**29 September 2023**

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM: ZIOC) is pleased to announce its unaudited interim results for the six months ended 30 June 2023 and an update on post reporting period end events to 28 September 2023.

**Highlights**

**Corporate strategy**

- Corporate strategy approved by the ZOIC Board of Directors, focused on leveraging recent discussions with potential partners in order to progress the Zanaga Project through positive defined milestones
- Key milestone objectives through to the end of Q1 2024 include:
    - Feasibility Study update – End 2023
    - Hydro power partnership – Q1 2024 (Memorandum of Understanding)
    - Port partnership – Q1 2024 (Memorandum of Understanding)
    - Strategic partner initiative – Q1 2024 (Memorandum of Understanding)

**Zanaga Iron Ore Project (the “Project” or the “Zanaga Project”)**

- Partnership launched with Chinese iron ore technical expert engineering firm (“Chinese EPC Partner”) as part of a two stage optimisation process of the Zanaga 30Mtpa staged development project.
    - Phase 1 – Feasibility Study update (the “FS Update”)
        - 2014 Feasibility Study cost estimates to be updated to current market pricing using Chinese contractor pricing for both phases of 12Mtpa Stage One (“Stage One”), plus 18Mtpa Stage Two expansion (“Stage Two”) projects.
        - Chinese EPC Partner possesses specific, specialised, design and construction expertise in slurry pipeline projects as well as iron ore pellet feed concentrate projects similar to that proposed at the Zanaga Project.
        - Initial guidance provided by the Chinese EPC Partner is that potential capital and operating cost savings of more than 20% could be achieved.
        - The results of this exercise are expected to be received in Q4 2023.
    - Phase 2 – Processing technology application study
        - Chinese EPC Partner possesses a proprietary new processing technology for iron ore processing, with the potential to provide further capital and operating cost savings beyond the results of the FS Update.
        - The application of this processing technology to the iron ore from the Zanaga Project is planned to undergo technical assessment as initial results from the FS Update are received in the coming months.
- Port infrastructure discussions underway
    - Discussions are in progress with a large port infrastructure development firm, including consideration of:

        - Opportunity for expansion of the existing port of Pointe-Noire.
        - Potential development solutions for a large bulk mineral port capable of supporting the Zanaga 30Mtpa staged development project.

- Early Production Project ("EPP Project" or "EPP")
    - Multiple production scenarios remain under investigation on processing facilities and suitable logistics solutions, with a particular focus on an export solution through the Republic of Congo ("RoC").

**Funding**

- Shard Merchant Capital Ltd ("SMC") equity subscription agreements ("Shard ESAs").
    - Original SMC equity subscription agreement (ESA) fully completed ("2020 ESA").
        - In 2022 SMC subscribed for 7 million shares of no par value in ZIOC, as part of the final tranche of the 21 million ordinary share facility signed in 2020.
        - Total proceeds of £1,318,126.12 were received from the facility, following the placement of the final 7,000,000 tranche shares by SMC in 2022.
    - New ESA signed with SMC on 1 July 2023 ("2023 ESA").
        - Following the successful completion of the 2020 ESA, ZIOC has entered into the 2023 ESA with SMC.
        - Under the terms of the 2023 ESA the Company will issue and SMC will subscribe for up to 36 million ordinary shares of no par value in the Company ("Subscription Shares") in up to three tranches of up to 12 million shares each.
        - Pursuant to the 2023 ESA, SMC has undertaken to use its reasonable endeavors' to place the relevant Subscription Shares that it has subscribed for and to pay to ZIOC 95% of the gross proceeds of any such sales.
    - Proceeds of the Shard ESAs applied to general working capital, including the provision of further contributions to the Zanaga Project's operations.
- Cash balance of US$0.6m as at 30 June 2023 and cash balance of US$0.5m as at 31 August 2023.
    - Current available cash on hand is expected to cover ZIOC's corporate overheads until end Q1 2024 assuming an extension of the term of the current facility from Glencore which is currently due to be repaid on 31 December 2023, with current SMC facility placement expected to extend ZIOC working capital into Q3 2024 following that extension.
- Annual General Meeting to be held in November 2023, with the requisite notice to be sent to shareholders in due course.

