2022 ANNUAL REPORT

PADENGA HOLDINGS LIMITED

"We don't expect the best results to come from anything less than careful planning, hard work and a real commitment to achieve what we set out to do."

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The Padenga Holdings Limited Annual Report for FY 2022 is available for download at ***http://www.padenga.com***

COMPANY OVERVIEW

Padenga Holdings Limited is forging a unique yet effective partnership - gold and crocodile skins.

As the world economies are buffering one way or another, this unusual combination of premium export products achieves a strategic balance to offset supply and demand variances that will enable Padenga Holdings Limited to offer a refreshingly consistent set of positive financial results.

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ABOUT THIS REPORT

Padenga Holdings Limited, a company listed on the Victoria Falls Stock Exchange (VFEX), presents its annual report for the year ended 31 December 2022.

This report integrates both financial and non-financial information necessary to inform our stakeholders on the Company's performance, including an overview of its social, environmental, and economic impacts. Padenga operates on the principle of continuous improvement not only in terms of operational performance, but also in terms of the individual performance of its employees. The business strives to maximise the quality of the skins that it produces, and aims to be the principal supplier of premium grade crocodilian skins to the global market.

Through its subsidiary company Dallaglio Investments (Pvt) Ltd, Padenga is also committed to becoming the leading gold mining enterprise in Zimbabwe, creating value for its citizens now and for generations to come. Together we strive to innovate, explore, build and operate gold mining assets to a world class standard.

Dallaglio is obligated to comply with Padenga's company policies, which include reporting on the sustainability of its operations, as well as compliance to the requirements of the Victoria Falls Stock Exchange (VFEX).

Reporting frameworks
The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

In reporting non-financial information, Padenga is guided by:

- ZWS ISO 26000 integrating, implementing and promoting socially responsible behaviour throughout the organization through its policies and practices and within its sphere of influence; identifying and engaging with stakeholders; and communicating commitments, performance and other information related to social responsibility.
- Listing Requirements of the Victoria Falls Stock Exchange (VFEX)
- Global Reporting Initiatives (GRI) Protocol
- The National Code of Corporate Governance in Zimbabwe (ZIMCODE)
- Climate Change Disclosure Framework of the Carbon Disclosure Standards Board (CDSB) guided by ISO 14064-65-66: Greenhouse gas (GHG) quantification, reporting, verification, validation. GHG Emission = Activity x Emission Factor GHG using DEFRA Greenhouse gas reporting: conversion factors 2022 for Scope 1, while for Scope 2 www.emissionsfactors.com's IPCC calculation value of 0.729770333127 kgCO2e/kWh for Zimbabwe have been used for this report.
- Business Reporting on Sustainable Development Goals (SDGs): Guide of GRI and United Nations Global Compact (UNGC): ISO 26000 and other relevant ISO standards (refer to ISO/SDGs linkage documents).
- King IV Report.

Sustainability report boundaries
In defining the reporting boundaries, the 2022 Sustainability Report is divided into two sections. The first section will focus on Padenga's Crocodilian business division while the second section will focus on the gold mining division's operations.

Sustainability reporting declaration
The sustainability information in this annual report was prepared using Zimbabwe standard ZWS ISO 26000:2010, the international ISO guidance standard adopted by Zimbabwe, providing the framework to integrate Social Responsibility (SR) into the values and practices of the Group. It communicates the commitment, performance and relevant information on SR; a key component of sustainability. The information in this report may be used for the Global Reporting Initiative (GRI) protocol using the GRI/ISO 26000 linkage[1]. Black Crystal Consulting, an independent sustainability reporting consultant, performed an independent review of this report and the information therein and provided third-party assurance that all considerations were taken into account to ensure that the report complies in all material aspects with provisions of the selected standard and linkage requirements. The applicable United Nations Sustainable Development Goals (SDGs) in relation to Padenga Holdings Limited's Crocodile Division are also presented as part of this report.

Forward-looking statements
This report contains certain forward-looking statements. These statements are based on current estimates and projections by Padenga Holdings Limited's management using currently available information. Future statements are not guarantees of future developments and results outlined therein.

Future statements are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that have yet to be fully validated. We do not assume any obligation to update the forward-looking statements contained in this report.

We would welcome your feedback on our reporting and any suggestions you may have in terms of what you would like to see incorporated in our future reports. To do so, please contact Terrie Chin-Lee on email at tchinlee@padenga.com and by phone on +263 772 436 573.

Gary Sharp
CEO

Oliver Kamundimu
CFO

[1] *GRI G4 Guidelines and ISO 26000:2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction (https://www.iso.org/iso/iso-gri-26000_2014-01-28.pdf)*

OUR VISION & VALUES

VISION

To be the principal and preferred supplier of premium grade crocodilian skins to the luxury brand houses of the world.

To be Zimbabwe's leading gold mining company, creating value for our people now and in generations to come.

VALUES

1. *Padenga operates with foresight.*

   Foresight includes careful planning, innovation and upgrades to the most appropriate industry systems and methodologies.

2. *Padenga operates with insight.*

   Insight includes developing a performance related culture based on integrity, team spirit, mutual respect and fairness.

3. *Padenga operates with oversight.*

   Oversight includes strong governance, discipline and controls to ensure positive results and shareholder value.

COMPANY BUSINESS

PADENGA HOLDINGS LIMITED

NILE CROCODILE DIVISION
ZIMBABWE

PADENGA CROCODILE DIVISION

As one of the world's leading suppliers of premium quality crocodilian skins, Padenga produced 57.4% of Zimbabwe's total annual wet-salted crocodile skin exports during 2022, and approximately 73% of the total export value of all wet-salted crocodile skins. The Company strives to maximise the quality of the skins that it produces, and aims to be the principal supplier of premium grade crocodilian skins to the global market.
In addition, Padenga's Zimbabwean operation has historically produced crocodile meat from its export approved abattoir for sale to European markets.
The Company currently operates three crocodile farms in northern Zimbabwe on the shores of Lake Kariba.

GOLD MINING DIVISION
ZIMBABWE

DALLAGLIO INVESTMENTS (PVT) LTD

With a majority shareholding in Dallaglio Investments (Private) Limited, which is engaged in developing and operating large scale commercial gold mines domestically, Padenga is committed to becoming the leading gold mining enterprise in Zimbabwe.

The Company strives to innovate, explore, build, and operate gold mining assets to 1st world standards.

COMPANY ORGANOGRAM

CORPORATE INFORMATION

DIRECTORATE & MANAGEMENT

Board
The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Group. The Board is accordingly, the highest policy organ of the Group and sets its strategy. Meeting quarterly, the Board receives and acts on key information pertaining to the operations of Padenga.

Composition
The Board consists of three executive directors and four non-executive directors, comprising a cross-section of professionals and major shareholder representatives. The non-executive directors of Padenga comprise individuals with proven track records and a wide range of different skills and experience, which they employ for the Group's benefit, and who also provide crucial independence and guidance in the Group's strategic decision-making.

Details of Directors & Management
The full names and positions of the Directors of Padenga as at 31st December 2022 are set out below:

Directors
Thembinkosi Nkosana Sibanda - *Non-Executive Chairman*
Gary John Sharp - *Chief Executive Officer*
Oliver Tendai Kamundimu - *Chief Financial Officer*
Michael John Fowler - *Executive Director*
Anne Mutsa Mazvita Madzara - *Non-Executive Director (Deceased 11th April 2023)*
Sternford Moyo - *Non-Executive Director*
Evlyn Mkondo - *Non-Executive Director*

(Thembinkosi Nkosana Sibanda was appointed Chairman on the 12th of September 2018)
(Sternford Moyo was appointed as a Director on the 1st of May 2019)
(Evlyn Mkondo was appointed as a Director on on the 15th of June 2021)
(All other Directors were appointed in November 2010)

CBZ Bank Limited
Union House, 60 Kwame Nkrumah Avenue, Harare
Standard Chartered Bank
Africa Unity Square Building, Nelson Mandela Avenue, Harare
CABS
Northend Close, Northridge Park, Harare
EcoBank
Sam Levy Village, Borrowdale, Harare

Executive Management
Gary John Sharp - *Chief Executive Officer*
Oliver Tendai Kamundimu - *Group Chief Financial Officer*
Michael John Fowler - *Executive Director*
Owen Manasah - *Chief Financial Officer Crocodile Division*
Charles Boddy - *Operations Executive*
Hannerietta R Choga - *Human Resources Executive*
Jimmyson Kazangarare - *General Manager Kariba Crocodile Farm*
Prince Chapeyama - *General Manager Nyanyana Crocodile Farm*
Mike Ncube - *General Manager Ume Crocodile Farm*
Jeremiah Hunzwi - *Abattoir Manager*

Dallaglio Executive Management
Marc Nicolle - *Chief Executive Officer*
James Beare - *Chief Operating Officer*
Takudzwa Munyurwa - *Chief Financial Officer*
Alfred Madowe - *Breckridge General Manager*
Gerry Mubata - *Breckridge Finance Director*
Nelson Banda - *Delta Gold General Manager*
Basil Madanha - *Delta Gold Finance Director*

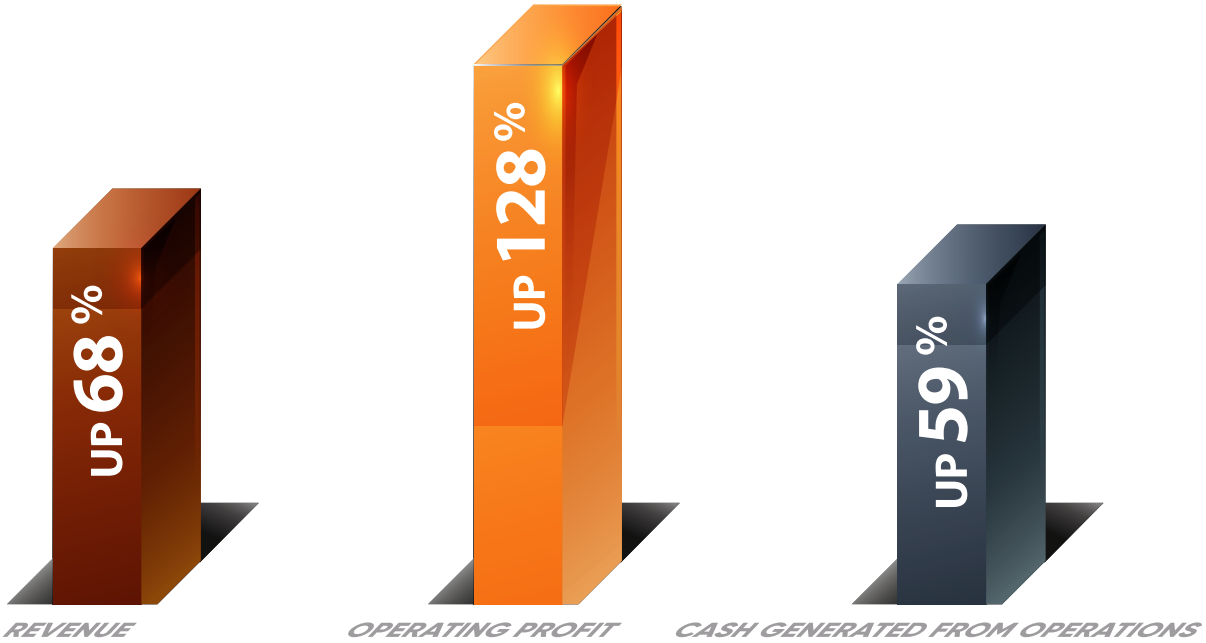
Company Secretary and Registered Office
Andrew Lorimer
121 Borrowdale Road
Gunhill, Harare
P O Box HG 633, Highlands
Harare, Zimbabwe

Transfer Secretaries
Corpserve Share Transfer Secretaries
2nd Floor ZB Centre
Corner First Street / Kwame Nkrumah Avenue, Harare
P O Box 2208
Harare, Zimbabwe

Auditors
KPMG
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Mutual Gardens
100 The Chase (West), Emerald Hill
Harare, Zimbabwe

Legal Advisors
Dube, Manikai & Hwacha
Commercial Law Chambers
6th Floor Goldbridge Eastgate Complex
Corner Sam Nujoma/Robert Mugabe Avenue
P O Box 10400
Harare, Zimbabwe

FINANCIAL HIGHLIGHTS



GROUP SUMMARY	2022 US$	2021 US$
Revenue	127 894 086	76 097 089
Operating profit before depreciation, impairment, amortisation and fair valuation adjustments for continuing operations	32 282 038	14 168 711
Profit/(Loss) before taxation for continuing operations	13 892 552	(7 263 278)
Profit/(Loss) attributable to shareholders for continuing operations	5 526 198	(6 145 485)
Cash generated from operating activities	24 604 823	15 502 778
Capital expenditure	13 486 250	22 995 127
Net Assets	84 203 804	77 537 785

SHARE PERFORMANCE FOR CONTINUING OPERATIONS		
Basic earnings/(loss) per share (cents)	0.57	(1.11)
Diluted earnings/(loss) per share (cents)	0.56	(1.11)
Basic headline earnings/(loss) per share (cents)	0.57	(1.11)
Diluted headline earnings/(loss) per share (cents)	0.56	(1.11)
Market price per share (cents)** (at reporting date)	22.92	21.00
Number of shares in issue at reporting date	**544 301 407**	**541 593 440**
Market capitalisation (US$)** (at reporting date)	**124 753 882**	**113 734 622**

** Padenga Holdings Limited was listed on Victoria Falls Stock Exchange (VFEX) on 9th July 2021 and the stocks are trading in United States Dollars.

CORPORATE GOVERNANCE

As part of our values, we are fully committed to good governance.

This is fundamental to our ongoing growth and future success.

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CHAIRMAN'S STATEMENT

Directors' Responsibility

The Company's Directors are responsible for the preparation and fair presentation of the Group's financial statements, of which this publication represents an extract. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies of the Group are consistent with those applied in the previous financial year.

Functional Currency

The financial statements are presented in United States Dollars (US$), which is the functional and presentation currency of the Group.

Auditor's Statement

The financial results for the year ended 31 December 2022, were audited by KPMG Chartered Accountants (Zimbabwe), who expressed a qualified audit opinion arising from continuing issues from prior years relating to non-compliance with International Financial Reporting Standards IAS 21, The Effects of Changes in Foreign Exchange Rates, non-compliance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, due to the lack of audit evidence and inappropriate methodology in the current and prior periods to support Management's estimation of the environmental restoration provisions and related rehabilitation asset, non-compliance with IFRS 3, Business Combinations in the prior period, which requires Management to establish the fair values of the net assets and fair values of the Non- Controlling Interests of an acquired subsidiary on the date of acquisition and the inappropriate application of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The external auditor has noted one key audit matter with respect to the existence of Mineral Ore Inventories. The external auditor also noted an emphasis of matter in respect of comparative information presented as at and for the year ended 31 December 2021 which has been restated. Their opinion was not modified in respect of this matter.

The auditor's independent report on the consolidated financial statements is contained within this report on pages 84 - 87, is available for inspection at the Company's registered office and is posted on the Company's website: www.padenga.com.

OPERATING ENVIRONMENT

The financial year was characterised by several market and regulatory changes that required agile management. In the second half of the year, global and domestic inflation rates slowed down as central banks increased interest rates to fight inflation. While the Zimbabwean dollar continued to depreciate against major currencies, the tight monetary policy measures instituted by the Reserve Bank of Zimbabwe were successful in reducing the rate of local currency devaluation during the last half of the year.

Operations

Mining Operations

Dallaglio became one of the top three gold producers nationally after registering gold sales of 1,961kgs (976kgs FY21). The exceptional volume growth of 101% was largely driven by the impact of the first full year of operations at Eureka gold mine.

Nile Crocodile Operations

During the year under review, a total of 34,117 skins were harvested, compared to 55,136 skins that were harvested in prior year. The reduction was due to a necessary shift in the harvest season by providing additional time to allow for remedial actions implemented to positively impact skin quality. Consequently total skin sales volumes were down 17% to 33,189 skins compared to 39,936 skins sold in prior year.

CHAIRMAN'S STATEMENT (continued)

Financial

Consolidated Results

The Group recorded a turnover of US$127,894,086 in the period under review. This was a 68% increase over the US$76,097,089 recorded in prior year. The revenue contributions from the Group's business units were as follows: Dallaglio 82% (66% in FY21), Zimbabwe crocodiles 18% (31% in FY21).

In prior year, the now discontinued USA alligator operation contributed 3% of Group revenue. The improved Group revenue performance was predominantly propelled by the first full year contribution from Eureka gold mine in Guruve, which was commissioned in October 2021.

The Group resultantly recorded an improved EBITDA of US$32,282,038 for the year (US$14,168,711 in FY21). The Group realised a biological asset fair valuation gain of US$2,693,509 (fair value loss of US$3,645,405 in FY21) mainly emanating from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand at the end of the current year.

A marginal reduction of 3% was recorded on interest expense for the Group at US$9,956,327 (US$10,178,478 in FY21), largely attributable to restructuring of borrowings by the mining business.

As a result of the revenue growth, cost containment measures and the swing from a loss to a gain in biological asset fair value, the Group realised a profit before taxation from continuing operations of US$13,892,552 for the year compared to a loss before taxation of US$7,263,278 recorded in FY21.

The Group generated cash amounting to US$24,604,823 (US$15,502,776 in FY21) from operating activities for the year. The increase in cash generated was mainly due to improved revenues and efficiencies.

Dallaglio Financials

Dallaglio posted a strong performance, recording a profit before tax of US$12,932,665 in the period under review, compared to a loss of US$4,337,858 in the prior comparable period.

Volumes achieved of 1961kgs (976kgs, 2021) were 101% higher than volumes for the full year in 2021. This was attributable to the increased contribution from Eureka mine, which had not yet been fully operational during the same period last year coupled with improved gold prices. Consequently, cash generated from operations amounted to US$15,746,416 (US$10,112,478, 2021) mainly due to the increased gold sales.

Nile Crocodile Financials

Revenue for the Zimbabwean crocodile business reduced by 7% in comparison to prior year, as a result of the 17% decrease in the skin volumes partially offset by an improvement in the average realisation per skin. Global and domestic inflationary pressures impacted negatively on operating costs. Consequently, a 20% reduction in EBITDA to US$4,526,221 was recorded compared to US$5,686,505 in prior year.

The business recorded a biological asset fair valuation gain of US$2,693,509 (loss of US$3,645,405 in FY21) benefiting from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand. Resultantly, a profit before taxation of US$1,934,733 was achieved, improving from a loss before taxation of US$2,810,321 incurred in prior year.

The Zimbabwean crocodile operation generated US$4,936,958 in cash from operating activities for the period under review (US$5,205,270 generated in FY21). This cash inflow was reduced owing to the shift in the timing of cashflows following the extended harvest program into the first quarter of FY23.

Alligator Financials

Consequent upon the continued oversupply in the alligator skins market coupled with the quality issues that took a number of years to resolve, the business unit accumulated losses over several years.

