP		COMPANY	
	2022 ZW$000	**2021 ZW$000**	**2022 ZW$000**	**2021 ZW$000**
As at 1 January	23 447	639	23 447	639
Additions	-	22 716	-	22 716
Interest	11 657	3 864	11 657	3 864
Foreign currency translation	124 661	5 429	124 661	5 429
Payments	(47 474)	(9 201)	(47 474)	(9 201)
Balance as at 31 December	**112 297**	**23 447**	**112 297**	**23 447**
Split as follows:				
Non-current	94 463	13 417	94 463	13 417
Current	17 834	10 030	17 834	10 030
	112 297	**23 447**	**112 297**	**23 447**

The company leases office buildings from RioZim Pension Fund and the initial lease expired in April 2021. The current lease runs from April 2021 for 3 years to April 2024.

25. PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Pension benefits are provided for all employees through the Mining Industry Pension Fund, NSSA and RioZim Pension Fund . Both the employer and employees contribute to the funds.

Description of the pensions and other post-employment benefit plans
The Mining Industry Pension Fund is a defined contribution fund.

The Company and all employees also contribute to the National Social Security Authority, a social security scheme. The National Social Security Authority Scheme was promulgated under the NSSA Act 1989. The Group's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 3.5% (2021: 3.5%) of pensionable emoluments up to a capped limit determined for each month per employee.

RioZim Pension Fund (Defined benefit plan)
The Company operates a defined benefit plan for some of the permanent pensionable employees. The plan is a funded final salary pension plan which provides benefits to employees in the form of a monthly pension. The level of benefits provided depends on members' length of service and their salary at retirement or earlier death or termination from employment.

The fund has the legal form of a foundation and it is governed by the Board of Trustees. The Board of Trustees consists of employer and employee representatives and is responsible for the administration of the plan assets and for the definition of the investment strategy.

The fund is actuarially valued every year and the last valuation was done in March 2023 for the position as at 31 December 2022.

Changes in defined benefit obligations and fair value of plan assets
The following tables summarise the components of net benefit expense recognised in the statement of comprehensive income and the funded status and amounts recognised in the statement of financial position for the respective plans:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

25 PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS (cont'd)

changes in the defined benefit obligation and fair value of plan assets for Group and Company :

2022

		PENSION COST CHARGED TO PROFIT OR LOSS			REMEASUREMENT GAINS/(LOSSES) IN OTHER COMPREHENSIVE INCOME (OCI)						
	31 Dec 2021 ZW$000	Service cost ZW$000	Net interest expense ZW$000	Sub-total included in profit or loss ZW$000	Benefits paid ZW$000	Actuarial changes arising from changes in demographic assumptions ZW$000	Actuarial changes arising from changes in financial assumptions ZW$000	Experience adjustments ZW$000	Sub-total included in OCI ZW$000	Contributions ZW$000	31 Dec 2022 ZW$000
Defined benefit obligations	(256 494)	-	(155 389)	(155 389)	101 225	-	-	(2 052 127)	(2,052,127)	-	(2 362 784
Fair value of plan assets	456 778		-	-	(101 225)	-	-	1 837 910	1 837 910-	-	2 193 463
Benefit liability	**200 284**	**-**	**(155 389)**	**(155 389)**	**-**	**-**	**-**	**(214 217)**	**(214 217)**	**-**	**(169 321)**

2021

		PENSION COST CHARGED TO PROFIT OR LOSS									
	31 Dec 2020 ZW$000	Service cost ZW$000	Net interest expense ZW$000	Sub-total included in profit or loss ZW$000	Benefits paid ZW$000	Actuarial changes arising from changes in demographic assumptions ZW$000	Actuarial changes arising from changes in financial assumptions ZW$000	Experience adjustments ZW$000	Sub-total included in OCI ZW$000	Contributions ZW$000	31 Dec 2021 ZW$000
Defined benefit obligations	(162 425)	-	(12 817)	(12 817)	4 064	-	-	(85 315)	(85 315)	-	(256 494)
Fair value of plan assets	377 058		-	-	(4 064)	-	-	83 784	83 784	-	456 778
Benefit liability	**214 633**	**-**	**(12 817)**	**(12 817)**	**-**	**-**	**-**	**(1 531)**	**(1 531)**	**-**	**200 284**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

25. PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS (cont'd)

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Prescribed assets & approved holdings	3 221	38	3 221	38
Money market	-	-	-	-
Equity instruments	109 173	69 685	109 173	69 685
Property	2 006 750	380 466	2 006 750	380 466
Other	74 320	6 588	74 320	6 588
Total	**2 193 464**	**456 777**	**2 193 464**	**456 777**

A proportion of the plan assets is invested in property market 91% (2021: 83%) and the plan assets can be negatively affected by a significant fall in the property market.

Pension plan assets include shares in the company's ordinary shares of Nil (2021: Nil) which are valued at 31 December 2022 at ZW$ Nil (2021: ZW$ Nil).

Effect of the defined benefit plan on the entity's future cash flows:

Expected contributions to post-employment benefits for the year ending 31 December 2021 were ZW$Nil. The fund no longer has active members and is now a closed fund hence no future contributions are expected.

Key assumptions and quantitative sensitivity analysis

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. The retirement mortality of Zimbabwean schemes follow the A24/29 mortality table and this has been used in the assumptions.

Mortality rates used for pre-retirement are consistent with the experience of the actuarial company.

Pensioner's post retirement mortality was assumed to be in line with the A(55) Ultimate mortality tables.

Future salary increases and pension increases are based on expected future inflation rate.

The key assumptions and their sensitivity analysis are discussed further below:

	2022	2021
Discount rate	8.50%	8.50%
Inflation rate	8.50%	8.50%
Future salary increase	3.50%	3.50%
Return on plan asset	13.50%	13.50%
Future pension increase	4.00%	4.00%

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

25. PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS (cont'd)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 is as shown below:

Impact on defined benefit obligation

	Discount rate		Salaries		Life expectancy	
Sensitivity level	**1% increase ZW$000**	**1% decrease ZW$000**	**1% increase ZW$000**	**1% decrease ZW$000**	**1% increase ZW$000**	**1% decrease ZW$000**
31 December 2022	-	-	-	-	73 363	(74 331)
31 December 2021	16 900	(19 241)	-	-	3 859	(4 167)

*The fund no longer has active members and is now a closed fund hence no future salaries are applicable.

The sensitivity of the defined benefit obligation to significant actuarial assumptions has been calculated using the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) used when calculating the pension liability recognised within the statement of financial position.

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

26. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties.

	Contributions to related parties ZW$000	Services /Purchases from related parties ZW$000	Services/Sales to related parties ZW$000	Advances from related parties ZW$000	Management fees charged by related parties ZW$000	Amount owed by related parties ZW$000	Amount owed to related parties ZW$000
Associate							
RZM Murowa (Private) Limited							
2022	-	-	505 574	11 053 166	-	-	28 684 683
2021	-	-	124 198	-	-	1 944 930	-
Shareholders							
GemRioZim Investments Limited							
2022	-	-	-	-	585 299	-	1 752 953
2021	-	-	-	-	187 266	-	375 156
RioZim Pension Fund (Refer to Note 26)							
2022	-	43 671	-	-	-	-	27 180
2021	-	9 136	-	-	-	1 216	
Directors fees							
2022	-	163 258	-	-	-	-	154 737
2021	-	7 772	-	-	-	-	6 893

*Amounts owed by related parties are included in trade and other receivables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

26. RELATED PARTY TRANSACTIONS (cont'd)

Terms and conditions of transactions with related parties

Transactions with RZM Murowa

Management fees

RioZim Limited provides administration services to RZM Murowa (Private) Limited (Murowa) under a service level agreement. These administrative services include in-house legal services, human resources consultation and management, secretarial services, IT support services, procurement services, technical consultation, internal audit services and any other services as agreed by the parties in writing. The fees under this agreement are 1.5% of turnover and are payable quarterly.