**Clifford Elphick, Non-Executive Chairman of ZIOC, commented:**

"During the first half of 2023, ZIOC launched a process with its Chinese EPC Partner to secure Chinese contractor pricing and to update the cost estimates of the 30Mtpa Feasibility Study, while also considering the application of new iron ore processing technology to reduce estimated costs further. This is a completely different exercise to the study work conducted by consulting firms in the past, as the Chinese EPC Partner is a constructor and developer of iron ore mining projects, with specific expertise in slurry pipelines and pellet feed concentrate processing. We look forward to concluding the process by year end.

Furthermore, port infrastructure discussions are underway with a large port infrastructure development firm seeking to expand the existing port of Pointe-Noire. Consideration is also being given to potential development solutions for a large bulk mineral port capable of supporting the 30Mtpa staged development project.

Following the acquisition of full ownership and control of the Zanaga Project we are now engaging with strategic entities interested in participating in the Zanaga Project, and intend on securing a selected partner by the end of Q1 2024".

Copies of the unaudited interim results for the six months ended 30 June 2022 are available on the Company's website at www.zanagairon.com

The Zanaga Iron Ore Company Limited LEI number is 21380085XNXEX6NL6L23.

For further information, please contact:


**Zanaga Iron Ore**

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**About us:**

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM ticker: ZIOC) is the owner of the Zanaga Iron Ore Project based in the Republic of Congo (Congo Brazzaville) through its subsidiary Jumelles Limited. The Zanaga Iron Ore Project is one of the largest iron ore deposits in Africa and has the potential to become a world-class iron ore producer.

**Business Review - Operations**

**Chinese EPC contractor engagement**

ZIOC has entered into an engagement with a Chinese EPC partner with substantial experience in the design, engineering and construction management of large iron ore projects. The Chinese EPC contractor possesses specific, specialised, design and construction expertise in slurry pipeline projects as well as iron ore pellet feed concentrate projects similar to the Zanaga Project.

The process involves a two stage project optimisation work programme.

The initial FS Update will involve updating the 2014 Feasibility Study cost estimates to current market pricing using Chinese contractor pricing for both phases of the 30Mtpa staged development project, including both 12Mtpa Stage One, plus 18Mtpa Stage Two expansion.

The Chinese EPC has initially guided that cost savings of more than 20% could be available through the utilisation of Chinese construction contractor firms capable of building the Zanaga Project utilising lower cost construction solutions than traditional Western EPC firms would typically be able to provide.

The results of this exercise are expected to be received in Q4 2023.

The second phase of work will involve investigating the potential to apply proprietary iron ore processing technology that the Chinese EPC Partner possesses, with the potential to provide further capital and operating cost savings beyond the results of the FS Update.

The application of this processing technology to the iron ore from the Zanaga Project is planned to undergo technical assessment as initial results from the FS Update are received in the coming months.

**Port infrastructure discussions underway**

Discussions are in progress with a large port infrastructure development firm to investigate opportunities to align the Zanaga Project with their planned port infrastructure facilities in Pointe-Noire. Consideration is being given to both of the following port infrastructure initiatives:

- Opportunity for expansion of the existing port of Pointe-Noire, potentially enabling a larger solution for the EPP Project.
- Potential development solutions for a large bulk mineral port terminal capable of supporting the Zanaga 30Mtpa staged development project.