The Board therefore elected to exit its alligator operations in the United States. In July 2022, the Group concluded an Asset Purchase Agreement with an offshore equity group for the sale of the operating assets of the Alligator business. Consequently, the financial results of this operation have been disclosed as a discontinued operation.

CHAIRMAN'S STATEMENT (continued)

Key Capital and Expansion Projects

The major capital project embarked on during the year under review is the refurbishment of the underground mine at Pickstone Peerless Mine in Chegutu. Phase one of this project is scheduled to be completed in August 2023.

At the Crocodile Ranching division, capital projects during the year focused on the ongoing rehabilitation of crocodile pens which is central to the skin quality improvement initiatives.

Installation of the phase 3 solar array to bring the solar plant operating capacity to a total of 1.2MW began during the last quarter of the financial year and will be completed during the first half of 2023.

Sustainability and Good Husbandry Practices

The Group remains committed to good corporate governance, observance of and adherence to international animal welfare norms, compliance with sustainability obligations and implementation of ethical business practices.

The International Crocodilian Farmers Association (ICFA) carried out its annual on-site surveillance audits on the farms in November 2022. All the three farms were compliant against the new standards adopted by ICFA (1001:2002). This certification will be a key factor in sustaining the Group's competitive advantage in the premium crocodile skins market.

Community outreach initiatives have continued in communities where our operations are located. Following the relaxation of Covid-19 restrictions, community support activities were revived, covering various areas including education & sports, health care, environment, social empowerment and donations & sponsorships.

Prospects

The Group is on a drive to further reduce borrowings and the associated interest charges to sustainable levels.

An area of key focus is operationalising Pickstone Peerless underground mining, where development work is at an advanced stage. Completion of the project is expected in August 2023, after which commercial production will commence. This is poised to contribute significantly to the Group's revenue and profits.

Eureka mine continues to contribute significantly to volume growth and profitability.

The Crocodile farming division has undergone numerous challenges mainly relating to changing customer requirements as well as adverse market conditions. Strategies to return the business to optimal skins volume production, maximise skin sales realisations and re-enter the crocodile meat export market are bearing fruit and are expected to generate improved returns for the business in 2023.

Demand from the major brands for premium grade Nile skins remains very strong and Padenga is uniquely placed to capitalize on this situation, hence the continued investment into having an increased proportion of the skins produced qualifying for this grade quality. Contracted forward supply commitments are validation of the strength and continuity of this market.

The Group has successfully returned to profitability and will continue to focus on volume growth and profitability. Management will continue to closely monitor and preserve shareholder value. Engagements with relevant regulatory authorities will also remain a key focus area.

CHAIRMAN'S STATEMENT (continued)

Dividend

The Board has pleasure in declaring a full year dividend of US$0.28 cents per share payable in respect of all ordinary shares of the Company. This dividend will be payable to all the shareholders of the Company registered at the close of business on the 2nd of June 2023.

The payment of this dividend will take place on or around the 16th of June 2023. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 30th of May 2023 and an ex-dividend from the 31st of May 2023.

Condolences

On behalf of the Board of Directors and staff members of the Group, I would like to extend our heartfelt condolences and deepest sympathies on the very sad loss of Mrs Anne Madzara on 11th of April 2023. Anne was appointed as an inaugural independent Non-Executive Director to the Padenga Board on the listing of Padenga Holdings Limited in November 2010, a role which she carried out faithfully and diligently until her sad passing.

Anne brought a wealth of experience to the Padenga Board from her background with National Parks and environmental management. As the Chairwoman of the Padenga Remuneration and Nominations Committee from its inauguration, Anne showed a deep interest and concern for the welfare of Padenga staff. Her wise counsel and guidance has been invaluable to the Padenga Board and her contributions to the business are sincerely appreciated. The passing of Anne leaves a gap that will be difficult to fill. It was a privilege to know her and we will sadly miss her.

Appreciation

On behalf of the Board of Directors, I extend my profound gratitude to the Group's management and staff for their leadership and dedication during a challenging year. The diligence and level of commitment to the success of the Group is greatly appreciated.

I also thank the Group's valued customers, suppliers and various stakeholders for their continued support and confidence in us.

T N Sibanda
Chairman

6 May, 2023

CORPORATE GOVERNANCE AND MANAGEMENT APPROACH

Balancing the interests of all stakeholders continues to be a significant focus for Padenga. As such, Padenga continues to monitor and evaluate best practices critical for the sustainability and governance of the Company.

Our corporate governance values ensure that we observe principles and ethical practices guided by international best practices. Through adherence to these principles, the Board and management is able to carry out their responsibilities effectively, faithfully and in the best interests of the shareholders and stake- holders.

Approach to Governance

Our management philosophy is vested in the need to conduct the affairs of the Company with transparency, integrity, accountability and in accordance with generally acceptable corporate practices in the best interests of our shareholders and stakeholders. This enables our shareholders and stakeholders to derive assurance that in sustaining and adding value to Padenga's financial, relational and human capital investment, the Company is being managed ethically, according to prudently determined parameters and in compliance with best international parameters.

The Directors' endeavour to comply with the key principles of Corporate Governance which emphasise the need for well-balanced effective boards, strong risk management and internal control oversight, and sound stakeholder relations. The Board, with the assistance of Board Committees, determines the most appropriate corporate governance practices for Padenga with the understanding that corporate governance is a continual improvement process which considers legal requirements, best practice, practicality, and affordability.

We continue to monitor and align codes of practices and conduct to the National Code on Corporate Governance Zimbabwe (ZIMCODE) and the Victoria Falls Stock Exchange Listing Rules.

Members of the Board, Management and Staff are responsible for upholding the goals and values to which Padenga aspires, namely: Integrity; Pursuit of Excellence; Respect; Passion; Fairness; Discipline; Humility with Confidence; To be the Best and Team Spirit.

Communication with Shareholders

We provide various platforms for our shareholders to communicate with the Board of Directors' and senior management. These platforms include the Annual General Meeting, notices to shareholders, press announcements of quarterly, interim, and year-end results, annual reporting to shareholders and exercise of shareholders' voting rights through proxy forms. Our website contains an array of operational, sustainability and financial information which can be easily accessed by shareholders and stakeholders.

Ethics and Declaration of Directors' Interests

Padenga believes that it is the responsibility of the Board and management to lead by applying sound ethical business practices and values. Therefore, all Directors and management are required to declare interests which might be deemed in conflict with their contracts with the Company. Professional and ethical standards are an integral part of how the Company conducts its business affairs. Padenga recognises that investor and stakeholder perceptions are based on the way the Company, its Directors, management, and staff conduct business. Padenga strives to always achieve a high standard of integrity and business ethics.

Board of Directors

Mr Sibanda was appointed Chairman of the Board, effective the 12 September 2018. Following the passing on of Anne Madzara on 11 April 2023, the Board now comprises three executive Directors and three independent non-executive Directors. The Board is made up of individuals with proven track records and a wide range of skills and experience which they employ for the benefit of the Company. The Directors are allocated responsibilities in Sub Committees where they have strategic strengths. The Non-Executive Directors also provide crucial independence to the Company's strategic decision-making process and corporate governance practices.

CORPORATE GOVERNANCE AND MANAGEMENT APPROACH (continued)

The primary responsibility of the Board is to discharge its fiduciary duty to the shareholders and the Company. The Board is the highest policy organ of the Company and directs strategy. The Board meets quarterly to provide input and oversight to the strategic planning process and monitor operational performance. Padenga has adopted several practices to regulate the division of responsibilities between the Board and management.
Namely:

- The majority of the directors are independent non-executives including the Chairman.
- The separation of the roles of the Chairman and the Chief Executive Officer.
- The Board sub-committees are chaired by independent Directors and have a majority of independent members.

Audit and Risk Committee

Padenga has an Audit and Risk Committee, currently comprising of three independent Directors that assists the Board in fulfilment of its duties. An independent non- executive Director chairs the Committee. The Committee deals with compliance, internal control, and risk management. The Committee meets three times a year with the internal and external auditors to, inter alias, monitor the appropriateness of accounting policies, the effectiveness of systems of internal control and to consider the findings of the internal and external auditors. To ensure their independence and objectivity both the internal and external auditors have unrestricted access to the audit committee. The internal audit function is currently outsourced to external service providers and the internal audit Charter and work plans have been adopted and agreed by the Committee.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises of three independent non-executive Directors and its mandate covers two primary responsibilities. It evaluates and sanctions the appointment of, and remuneration packages for all Board Members, Executive Directors, and senior management. In doing so, the Committee assembles the structure and strategy related to the terms of employment for employees, management, and Board members, including compensation that aims to reward in a manner that seeks and retains talented individuals, and motivates employees to constantly seek to elevate and contribute to Padenga's success. The Committee is also responsible for orchestrating succession planning within the Company, particularly that of Board members and senior management. Where necessary external remuneration advisors assist the Committee in determining the appropriate remuneration levels and practices.

Share Dealings

Directors, management, and staff are not permitted to deal directly or indirectly in shares of Padenga during:

- A closed period as defined by the Victoria Falls Stock Exchange Listing Requirements.
- Any period when they are aware of any negotiations which may affect the share price.
- Any period when they are in possession of price sensitive information not within the public domain.

Professional Advice

Padenga's policy where justified, entitles Directors to seek independent professional advice at the Company's expense in the furtherance of their duties or the advancement of the Company's business objectives.

Remuneration of Directors

The Remuneration Committee determines the remuneration packages for the Executive Directors. These packages include a guaranteed salary as well as a performance related incentive, linked to the achievement of pre-set targets consistent with the Company's strategic objectives. Padenga also operates the 2017 Padenga Limited Share Option Scheme, a long-term incentive scheme designed to retain employees in the medium to long term, to focus their attention on longer term strategic goals and ensure sustained growth of the Company.

BOARD OF DIRECTORS

THEMBINKOSI NKOSANA SIBANDA
Non-Executive Chairman *(Appointed September 2018)*

Thembinkosi graduated from the University of Zimbabwe in 1978 majoring in Accounting, and subsequently joined Barclays Bank of Botswana at its Head Office in Gaborone.

Having returned to Zimbabwe in the early 1980's he completed his articles of clerkship, qualifying as a Chartered Accountant. He has remained in the same profession since, and has worked in compliance and audit for the past 34 years at Schmulian and Sibanda. Thembinkosi currently sits on various boards of Stock Exchange listed Companies.

Thembinkosi currently chairs the Board of Edgars Stores Zimbabwe Limited and is also a trustee of several organisations. Preceding his appointment as Non-Executive Chairman, Thembinkosi was a Non-Executive Director from November 2010.

GARY SHARP
Chief Executive Officer *(Appointed November 2010)*

Gary completed his tertiary education at the University of Zimbabwe, where he attained a Master of Science (Tropical Resource Ecology) degree in 1982. He served in the Terrestrial Branch of the Department of National Parks and Wildlife Management between 1979 and 1987. Gary's experience in the intensive husbandry of wildlife species dates back to 1988 when he joined the Lonrho Zimbabwe Group.

He was engaged as Chief Executive Officer of what was then the Niloticus Division of Innscor in 2000. That entity unbundled from Innscor in November 2010 through a listing on the ZSE to become Padenga Holdings Limited and Gary has continued to serve as Chief Executive Officer since that date.

OLIVER KAMUNDIMU
Chief Financial Officer *(Appointed November 2010)*

Oliver completed his tertiary education at the University of Zimbabwe where he attained a Bachelor of Accountancy Honours degree. He served his articles of Clerkship with the then Coopers and Lybrand and qualified as a Chartered Accountant. Since that time, he has worked for Lonrho Africa Limited, and Manica Africa, heading up their audit departments. Oliver joined Innscor in 1999 and was tasked with setting up Innscor's internal audit department before leaving to join First Mutual Zimbabwe in 2001. He re-joined Innscor in 2004 as the Financial Director of their Niloticus Division and has continued in a similar position since the Company was separately listed in 2010.

Oliver also sits on the Board of Dallaglio (Pvt) Ltd as a non-executive Director.

MICHAEL FOWLER
Executive Director *(Appointed November 2010)*

Michael has been involved with the companies that preceded Innscor since 1982 and has held a number of executive positions within the Innscor Group since his appointment as a Director in 1994, including a period during which he served as Group Chief Executive Officer. He currently sits on three Committees of the Innscor Board. At various stages he has been a Director of companies that previously constituted the Agro-Processing Division of Innscor (namely Niloticus Division and Colcom Holdings Limited), as well as National Foods Holdings Limited.

BOARD OF DIRECTORS (continued)

ANNIE MADZARA
Non-Executive Director *(Appointed November 2010 - Deceased 11 April 2023)*

Annie was an Environment and Development Professional with over 25 years of experience in the field, 13 of which have been in senior positions. Among her many qualifications, Annie held a Natural and Aquatic Science qualification at Masters Level, a Master's in Business Administration Degree and a Masters in Development Studies. She had field and managerial experience from Public, Private and NGO sectors including Commercial Director at Parks and Wildlife Management Authority and managing the Environment and Climate Change Programme of the UNDP in Zimbabwe. She was a member of the African Forest Forum and a Fellow with the Leadership for Environment and Development (LEAD International).

STERNFORD MOYO
Non-Executive Director *(Appointed 1 May 2019)*

Qualifications: BL (Hons) and LLB (Distinction) Legal Practitioner, Conveyancer and Notary Public. Sternford Moyo graduated with a Bachelor of Law and a Bachelor of Laws degrees from the University of Zimbabwe. He joined Scanlen and Holderness in December 1981. He specializes in Mining, Corporate and Commercial Law. He is, among other positions held, a former President of the Law Society of Zimbabwe, former President of the SADC Lawyers Association, former Chairman of the African Regional Forum of the International Bar Association, former Chairperson of the Human Rights Institute of the International Bar Association and former Chairperson of Stanbic Bank Zimbabwe Limited. Currently, Sternford is Senior Partner and Chairman of Scanlen & Holderness, Chairman of Schweppes Zimbabwe Limited, Chairman of Delta Corporation and Director of PPC Zimbabwe Limited. Sternford is the former Chairman of the Zimbabwe Revenue Authority and Directot of Alpha Media Holdings Limited. He is also a Trustee of the Johannesburg based Southern Africa Litigation Centre, Malilangwe Conservancy, and the London based EyeWitness Trust.

EVLYN MKONDO
Non-Executive Director *(Appointed 15 June 2021)*

Evlyn is a highly respected and experienced Chartered Accountant. She has worked for a number of companies, including Delta Corporation Limited, Star Africa Corporation Limited and African Consolidated Resources Limited, as Chief Financial Officer. She sits on the Boards of Schweppes Holdings Africa Limited, Standard Chartered Bank Zimbabwe Limited, First Mutual Holdings Limited and First Mutual Properties Limited and chairs their respective Board Audit Committees.

SUSTAINABILITY REPORTS

During 2022 Padenga continued its commitment towards further improving the sustainability operations and practices within its businesses.

"Looking at the world through a sustainability lens not only helps us 'future proof' our supply chain, it also fuels innovation and drives brand growth."

Paul Polman

Padenga Crocodile Division Sustainability Report 70
Padenga Gold Mining Division Sustainability Report 90
Glossary of terms 120

PADENGA CROCODILE DIVISION SUSTAINABILITY REPORT

The Crocodile Division of Padenga Holdings Limited, a company listed on the Victoria Falls Stock Exchange (VFEX), presents its sustainability report for the year ended 31 December 2022.

PADENGA

STATEMENT FROM THE CROCODILE DIVISION CHIEF EXECUTIVE OFFICER, GARY SHARP

Welcome to the Crocodile Division's Sustainability Report for 2022

The Crocodile Division is fully committed to implementing sustainable business practices throughout the business and 2022 saw further evidence of this promise. Despite both solar farms being impacted by COVID-19 related supply constraints, the equipment and materials finally arrived in Kariba in October 2022 and assembly commenced shortly thereafter. As a result, solar energy production at the Nyanyana Crocodile Farm (NCF) increased by 16%, while at Ume Crocodile Farm (UCF) there was a significant increase of 236% compared to 2021. Solar power output will increase further in 2023. UCF is located off the national grid, and this farm would normally rely 100% on diesel generators for power. Through the production of 219 MWh of solar energy, 62,522 litres of diesel were saved at UCF. The total solar production of 1,196 MWh at both farms in 2022 allowed the Crocodile Division to reduce its carbon emissions by 882 metric tonnes CO_{2e}, a 23% decrease over the 2021 emissions.

This year's sustainability report introduces an additional reporting scope by including the electricity usage of the residential houses of the Kariba Crocodile Farm (KCF) and NCF staff, coal usage for the NCF incubators and all diesel used by third parties that support the business, e.g. hired and security vehicles. Widening its scope and reporting on third party usages are preparations for the Crocodile Division to include its Scope 3 carbon footprint in future sustainability reports as well as to report on its life cycle assessment (LCA).

The Crocodile Division continued to place emphasis on industry best practice and being compliant with international and national legislation as well as industry specific welfare standards. The Division's three crocodile farms were re-certified for the third consecutive year in 2022, to the elite welfare and sustainability standards set by the International Crocodilian Farmers Association (ICFA). Accreditation to international welfare, husbandry and sustainability standards by an independent and credible certification agency has become a mandatory requirement for the sale of skins to premium brand customers worldwide. Since early 2022, non-farmer (trade) members of ICFA are obligated to only purchase skins from farms that have been certified as compliant with their set of international welfare standards.

The revision of the Division's production strategies, reported last year in response to post COVID-19 market demands, has progressed well and early indications of significantly improved skin quality are evident. This initiative has a further three years to run to full completion with interim improvements being achieved annually. The market for anything other than premium quality skin remains weak from both a volume and price perspective, so the initiatives to improve skin quality were both timely and necessary in order to sustain viability.

During 2022 the Crocodile Division employed 836 staff on average across the year; 26 more employees than in 2021, of which 55% were in permanent employment. 2022 also saw an increase of 25% in the number of women employed by the Division. An additional eight members of staff reached the milestone of working for the Company for 25 years, together with 14 employees achieving the 20-year mark and a further 14 staff members reaching the 10-year milestone. This is a reflection of a positive and strong working environment. Our two clinics run by Providence Health & Wellness recorded a total of 5,626 visits over the year, emphasising the significance of these clinics in providing essential medical and wellness services to our staff, their families and members of the community.

The student scholarship programme, through which the Division financially supports students throughout their period of study, has continued to be a success. The Division sponsored 24 pupils in 2022, with five students in tertiary education and 17 attending secondary school. 58% of the pupils supported are female. This initiative is a positive contribution towards uplifting the future capabilities of children from families within our local communities. Through the Zambezi School Books Project, the Division was able to re-establish its support for local rural schools and distributed 448 boxes of 50 books each to their respective school libraries. 150 solar powered reading lights were also donated to senior school pupils to help with their studies.

From an environmental perspective, the resource usage of the Division's operations increased in efficiency, achieving a 29% decrease in the consumption of coal, due to transferring the hatchlings from heated pens earlier, and a drop of 8% in the quantity of diesel used across the farms. This largely arose from the increase in solar production previously reported, but also reductions from managing the frequency of boat trips between KCF and UCF more efficiently. The use of the incinerator avoided 157 tonnes of biological waste from having to be disposed at the landfill site.