Transactions with GEM RioZim Investments Limited

Management fees are for advisory and consultation services which are rendered by GEM RioZim Investments Limited. The management fees are charged at 1% of the net turnover of RioZim including turnover from affiliate companies and recoveries for running expenses and subsistence fees.The fees under the agreement are charged at a rate of 1.5% of turnover and are payable quarterly.

All related party outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Transactions with RioZim Pension Fund

RioZim Limited has a commercial lease for its Head office space from the RioZim Pension Fund. The principal lease expired on 30 April 2021 and was renewed for a three year lease term to 30 April 2024. Lease rentals are payable monthly in advance at US$8 672.00 per month.

Key management compensation

Key management includes executive directors and members of the executive management. The compensation paid or payable to key management for employee services is shown below:

	GROUP	
	2022 ZW$000	2021 ZW$000
Salaries and other short term employee benefits	658 499	99 865
Contributions to defined contribution plans	33 647	1 986
	692 146	**101 851**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

27. FINANCIAL RISK MANAGEMENT

27.1 Financial risk management and policies

The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations. The Group also holds Fair Value through Other Comprehensive Income investments(FVOCI).

The Group is exposed to various financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the Group's financial performance.

Risk management is carried out by senior management under the appropriate financial risk governance framework and policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings and equity investments.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). The Group is exposed to foreign exchange risk arising primarily with respect to the South African Rand and the Zimbabwean Dollar.

The Group's policy is to adopt a non-speculative approach to manage risk while maximising profits. Exposure to exchange rate fluctuations is monitored by management. At 31 December 2022, if the United States Dollar had weakened/strengthened by 10% against the South African Rand with all other variables held constant, post-tax loss for the year would have been ZW$ 205 065 229 (2021: ZW$37 081 696) lower / 167 780 642 (2021: ZW$30 339 569) higher, whilst if the United States Dollar had weakened/strengthened by 10% against the Zimbabwean Dollar with all other variables held constant, post-tax loss for the year would have been ZW$ 141 089 810 (2021: ZW$61 573 887) lower / ZW$ 115 437 117 (2021: ZW$50 378 645) higher, mainly as a result of foreign exchange losses/gains on translation of South African Rand and Zimbabwean Dollar denominated trade payables respectively. There is no impact on equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no interest bearing assets. The Group's interest rate risk arises from loans and borrowings at variable interest rates.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, the impact on post-tax loss of a 1% shift would be a maximum decrease/increase of ZW$96 913 000 (2021: ZW$18 963 000). The simulation is done on an annual basis to verify that the maximum loss potential is within the limit given by the management. There is no impact on equity.

(iii) Commodity price risk

The Group is exposed to commodity price risk in relation to its metal sales of gold, nickel, copper and PGMs whose prices are determined by international market forces.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

27.1 Financial risk management and policies (cont'd)

(a) Market risk (cont'd)

(iii) Commodity price risk (cont'd)

The table below summarises the impact of increase/decreases in the prices of the commodities on the Group's post tax profit for the year. The analysis is based on the assumption that the commodities prices increase/decrease by 5% with all other variables held constant.

Commodity	Impact on post tax loss 2022 ZW$000	Impact on post tax profit 2021 ZW$000
Nickel	-	2 731
Copper	-	1 664
Cobalt	-	90
Gold	-	1 476
Silver	-	415
Platinum	-	1 485
Palladium	-	16 655

There is no impact on equity. As at year end there were no trade receivables subject to provisional pricing which have exposure to commodity price risk

(b) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed through the Group's established policy, procedures and controls relating to customer credit risk management. The Group trades only with recognised creditworthy third parties.

Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual customer basis.

The Group principally sells its gold bullion to one customer whilst its other metal products are sold to a selected few customers. Management is of the view that there is a low risk of default due to the following reasons:

a) The Group's major customers are reputable companies which do not have any history of default.
b) All gold bullion balances as at 31 December were settled subsequent to year end.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets

Other Receivables

The Group enters into transactions with related party companies within the Group, therefore the Group's other receivables comprise of balances owed from related parties. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as per the statement of financial position. Credit risk is managed through set-off arrangements with balances owed to the related parties therefore the risk of default is low. An assessment of expected credit losses relating to related party receivables is undertaken upon initial recognition and each financial year by examining the financial position of the related party and the market in which the related party operates applying the general approach of the ECL impairment model of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

27.1 Financial risk management and policies (cont'd)

Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for short periods usually for less than a month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The Group deposits cash surpluses only with major banks of high-quality credit standing to mitigate financial loss through a counterparty's potential failure to make payments.