**Corporate Strategy approved**

The ZIOC Board of Directors and management have determined specific milestones and objectives until the end of Q1 2024. This strategy intends to leverage recent discussions with potential partners in order to progress the Zanaga Project through specific work programs to derisk the project and enable the financing and ultimately the construction of the project in due course. These items are outlined below:

- Feasibility Study update – End 2023 (See section below for further information)
- Hydro power partnership – Q1 2024 (Memorandum of Understanding)
  - The Zanaga project team have been working with a number of hydro power infrastructure development partners and construction companies to evaluate potential sites for hydro-power projects capable to providing power to the 30Mtpa Project as well as the EPP. A number of these firms have expressed an interest in developing such power solutions, and a memorandum of understanding for the evaluation of potential hydro power solutions with a selected power partner for the Zanaga Project is targeted for Q1 2024.
- Port partnership – Q1 2024 (Memorandum of Understanding)
  - Port infrastructure discussions are underway with a large port infrastructure development firm seeking to expand the existing port of Pointe-Noire. Consideration is also being given to potential development solutions for a large bulk mineral port capable of supporting the 30Mtpa staged development project.
  - A memorandum of understanding with a large port infrastructure development firm for the port infrastructure is targeted for Q1 2024.
- Strategic partner initiative – Q1 2024 (Memorandum of Understanding)
  - Following the completion of the acquisition of Glencore's shareholding in the Zanaga Project, ZIOC Early stage strategic partner discussions are underway and a memorandum of understanding with a selected partner is targeted for Q1 2024.

**Iron Ore Market**

The iron ore market has been relatively stable in recent months, providing a positive backdrop for sustained pricing at these levels. China continues to consume significant quantities of iron ore to feed its substantial steel industry. Furthermore, given the current geopolitical environment, we believe that increased resource independence will provide impetus to strategic investors in China and outside of China to secure access to globally significant assets, especially outside Australia and Brazil – for Chinese investors. The Zanaga Project therefore has the potential to deliver substantial iron ore production to strategic customers looking to secure positions in the commodity.

**Subscription Agreement with Shard Merchant Capital Ltd**

The Company has been pleased with the success of the 2020 ESA with SMC which has provided the Company with access to funding through a relatively low cost structure that minimised dilution to shareholders.

The proceeds received by the Company from SMC pursuant to the Subscription Agreement have been applied to general working capital, including the provision of further contributions to the Zanaga Project's operations.

As a result, the Company has entered into a new 2023 ESA with SMC on 1 July 2023, post period end. An overview of the two ESAs is provided below:

1) 2020 ESA
    a. As previously announced, on 26 June 2020 ZIOC announced that the Company had entered into a Subscription Agreement with SMC, a financial services provider.
    b. Under the Subscription Agreement, and over the course of 2020 to 2022, the Company issued and SMC subscribed for 21 million ordinary shares of no par value in the Company ("Subscription Shares") in three tranches of 7 million shares each (First tranche in 2020 and the subsequent tranches in 2021 and 2022).
    c. During 2022, the final 7,000,000 ordinary shares in the Company were placed by SMC. As a result of such transactions, as at 28 June 2023, all of the 21,000,000 ordinary shares in the Company had been placed and the Company had received the aggregate net sum of £1,318,126.12.
2) 2023 ESA
    a. As announced by the Company, on 1 July 2023 the Company entered into a new Subscription Agreement (the 2023 ESA) with SMC.
    b. Under the Subscription Agreement, the Company will issue and SMC will subscribe for 36 million ordinary shares of no par value in the Company ("Subscription Shares") in three tranches of 12 million shares each (the First tranche was issued immediately on 1 July 2023).

**Cash Reserves and Project Funding**

As at 29 June 2023, ZIOC has outlined a 2023 Project Work Programme and Budget as outlined below.

At 30 June 2023 the Company had cash reserves of US$0.6m The Company had cash reserves of US$0.5m as at 31st August 2023.