From a community social investment perspective, the Division spent a total of USD 78,347 on various initiatives throughout the year, but in particular the important task of cutting the grass verges of the 77 km stretch of road between Makuti and Kariba. This marked the 13th consecutive year that the Division has carried out this initiative which has undoubtedly contributed to the safety of citizens, tourists and commercial transporters whilst travelling on this narrow and winding road.

And finally, I'm pleased to announce that the Division received the Responsible Investment and Social Impact Award awarded by the Corporate Social Responsibility Network Zimbabwe (CSRNZ) as well as a CSR Award awarded by the Mashonaland West Show Society for 2022.

Gary Sharp
Chief Executive Officer

PADENGA HOLDINGS CROCODILE DIVISION

As one of the world's leading suppliers of premium quality crocodilian skins, the Division contributed 54% of Zimbabwe's total annual wet-salted belly crocodile skin exports during 2022, and approximately 75% of the total export value of the wet-salted crocodile skins shipped in the period. The business strives to maximise the quality of the skins that it produces, and this is reflected in the disproportionate value of its export earnings relative to the number of skins it exported. Whereas the Division's Zimbabwean operation has historically produced crocodile meat from its export approved abattoir for sale to European markets, following the COVID-19 pandemic, the stringencies pertaining to the European protocols for crocodile meat imports have been significantly tightened. Consequently there were no meat exports during 2022. The Division remains with its three crocodile farms in northern Zimbabwe on the shores of Lake Kariba, having wound down and disposed of its interests in the alligator farm in Texas.

	Zimbabwe Nile Crocodile *Crocodile niloticus*	Year on Year Change: 2021 - 2022
Number of Skins Produced	34,117	- 38.2%
Quantity of Crocodile Meat Produced	204,613 kg	-30.8%
% Eggs from Wild Sources	25.8%	-2%
% Eggs from Domestic Stock	74.2%	+3%

NILE CROCODILE OPERATIONS

- The Division's Zimbabwean crocodile operation consists of three Nile crocodile *(Crocodylus niloticus)* farms located on the shores of Lake Kariba.
- All three farms have been audited and certified as compliant with the scientific, welfare and sustainability standards established by the International Crocodilian Farmers' Association (ICFA). Together with two other farms in South Africa, these are the only Nile crocodile farms that are currently certified by ICFA.
- The significance of the ICFA certification standard is that those major and premium brands/tanneries within the industry that are non-farmer members of ICFA will only purchase skins from certified ICFA members. On animal welfare, sustainability and good husbandry grounds, that excludes all non-certified farmers from accessing those same high-end markets.
- Each farm operates as a standalone business unit and is managed as an independent cost profit centre, with the abattoir at the Kariba Crocodile Farm serving as a further independent business unit.

Kariba crocodile farm

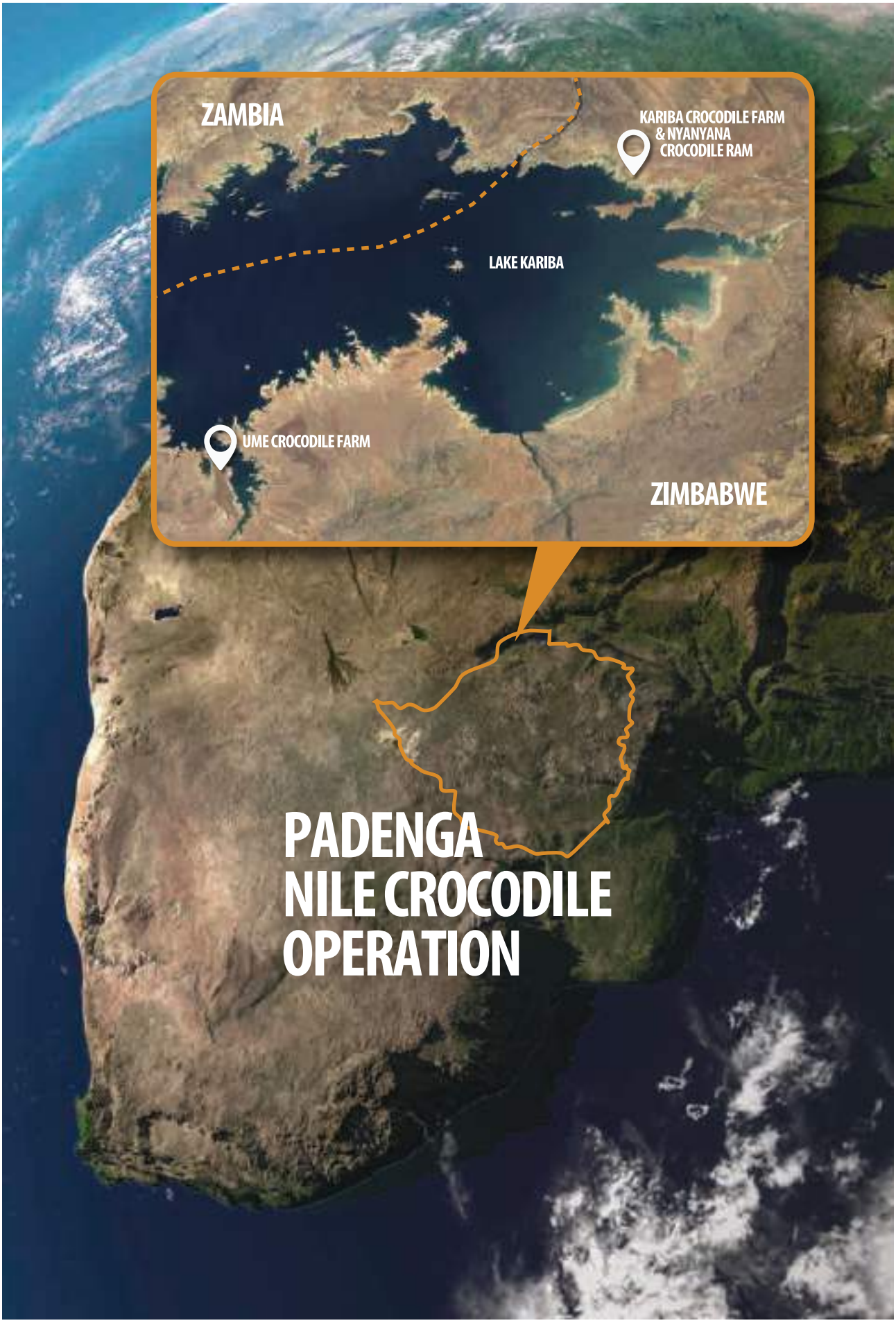
- Kariba Crocodile Farm (KCF) is the oldest of the three farms and operates as the mother farm, housing the Division's main support facilities as well as the abattoir.
- The farm is situated on land leased from the Zimbabwe Parks & Wildlife Management Authority (ZPWMA).
- The farm employs approximately 99 employees in permanent roles, and has the capacity to deliver up to 15,300 skins on an annual basis.

Nyanyana crocodile farm

- Nyanyana Crocodile Farm (NCF) is the youngest of the Division's farming operations and is located adjacent to Kariba Crocodile Farm.
- This farm carries the responsibility for the incubation of all domestic and wild eggs collected each year. The incubators apply electronic climate control software to ensure that optimal conditions are maintained throughout the incubation process.
- This farm is also located on land leased from the ZPWMA.
- The farm employs approximately 92 staff members in permanent roles, and has an annual production capacity of 15,300 skins.

Ume crocodile farm

- Ume Crocodile Farm (UCF) is situated at a remote location on the Ume River estuary, 65km across the western basin of Lake Kariba.
- UCF is located on land leased from the Nyaminyami Rural District Council (NRDC).
- This farm is not on the national electricity grid and relies on a combination of diesel generators and a 252 kWp solar energy unit as its energy sources.
- The remote, isolated location provides a reduced biosecurity and disease risk.
- 70% of the Division's domestic breeder herd is housed at UCF within multiple pens designed to provide an optimal environment for these mature crocodiles.
- In terms of employee numbers, UCF is the largest of the farms with approximately 119 staff engaged in permanent roles. The farm is identical to KCF and NCF in terms of pen space and therefore also has an annual production capacity of 15,300 skins.


ZAMBIA
KARIBA CROCODILE FARM & NYANYANA CROCODILE RAM
LAKE KARIBA
UME CROCODILE FARM
ZIMBABWE
PADENGA NILE CROCODILE OPERATION

KEY OBJECTIVES

The following key objectives are integral in defining the Division's 2022 sustainable development strategy:

- Continuing to produce top quality skins desired by the premium luxury brands;
- Adapting production operations to meet evolving global market dynamics;
- Maintaining international operational standards within its abattoir despite the absence of a current export meat market because of restrictive conditions for the importation of exotic meats into the EU, imposed post-COVID;
- Maintaining the Division's credibility and standing with international and local regulatory authorities:
  a. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
  b. International Crocodilian Farmer's Association (ICFA)
  c. Zimbabwe Parks & Wildlife Management Authority (ZPWMA)
  d. The Crocodile Farmers Association of Zimbabwe (CFAZ)
  e. Zimbabwe Environmental Management Authority (EMA);
- Continuing to meet the stringent expectations of international customers and end consumers;
- Advancing the sustainability of the operation further by commencing a Life Cycle Assessment (LCA) on the environmental consequences of the Division's operations;
- Further increasing the percentage of domestic crocodile eggs produced;
- Further reducing the level of phosphates in the pen discharge water;
- Continuing its strong relationship with its key stakeholders.

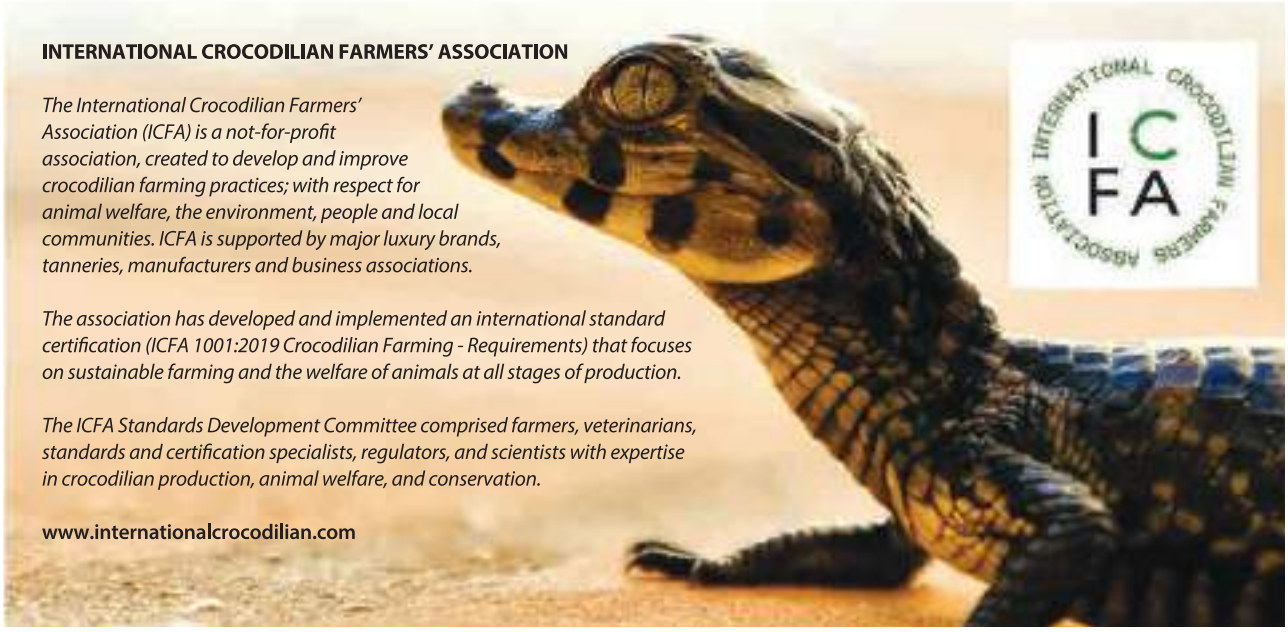
AWARDS PRESENTED TO THE DIVISION DURING 2022

The Responsible Investment and Social Impact Award

awarded by the Corporate Social Responsibility Network Zimbabwe (CSRNZ)

CSR Award

awarded by the Mashonaland West Show Society



KEY SUSTAINABILITY SUCCESSES

International Crocodilian Farmers Association Standard (ICFA 1001:2019 Crocodilian Farming Requirements)

- All three crocodile farms were re-certified by ICFA during 2022.

Solar Power at Padenga

- 2022 was an improved year for solar power generation for the Division. The solar array at NCF produced 977MWh of power, an increase of 16% relative to 2021, and the solar array at UCF increased its production by 237% to a total of 219MWh of power compared to 2021. As UCF is off grid, their solar production significantly reduces the volume of diesel required to run the generators. In 2022, a total of 62,522 litres of diesel was saved from having to be procured to fuel the generators and this equated to a saving of 169 metric tonnes of CO_2 emissions, i.e. 169 tonnes CO_{2e}.
- Together, the two solar installations at UCF and NCF resulted in a reduction by the Division of 882 tonnes CO_{2e} during the course of its 2022 operations.

Traceability Implementation

- The Division continued its initiative towards tracking each crocodile through RFID (Radio Frequency Identification) chipping to allow for individual animal management and traceability. An additional 14,485 hatchlings born in 2021 were microchipped in 2022 upon transfer from hatchling to rearing pens.

KEY SUSTAINABILITY IMPACTS

IMPACT: DEPRESSED SKINS MARKET WORLDWIDE AND CHANGING MARKET DYNAMICS

Mitigation

Revised production strategies in Zimbabwe in response to evolving market skin quality demands:

- Continued with the amended operational systems implemented at that time in the production cycle when maximum skin damage was identified to be occurring.
- Introduced offshore nutrient profile testing of feed ingredients and feed formulations to identify micro-nutrient deficiencies in the feed.
- Introduced white-noise generators across the farms to mitigate the impact of outside noise causing stress to the livestock.
- Synchronised harvest cycles across adjacent sub-farms for reduced stress to the harvest crops.
- Increased the capabilities of the Division's molecular laboratory to intensively monitor the health status of the production crops through blood chemistry sampling and analyses.
- Changed the harvest cut-off for each production year from end-December to end-February to take full advantage of the full summer period during which maximum growth and skin cell deposition occurs.
- Identified new protocols for moving hatchlings to grower pens that significantly reduce stress during the move and result in no interruption in feed intake and growth in the livestock post transfer to grower pens.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Sustainable Development Goals (SDGs) are 17 goals that all United Nations (UN) Member States have agreed to work towards achieving by the year 2030. They set out a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. They reaffirm the United Nations' international commitment to involve everyone to build a more sustainable, safer, more prosperous planet for the future of all humanity.

For the Crocodile Division, the following nine SDGs have been identified as primary goals which the Division prioritises to fulfil through its actions.

To find out more, follow this link: https://sdgs.un.org/goals

01 NO POVERTY	No Poverty	Through employment creation, reasonable wages, and providing support to other institutions through its community social investments.
03 GOOD HEALTH & WELL-BEING	Good health and wellbeing	In collaboration with Providence Health & Wellness, through its two clinics, providing easy access to medical services for its staff, their dependants and members of the local community. Ensuring the wellbeing of its staff at work through its Health, Safety and Environment (SHE) Policy.
04 QUALITY EDUCATION	Quality Education	Through its support to local schools in the Nyaminyami District. Through its sponsorship programme, providing financial support for 24 students in primary, secondary and tertiary education.
05 GENDER EQUALITY	Gender Equality	Through its HR policy promoting gender policies and gender diversity in the workplace.
06 CLEAN WATER AND SANITATION	Clean Water and Sanitation	Through the provision of fresh water and ablutions for its staff. By being compliant to the Environmental Management Act (EMA) of Zimbabwe, implementing water pollution controls in its operations.
07 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy	Through its solar farms at NCF and UCF, producing 1,076MWh of energy in 2022, reducing its diesel generator usage.
08 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	Through staff welfare, occupational health and safety policy and compliance with domestic and international labour law, ensuring decent work and economic growth.
13 CLIMATE ACTION	Climate Action	By reporting on the Scope 1 and Scope 2 carbon footprint of its operations, expanding the reporting scope and moving towards Life Cycle Assessment (LCA) reporting, continuously improving the sustainability of the Division.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institution	Through its corporate governance policies and procedures, ensuring accountability at all levels.

ORGANISATIONAL GOVERNANCE

The Division is committed to a Code of Corporate Practices and Conduct based on the principles laid down in the King IV Report and National Code on Corporate Governance Zimbabwe (ZIMCODE).

The Directors seek to conduct the affairs of the Division within the principles of transparency, integrity, and accountability to best serve the interests of shareholders, employees, and other stakeholders. This process gives the Division's shareholders the assurance that whilst protecting and adding value to its financial and human resource investments, the Division is being managed ethically and with the appropriate attention to risk management in accordance with best international practice.

Professional and ethical conduct and the highest standards of integrity are an integral part of how the Division conducts its business affairs. The Division appreciates that investor and stakeholder perceptions are based on the manner in which its directors, management and staff conduct themselves in the execution of the business.

The Division recognises that it must manage the various capitals of its business in a sustainable manner. The Division considers natural, human, intellectual, financial, manufacturing, and social relations as capital inputs into its business model.

Ingrained in the Divisional culture is the perspective that in order to be successful, its operations must comply with the Division's best practice guidelines. These are set out in written policies and manuals that are mandatory and part of the institutional framework, guided and overseen by the Division's executive management team and implemented by its operational management structures.

The Division seeks to play its part in the global partnership for sustainable development by implementing measures to progressively reduce and minimise the direct and indirect social and environmental impacts within its control and encourage similar actions by others within its sphere of influence.

SUMMARY OF PADENGA'S LOCAL AND INTERNATIONAL LEVELS OF COMPLIANCE

	2018	2019	2020	2021	2022
International Crocodilian Farmers Association (ICFA)	-	-	Audit and initial certification	Follow-up Audit and re-certification	Audit and re-certification to enhanced scientific standards added
Bureau Veritas Audit carried out by an independent certification body	Compliant for two years		Compliant for two years		N/A
CITES Permit	Compliant	Compliant	Compliant	Compliant	Compliant
Environmental Management Act (EMA) of Zimbabwe	Compliant	Compliant	Compliant	Compliant	Compliant
Zimbabwe Parks and Wildlife Management Authority (ZPWMA) Regulations	Compliant	Compliant	Compliant	Compliant	Compliant
Crocodile Farmers Association of Zimbabwe (CFAZ)	Adherence to CFAZ Code of Good Practice. Membership renewed.	Adherence to CFAZ Code of Good Practice. Membership renewed.	Adherence to CFAZ Code of Good Practice. Membership renewed.	Adherence to CFAZ Code of Good Practice. Membership renewed.	Adherence to CFAZ Code of Good Practice. Membership renewed.