Maximum exposure to credit risk

The carrying amount of the financial assets included in the consolidated and separate statement of Financial Position represent the Group's exposure to credit risk in relation to those assets.

(c) Liquidity risk

The Group applies prudent liquidity risk management by maintaining a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. Due to the dynamic nature of the underlying businesses, management aims at maintaining adequate cash balances and committed credit facilities available to mitigate any potential shortage of funds. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below analyses the Group's non-derivative financial assets and liabilities in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The liabilities include both interest and principal cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2022			2021		
	Less than 1 year ZW$000	From 1-3 years ZW$000	More than 3 years ZW$000	Less than 1 year ZW$000	From 1-3 years ZW$000	More than 3 years ZW$000
GROUP						
Assets						
Cash and cash equivalents	394 558	-	-	84 437	-	-
Trade and other receivables	4 795 721	-	-	1 274 808	-	-
Fair value through other comprehensive income investments	-	-	24 659	-	-	13 891
Total	**5 190 279**	**-**	**24 659**	**1 359 245**	**-**	**13 891**
Liabilities						
Trade and other payables	42 312 856	-	-	4 534 473		-
Other payables	-	20 706 978		-	3 288 201	
Lease liabilities	71 214	23 738	-	11 309	15 078	-
Interest bearing loans and borrowings	6 351 799	2 000 131	-	1 422 635	833 901	-
Total	**48 735 869**	**22 730 847**	**-**	**5 968 417**	**4 137 180**	**-**
Liquidity gap	**(43 545 590)**	**(22 730 847)**	**24 659**	**(4 609 172)**	**(4 137 180)**	**13 891**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

27.1 Financial risk management and policies (cont'd)

(C) Liquidity risk (cont'd)

	2022			2021		
	Less than 1 year ZW$000	From 1-3 years ZW$000	More than 3 years ZW$000	Less than 1 year ZW$000	From 1-3 years ZW$000	More than 3 years ZW$000
COMPANY						
Assets						
Cash and cash equivalents	393 874			84 328	-	-
Trade and other receivables	8 722 407	-	-	1 832 285	-	-
Fair value through other comprehensive income investments	-	-	24 659	-	-	13 891
Total	**9 116 281**	**-**	**24 659**	**1 916 613**	**-**	**13 891**
Liabilities						
Trade and other payables	43 089 120	-	-	4 598 914	-	-
Other Payables	-	20 706 978		-	3 288 201	
Lease liabilities	71 214	23 738	-	11 309	15 078	-
Interest bearing loans and borrowings	6 351 799	2 000 131	-	1 422 635	833 901	-
Total	**49 512 133**	**2 2730 847**	**-**	**6 032 858**	**4 137 180**	**-**
Liquidity gap	**(40 395 852)**	**(22 730 847)**	**24 659**	**(4 116 245)**	**(4 137 180)**	**13 891**

The liquidity gap will be managed through cash flows from operations.

27.2 Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statement of Financial Position) less cash and bank. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

The gearing ratio at 31 December 2022 was as follow

	GROUP		COMPANY	
	2022 ZW$000	2021 ZW$000	2022 ZW$000	2021 ZW$000
Total borrowings	9 691 329	1 896 267	9 691 329	1 896 267
Less Cash and cash equivalent	370 607	(84 437)	369 922	(84 328)
Net debt	**9 320 722**	**1 811 831**	**9 321 406**	**1 811 939**
Total equity	3 029 053	3 943 530	(12 464 807)	1 305 775
Total capital	**12 349 775**	**5 755 361**	**(3 143 400)**	**3 117 714**
Gearing ratio (%)	**75%**	**31%**	**(297%)**	**58%**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of trade receivables, interest bearing borrowings and all other receivables and payables approximates their carrying amount. The fair value of FVOCI investments is based non market observable information.