In order to raise additional funding the Company entered a Subscription Agreement with SMC (as described above). The financing structure with SMC enables the Company to access funding for the costs that the Company is expected to meet in the near future. For illustrative purposes only, if the average price at which SMC places the 36,000,000 shares was 4.67 pence (being ZIOC's 90 day value weighted average share price as at 28 September 2023), the net proceeds received by ZIOC from such sales would be approximately £1.60m. Based on the current cost base at the Zanaga Project, the direct loan facility to Jumelles Ltd, the current low corporate overheads of ZIOC, the agreed cash preservation plan adopted by the Company (described below), the Company's existing cash reserves and (on the basis of cautious assumptions made by the Company in its funding model) the funds expected to be obtained from the funding facility established by the Subscription Agreement with SMC, the board of directors of ZIOC (the "Board") believes that the Company will be adequately positioned to support its operations going forward in the near future. As the final cash amounts to be received for each tranche of issued shares, and the timing of this receipt, are dependent on SMC successfully selling the shares prior to transferring funds to the Company, the Board is of the view that the going concern basis of accounting is appropriate. However, the Board acknowledges that there is a material uncertainty which could give rise to significant doubt over the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, based on and taking into account the foregoing factors, the Board are satisfied the Company will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts.

The Company continues to review the costs of its operational activities with a view to conserving its cash resources. As part of such review, and in order to preserve the cash position of the Company, it has been agreed with the Directors (since January 2019) and Management (since September 2019) that fees previously deferred would be reviewed. As of today, discussions with management continue and a resolution is expected to be reached imminently through the issue of shares in consideration of part of this deferred consideration.

**Financial review**

**Results from operations**

The financial statements contain the results for ZIOC for the first half of 2023. ZIOC made a loss in the half-year of US$0.4m compared to a gain of US$8.1m in the full year ended December 2022. The loss for the 2023 half-year period comprised:

| | **1 January to 30 June 2023** | 1 January to 30 June 2022 | 1 January to 31 December 2022 |
|---|---|---|---|
| | **Unaudited** | Unaudited | Audited |
| | **US$000** | US$000 | US$000 |
| General expenses | **(350)** | **(160)** | **(516)** |
| Net foreign exchange (loss)/gain | **-** | **(32)** | - |
| Share of loss of associate | **-** | **(334)** | **(436)** |
| Gain on revaluation of investment | **- -** | 9,050 | |
| (Loss)/Gain before tax | **(350)** | **(526)** | 8,098 |
| Reclassification of share of other comprehensive (loss) / income of associate | **-** | **-** | (3,447) |
| Share of other comprehensive income of associate – foreign exchange | **-** | **37** | 61 |
| Total Comprehensive income | **(350)** | **(489)** | 4,712 |

General expenses of US$0.4m (2022: US$0.2m), consisting of: Directors' fees of US$Nil (2022: US$Nil), professional fees of US$Nil (2022: US$Nil), LTIP charge of US$Nil (2022 US$0.1m) and US$0.4m (2022: US$0.1m) of other general operating expenses.

**Financial position**

ZIOC's net asset value ("NAV") of US$84.9m is comprised of a US$85.3m exploration and evaluation assets, US$0.7m of PPE, US$0.6m of cash balances and US$1,8m net current liabilities.

| | **30 June 2023** | 30 June 2022 | 31 December 2022 |
|---|---|---|---|
| | **Unaudited** | Unaudited | Audited |
| | **US$m** | US$m | US$m |
| Investment in associate | **-** | **37.1** | - |
| Exploration and Evaluation | **85.3** | **-** | 85.3 |
| PPE | **0.7** | **-** | 0.7 |
| Cash | **0.6** | **0.3** | 0.3 |
| Other net current assets/(liabilities) | **(1.7)** | **0.1** | (1.1) |
| Net assets | **84.9** | **37.5** | 85.2 |

**Cash flow**

Cash balances have increased by US$0.3m since 31 December 2022. Operating activities were US$0.5m and the Glencore loan increased by US$0.8m.

| | **30 June 2023** | 30 June 2022 | 31 December 2022 |
|---|---|---|---|
| | **Unaudited** | Unaudited | Audited |
| | **US$000** | US$000 | US$000 |
| GBP Balances | **0.1** | **0.2** | 0.2 |
| USD value of GBP balances | **0.2** | **0.3** | 0.2 |
| USD value of other currencies | **0.3** | **-** | 0.1 |
| USD balances | **0**.1 | **-** | - |
| Cash Total | **0.6** | **0.3** | 0.3 |