As all farms are ICFA compliant, the Division is no longer required to conduct the Bureau Veritas Audit.

STAKEHOLDER MANAGEMENT

Effective stakeholder management assists in the efficient creation of an improved operational environment, through engagements and consultation processes that enhance Padenga's operations. The Company values stakeholder recognition as a trustworthy and respected partner within the crocodilian industry and within its sphere of influence. Stakeholder engagement is an integral part of long-term value creation and sustainability at Padenga. With that objective in mind, constant dialogue with and feedback from its stakeholders regarding its activities is important in terms of building a constructive relationship going forward.

During 2022, Padenga continued the implementation of a Stakeholder Engagements Plan (SEP) through which stakeholder engagement was mainstreamed into all operational departments and units. However, restrictions resulting from the Covid-19 pandemic meant that initiatives such as the perception surveys, which ascertained stakeholder perspectives of the operation, were not able to be conducted for a second year.

Padenga's primary engagements with its various stakeholder groups are detailed in the table below:

STAKEHOLDER ENGAGEMENT PLAN

STAKEHOLDER	PRIMARY ENGAGEMENT	IDENTIFIED FACTORS	STAKEHOLDER MANAGEMENT
Employees	• Internal communications • Code of conduct/ethics • Training and development • Safety policy procedures and program • Health and safety reviews • Employee engagement surveys • Employee suggestion initiatives • Grievance reporting procedures • Social entertainment and sports facilitation • Engagement with trade unions • Long service awards	• Competitive pay and remuneration • Development and career progression • Performance enabling environment • Work/Life balance • Health and Safety • Collective bargaining • Equal opportunity • Fair treatment • Engagement and inclusion • Regular communication • General Agriculture and Plantation Workers' Union of Zimbabwe (GAPWUZ)	• Padenga invests in developing its employees in an environment where they are treated with respect, their health and safety assured and their diversity valued. • Development, implementation and monitoring of human resource policy and procedures. • Training • Regular internal communications • Sensitive and responsive to staff welfare needs
Customers	• Market research • Customer satisfaction initiatives • Customer specific audits	• Upholding customer charter • Customer engagement • Safe quality products • Products produced in a sustainable manner • Sustainability reports • International Crocodilian Farmers Association Certification	• The Division upholds the rights of its customers in line with their respective charters ensuring that the Division delivers premium quality products as per their requirements. • Rigorous quality checks on its products • Regular engagements with key customers • Customer support, complaint and dispute resolution • Audits carried out to confirm that skins sourced by the Division's customers were responsibly produced as well as in compliance with best practice in respect of animal husbandry practices, animal welfare, biosecurity, facility security, meat processing, employee social conditions, worker safety, staff training and environmental conditions.

STAKEHOLDER MANAGEMENT (continued)

STAKEHOLDER ENGAGEMENT PLAN (continued)

STAKEHOLDER	PRIMARY ENGAGEMENT	IDENTIFIED FACTORS	STAKEHOLDER MANAGEMENT
Investors	• Comprehensive annual report compliant with Victoria Falls Stock Exchange (VFEX) regulations • Annual General Meetings (MAGMA) • Relationships with intermediaries • Investor presentations • One on One meetings with investors • Analyst presentations • Website updates	• Comprehensive but concise information on operations and future outlook at regular intervals • Accurate financial reporting • Returns commensurate with risks assumed • Sound governance • Proactive risk management	• The Division commits to providing a balanced review of its performances and prospects in its communications with investors. • Improve profitability and returns year on year. • Improve governance oversight by the board. • Reports on its non-financials through its sustainability report by focusing on its social, environmental and economic impacts.
Industry, Government and Regulators	• Continuous dialogue with government ministries and representatives • Holding meetings, policy trend analyses and industry forums • Attending industry meetings • Regovulatory compliance management	• Stability and growth of the export sector • Animal welfare • Responsible business practices • Alignment of the Division's strategy to meet national priorities • Fair competition	• The Division is committed to meet the economic, social and environmental obligations in line with the country's development strategy. • The Division facilitates scheduled and ad hoc regulatory compliance visits by Government veterinary inspectors as well as monthly inspections by public health officers. • Compliant with international trade regulations, e.g. CITES. • The Division has fulfilled the certification requirements set by CFAZ for all Zimbabwean crocodile farms.
Community	• Local community engagement, media, social events and sponsorship • High degree of participation with its local community • Providing health support for its community	• Responsible business practices • Community development • Community empowerment • Employment, security and stability • Environmental protection	• The Division engages with local communities to support economic activities providing opportunities and facilitating their socio-economic wellbeing. • The Division uses ISO 26000 Guidance on Social Responsibility and the United Nations' Sustainable Development Goals (SDGs) as guidelines.
Suppliers and service providers	• Providing educational support for its community • Regular meetings, written communications • Transparent bidding process • Relationship building	• Responsible business practices • Transparency in procurement process • Open communication • Timely payments • Business growth • Strategic partnerships	• Regular reviews of supplier reports. • We recognise excellence in service by our suppliers and look to support their growth through mutually rewarding partnerships. • Work with its suppliers and service providers to progressively improve the sustainability of the value chain within the Division's sphere of influence.

HUMAN RIGHTS

The Division strives to satisfy the human rights expectations of its stakeholders, customers, and the crocodilian industry.

The Division continues to accept and adopt the United Nations Guiding Principles on Business and Human Rights, an international standard applied by business entities that respect and protect all forms of human rights in their operations.

The Division continues to comply with defined human rights regulations in accordance with the Constitution of Zimbabwe as well as applicable international standards and legislation.

Through values enshrined in various corporate policies including the Division's Human Resources Manual, the business acknowledges the necessity for a commitment to avoiding all human rights.

The Division strives to make positive contributions towards the promotion and realisation of the following rights for its staff and all stakeholder in relation to:

- Labour rights
- Health (and safety) rights
- Freedom from child labour and forced employment
- The right to human dignity (in the workplace)
- Protection from inequality and discrimination
- The right to health
- The right to privacy
- The right to food
- A clean work environment that is not harmful to health
- The right to education
- The right to safe, clean and potable water.

Through its Community Social Investment (CSI) initiatives involving technical, logistical, and material contributions, the Division has continuously promoted the advancement of human rights within the local communities in which it operates.

HUMAN CAPITAL

The Division views its people as an essential part of its business and integral to creating and sustaining its culture, operational performance, and successes. This recognition of the value of its staff at all levels across the operation instils a healthy, rewarding and satisfying working environment – one in which everyone could contribute to the Division's success and in doing so being recognised for their individual performances.

Through employee engagement, personal growth and adherence to strong corporate values, the Division seeks to implement a culture of high-performance within its workforce. Senior management continuously provides direction and constantly reviews and realigns the operational systems to meet existing and future operational challenges.

Fundamental principles and rights at work

Fundamental principles and rights at work are derived from the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and are promoted through the Division's corporate policies. These include the following:

- Labour rights
- Health and safety rights
- Freedom from child labour and forced employment
- The right to human dignity (in the workplace)
- Protection from inequality and discrimination
- Freedom of association and the effective recognition of the right to collective bargaining

The Divisional Human Resources Manual regulates all labour issues within the Division and reflects the ethos contained in the Divisional Charter.

The right to dignity in the workplace is expressly stipulated within the General Human Resource Policy statement "that the relationship between management and employees must at all times be based on courtesy, understanding and respect for the dignity of the person".

Equal work for equal pay is guaranteed by the Division's Grading and Remuneration Policy.

HUMAN CAPITAL (continued)

Conditions of work and social protection

Conditions of work are guided by the following:

- Grading and Remuneration Policy
- Guidelines on Benefits and Conditions of employment
- Industrial Relations Policy
- Health and Safety Policy
- Performance Management Policy
- Performance Management Guidelines
- Retirement Policy
- Termination other than Retirement Procedures

The intended benefits of these policies and procedures are to guarantee the welfare of staff and their security of tenure in the work place. Conditions of work, for instance, provide for leave benefits, medical aid, pension, travel and subsistence allowances, study assistance, assistance with payments of subscriptions for professional associations, staff loans, maternity leave and funeral assistance.

The Division provides opportunities for individuals to advance their skills and qualifications through in-house training and education loans intended to not only advance the skills capability of the individuals, but also strengthening their commitment and contribution to the business.

Divisional employee numbers

The total number of employees, averaged over the year, was 836, this being the second successive year in which there was a further increase in the size of the workforce. The Division employed a total of 808 employees in 2021, compared to 712 in 2020. 55% of the Division's workforce was permanently employed in 2022.

The table below shows, by operational unit, the number of employees averaged over the year. The UCF employs the largest number of both permanent and contract staff to support its extraordinary logistical requirements.

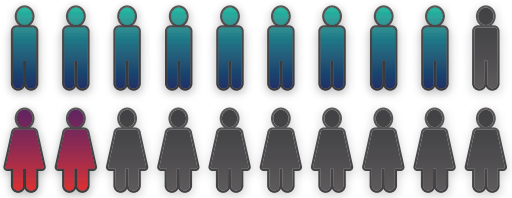
Number of Permanent and Contract Employees per Operational Unit in 2022

Location	Permanent	Contract	Total
Kariba Crocodile Farm (KCF)	94	68	162
Nyanyana Crocodile Farm (NCF)	94	64	158
Ume Crocodile Farm (UCF)	119	108	227
Abattoir	21	42	63
Technical/ IT	43	94	137
Admin (LCP)	78	11	89
TOTAL	**449**	**387**	**836**

Employee gender ratio

Within the Division, consideration to the employee gender ratio is encapsulated in various policies providing for the equal treatment of men and women workers during recruitment, job assignment, training opportunities for advancement, compensation, and termination of employment. Company policies are explicit about maternity leave, non-discriminatory recruitment, and promotion as well as the prohibition of sexual harassment. On-going social dialogue enables identification of possible differential impacts on men and women concerning workplace and community safety and health.

2022 saw an increase of 25% in the number of women employed by the Division, averaged across the year. The number of women employed equates to 7% of Divisional total employees, with the highest representation being within executive level at 29% and 11% at management level. 51% of the female staff engaged are in permanent employment. The nature of the work at the farms is very physical; therefore, most of the women employed at general staff level work in the quality control section.



Long Service Awards

Recognition of the value and contributions of its staff is acknowledged through the Division's Long Service Awards that are presented annually. 2022 saw a further 8 members of staff achieve the special milestone of working for the Division for 25 years, with 14 employees receiving the service award for serving for 20 years and a further 14 employees for 10 years.

	2018	2019	2020	2021	2022
10 years	31	14	15	7	14
20 years	8	26	25	7	14
25 years	-	-	9	9	8

At the end of 2022, 118 employees had each served the Division for 20 years or more and a further 195 employees had been employed for between 10 and 19 years. A total of 26 members of staff have exceeded 25 years of employment with the Division. This reinforces the experience and strength of the Division's human capital and is reflective of the considerable investment made over the years into developing and retaining skilled and experienced employees.

HEALTH AND SAFETY AT WORK

Employee wellness

Employee wellness is an essential component of the Division's operations, mainstreamed through various Company policies and stipulated in the Health, Safety and Environment (SHE) Policy whose objectives are to:

- Provide a workplace that is injury-free and incident-free for all employees, visitors, and contractors;
- Enhance the well-being of its employees and those local communities with which it is in contact;
- Foster and maintain positive SHE cultures within the workplace;
- Where practicable, minimise its impact on the local and global environment within which it operates.

The Division has continued its successful partnership with Providence Health & Wellness in the provision of primary healthcare to its employees and their dependants as part of the Division's employee wellness initiatives.

All efforts are made to prevent injuries in the workplace and to reduce the incidences of ill-health whether work related or not.

These efforts incorporate regular risk assessments to:

- Reduce injury and work-related illnesses;
- Eliminate hazards in the workplace;
- Maintain a safe and healthy work environment;
- Provide a satisfactory assessment of health and safety risks;
- Provide adequate training in the safe use of all plant and equipment.

Pre-employment medical screening is undertaken to establish a baseline against which workplace injury and employee health can be measured and assessed. Appropriate personal protective clothing and equipment is guaranteed for all employees.

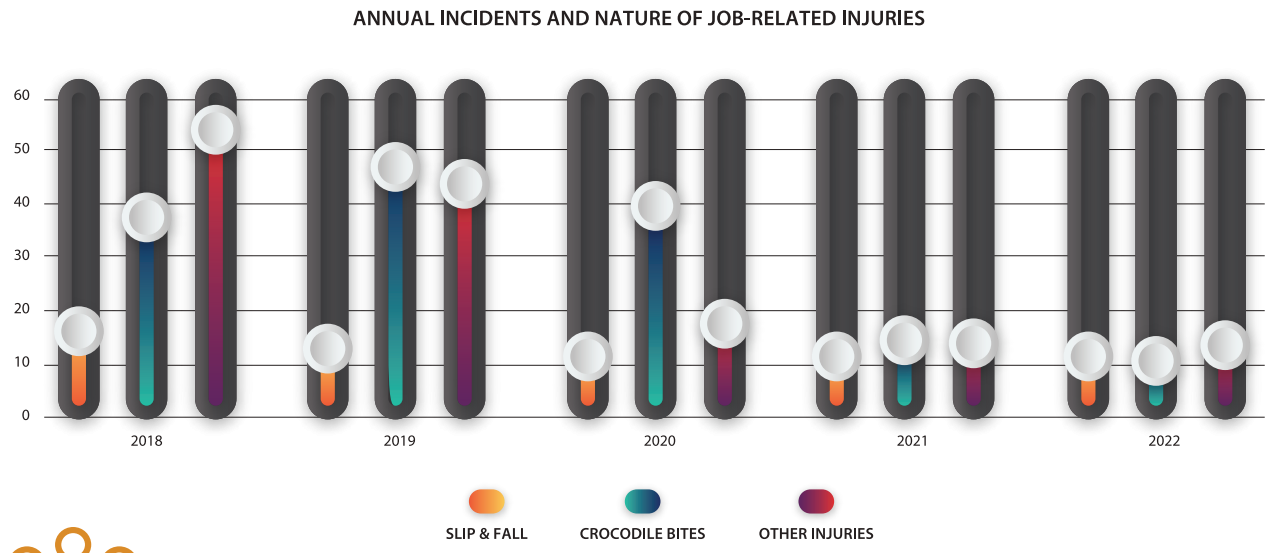
A Safety, Health and Environment (SHE) Committee is responsible for ensuring Divisional compliance with all local and national SHE regulations and coordinates the education and training of staff in relation to all aspects of SHE management. Third party stakeholders with regulatory authority and expertise in health and safety regularly monitor the Division's operations for compliance and to foster improvements.

Employee safety

The Division considers health and safety in its workplace as critical to its operations. Any injuries on duty are viewed seriously and receive due attention, with quarterly statistics reported at Board level. The implementation of continuous on-the-job retraining ensured there was strict adherence to clearly defined Standard Operating Procedures (SOPs). The Division's provision of personal protective clothing and equipment was deemed to be appropriate by the National Social Services Authority (NSSA) and the Department of Veterinary Services during their respective annual inspections of the Division's operations. No major concerns in respect of employee safety were raised during either of these inspections. These factors have contributed towards a continuation of the low incidence rate of work-related injuries within the Division, notwithstanding the potentially hazardous work environment that prevails.

Following alterations to operational procedures, there was a further reduction in the number of job-related injuries reported from 42 in 2021 to 39 in 2022. The number of work place injuries that involved crocodile bites to staff has decreased further for the third year in succession. There was once again no job-related fatality during 2022.

HEALTH AND SAFETY AT WORK (continued)



Human development and training in the work place

The Division considers learning and development a critical factor to the business's continued success. It invests in the development of its employees' skills and knowledge to keep them motivated, technically sound, and best equipped to provide efficient and effective services. Staff man-power development is incorporated within the Company's Human Resources Policy providing for study leave; study assistance through study loans and the refund of tuition fees; together with meeting 100% of the membership fees of staff registered with professional institutes.

Subscriptions with the Association of Chartered Certified Accountants (ACCA), Institute of Chartered Accountants of Zimbabwe (ICZA), and the Chartered Governance and Accountancy Institute Zimbabwe (CGI Zimbabwe) are renewed annually for individual employees as well as memberships with the Council of Veterinary Surgeons of Zimbabwe (CVSZ) and Zimbabwe Institution of Engineers (ZIE).

The strengthening of middle management staffing structures has been identified as one of the key areas of focus in sustaining the continued development of the organisation. This dovetails well with the Division's support for the continued development of its employees' skills level and competencies. In the course of 2022, staff were pursuing additional qualifications in human resources, logistics and supply chain management as well as the exam with the Chartered Institute of Procurement & Supply (CIPS).

THE ENVIRONMENT

In upholding its responsibility towards the environment as a natural capital, the Division ensures that its operations comply with national environmental laws, as well as international best practice and standards. Throughout its operation there are continued efforts to fulfil the expectations of its international customers, as well as to maintain the Division's standing with local regulatory authorities: Zimbabwe Parks & Wildlife Management Authority (ZPWMA); the Crocodile Farmers Association of Zimbabwe (CFAZ); the Environmental Management Agency (EMA) as well as local Town and District Council environmental by-laws. The Division's strategy is to identify the environmental impacts from its operations, evaluate their potential risk and take appropriate measures to control or mitigate these impacts.

All skins exported were in full compliance with prevailing legislation, namely: CITES provisions; CFAZ Code of Practice and Regulations; ZPWMA regulations; and the Veterinary Authorities of both Zimbabwe and the receiving countries.

Business intelligence tools

The Division has made a substantial investment over time into the development of customised business intelligence tools to allow more accurate prediction and modelling of outcomes from specific operational scenarios. This permits a quick response to economic, climatic and related issues that could otherwise negatively affect the Division's performance. Pen-side input of operational data allows real-time capturing and collation of data to management and is used to populate dashboards that continually monitor the operational performance and allowing for prompt response and correction.

The Division has been RFID (Radio Frequency Identification) chipping stock since 2019 to facilitate the traceability of individual animals. By this means, individual animals are monitored for growth, health and condition and skin quality.

During 2022 a further 14,485 hatchlings that were born in 2021 were chipped and will be monitored through to harvest. With similar numbers of stock chipped in prior years, this makes the Padenga herd one of the most intensively monitored crocodile crops in the industry with continuous data collection providing a wealth of husbandry information that drives operational decision making.

CROCODILE DIVISION LABORATORY

The Laboratory, which was opened in 2019, has met the standards of a Biosafety Level 2 Laboratory with the following testing capabilities:

- Polymerase Chain Reaction (PCR) based methods to identify viruses, bacteria, fungi, and vectors
- DNA and RNA sequencing to further identify species and molecular characterisation of pathogens
- Microbiology cultures and analysis
- Enzyme Linked Immuno Assays (ELISA-faecal gluco-corticoids in assessment of animal well-being)
- Clinical biochemistry
- Haematology
- Colorimetry for liver minerals and effluent

These laboratory capabilities have strengthened Padenga's ability to conduct internal testing for the purposes of animal disease diagnostics, health screening and disease surveillance, biosecurity monitoring and research into farm specific skin quality problems. This allows for the most expedient and accurate response to safeguarding animal health and welfare as well as improving product quality. In 2022 there was a significant evolution towards evidence backing decision making based on the reliable, timely and accurate diagnostic results produced by the in-house Laboratory.