28.1 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Recurring fair value measurements

	Level 1 ZW$000	Level 2 ZW$000	Level 3 ZW$000
2022			
FVOCI investments	-	-	24 659
Trade receivables (subject to provisional pricing)	-	-	-
Impact of level 3 measurements on Other Comprehensive Income			10 768
2021			
FVOCI investments	-	-	13 891
Trade receivables (subject to provisional pricing)	-	78 134	-
Impact of level 3 measurements on Other Comprehensive Income			915

There were no transfers in or transfers out of Level 3 and Level 2 financial instruments

Trade receivables (subject to provisional pricing)

The Group has trade receivables (subject to provisional pricing) arising from provisional pricing sales arrangements which the Group entered into with some of its metals in concentrate customers. Final settlement value would be based on final dry weight, agreed assays and final prices which were to be determined at the end of the Quotational Period (QP), usually ranging between 60 days to 180 days after date of shipment. The QP is the period after the physical shipment of goods during which the price and grade of mineral sold is subject to change due to fluctuations in commodity prices.

Description of valuation technique used and key inputs to valuation of the trade receivables..

Type of financial instrument	Fair value as at 31 December		Valuation technique	Significant inputs
	2022 ZW $000	2021 ZW$000		
Trade receivables (subject to provisional pricing)	-	78 134	DCF	Estimated future commodity prices. Quantities and final assays

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

28.2 Valuation techniques

Fair value through other comprehensive income (FVOCI) investments

The fair value of the FVOCI investments has been determined using the net asset value (NAV) of the investee. Management has evaluated and believes that NAV provides the most reliable and reasonable fair value after taking into account the information available, the nature and operations of the investee and the purpose of the Group's investment in the investee.

The shares of the investee are not publicly traded and there are no other similar companies in the same market whose shares are publicly traded. Furthermore, the investee does not have a history of declaring dividends. The Group does not have access to the investee's future plans and budgets given the size of its shareholding in the investee. After considering the above factors and the materiality of the investment, management believes that NAV gives the best estimate of the investment's fair value.

Below is the financial information of the investee that was used to calculate the fair value.

	2022 ZW$000	2021 ZW$000
Total assets	2 909 022	1 272 126
Total liabilities	(1 321 168)	(377 653)
Net asset value	**1 587 854**	**894 473**
Fair value of investment (1.553%)	**24 659**	**13 891**

29 COMMITMENTS

29.1 Lease commitments

Group and Company

As lessee

The Group has a commercial lease for its Head office space with a tenure of three years with a renewal option.

There are no restrictions placed upon the Group by entering into this lease. Set out below are the carrying amounts of right-of-use assets as at 31 December 2022.

	LAND AND BUILDINGS	
Land and buildings	**2022 ZW$000**	**2021 ZW$000**
As at 31 December	81 744	22 728
Set out below are the carrying amounts of lease liabilities:		
and the movements during the period:		
As at 31 December	112 297	23 448
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	59 032	8 368
Interest expense	11 657	3 864

Short term leases

The Group applies the 'short-term lease' recognition exemptions for short term leases. The Group has no short term leases with lease terms within 12 months.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

29. COMMITMENTS (cont'd)

29.1 Lease commitments (cont'd)

Group and Company as lessor

The Group has commercial property leases on its property portfolio consisting of the Group's surplus office, recreational facilities and residential buildings. These leases have terms of 1 year. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2022 ZW$000	2021 ZW$000
Receivable within one year	24 774	3 934

31.2 Capital commitments

	2022 ZW$000	2021 ZW$000
Contracts and orders placed	-	217 332
Authorised by directors but not contracted	11 811 364	1 291 495
Total	11 811 364	1 508 827

The capital expenditure is to be financed out of the Group's own resources and borrowings where necessary.

30. CONTINGENT LIABILITIES

In the ordinary course of business, the Group is involved in a number of litigation cases for which the Group is defending and is confident that there are no liabilities that will arise from these cases.