**Consolidated Statement of Comprehensive Income** for the six months ended 30 June 2023

| | Note | **1 January to 30 June 2023 Unaudited US$000** | 1 January to 30 June 2022 Unaudited US$000 | 1 January to 31 December 2022 Audited US$000 |
|---|---|---|---|---|
| Gain on revaluation of investment | | **-** | **-** | 9,050 |
| Administrative expenses | | **(350)** | **(192)** | (516) |
| Share of (loss)/profit associate | | **-** | **(334)** | (436) |
| **Operating loss** | | **(350)** | **(526)** | 8,098 |
| **(Loss) before tax** | | **(350)** | **(526)** | 8,098 |
| Taxation | 5 | **-** | **-** | |
| **(Loss) for the period** | | **(350)** | **(526)** | - |
| Reclassification of share 0f other comprehensive income / (loss of associate) | | **-`** | **-** | (3,447) |
| Share of other comprehensive (loss)/income of associate – foreign exchange translation | | **-** | **37** | 61 |
| **Other comprehensive (loss)/gain** | | **-** | **37** | (3,386) |
| **Total comprehensive (loss)/gain** | | **(350)** | **(489)** | 4,712 |
| **(Loss)/Earnings per share (Cents)** | | | | |
| Basic | 7 | **(0.1)** | **(0.2)** | 0.3 |
| Diluted | 7 | **(0.1)** | **(0-2)** | 0.3 |

All other comprehensive income may be classified as profit and loss in the future.

**Consolidated Statement of changes in equity**

for the six months ended 30 June 2023

| | Share capital US$000 | Retained earnings US$000 | Foreign currency translation reserve US$000 | Total Equity US$000 |
|---|---|---|---|---|
| **Balance at 1 January 2022** | **270,935** | **(236,516)** | **3,317** | **37,736** |
| Consideration for share-based payments - other services | 82 | - | - | 82 |
| Issued Capital | - | - | - | - |
| Loss for the period | - | (525) | - | (525) |
| Other comprehensive (loss)/ income | - | - | 37 | 37 |
| | - | (525) | 37 | (406) |
| Total comprehensive (loss)/income | | | | |
| **Balance at 30 June 2022** | **271,017** | **(237,041)** | **3,354** | **37,730** |
| Consideration for share-based payments - other services | 81 | - | - | 81 |
| Issued Capital | 42,591 | - | - | 42,591 |
| Profit for the period | - | 8,623 | - | 8,098 |
| Other comprehensive (loss)/income | - | - | (3,423) | (3,423) |
| Total comprehensive (loss)/income | | 8,623 | (3,423) | 5,200 |
| **Balance at 31 December 2022** | **313,689** | **(228,418)** | **(69)** | **85,202** |
| Consideration for share-based payments - other services | - | - | - | - |
| Issue of shares | - | - | - | - |
| Loss for the period | - | (350) | - | (350) |
| Other comprehensive (loss)/income | - | - | - | - |
| | - | (350) | - | (350) |
| Total comprehensive loss | | | | |
| | **313,689** | **(228,768)** | **(69)** | **84,852** |
| **Balance at 30 June 2023** | | | | |

**Consolidated Balance sheet**

as at 30 June 2023

| | Note | **30 June 2023 Unaudited US$000** | 30 June 2022 Unaudited US$000 | 31 December 2022 Audited US$000 |
|---|---|---|---|---|
| **Non-current asset** | | | | |
| Exploration and evaluation assets | | **85,300** | **-** | 85,300 |
| Property, plant and equipment | | **696** | **-** | 703 |
| Investment in associate | 6 | **-** | **37,067** | - |
| | | **85,996** | **37,067** | 86,003 |
| **Current assets** | | | | |
| Other receivables | | **44** | **157** | 113 |