THE ENVIRONMENT (continued)

PREVENTION OF POLLUTION

Effluent and solid waste disposal are regulated through the Environmental Management Act Chapter 20:27, Section 60 and the Environmental Management (Effluent and Solid Waste Disposal) Regulations, Statutory Instrument number 6 of 2007.

Classification criteria are contained in Part III, section 6 of the Environmental Management (Effluent and Solid Waste Disposal) Regulations and are categorised as follows:

- A blue licence in respect of a disposal is environmentally safe
- A green licence in respect of a disposal is considered to present a low environmental hazard
- A yellow licence in respect of a disposal is considered to present a medium environmental hazard
- A red licence in respect of a disposal is considered to present a `high environmental hazard

Wastewater management

The Division is very conscious of its obligations in terms of both Zimbabwean environmental legislation and the concerns of its international market in respect of wastewater management. Further to the wastewater consolidation project previously implemented and reported, the Division has been working in 2022 with local consultant engineers to produce a wastewater treatment solution that is acceptable to national Environmental Management Agency (EMA).

A number of operational changes implemented in the year (and reported separately below), materially changed the composition of the pen discharge water, necessitating a re-evaluation of the methodologies and the scale of any treatment solution to be implemented. Thus, several 24hr wastewater sampling exercises were conducted through the year to establish the correct seasonal flow and composition levels to facilitate the design of an appropriate treatment solution. Agreement was reached with EMA to initiate the implementation of an agreed treatment solution during 2023.

Wastewater monitoring

Samples of the wastewater discharge from the farming operations were analysed quarterly by officials from EMA to establish if the effluent was within the levels defined in the Environmental Management (Effluent and Solid Waste Disposal) Regulations, Statutory Instrument number 6 of 2007.

The consolidation of the effluent streams now being discharged at one point rather than via numerous smaller multiple points, has resulted in the wastewater discharge becoming more concentrated and this is reflected in the results below.

EMA Effluent Test Categorisation	2018	2019	2020	2021	2022
Red Category	6%	50%	19%	24%	67%
Yellow Category	47%	42%	6%	38%	33%
Green Category	47%	8%	25%	38%	0%
Blue Category	0%	0%	50%	0%	0%
	100%	**100%**	**100%**	**100%**	**100%**

THE ENVIRONMENT (continued)

The Division has thus been working with EMA to specifically reduce the heavy metal and phosphate levels within its pond wastewater discharge and has already implemented the following measures:

- Increased flushing of pens with fresh water throughout the day which results in higher dilution rates.
- Installation of a floating surface aerator to re-oxygenate the wastewater on exiting the farm.
- Bio-degradation of any pollutant components.
- Establishment of a solids trap in the main drain at the discharge point from the farms.
- More effective physical separation and removal of feed waste and faecal matter from the pens before cleaning and flushing.
- The installation of two agitator pump units in the consolidation point.
- The exclusion in late 2022 of potassium permanganate and copper oxychloride chemicals from the water treatment strategy and replacement with chlorine.
- The development of a ball pelletizer that produces a feed pellet that is more easily swallowed by crocodiles and thus materially reduces the amount of organic feed waste that enters the pond water.

Solid waste management

Managing solid waste and its disposal is a critical process that requires appropriate attention to ensure that disposal methods meet local environmental laws, together with statutory and international best practice and standards.

The Division is committed to the Best Environmental Option (BEO) approach of the 4 Rs (Reduce, Re-use, Recycle and Recover) and the zero-waste philosophy in managing waste.

The Division continues to maintain its non-hazardous waste management system through the segregation of the different types of waste material at multiple collection points across the farms. Legal compliance through the submission of quarterly environmental reports to EMA continues but waste management accounting systems are still in the process of being implemented. Continual training of staff, both internally and with the assistance of EMA officials on the segregation of the different types of waste is ongoing to ensure appropriate management of waste products.

The division maintains its own landfill site for the disposal of solid waste that cannot be recycled or incinerated. This landfill site retained its blue category rating by EMA (low environmental risk) in 2022.

Crocodile Division Solid waste management.

EMA Effluent Test Categorisation	2018	2019	2020	2021	2022
Landfill Site Categorisation	Blue	Blue	Blue	Blue	Blue

THE ENVIRONMENT (continued)

Incinerator

The final option of the "4 Rs" in the zero-waste philosophy and Best Environmental Option (BEO) approach is "Recover" where waste is incinerated to prevent it from having to be disposed of at a landfill. As part of its waste management plan, the Division installed and commissioned a commercial scale incinerator in 2020, designed to predominantly incinerate the biological waste from the abattoir and feed plant that posed the highest biosecurity risk to the operation.

During 2022, 157,137kg of biological waste was incinerated thus avoiding the necessity for landfill disposal. This was 21% less than what had been anticipated as waste to be produced during 2022. This equated to 42,248kg less waste sent for incineration which was achieved by enhanced feed waste management.

Hazardous waste

The establishment of a hazardous waste land treatment site is being investigated at which mineral oils and coal dust can be biologically degraded. Investigation into the safe disposal of hazardous waste materials through incineration to ensure complete destruction is being undertaken. An Oil and Fuel Spill Policy is being developed and training in response to accidental oil spills is planned. A Contaminated Zone Drainage Review is included in the design of a new fuel storage depot under consideration to ensure the potential for environmental contamination is minimised.

In accordance with the provisions of a Contaminated Zone Drainage overview conducted, all three fuel depots on the farms have appropriate and active oil/ water separators and are encased in bunding to mitigate any potential fuels spillage.

A Chemical Compatibility System has been introduced to ensure the safe storage of hazardous chemical substances (HCS). All Divisional chemical storage areas follow a well-defined chemical compatibility matrix that directs segregation of incompatible chemicals to prevent any accidental mixing which could cause fire, explosion, or the release of toxic gases.

The handling, storage and first aid training commensurate with this is undertaken to ensure the safety of all employees exposed to any HCS. Material Safety Data Sheets (MSDS) are obtained, retained, and reviewed annually together with all those personnel that handle or may be in contact with any HCS. The first aid recommendations on all MSDS direct first aiders, clinic personnel and employees handling the chemicals and treatment requirements specific to the chemicals found on site are audited annually. Policies are in place to ensure safety showers; eye baths and first aid boxes are available close to the HCS storage areas. Purchasing procedures are being reviewed to ensure protocols for buying hazardous substances are fully observed before purchase. The primary oil and fuel storage facility at KCF remains compliant with the Environmental Management Act, Chapter 20:27.

THE ENVIRONMENT (continued)

SUSTAINABLE RESOURCE USE

Electricity consumption

Achieving energy efficiency remains a priority for the Division since energy is a substantial input in the Company's operations. The Division had an increase of 23% in electrical power consumption supplied by the national grid in 2022, compared to 2021. This increase was attributable to the increased volumes of water pumped at the Northern Farms to enhance pond water quality and mitigate against virus build up.

Electricity Consumption

	2018	2019	2020	2021	2022
Yearly Usage (MWh)	3,608	3,560	3,471	3,791	4,669
% Year-on-Year Energy Change	23%	-1%	-3%	9%	23%

The following energy conservation initiatives were in place:

- Variable Frequency Drive units (VFD's) installed on all large electrical motors to minimise the start-up electrical load.
- Separate energy meters installed at the NCF hatchling section, feed plant and abattoir for real time monitoring of power consumption.
- All generators checked for load balancing.
- The incinerator, East Pumping Station and South Pumping station are monitored separately for their real time energy consumption.
- Wastewater pumps are on automatic float switches that dictate that pumping occurs in accordance with the flow rates of discharge water ensuring maximum efficiencies in terms of power consumption.
- Additional energy meters will be installed in 2023 to facilitate energy monitoring and optimisation.

Coal usage

Annual coal usage for the hatchling sub-farms at Divisional Farms is a function of the prevailing winter temperatures experienced as coal is used to fuel the water heaters that sustain an optimal temperature environment for the young hatchlings.

Coal usage was reduced by 29% in 2022 through operational changes in which crocodile hatchlings were transferred out of the heated hatchling pens earlier than previously.

Investigations into alternative energy sources to replace coal usage continue. A basic biogas digester using abattoir and feed waste to provide renewable energy has been trialled during 2022 and will be expanded into a commercial scale pilot plant for construction in 2024.

Diesel Usage

2022 saw a reduction of 8% in the quantity of diesel used at Padenga. This was achieved as a consequence of the following:

- The UCF solar array worked more efficiently in 2022 resulting in less generator usage. Fewer boat trips between KCF and UCF were implemented in 2022, resulting in savings on diesel usage.
- The UCF feed plant was used less in 2022 requiring less generator fuel.

The intention remains to increase installed solar generation capacity at both NCF and UCF until a net zero usage of non-renewable energy is achieved.

Total Diesel Consumption	2018	2019	2020	2021	2022
Usage (litres)	378,220	454,636	448,010	552,048	506,746
% - Yearly change	40%	20%	-1.5%	23%	-8%

Petrol Usage

In 2022 Padenga's petrol usage decreased by 16% to the lowest level in 5 years.

Total Petrol Consumption	2018	2019	2020	2021	2022
Usage (Litres)	24,728	27,817	17,599	21,240	17,392
% Year on Year Change	-2%	12%	-37%	21%	-16%

Total Coal Consumption		2018	2019	2020	2021	2022
Kariba Crocodile Farm	Actual Usage (kg)	356,800	345,150	351,339	371,479	280,000
Nyanyana Crocodile Farm	Actual Usage (kg)	492,813	461,040	447,680	450,700	304,999
Combined	Total actual (kg)	849,613	806,190	799,019	822,179	584,999
Combined	% - Yearly reduction	-11%	-5%	-1%	3%	-29%

THE ENVIRONMENT (continued)

Water Usage

With crocodiles being aquatic reptiles, water is an essential part of the farming process. Lake water is abstracted, utilised on the farms and returned after treatment back into the lake. Analysis of data for KCF for the period March 2022 to February 2023, confirms that only 3% of the lake water extracted does not return into the lake and thus reflects the actual consumption of water by the farms. This water is used in the grounds and gardens, in staff homesteads or evaporates from ponds in pens due to the very high temperatures experienced in the Zambezi Valley.

Scope of Data

Sustainability involves a continuous process of improving efficiency through accurate data collection. In 2022 the Division expanded the scope of data recorded by adding three additional resource uses into the matrix presented in the table below. This achieves a more comprehensive level of relevant data collection, allowing the Division to work towards life cycle assessment (LCA) reporting in the future.

Scope of Data

Additional Resource Usage	Current Reported Usage	New Scope	New Scope Usage	Total Usage	% Apparent increase due to expanded Scope
Electricity The current electricity usage data is focused on operational usage only	4,669 MWh	Residential usage	186MWh	4,855MWh	+4%
Coal The current coal usage is focused on hatchlings only	584,999kg	Incubator usage	9,551kg	594,550kg	+2%
Diesel The current diesel usage is focused on farm usage only.	506,746 litres	Third party diesel usage, e.g. hired vehicles, security vehicles, staff vehicles and CSR projects	13,652 litres	520,398 litres	+3%

CLIMATE CHANGE MITIGATION AND ADAPTATION

The effects of climate change have become a significant concern for all businesses globally. The Division recognises that its operations produce Greenhouse Gas emissions and has been measuring and reporting on its carbon footprint since 2017. This has allowed the business to evaluate its progress on implementing measures to progressively reduce and minimise the direct and indirect emissions within its control and encourage similar actions within its sphere of influence.

The Division anticipates that those climate related changes impacting its crocodile farms in Zimbabwe would be rising average temperatures, increased storm intensities and the risk of low water levels in Lake Kariba due to variable rainfall patterns within its catchment area.

The Division also has to consider the effects of climate change on its supply chain, and in particular the continuing production of its feed raw materials. The new 1,000m^2 dry feed storage shed constructed in 2019 has already proved invaluable during the supply uncertainties induced by the COVID-19 pandemic, allowing the Division to offset extended supply interruptions by holding three months' supply of critical feed stocks for the business.

Solar Energy

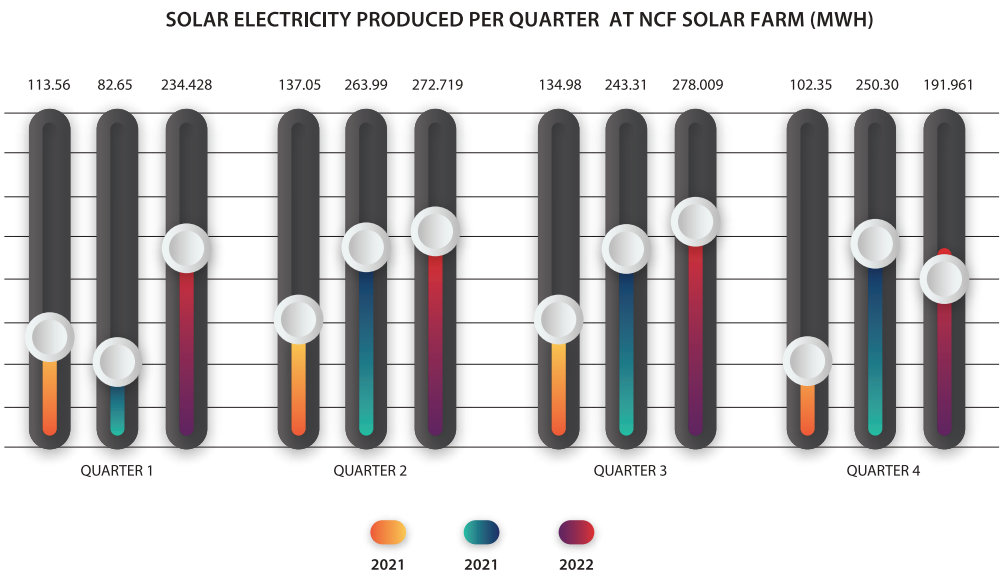
The Division has made considerable investments into solar energy at both its Nyanyana Crocodile Farm (NCF) and Ume Crocodile Farm (UCF).

At NCF the Division has been able to complete the physical installation of the 1.2MW solar array, of which 746kWp has been commissioned and synchronised to the grid to-date. Phase 1 became operational in May 2019 and Phase 2 in November 2020, thus achieving two thirds of the final design capacity. The completion of Phase 3 was impacted by COVID-19 related supply constraints and the equipment and materials were finally received on the farm in late 2022. The ancillary equipment to synchronise this third array to the national grid is also on site, with the final wiring and installation commencing in April 2023. Testing and verification of the equipment will be completed by June 2023, and full synchronisation to the grid is expected to take place in July 2023.

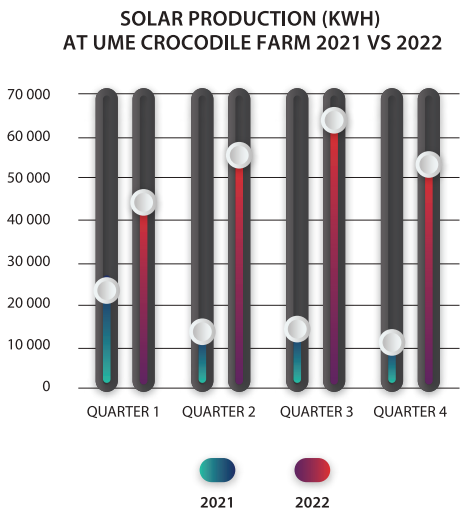
All the electricity produced is fed directly into the National Zimbabwe Electricity Transmission and Distribution Company (ZETDC) grid. The energy fed into the grid is metered at the distribution room and a credit is raised by ZETDC for the energy generated and offsets the cost of overall energy drawn from the grid.

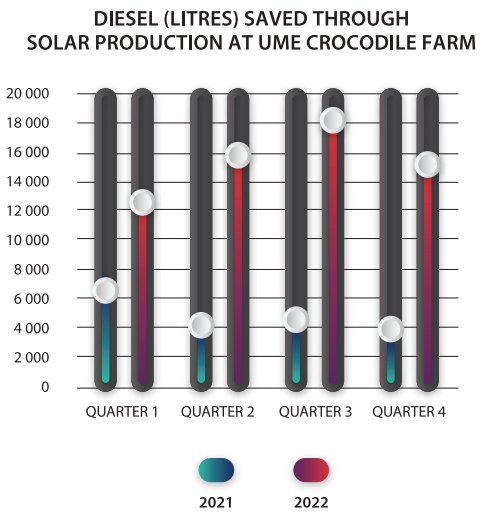
A total of 977MWh of electricity was produced at the NCF solar array during 2022, a further increase of 16% over 2021. The graph opposite reflects the increase in renewable solar energy produced over the last three years. This materially reduces the Division's annual electricity costs and its GHG emissions and makes the operation more environmentally sustainable.

CLIMATE CHANGE MITIGATION AND ADAPTATION (continued)



The Ume Crocodile Farm (UCF) by virtue of its remote off-grid location has always relied on diesel generators to provide its energy requirements. In order to reduce the farm's reliance on diesel, the Division installed a 252kWp solar array there in 2016.





The UCF solar array produced a total of 219MWh of power during 2022, an increase of 236% compared to 2021. In 2022 the production was still not at full capacity as spare parts only arrived in April and solar energy production for 2023 is therefore expected to increase further.

The solar array's production of 219 MWh in 2022 equated to a saving of 62,522 litres of diesel that would have powered the generators.

CARBON FOOTPRINT

When reporting on GHGs, there are three scopes of emission to be included in the calculations:

Scope 1 Calculations covering emissions from direct fuel use
Scope 2 Calculations covering emissions from indirect sources such as electricity
Scope 3 Calculations covering indirect emissions not included in Scope 2, e.g. business travel, shipment of goods.

The Division reports on its carbon footprint as follows:

- **Scope 1 calculations:**

Application of the Department for Environment, Food and Rural Affairs (DEFRA) (United Kingdom)'s UK Government GHG (Greenhouse Gases) conversion factor for Company reporting for 2022. The data for the years 2018 to 2021 has been recalculated using the 2022 conversion factor in order to allow direct comparisons.

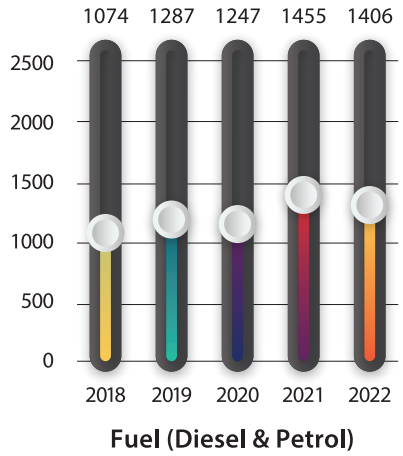
- **Scope 2 calculations:**

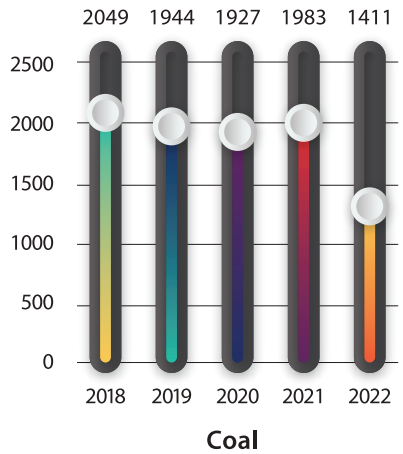
Calculation for the period 2018 to 2022 is based on www.emissionsfactors.com's IPCC calculation value of 0.729770333127 $kgCO_{2e}$/kWh for Zimbabwe.