31. EVENTS AFTER THE REPORTING PERIOD

Subsequent to period end, the portion of sales revenue received in USD for exporters including the Group's mineral exports was increased to 75% with effect from February 2023 from 60% which prevailed at period end. This was a positive development as it will increase the availability of foreign currency for the Group, which was already short considering the Group's requirements including funding of its projects.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31 December 2022

32. GOING CONCERN

As at the reporting date, the Group's current liabilities exceeded current assets by ZW$35,799,947,000 (December 2021:ZW$2,750,260,000) and the Group reported a net loss of ZW$20,040,622,000 (December 2021: ZW$2,097,942,000). The Company's current liabilities exceeded current assets by ZW$32,906,834,000 (December 2021; ZW$2,308,734,000) and the Company made a loss of ZW$18,355,491,000 (December 2021; ZW$2,306,805,000). The Group's performance was mainly affected by low gold production across the Group's mines throughout the year mainly as a result of placing of Dalny Mine under full care and maintenance during the first quarter due to ore supply challenges, power supply challenges at Renco Mine and teething challenges at the Cam & Motor Mine BIOX Plant after commissioning of the plant in April 2022.

Furthermore, the current economic environment characterised by a disparity between the official exchange rate and parallel exchange rate, costs continue to increase, exerting pressure on the Group's cash flows, and profitability.

The future of Cam & Motor Mine is hinged on the successful optimisation and operation of the BIOX Plant which will enable the mine to process its high-grade refractory sulphide resources. The teething challenges encountered during the year were successfully resolved and the mine is forecast to increase production in the ensuing year.

The net losses and a negative working capital position ordinarily indicate the existence of a material uncertainty on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The following matters, which support the appropriateness of the going concern assumption in the preparation of the financial statements of the Group, have been considered by the Directors:

- Increased gold production at Cam as recoveries are forecast to improve significantly after successful resolution of teething challenges at the BIOX Plant which stifled production subsequent to commissioning of the plant in April 2022.
- The Group received significant working capital support from its Associate company which sustained the Group during the year. The working capital support is forecast to continue to cover working capital deficits as the Group stabilizes production across all its mines.
- The Group continues to invest in back up power generators at all its mines to reduce the production losses due to power cuts with particular focus at Renco mine which suffered considerable production stoppages in the current year due to power cuts.
- The Group was at an advanced stage at year end in the setting up of small scale operations at Dalny Mine which is expected to bear fruits in the ensuing year, which will significantly reduce the care and maintenance costs for that mine.
- The Group is implementing rigorous cost cutting initiatives which will see significant cash savings which will contribute to the profitability of the Group
- Extensive exploration across the Group aimed at upgrading the Group's resources into reserves and minable resources, which will give more control on the grades which will positively contribute to increased production.

The Directors therefore believe that the preparation of the financial statements on a going concern basis is still appropriate. This basis assumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

TOP 20 SHAREHOLDERS

As at 31 December 2022

Rank	Names	Shares	Percentage
1	GEM RIOZIM INVESTMENTS LTD	53 711 268	44.01
2	RZM MUROWA (PVT) LTD	41 934 024	34.36
3	RIOZIM FOUNDATION CO (PVT) LTD	6 003 579	4.92
4	MEGA MARKET (PVT) LTD	3 704 663	3.04
5	CHARTERHOUSE3 LTD	2 315 129	1.90
6	GLS PHOENIX LIMITED	2 069 829	1.70
7	LEONARD LICHT	1 923 736	1.58
8	STANBIC NOMINEES (PVT) LTD.	1 645 071	1.35
9	SANJAYKUMAR PATEL	908 377	0.74
10	GURAMATUNHU FAMILY TRUST	395 013	0.32
11	LOCAL AUTHORITIES PENSION FUND	361 637	0.30
12	GOOD PALM INVESTMENTS PL	318 300	0.26
13	TFS NOMINEES (PVT) LTD	294 892	0.24
14	THE SEED TRUST	268 494	0.22
15	NIKHIL SURESHLAL BHULABHAI	192 740	0.16
16	ZWM NOM PVT LTD-CORP CLIENTS	181 477	0.15
17	NSSA - NATIONAL PENSION SCHEME	164 537	0.13
18	OLD MUTUAL LIFE ASS CO ZIM LTD	156 168	0.13
19	ZWM NOMINEES (PVT) LTD	154 657	0.13
20	PUBLIC SERVICE COMMISS PF-ABC	131 120	0.11
	Selected Shares	116 834 711	95.75
	Non - Selected Shares	5 194 759	4.25
	Issued Shares	122 029 470	100.00