| | | | |
|---|---|---|---|
| Cash and cash equivalents | **573** | **250** | 310 |
| | **617** | **407** | 423 |
| **Total Assets** | **86,613** | **37,473** | 86,426 |
| | | | |
| **Non -current liabilities** | | | |
| **Lease liability** | **105** | - | 104 |
| | | | |
| **Current liabilities** | | | |
| **Loans and borrowings** | **1,185** | - | 385 |
| Trade and other payables | **465** | **(144)** | 724 |
| **Lease liability** | **5** | | 11 |
| | **84,853** | | |
| **Net assets** | | **37,330** | 85,202 |
| **Equity attributable to equity holders of the parent** | | | |
| Share capital | **313,689** | **271,017** | 313,689 |
| Retained earnings | **(228,767)** | **(237,041)** | (228,418) |
| Foreign currency translation reserve | **(69)** | **3,354** | (69) |
| **Total equity** | **84,853** | **37,330** | 85,202 |

These financial statements were approved by the Board of Directors on 30 September 2023.

**Consolidated Cash flow statement**

for the six months ended 30 June 2022

| | **1 January to 30 June 2022 Unaudited US$000** | 1 January to 30 June 2021 Unaudited US$000 | 1 January To 31 Dec 2021 Audited US$000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(Loss) for the year | **(350)** | **(526)** | 8,098 |
| Adjustments for: | | | |
| Share based payments | **-** | **82** | 163 |
| Gain on revaluation of investment in associate | **-** | **-** | (9,050) |
| Decrease in other receivables | **69** | **76** | 130 |
| Increase in trade and other payables | **536** | **(9)** | 126 |
| Net exchange (profit)/loss | **-** | **32** | - |
| Share of Total Comprehensive income of associate | **-** | **334** | 436 |
| **Net cash from operating activities** | **255** | **(11)** | (97) |
| **Cash flows from financing activities** | | | |
| Issue of shares | **-** | - | - |
| **Net cash from financing activities** | **-** | - | - |
| **Cash flows from investing activities** | | | |
| Interest received | **-** | **-** | - |
| Acquisition of property, plant and equipment | **-** | **-** | |
| Investment in associate | **-** | **(95)** | (95) |
| **Net cash from investing activities** | **-** | **(95)** | (95) |
| **Net increase in cash and cash equivalents** | **255** | (106) | (192) |
| Cash and cash equivalents at beginning of period | **310** | 387 | 387 |
| Acquired as acquisition of assets | **-** | - | 115 |
| Effect of exchange rate difference | **8** | (31) | - |
| **Cash and cash equivalents at end of period** | **573** | 250 | 310 |

**Notes to the financial statements**

**1. Business information and going concern basis of preparation**

As at 29 June 2023, ZIOC has outlined a 2023 Project Work Programme and Budget as outlined below.

At 30 June 2023 the Company had cash reserves of US$0.6m The Company had cash reserves of US$0.5m as at 31st August 2023.

In order to raise additional funding the Company entered a Subscription Agreement with SMC (as described above). The financing structure with SMC enables the Company to access funding for the costs that the Company is expected to meet in the near future. For illustrative purposes only, if the average price at which SMC places the 36,000,000 shares was 4.67 pence (being ZIOC's 90 day value weighted average share price as at 28 September 2023), the net proceeds received by ZIOC from such sales would be approximately £1.60m. Based on the current cost base at the Zanaga Project, the direct loan facility to Jumelles Ltd, the current low corporate overheads of ZIOC, the agreed cash preservation plan adopted by the Company (described below), the Company's existing cash reserves and (on the basis of cautious assumptions made by the Company in its funding model) the funds expected to be obtained from the funding facility established by the Subscription Agreement with SMC, the board of directors of ZIOC (the "Board") believes that the Company will be adequately positioned to support its operations going forward in the near future. As the final cash amounts to be received for each tranche of issued shares, and the timing of this receipt, are dependent on SMC successfully selling the shares prior to transferring funds to the Company, the Board is of the view that the going concern basis of accounting is appropriate. However, the Board acknowledges that there is a material uncertainty which could give rise to significant doubt over the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, based on and taking into account the foregoing factors, the Board are satisfied the Company will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts.