The carbon footprint data is presented as tonnes of carbon dioxide equivalent (tonnes CO_{2e}) which is the universal unit of measurement to indicate the global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide (CO_2). The GWPs used in the calculations of CO_{2e} are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period.

The Division has focused its carbon footprint calculations on Scope 1 – its use of coal, diesel and petrol for its operations and Scope 2 – its national grid supplied electricity, which has been reduced since the commissioning of its grid tied solar farm at NCF in 2021. Further reductions in the amount of grid supplied electricity used at the Northern Farms have been achieved in 2022 as a result of the solar arrays operating more efficiently. The third phase of the solar array is due to be installed and commissioned by mid-2023. Those measures that allow the Division to start calculating its Scope 3 carbon footprint are being put in place so that the Company can start fully reporting on this from 2024 onwards.

SCOPE 1: TOTAL DIRECT EMISSIONS (T0NNES CO_{2e})





Due to its remote location Ume Crocodile Farm has never been connected to the national electricity grid and has been reliant on diesel powered generators. The production of 219 MWh of solar energy during 2022, allowed the farm to save 62,522 litres of diesel, which equated to a saving of 169 metric tonnes of CO_2 emissions, i.e. 169 tonnes CO_{2e}.

Scope 1: Direct Emissions

Scope 1 relates to direct GHG emissions arising from business activities within a company's control and ownership.

Emissions Sources (CO2)	Unit	2018	2019	2020	2021	2022
Fuel (Petrol/Diesel)	tonnes CO_{2e}	1,074	1,287	1,247	1,455	1,406
Coal	tonnes CO_{2e}	2,049	1,944	1,927	1,983	1,411
TOTAL	**tonnes CO_{2e}**	**3,123**	**3,231**	**3,174**	**3,438**	**2,816**

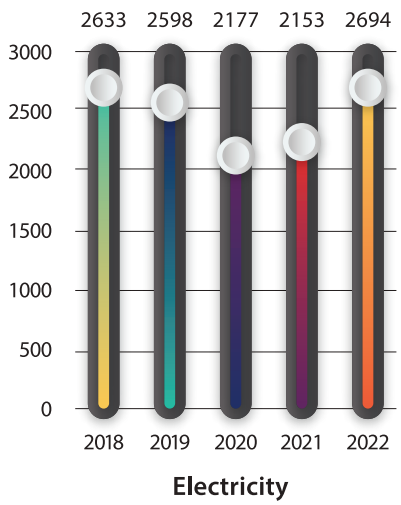
CARBON FOOTPRINT (continued)

Scope 2: Indirect Emissions

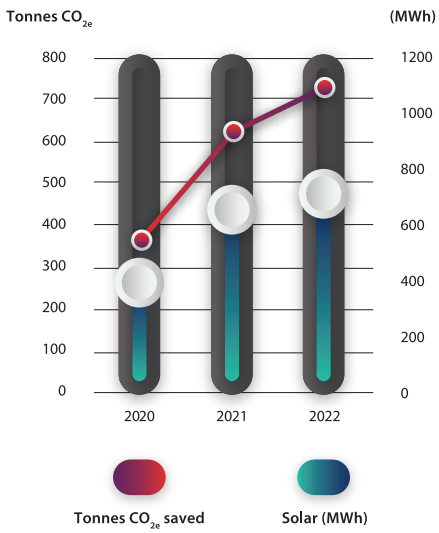
Scope 2 relates to indirect GHG emissions associated with the purchase of electricity.

Emissions Sources (CO_2)	Unit	2018	2019	2020	2021	2022
Electricity	tonnes CO_{2e}	2,633	2,598	2,177	2,153	2,694

SCOPE 2: TOTAL INDIRECT EMISSIONS



TONNES CO_{2E} SAVINGS DUE TO SOLAR PRODUCTION AT THE NYANYANA CROCODILE FARM

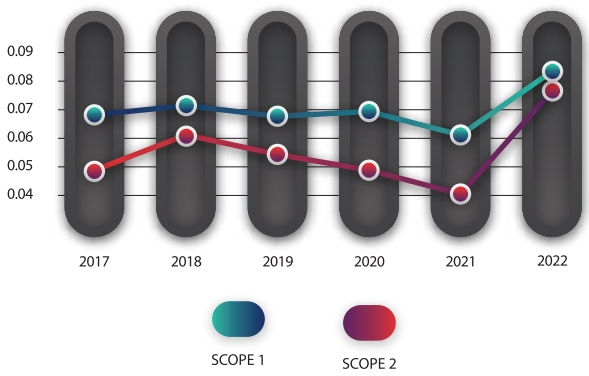


The Division's solar array at NCF is grid tied, with the energy produced feeding directly into the national grid, thus contributing directly towards a national reduction in CO_2 emissions. In 2020, the NCF array produced 488 MWh of solar (equivalent to a reduction of 356 metric tonnes of CO_2 emissions that year). In 2021 the solar array at NCF increased its capacity by 72% and produced 840 MWh of electricity equating to a reduction in CO_2 emissions of 614 metric tonnes. A further improvement in operational efficiencies and favourable weather conditions in 2022 contributed to the production of 977 MWh of electricity, equivalent to a saving of 713 metric tonnes of CO_2 emissions. The graph below highlights these savings.

Carbon Footprint per crocodile skin produced

By evaluating the Division's entire processes leading to the production of crocodile skins, the Scope 1 and Scope 2 carbon footprint of the operation can also be expressed as the carbon footprint per individual crocodile skin produced. This minimises any distortion of data, such as the sources of the power used, the number of power cuts causing an increase in diesel usage to run generators or the increase in coal consumption due to colder winter temperatures. The chart below presents the Division's Scope 1 and Scope 2 carbon footprint in units per skin produced. 2022 saw an increase in the carbon footprint per skin as the total number of skins produced dropped by 38.2% following a realignment of the production season.

CARBON FOOTPRINT FOR SCOPE 1 & 2 FACTORS TONNES CO_{2e} PER CROCODILE SKIN PRODUCED



PROTECTION AND RESTORATION OF THE NATURAL ENVIRONMENT

Conservation

Direct support by the Division for the conservation activities of both the Zimbabwe Parks & Wildlife Management Authority (ZPWMA) and several non-profit conservation organisations during 2022 was reduced relative to prior years because of operations related funding priorities. Those initiatives that were implemented in the period included:

- Awareness campaigns on the importance of the crocodile industry in promoting the conservation of the species particularly to rural communities situated along the Kariba shoreline.
- Limited financial and operational support to ZPWMA and to various conservation trusts working in collaboration with State conservation agencies in anti-poaching and countering illegal wildlife trade:
    - o The Tashinga Trust Initiative
    - o The Zambezi Society

Wild Crocodile Population

Sustainable utilisation is one of the fundamental tenets of wildlife conservation in Zimbabwe and the crocodile industry is an outstanding example of the success of these initiatives.

Rural fishing communities along the Kariba shoreline interact frequently with wild crocodiles, which they view as a threat to human life and livestock as well as being competitors for the fish populations they depend on for their livelihood. Lake Kariba is also an important tourism and recreational area and the incidence of crocodile encounters increases in direct proportion to the number of boats and tourist activity on the lake. This all creates a conservation dilemma: how to conserve a species that is viewed as a direct threat to these enterprises.

ZPWMA has approached the problem by maintaining crocodile numbers in Lake Kariba at a relatively static level through the imposition of a sustainable wild egg collection quota each year, together with a conservation policy for the Nile crocodile that ensures that those rural communities most impacted by their interaction with wild crocodiles derive some compensatory benefit from revenue generated from utilisation of the species.

Each year ZPWMA issues the Crocodile Farmers Association of Zimbabwe (CFAZ) with a permit authorising the collection of crocodile eggs from the wild on the understanding that the revenue generated from egg levies is paid to the respective responsible authorities for the areas in which egg collection occurs. (Rural District Councils, Forestry Commission, ZPWMA and private landowners). CFAZ then issues wild egg collection permits to approved individual farms that are members of that organization. The process of egg collection, incubation and hatching is monitored by ZPWMA and veterinary officers to validate that the eggs are collected and incubated in an appropriate manner and that all applicable animal welfare norms are observed.

Division's Wild Egg Collection

The Division's permitted wild egg collection areas include the river estuaries of the Nyaodza and Charara rivers (ZPWMA jurisdiction), a section of the Gache Gache estuary (NRDC) and the shorelines of the Omay Communal Land and the Sengwa river basin (also NRDC).

In 2022, 26% of the Division's crocodile eggs incubated were collected from the wild, with the remainder being produced by its domestic breeding stock.

Long-term egg collection data for Lake Kariba for the period 1997-2022 maintained by CFAZ shows no material decrease in annual egg numbers, confirming that the wild breeding population is healthy and remains at a constant level. This was endorsed by the results of crocodile aerial surveys undertaken by ZPWMA and CFAZ in 1993 and again in 2016, which indicated that the overall Kariba population of wild crocodiles had not declined, and in fact within protected areas and estuaries, the population was very robust.

ANIMAL WELFARE

The Division adheres to a strict code of practice in respect of all aspects of animal husbandry and welfare on the farms. These incorporate the tenets encapsulated in the Five Freedoms of Animal Welfare set by the UK Farm Animal Welfare Council:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behaviour
- Freedom from fear and distress

There is regular monitoring of animal welfare by the Division's senior management, overseen by independent veterinary experts and it is a factor emphasised at every operational meeting.

A second on-farm veterinarian was appointed in 2021 to achieve the objective of having resident practitioners operating full time at both the Northern Farms and the UCF site. These professionals carry direct responsibility for monitoring herd health and all aspects of animal welfare compliance.

Representatives from relevant government agencies conduct routine inspections of the Division's operations to confirm compliance with the statutes. These include annual in-depth farm inspections by a state veterinary inspector who is well qualified to conduct such an assessment to a recognised set of welfare and best practice standards.

During 2022, the Division continued its programme of rehabilitating pens across the three crocodile farms by replacing 51,800m^2 of pen/pond floor surfaces with a long lasting, durable polyurethane finish that is less porous and thus allows more thorough cleaning to improve hygiene and biosecurity.

FAIR OPERATING PRACTICES

The Division's Code of Conduct defines its commitment to establishing fair business practices in line with its obligations as a responsible corporate entity. In addition to listening to stakeholders' opinions, the Company conducts its business activities transparently in order to be accountable. The Division seeks to achieve this thorough adherence to all rules and regulations, with the aim of promoting fair operating practices, and promoting a sustainable society. In short, the Division will continue to be fair, truthful, honest, and timely in its actions in terms of compliance with its social responsibilities.

Anti-Corruption

Bribery and corruption not only destroy trust in a company, but can also be factors hindering the development of a country by exacerbating human rights violations, poverty, and environmental destruction.

The Division strives to prevent bribery and corruption by its staff members through the implementation of the Division's Code of Ethics.

Responsible Political Involvement

The Division does not involve itself in political activities, political lobbying, or the funding of political parties. The Division's Code of Ethics prohibits the use of Divisional funds or Divisional assets for the promotion of any political candidate or political party. The posting of political campaign posters or the expression of party-political slogans within its premises or on motor vehicles or any other property belonging to the Division is also prohibited.

FAIR COMPETITION

In order to ensure fair and transparent business transactions, the Division requires management and employees to fully understand and comply with laws and regulations governing competition. The Division adheres to the Competition Act (Chapter 14:28) as administered by the Competition and Tariff Commission (CTC) that seeks to promote and maintain fair competition practices. The Board is responsible for ensuring that the Division adheres to all relevant laws and regulations on fair competition. Divisional books and records are maintained in accordance with the Division's Accounting Principles and internal control procedures and no employee can falsify any Division record.

PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN

The Division appreciates the wider sphere of influence of its operations and seeks to fulfil its environmental and social responsibility on issues such as community development and empowerment, human rights, and labour safety throughout its supply chain. The Division believes this is key to achieving sustainable, stable procurement services now and in the future, and is committed to working closely with supply-chain stakeholders to ensure its procurement processes are socially responsible. The Division conducts rational procurement services in compliance with prevailing laws and regulations. Contractors and service providers are informed of and expected to operate within those regulations and standards appropriate to their services and to demonstrate seamless compliance.

The Division's purchasing strategy is to ensure that all raw materials and resource procurement is conducted in a professional, transparent and sustainable manner, meeting the standards and diligence expected of the Division. For example, all feed products are sent for laboratory analysis upon receipt to verify compliance with their stipulated specifications.

The Division promotes social responsibility within its value chain through the following:

- The integration of ethical, social, environmental and gender equality criteria, and health and safety, in its purchasing, distribution and contracting policies and practices to improve compliance with social responsibility objectives.
- Encouragement of other organisations to adopt similar policies, without indulging in anti-competitive behaviour in so doing.
- Carrying out appropriate due diligence oversight and monitoring of those suppliers with which it has relationships, with a view to preventing compromise of the organisation's commitments to social responsibility.
- Supporting small and medium sized organisations where practical, including raising awareness on issues of social responsibility and best practice and offering assistance (for example, technical, capacity building or other resources) to help them meet socially responsible objectives.
- Actively participating in raising the awareness of organisations with which it has relationships about the principles and issues inherent in social responsibility compliance; and
- Promoting fair and practical treatment of the costs and benefits of implementing socially responsible practices throughout its value chain, including, where possible, enhancing the capacity of organisations in the value chain to meet socially responsible objectives. This includes appropriate purchasing practices, such as ensuring that fair prices are paid and that there are adequate delivery times and formal contracts.

CONSUMER ISSUES

The Division's customers and consumers are key stakeholders of the business. The Division therefore provides customers with accurate product information using fair, transparent, and relevant marketing information in a bid to promote sustainable consumption. The Division observes the health and safety considerations, dispute resolution and redress mechanisms, privacy protection and consideration of product and service needs of its customers.

Protection of Consumers' Health and Safety

When meat exports are undertaken, the meat packaged for export is produced, processed, tested, and shipped in accordance with the standards defined by the Public Health and Veterinary Authorities of both Zimbabwe and the receiving countries. This includes mandatory batch testing of meat to meet exacting bacteriology standards as well as full traceability on all meat products produced back to pen of origin. The Division has a Quality Assurance Manager who is responsible for ensuring that its products meet the stringent standards defined by the respective markets that they are sold into.

All skins produced and exported by the Division occur in full accordance with prevailing CITES provisions, as well as in line with ZPWMA regulations. This validates that the skins are produced in accordance with the National Crocodile Policy for Zimbabwe and that the Ranching Model of production is an approved and sustainable production system that is endorsed by CITES.

Consumer Service, Support, Complaint and Dispute Resolution

Customer service issues are of significance to the Division and are consequently handled by the executive management team to ensure they receive the appropriate attention. Regular engagements with customers occur to get both feedback and an understanding of the expectations in respect of the quality of our products. Thus, all stakeholders have an appropriate channel available to them for complaint submission and resolution.

With skins traceability becoming of increased significance in eliminating trade in illegal crocodilian skins worldwide, the Division introduced RFID (Radio Frequency Identification) chipping, of all hatchlings in 2019 allowing full traceability of skins from hatch to market.

COMMUNITY INVOLVEMENT AND DEVELOPMENT

The Division views community involvement and development as a significant part of its ethos. The Divisional focus is towards creating sustainable partnerships with communities in ways that bring long-term benefits and lead to community empowerment and economic independence. The business supports those communities within which it operates as part of its commitment to good corporate citizenship.

Community Involvement

The Division is very committed to its Community Involvement and Development Program within both the rural and urban areas that are adjacent to its farms. To assist with its community improvement and development efforts, the Division has identified key strategic partners who can contribute to the Division's stakeholder engagement and the effective implementation of community social investments (CSI).

In addressing social, economic, and cultural needs within its sphere of influence, the Division recognises the Community Chiefs as local leaders and custodians of traditional culture. The Chiefs and Village Elders are therefore consulted during the planning and implementation of CSI initiatives to ensure that cultural values are neither eroded nor compromised. Senior staff engage with local communities to facilitate meetings and discussions with local chiefs to ensure compliance with traditional protocols and appropriate language use during the engagements.

As a community service, the Division continues to provide the citizens of the Mola community in the Omay Communal Land with free boat transport across the Lake to and from Kariba Town for access to health, social and administrative services, and to facilitate shopping and onward access to the Zimbabwean hinterland.

Maintenance of the Kariba Makuti highway

COMMUNITY INVOLVEMENT AND DEVELOPMENT (continued)

Education and Culture

The Division traditionally supports educational development in the district through the following initiatives:

- Partnerships with both government and non-government organisations to facilitate an on-going program of educational infrastructure rehabilitation.
- Providing support for local schools with the supply of learning materials.
- Scholarships awarded to disadvantaged and qualifying students that meet the costs of primary, secondary and tertiary education.
- Provision of sanitary pads to girls at rural schools within the district.

With schools reopening at the beginning of the 2022 academic year, the Division was able to resume its investment into the following initiatives:

- As part of the Zambezi School Book Project, through the partnership with Books for Africa Organisation and the Bourke Family Foundation, the Division facilitated the continuation of the school library project at 22 rural schools. A total of 680 boxes each containing 50 library and text books were received in 2022 of which 448 boxes were distributed by the end of December. The remaining 232 boxes will be distributed in 2023. 150 solar powered desktop reading lights were also distributed to senior school students.
- Donations of 2,500 packs of sanitary pads to school girls attending five schools within the local communities under the Division's jurisdiction were made.

Kalundu Primary school kids showing their gratitude after receiving solar reading lamps.

Mola High School learners celebrate with an impromptu song after receiving a consignment of solar reading lamps and books.

Scholarships

Education is a critical aspect of sustainability which progresses the possibilities for the children of future generations. The Division has been running a scholarship program within local communities for a number of years, covering the full payment of fees for qualifying students from primary through to tertiary education level. The Division's aim is to make a positive impact on the underprivileged and disadvantaged within the communities it operates by ensuring inclusive and equitable quality education and learning opportunities for all.

Each year the selection of candidates is undertaken with the assistance of the Ministry of Public Service, Labour and Social Welfare. At the Division's request, Ministry representatives visit the schools to identify qualifying students. They then forward a consolidated list to the Division's management who add the new candidates onto the scholarship scheme. This scholarship fund is also extended to the children of Divisional employees who show academic excellence.