NOTICE OF THE ANNUAL GENERAL MEETING

Annual General Meeting Virtual Link: https://escrowagm.com/eagmZim/Login.aspx

Notice is hereby given that the 67th Annual General Meeting of members will be held on Thursday, 30 November 2023 at 10.30 hours for the purpose of transacting the following business: -

A. ORDINARY BUSINESS

1. Financial Statements

To receive, consider and adopt the Financial Statements for the year ended 31 December 2022 together with the Report of the Directors and Auditors thereon.

2. Appointment of Directors

2.1 To confirm the appointment of Mr. G.R. Flanagan by the Board of Directors on the 28th of April 2023 in terms of Article 22 of the Company's Article of Association.

2.2 To confirm the appointment of Mr. A.P. Shanghavi by the Board of Directors on the 28th of April 2023 in terms of Article 22 of the Company's Article of Association.

2.3 To re-appoint directors by individual resolutions in terms of section 201 of the Companies and Other Business Entities Act [Chapter 24:31].

a) Mr. S.R. Beebeejaun retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.

b) Mr. G.R. Flanagan retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.

c) Mr. A.P. Shanghavi retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.

3. Directors Remuneration

To approve the remuneration of the Directors for the year ended 31 December 2022.

4. Auditor's Fees and Appointment

4.1 To approve the remuneration of the Auditor for the financial year ended 31 December 2022.

4.2 To appoint an Auditor for the ensuing year until the conclusion of the next Annual General Meeting. Mazars Zimbabwe (formerly KLM Chartered Accountants) being eligible, offers itself for election as the Auditor of the Company.(NOTE: In terms of Section 69(6) of the Securities and Exchange (Zimbabwe Stock Exchange Listing Requirement) Rules, 2019, companies must change their audit partners every five years and their audit firm every ten years. Mazars Zimbabwe Chartered Accountants have been auditing RioZim Limited for the past one year three months and as such are eligible for re-election.)

B. SPECIAL BUSINESS

1. Placing 5% of authorised unissued shares under the control of the Directors

To consider, and if deemed fit, pass with or without modification the following ordinary resolution: -

"THAT up to 5% of the authorised unissued ordinary shares of the Company be placed under the control of Directors, until the next Annual General Meeting, to be issued, subject to the requirement of the Company's Memorandum and Articles of Association."

C. ANY OTHER BUSINESS

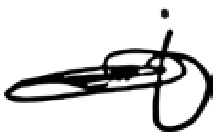
1. To transact any other business as may be transacted at an Annual General Meeting.

D. APPOINTMENT OF PROXY:

i) In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on its/his/her behalf. A proxy need not be a member o f the Company.

ii) Proxy forms must be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time appointed for the holding of the meeting.

By Order of the Board
RioZim Management Services (Private) Limited (Secretaries)
Per T.A. Chiurayi



Note:
Members may request a copy of the 2022 Annual Report from the registered office of the Company or from the office of the Transfer Secretaries. The 2022 Annual Report is also available for download from the Company's website www.riozim.co.zw.

FORM OF PROXY

As at 31 December 2022

For use at the Annual General Meeting ("AGM") of RioZim Limited to be held virtually on Thursday, 30 November 2023 at 10:30 hours.

I/We.. (Name/s in block letters)

Of..
Being a member of RioZim Limited ("the Company")

Being the registered holder(s) of.. Ordinary shares in the Company

Hereby appoint..of..
Address

....

Or failing him/her..of..
Address

....

Or failing him/her, the Chairman of the meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company as specified above and any adjournments thereof, and vote for me/us on my/our behalf or abstain from voting.