The Company continues to review the costs of its operational activities with a view to conserving its cash resources. As part of such review, and in order to preserve the cash position of the Company, it has been agreed with the Directors (since January 2019) and Management (since September 2019) that fees previously deferred would be reviewed. As of today, discussions with management continue and a resolution is expected to be reached imminently through the issue of shares in consideration of part of this deferred consideration.

**2. Accounting policies**

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

**3. Basis of preparation**

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

In accordance with the AIM Rules for Companies, the condensed set of financial statements has been prepared in applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2021. The comparative figures for the financial year ended 31 December 2021 are not the Company's statutory accounts for that financial year. The 2021 accounts have been reported on by the Company's auditors. The report of the auditors was (i) unqualified and (ii) did not include a reference to any matter to which the auditors drew attention by way of emphasis without qualifying their report**.**

Up until 30 April 2014, the Company accounted for 100% of the Jumelles group Comprehensive Income. From May 2014, as a result of completion of the Feasibility Study (note 1 above) and thus consideration to complete the Call Option, the Company has accounted for 50% less one share shareholding portion of that Comprehensive Income.

**4. Segmental reporting**

The Company has one operating segment, being its investment in the Zanaga Project, held through Jumelles. Financial information regarding this segment is provided in note 6.

**5. Taxation**

The Company is exempt from most forms of taxation in the British Virgin Islands ("BVI"), provided the Company does not trade in the BVI and does not have any employees working in the BVI. All dividends, interest, rents, royalties and other expense amounts paid by the Company, and capital gains realised with respect to any shares, debt obligations or other securities of the Company, are exempt from taxation in the BVI.

The effective tax rate for the Group is 0.00% (December 2022: 0.00%).

**6. Investment in associate**

| | **US$000** |
|---|---:|
| **Balance at 1 January 2022** | **37,269** |
| Additions | **95** |
| Share of comprehensive loss | **(297)** |
| **Balance at 30 June 2022** | **37,067** |
| Share of comprehensive loss | **(139)** |
| Share of currency translation reserve | **61** |
| Disposal – on account of acquisition of controlling stake | **(36,998)** |
| **Balance at 31 December 2022** | **-** |

On 16 December 2022, the Company acquired the remaining stake in Jumelles from Glencore, thereby gaining control, with 100% stake in Jumelles. The consideration for this acquisition was made by issuing ordinary shares of the Company.

| **7. Loss per share** | **30 June 2023 Unaudited US$000** | 30 June 2022 Unaudited US$000 | 31 December 2022 Audited US$000 |
|---|---:|---:|---:|
| **Profit/(Loss) (Basic and diluted) (US$000)** | **(350)** | **(526)** | 8,098 |
| **Weighted average number of shares (thousands)** | | | |
| Basic and diluted | | | |
| Issued shares at beginning of period | **593,374** | **307,034** | 307,034 |
| Shares issued during the year | **-** | **-** | 286,340 |
| Weighted average of new shares issued | **-** | **-** | 11,767 |
| Weighted average number of shares at end of period – basic | **593,374** | **307,034** | 318,801 |
| **(Loss)/Earnings per share (Cents)** | | | |
| Basic | **(0.1)** | **(0.2)** | 0.3 |
| Diluted | **(0.1)** | **(0.2)** | 0.3 |

**8. Related parties**

The following transactions occurred with related parties during the period:

| | **Transactions for the period** | **Closing balance** |
|---|---|---|

| | 30 June 2023 Unaudited US$000 | 30 June 2022 Unaudited US$000 | 31 December 2022 Audited US$000 | 30 June 2023 Unaudited US$000 | 30 June 2022 Unaudited US$000 | 31 December 2022 Audited US$000 |
|---|---|---|---|---|---|---|
| **Funding:** | | | | | | |
| Loan from Glencore to Jumelles Ltd * | **800** | **-** | 385 | **1,185** | **-** | 385 |

* Repayable on 31 December 2023