In 2022 the Division assisted a total of 24 students and seeks to increase the number to 35 students in 2023. The students were grouped as follows:

Educational Level	Gender Male	Gender Female	Number of Children
Primary School	-	2	2
Secondary School	8	9	17
Tertiary - Polytechnic (Harare)	-	1	1
Tertiary - University	2	2	4
	10	**14**	**24**

COMMUNITY INVOLVEMENT AND DEVELOPMENT (continued)

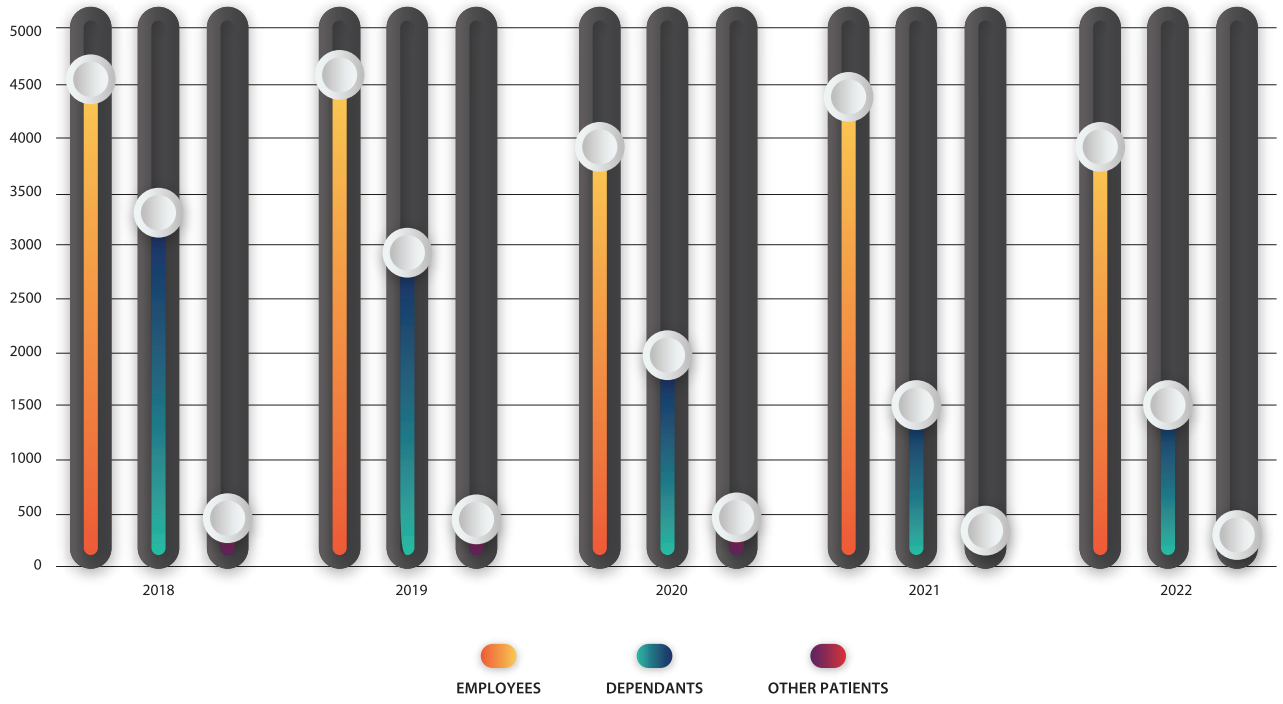
Employment Creation and Skills Development

The Division's most significant contribution to local community empowerment occurs through employment creation. The business deliberately prioritises the recruitment of local people when appropriate vacancies arise. The non-skilled staff employed at UCF is drawn from Mola and the surrounding community. This employment is estimated to support in excess of 3,000 immediate and extended family members and plays a significant role in generating disposable income within the area. The Division is also considering facilitating the creation of downstream industries leading to community empowerment and will revisit this when it has the resources to address this appropriately.

Health

The Division operates two clinics in conjunction with Providence Health & Wellness, the wellness section of Providence Human Capital. One Divisional clinic is located at the Northern Farms and one at Ume Crocodile Farm. Given the economic challenges being experienced nationally, government medical facilities face ever increasing challenges in sustaining the delivery of basic primary healthcare services to rural communities. The two Divisional clinics are therefore important institutions in terms of providing primary healthcare to employees, their dependants and to members of the extended rural community. The predominant health and wellness challenges within the Division's areas of operations were HIV/AIDS, malaria, bilharzia/schistosomiasis, and a range of other pathologies that have a low incidence but incur high treatment costs. A total of 5,626 patient visits were recorded at the two clinics during 2022 highlighting the significance of these facilities.

PATIENT VISITS TO THE PADENGA CLINICS



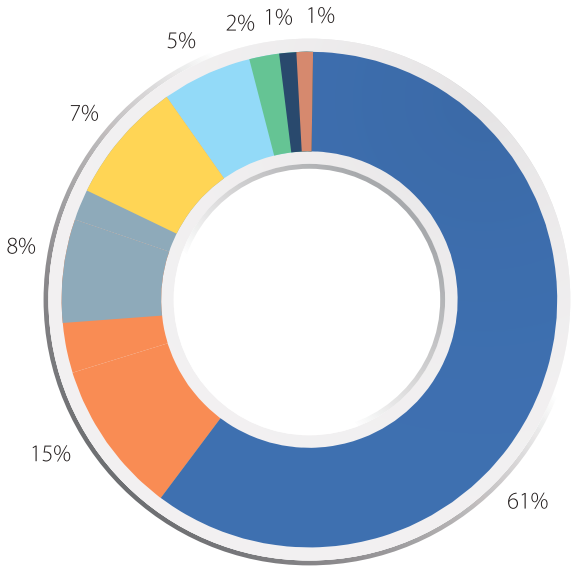
COMMUNITY INVOLVEMENT AND DEVELOPMENT (continued)

Social Investment

During 2022 the Division was able to resume many social investment initiatives that had been suspended during the COVID-19 pandemic. The Division spent a total of USD78,347 in 2022, nearly double the amount spent on CSI initiatives during 2021. The expenditure on the various social projects is detailed in the graph below.

Once again, the largest single community project funded was mowing of the 77km Makuti to Kariba main road verges to enhance the safety of motorists using this narrow, winding and dangerous road. The Division has funded this annual initiative for 13 consecutive years with every citizen, tourist and commercial transporter that has visited Kariba over that period having benefited from this benevolence.

Community Social Investment Initiatives 2022 (USD)



- Kariba / Makuti Road Maintenance
- Education Scholarships
- Support for local NGOs
- School Sanitary Ware
- Social Support for Community Leaders
- Support for Government Departments
- Distribution of school books & solar lights
- Fuel donations for community social activities

Wealth and Income Creation

Apart from uplifting rural communities and funding conservation activities by the Zimbabwe Parks & Wildlife Management Authority (ZPWMA), the Zimbabwean crocodile industry makes a significant financial contribution to the national economy through the payment of permit fees, local rates and taxes and long-term lease fees for the land on which the farms are situated. The Division's total payments to the Zimbabwean Government and to Local Authorities for 2022 amounted to USD1,480,548. Key contributions to fiscal revenue in 2022 were from the payment of duties (26.5%), a 2% fee levied against invoice value for the issuance of CITES export permits (23%) and IMTT tax (17%).

The ZPWMA receives additional payments for breeder' licences, land tenure leases as well as fees for the collection of wild eggs within the National Parks (ZPWMA)'s estate. The Nyaminyami Rural District Council (NRDC), within which the Division operates, receives lease fees for the operations situated on land for which the NRDC is the appropriate authority, together with levies for the wild eggs collected on communal land under its jurisdiction.

KEY ACTIONS FOR 2023

The Division, guided by an independent sustainability consultancy firm, places high value on furthering the sustainability of its operations as well as that of its value chain. The following key actions have been identified to further progress the Division's compliance with sustainability goals:

- Wastewater management: Under the guidance and endorsement of EMA, initiate the construction of an appropriate, practical and affordable wastewater treatment solution.
- Renewable energy: Complete the construction and commissioning of the final phase of the grid-tied solar array to achieve a total output of 1.2 MW by July 2023.
- Investigate the feasibility of constructing a plant to utilize abattoir biological and feed waste to produce biogas as an alternative to coal.
- Waste management: Work towards decommissioning the Division's dumpsite and rehabilitating the land to its natural state.
- Upgrade the Division's sustainability reporting to incorporate the life cycle assessment (LCA) of its production and advance from the existing gate to gate model to a cradle to gate model through appropriate data collection and evaluation.

Memberships

The Division is a member of the following organisations and professional entities:

- International Crocodilian Farmers Association (ICFA)
- Crocodile Farmers Association of Zimbabwe (CFAZ)

Professional Bodies

- Association of Chartered Certified Accountants (ACCA)
- Chartered Governance and Accountancy Institute Zimbabwe (CGI)
- Council of Veterinary Surgeons of Zimbabwe (CVSZ)
- Institute of Chartered Accountants of Zimbabwe (ICAZ)
- Zimbabwe Institution of Engineers (ZIE)
- Institute of Personnel Management of Zimbabwe (IPMZ)

LEGISLATION

The Division complies with the specific standards and regulations set by those industry related organisations and authorities that it operates within:

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Crocodile Farmers Association of Zimbabwe (CFAZ)
- Environmental Management Agency (Zimbabwe) (EMA)
- General Agriculture & Plantation Workers' Union of Zimbabwe (GAPWUZ)
- International Crocodilian Farmers Association (ICFA)
- UK Farm Animal Welfare Council
- Zimbabwe Parks & Wildlife Management Authority (ZPWMA)

In addition, the Division is compliant with the following international and national environmental and animal health legislation:

International Legislation

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- European Regulations of Slaughter Procedures – Decree 93-119-ec_en
- Regulation (EU) 2016/679 - Directive 95/46/EC – General Data Protection Regulation

Zimbabwean Legislation

- Accident Prevention (Workers Compensation Scheme) Notice – Statutory Instrument 68 (of 1990)
- Animal Health Act (1961), Chapter 19:01 (Revised 1996)
- Animal Health (Movement of Game) Regulations
- Collective Bargaining Agreement: Agricultural Industry – Statutory Instrument 116 (of 2014)
- Competition Act (Chapter 14:28) as administered by the Competition and Tariff Commission (CTC)
- The Drugs Control Act Chapter 320
- Environmental Management Act, Chapter 20:27
- Environmental Management (Effluent & Solid Waste Disposal) Regulations, Statutory Instrument No. 6
- Environmental Management (Control of Hazardous Substances) General Regulations Statutory Instrument No. 268 of 2018
- Environmental Management (Environmental Impact Assessment & Ecosystems Regulations) Statutory Instrument No. 7 of 2007
- Factories and Workers Act (Chapter 14:08)
- Factories and Works (Registration & Control) Regulations, Government Notice 262 of 1976
- Fertilisers, Farm Seeds and Remedies Act (1996) Chapter 18:12
- Food & Food Standards Act (1971) Chapter 15:04
- Inland Waters Shipping Act
- Labour Act (Chapter 20:01)
- Labour Relations (HIV/ AIDS) Regulations – Statutory Instrument 105 (of 2014)
- Parks & Wild Life Act (1975), Chapter 14
- Pneumoconiosis Act (Chapter 15:08)
- Prevention of Cruelty to Animals Act (2001)
- Produce Export (Abattoir, Slaughter & Meat Hygiene) Regulations, 1984
- Public Health (Abattoir, Animal and Bird Slaughter and Meat Hygiene) Regulations, 1995
- Stock Trespass Act (1991), Chapter 19:14
- Veterinary Surgeons Act (1996), Chapter 27:15
- Water Act Chapter 20:24

To ensure compliance with the above, the Zimbabwean Department of Veterinary Services facilitates the following:

- Routine and ad hoc regulatory compliance visits to the Division's crocodile farms
- Monthly inspections of the Division's export approved crocodile abattoir.

PADENGA GOLD MINING DIVISION SUSTAINABILITY REPORT

Dallaglio develops and operates commercial scale Zimbabwean gold mines.

Dallaglio was established in 2015 and owns 100% of Pickstone Peerless Gold Mine and Eureka Gold Mine.

DALLAGLIO

Mines are not found, they are built.

STATEMENT FROM THE CHIEF OPERATING OFFICER, JAMES BEARE

Welcome to Dallaglio's Sustainability Report for 2022

Since Padenga is the majority shareholder of Dallaglio Investments (Pvt) Ltd, Dallaglio is included in the Padenga Holdings Limited annual report. For its 2022 sustainability report, Dallaglio has expanded the scope of its reporting by including specific resource usage data and corresponding carbon footprint calculations for each of the three mining divisions - Pickstone Peerless Mine, Pickstone Milling Centre and Eureka Mine. As the occupational health and safety of its employees is critical to Dallaglio's operations, the safety statistics for both Pickstone Peerless Mine and Eureka Mines have been incorporated. Ensuring the continuous sustainability of its operations, 2022 saw the employment of a Shared Services Manager at each mine whose role is to oversee the implementation and mainstreaming of Business Management Systems at each operation. Over time this will allow Dallaglio to measure and improve the efficiency of its processes and procedures at each mine.

2022 was a productive year for Dallaglio, with Eureka Mine coming on line to full capacity to produce 1,352kg of gold. Dallaglio's flagship CSI initiative - Pickstone Milling Centre (PMC) - which mills ore for the informal mining community, also saw a significant increase in the amount of ore milled and gold produced, increasing its gold production from 28kg in 2021 to 61kg this year.

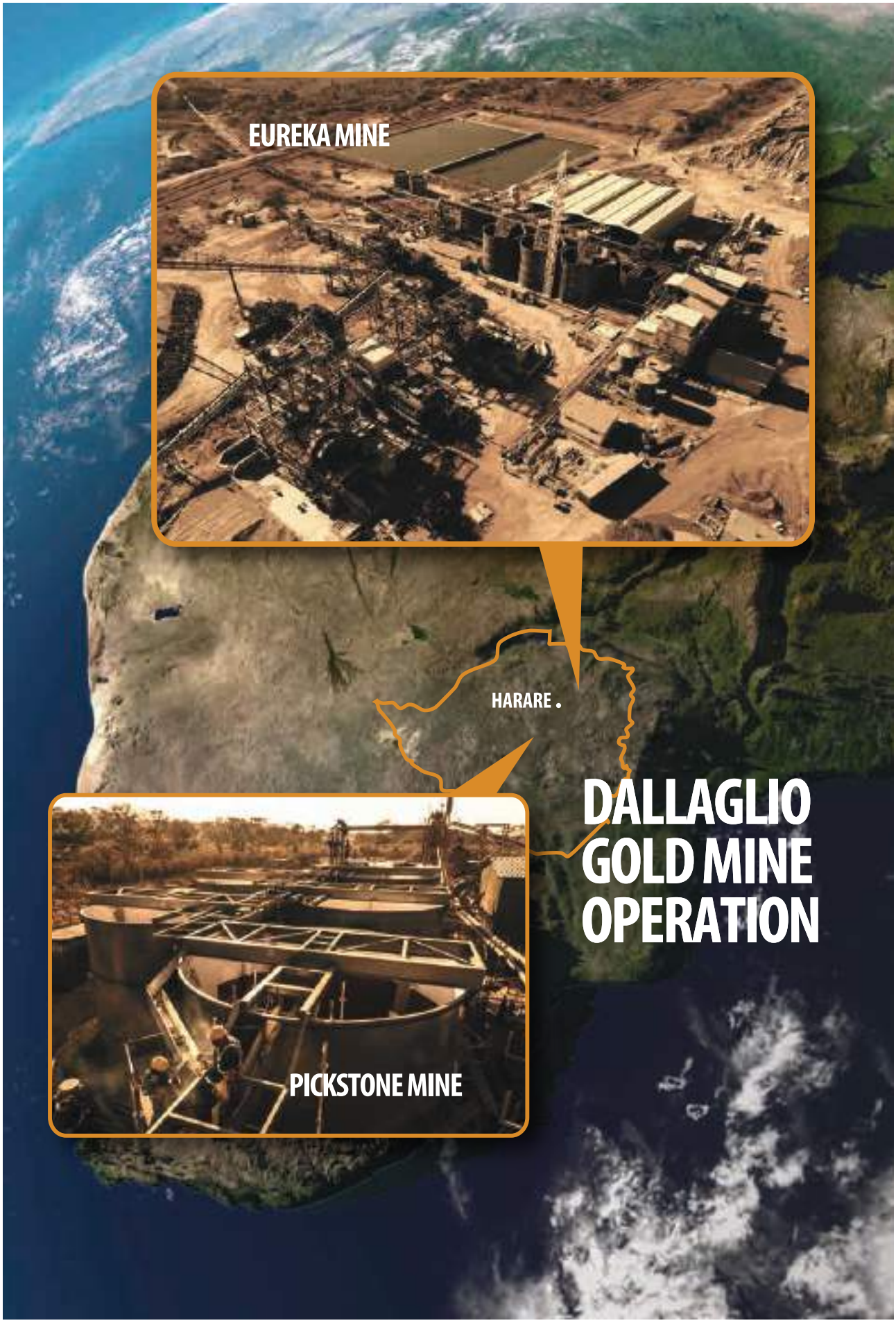
Dallaglio employed a further 249 staff across the Company, reaching a total of 1,177 employees in 2022. Pickstone Peerless Mine saw the largest staff increase of 57% due to its planned move to underground mining.

The Company spent a total of USD146,646 on social investments within the communities surrounding Pickstone Peerless and Eureka Mines in 2022. This included drilling and installing five boreholes for villages and schools surrounding Eureka Mine, thereby ensuring their access to clean water.

2022, however, ended with a fatal incident at the Pickstone Peerless underground operation. This tragic event made the mine reassess its safety procedures, resulting in the safety risks and containment measures being updated to avoid such a recurrence.

Dallaglio has made meaningful progress in its sustainability reporting in 2022 and by using its 2022 data as a baseline, the Company is able to set benchmarks and work towards further improving the sustainability of its operations in 2023 and beyond.

James Beare
Chief Operating Officer


EUREKA MINE
HARARE
DALLAGLIO GOLD MINE OPERATION
PICKSTONE MINE

DALLAGLIO SUSTAINABILITY REPORT FOR 2022

Dallaglio develops and operates commercial-scale Zimbabwean gold mines. It was established in 2015 with the refurbishment of Pickstone Peerless Mine which had not been operational for 44 years. At the end of 2021, Eureka Mine, located near Guruve, was brought back into production after its refurbishment. Now fully operational, Eureka Mine is one of the largest and most technologically advanced mines in Zimbabwe.

Dallaglio's vision is to become Zimbabwe's leading gold mining company, creating value for its people now and in generations to come. The Company is committed to ensuring that its operations are sustainable by reducing its impact on the environment and people; specifically recognising its responsibility in sustainably extracting finite resources from the Earth.

The Company owns 100% of the following mining assets:

EUREKA MINE

- Operating open pit gold mine
- Located east of the town of Guruve
- 150 km north of Harare
- The mine was recommissioned by Dallaglio on 21 October 2021 after being dormant for a number of years.