Do hereby record my votes for the resolutions to be submitted as follows:	Please mark the appropriate box with "X" next to each resolution. Alterations made to your initial response should be signed.		
	IN FAVOUR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
To consider and adopt, with or without amendment, the following resolutions:			
1. Financial Statements To receive, consider and adopt the Financial Statements for the year ended 31 December 2022 together with the Report of the Directors and Auditors thereon.			
2. Appointment of Directors **2.1** To confirm the appointment of Mr. G.R. Flanagan by the Board of Directors on the 28th of April 2023 in terms of Article 22 of the Company's Article of Association.			
2.2 To confirm the appointment of Mr. A.P. Shanghavi by the Board of Directors on the 28th of April 2023 in terms of Article 22 of the Company's Article of Association.			
2.3 To re-elect directors by individual resolutions in terms of section 201 of the Companies and Other Business Entities Act [Chapter 24:31].			
a) Mr. S.R. Beebeejaun retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.			
b) Mr. G.R. Flanagan retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.			
c) c) Mr. A.P. Shanghavi retires by rotation in terms of Article 23 of the Company's Articles of Association and being eligible offers himself for re-appointment.			
3. Directors Remuneration To approve the remuneration of the Directors for the year ended 31 December 2022..			
4. Auditor's Fees and Appointments			
4.1 To approve the remuneration of the Auditor for the financial year ended 31 December 2022.			
4.2 To appoint an Auditor for the ensuing year until the conclusion of the next Annual General Meeting. Mazars Zimbabwe being eligible, offer themselves for election as the auditor of the Company.			

FORM OF PROXY

As at 31 December 2022

Do hereby record my votes for the resolutions to be submitted as follows:		Please mark the appropriate box with "X" next to each resolution. Alterations made to your initial response should be signed.	
	IN FAVOUR	AGAINST	ABSTAIN
SPECIAL BUSINESS			
To consider and adopt, with or without amendment, the following resolutions:			
1. Placing 5% of authorised unissued shares under the control of the Directors To consider, and if deemed fit, pass with or without modification the following ordinary resolution: -"THAT up to 5% of the authorised unissued ordinary shares of the Company be placed under the control of Directors, until the next Annual General Meeting, to be issued, subject to the requirement of the Company's Memorandum of Articles of Association and the Zimbabwe Stock Exchange Listing Requirements."			

Signed this..Day of..2023

Signature of member..

NOTES TO THE PROXY

As at 31 December 2022

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

It is important that this information is read before completing the Proxy form.

- In terms section 171 of the Companies and Other Business Entities Act [Chapter 24:31] a member of the Company is entitled to appoint one or more proxies to act in the alternative, to attend and vote and speak instead of him. A proxy need not be a member of the Company.

- A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies. The proxy form must be signed and dated for it to be valid.

- In accordance with Article 43 of the Company's Articles of Association, instruments of proxy must be deposited at the registered office of the Company addressed to the Company Secretary or at the office of the Transfer Secretaries not less than 48 (forty-eight) hours before the time appointed for holding the meeting.

- Documentary evidence establishing the authority of a person signing this form of proxy must be deposited together with the proxy form not less than 48 (forty-eight) hours before the meeting. The Chairman shall be entitled to decline or accept the authority of a person signing the proxy form:

  a) under a power of attorney
  b) on behalf of a company
  c) in a representative capacity

  which is completed and received other than in accordance with these notes.

- If two or more proxies appointed in the alternate attend the meeting, then that person attending the meeting whose name appears first on the proxy form shall be regarded as the validly appointed proxy.

- When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

- This is a GENERAL PROXY allowing the proxy to vote on behalf of the shareholder/member on the resolution properly proposed for the meetings and or any other business that may properly come before the meetings. The proxy can vote as he/she sees fit FOR or AGAINST a resolution unless given additional specific written directions as to how to vote on specific resolutions in which case those directions must be filed together with this General Proxy.

- The completion and lodging of this form of proxy will not preclude the members who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms of the proxy form should such member wish to do so. In the event of such personal attendance the proxy form will be revoked.

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To view the Online Annual Report,
please visit our website
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