PICKSTONE PEERLESS MINE

- Operating open pit gold mine
- Located south-east of the town of Chegutu
- 120 km south-west of Harare
- The mine was recommissioned by Dallaglio in 2015 after being dormant for a number of years.

GIANT GOLD MINING CLAIMS

- A future development project, located near Pickstone Peerless Mine.

BLUE ROCK CLAIMS

- A future development project, located near Pickstone Peerless Mine.

FACTS ON DALLAGLIO INVESTMENTS (PVT) LTD 2022

	Pickstone Peerless Mine	Pickstone Milling Centre	Eureka Mine	Total / Average
Ore milled (tonnes)	374 370	39 218	1 267 437	1 681 025
Average grade of gram per tonne	1.90	1.92	1.21	1.38
Gold smelted (kg)	547	61	1 352	1 960
Average recovery	78	82	93	253
Total number of employees	659	48	470	1 177
Employed from local communities	37%	-	65%	-

KEY SUSTAINABILITY SUCCESSES

- **Improved drilling efficiency**

  In Q2 2022, a new drilling contractor was appointed to take over Eureka Mine's grade control drilling campaign. The appointment of the new contractor has resulted in improved drilling efficiencies. Diesel usage has also been capped which greatly reduces the cost risk to the mine.

- **Working with its local stakeholders**

  Throughout 2022 Dallaglio supported its local communities through various social investment initiatives (see page 70). Pickstone Peerless Mine spent USD 40,992 while Eureka Mine spent USD 105,654 on such initiatives.

- **Significant economic benefit to the Nation**

  Dallaglio's total payments to the Zimbabwean Government for 2022 were USD4,149,881. The key contributions to the fiscal revenue were through the payment of IMTT Tax (52%), Duty Payments (40%), Corporate Tax (7%) and Withholding Tax (1%).

KEY SUSTAINABILITY IMPACTS

- **Loss of Life at Pickstone Peerless Mine**

  A fatal incident occurred at the Pickstone Underground Operation in November 2022. Incident investigations were carried out by the Ministry of Mines, leading to suspension of the underground mining operations. Following a review of the occupational health and safety management systems for the underground mining operations, the suspension was lifted.

  MITIGATION
  Internal and third-party investigations were carried out and mitigation measures have been implemented to avoid recurrence.

ORGANISATIONAL GOVERNANCE

Dallaglio is committed to a Code of Corporate Practices and Conduct based on the principles laid down in the National Code on Corporate Governance Zimbabwe (ZIMCODE).

The Directors are dedicated to conduct the affairs of the Company within the principles of transparency, integrity, and accountability to best serve the interests of shareholders, employees, and other stakeholders. This process gives the Company's shareholders the assurance that whilst protecting and adding value to its financial and human resource investments, the Company is being managed ethically and with the appropriate attention to risk management in accordance with best international practice.

Dallaglio has policies in place and regularly updates appropriate Standard Operating Procedures (SOPs) that are mandatory and part of the institutional framework, guided and overseen by the Company's executive management team and implemented by its operational management structures.

In order to integrate and mainstream policy implementation in all departments, the post of Shared Services Manager has been created at each mine.

Dallaglio is in the process of implementing an integrated Quality/Occupational Health & Safety (OSH)/ Environmental Management system to measure and continuously improve in these key aspects.

Dallaglio is currently working towards being certified for the International Management System Standards (MSS) of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health & Safety Management). Certification is aimed to be achieved across the Company by the end of 2024.

COMPLIANCE

Compliance with the applicable laws and regulations is a fundamental duty of any organisation to be socially responsible. The essential characteristics of social responsibility is the willingness of an organisation to incorporate social and environmental considerations in its decision making and to be accountable for the impacts these may have on society and the environment.

This implies both transparent and ethical behaviour that contributes to sustainable development, is in compliance with applicable laws and is consistent with international norms of behaviour and best practice. It also implies that social responsibility is integrated

throughout the organisation, is practised in its relationships and takes into account the interests of stakeholders (ISO 26000). In order to fulfil this essential aspect of sustainability, Dallaglio is working towards being compliant with the following laws and regulations set by the industry related organisations and authorities the Company operates within:

International Legislation

- International Cyanide Management Code

Zimbabwean Legislation

- Accident Prevention (Workers Compensation Scheme) Notice - Statutory Instrument 68 (of 1990)
- Competition Act (Chapter 14:28) as administered by the Competition and Tariff Commission (CTC)
- Environmental Management Act, Chapter 20:27
- Environmental Management (Effluent & Solid Waste Disposal) Regulations, Statutory Instrument No. 6
- Environmental Management (Control of Hazardous Substances) General Regulations Statutory Instrument No. 268 of 2018
- Environmental Management (Environmental Impact Assessment & Ecosystems Regulations) Statutory Instrument No. 7 of 2007
- Explosives Regulations, 1989 (SI72)
- Factories and Workers Act (Chapter 14:08)
- Factories and Works (Registration & Control) Regulations, Government Notice 262 of 1976
- Forest Act Chapter 19:05
- Labour Act
- Labour Relations Act 28:01 of 1996 (Revised)
- Mines and Minerals Act 21:05 of 1996 (Revised)
- Mining (Health and Sanitation) Regulations, 1990 (SI156)
- Mining (Management and Safety) Regulations, 1990 (SI 109)
- NSSA Act of 1989, Chapter 17: 04
- The Parks and Wildlife Act (Chapter 21:05) 1996 Revised Edition
- Pneumoconiosis Act (Chapter 15:08)
- The Public Health Act, (Chapter 15:09) 1996 Revised Edition
- Radiation Protection Act, Chapter 15:15
- The Rural Districts Councils Act, (Chapter 29:13) 1996 Revised Edition
- The Water Act, (Chapter 20:24) 1998

Environmental Legislation

With gold mining having a significant impact on the environment, during 2022, Dallaglio continued to adhere to the Environmental Management Act of Zimbabwe, Chapter 20:27 and accompanying regulations as shown by the granting of the licences in the table below based on the Environmental Management (Effluent and Solid Waste) Disposal Regulations Statutory Instrument number 6 of 2007 environmental discharge bands.

Each quarter, Dallaglio arranges for the Environmental Management Agency (EMA) to carry out site inspections to ensure compliance with the specific licences granted for the different aspects of its operation.

COMPLIANCE (continued)

EMA Environmental Discharge Bands

To prevent pollution, effluent and solid waste disposal are regulated through the Environmental Management (Effluent and Solid Waste Disposal) Regulations, Statutory Instrument number 6 of 2007. The discharge classification criteria are as follows:

a. A blue licence in respect of a disposal is considered to be environmentally safe
b. A green licence in respect of a disposal is considered to present a low environmental hazard
c. A yellow licence in respect of a disposal is considered to present a medium environmental hazard
d. A red licence in respect of a disposal is considered to present a high environmental hazard

	PICKSTONE PEERLESS MINE		EUREKA MINE	
	2021	2022	2021	2022
Blue licence:	• Effluent disposal licence - mining • Effluent disposal licence (4 septic tanks) Air emission licence for all 5 generators	• Mine EIA • Effluent disposal licence - mining • Effluent disposal licence (4 septic tanks) • Air emission licence for all 5 generators	• Air emission for generators • Solid Waste (mine waste rock) • Effluent disposal licence - septic tanks	• Listed below are licenses that are issued by EMA and are all valid. o Licence to operate is renewed annually based on the Mine's EIA. o TSF EIA o Air emission for generators o Solid Waste (mine waste rock) o Effluent disposal licence - septic tanks o Waste generation licence o Water abstraction
Green licence:	• N/A	• N/A	• N/A	• N/A
Yellow licences:	• Solid waste disposal (domestic waste) • Solid waste disposal (tailings dam/slimes) • Pickstone effluent disposal licence • Effluent disposal for dewatering of Burnet Shaft • Air emission licence - elution	• Solid waste disposal (domestic waste) • Solid waste disposal (tailings dam/slimes) • Pickstone effluent disposal licence • Effluent disposal for dewatering of Burnet Shaft • Air emission licence - elution	• N/A	• N/A
Red licences:	• Pickstone Peerless hazardous substance storage and use licence • Pickstone Peerless hazardous substance importation licence • Pickstone Peerless hazardous waste disposal licence	• Pickstone Peerless hazardous substance storage and use licence • Pickstone Peerless hazardous substance importation licence • Pickstone Peerless hazardous waste disposal licence	• Eureka hazardous substance storage and use licence • Eureka hazardous substance importation licence • Eureka hazardous waste disposal licence • Eureka Solid waste disposal (tailings dam/ slimes)	• Eureka hazardous substance storage and use licence • Eureka hazardous waste disposal licence • Eureka hazardous importation licence • Eureka Solid waste disposal (tailings dam/ slimes)
Others	• Licence for Use of Ionising Radiation Apparatus • Private mobile radio licence	• Licence for Use of Ionising Radiation Apparatus • Private mobile radio licence	• Issued by Radiation Protection Authority of Zimbabwe (RPAZ), valid from 01/01/2020 to 31/12/2020	• Invoiced by RPZA to pay for 2023 • Permit to import radiation emitting devices – applied for exemption • Explosives permits (purchase/storage)
Fines:	• None at Pickstone	• Fined by EMA for Duchess Hill operation without approved EIA. The EIA has since been completed.	• Sand abstraction • Environmental discharge - Corrective measures have been put in place to avoid future incidents.	• Expansion of the TSF without an EIA certification. The ESIA has since been completed and submitted to EMA.

STAKEHOLDER MANAGEMENT

Dallaglio believes that engaging with its stakeholders will allow the Company to build a strong long-term relationship, enhancing its operations within the communities it operates as well as its wider sphere of influence. Dallaglio places high value on engaging with stakeholder groups such as its employees, contractors, financial institutions and Government and also appreciates the importance of building trusted relationships with key local stakeholders such as traditional leaders and their communities.

Stakeholder Engagements

Dallaglio deals with a multitude of stakeholders throughout the year and the following four topics were identified as key issues raised by stakeholders with the Company during the course of 2022:

- **Health and safety management**
  In response to any health & safety incidents, the mines engaged with NSSA, EMA and the Ministry of Mines.
- **Alignment with the national mining strategy**
  A site visit to both mines was carried out by the Minister of Mines.
- **Cultural rites**
  Engagements of traditional leaders were held to abide by cultural rites expectations.
- **Land acquisition and the interest of affected stakeholders**
  This involved dealing with private land users in the areas surrounding the current mining operations.

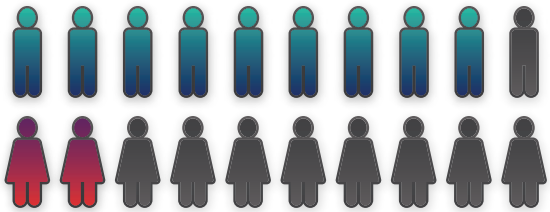
HUMAN RIGHTS

Dallaglio accepts and adopts the United Nations Guiding Principles on Business and Human Rights, an international standard applied by business entities that respect and protect all forms of human rights in their operations. Corporate respect for human rights is also a key principle of the parent company, Padenga Holdings Ltd. The Company continues to comply with defined human rights regulations in accordance with the Constitution of Zimbabwe as well as applicable international standards and legislation. Through values enshrined in its corporate policies, Dallaglio acknowledges the necessity for a commitment to avoiding all human rights violations.

Dallaglio strives to make positive contributions to the promotion and realisation of the following rights for its staff and all stakeholders in relation to:

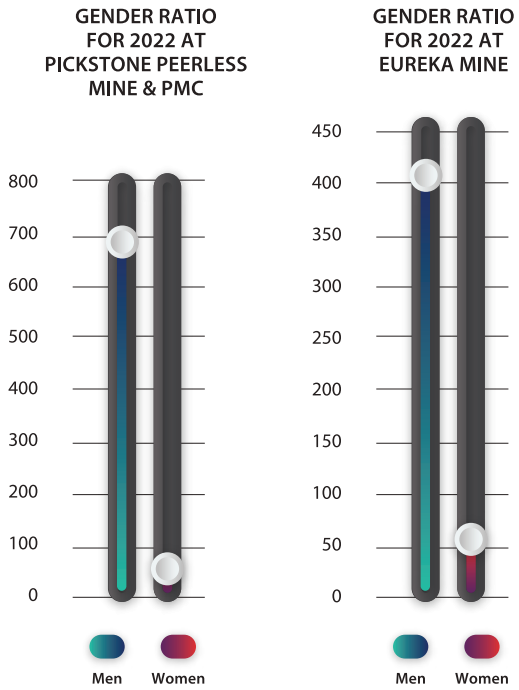
- Labour rights
- Health (and safety) rights
- Freedom from child labour and forced employment
- The right to human dignity (in the workplace)
- Protection from inequality and discrimination
- The right to health
- The right to privacy
- The right to food
- A clean work environment that is not harmful to health
- The right to education
- The right to safe, clean, and potable water

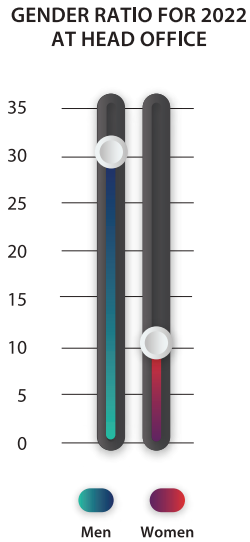
Dallaglio continuously promotes the advancement of human rights within the communities in which it operates and beyond. The Company has a draft Corporate Social Investment Responsibility (CSIR) Policy and CSIR Plan which will be updated annually. The policy and plan are due to be approved and implemented during 2023.



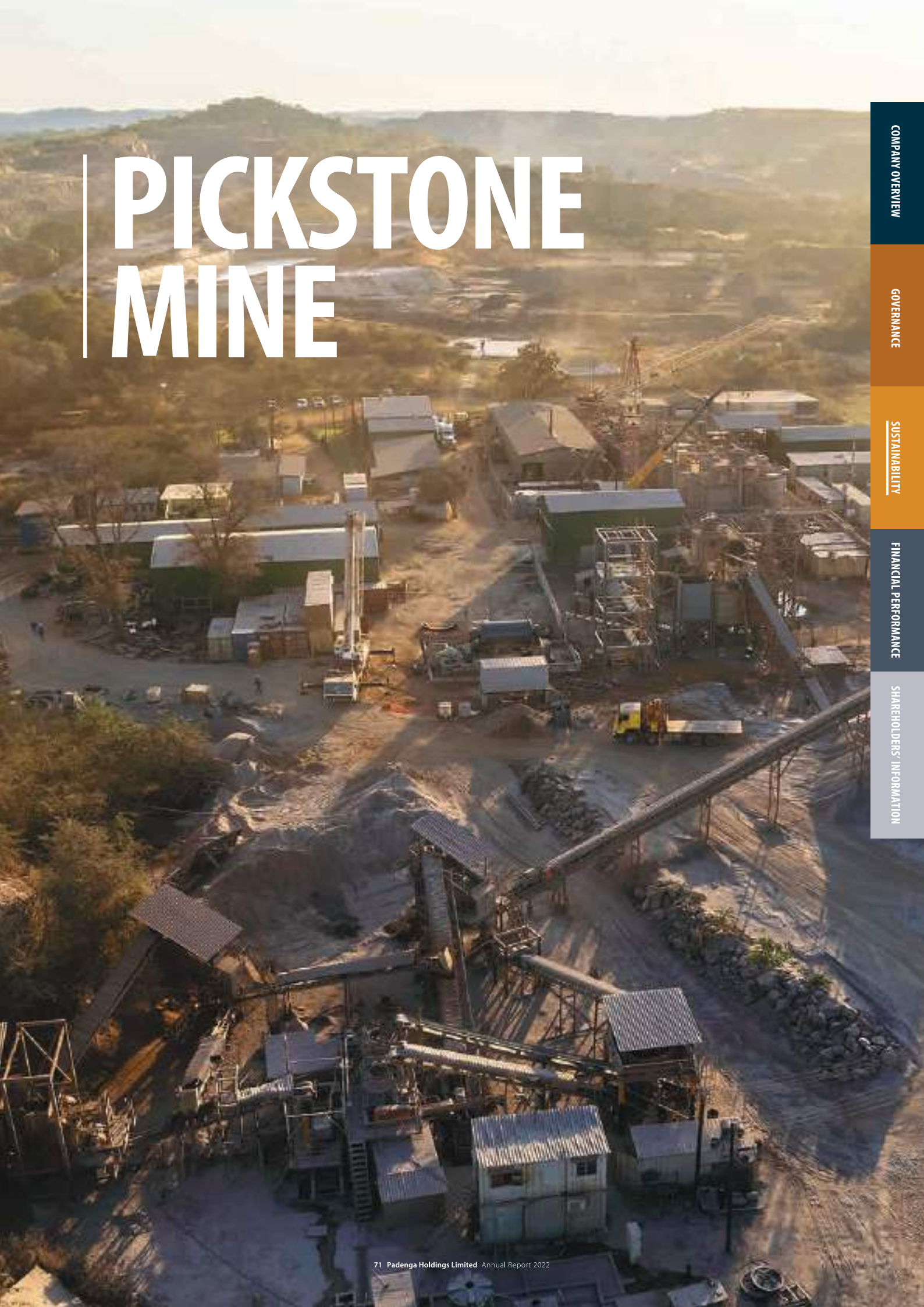
HUMAN CAPITAL

Dallaglio is a key employer in the local communities surrounding both mines. The Eureka Gold Mine employed a total of 470 people in 2022, while Pickstone Peerless Mine employed 659 staff and 48 staff at the Pickstone Milling Centre. With mining being a labour-intensive job, the majority of employees are men, although 34 women were employed at Pickstone Peerless Mine & Pickstone Milling Centre (PMC) and 56 at Eureka Mine. Dallaglio does promote gender equality and endeavours to increasingly employ women, with women making up 26% of those employed at Dallaglio's Head Office in 2022.





PICKSTONE MINE



HEALTH AND SAFETY

Employee health and safety is critical to Dallaglio. The Company's Safety, Health & Environment (SHE) Policy has been implemented at both mines and refresher training has been given. Dallaglio has also implemented the following:

- Regular planned Visible Felt Leadership (VFL) visits by management to workplaces, creating a platform for both management and employees to discuss daily safety challenges of the tasks at hand.
- Planned Task Observation (PTO) training as an extra safety precaution.
- Hazard Identification and Risk Assessment (HIRA) in Safety, a process which assists identifying risks which are not within acceptable limits.
- A Fatal Risk Elimination approach to Safety Management was introduced at the Company in the final quarter of 2022. Training has been conducted and implementation is currently underway.

SAFETY RECORD

EUREKA MINE SAFETY STATISTICS 2022

TYPE OF INCIDENT	NUMBER OF INCIDENT				
	Q1	Q2	Q3	Q4	YTD
Fatality	0	0	0	0	**0**
High Potential Incident	3	1	1	1	**6**
Lost Time Injury	0	0	0	0	**0**
Medical Treatment Case	1	3	0	3	**7**
Near Miss	3	3	27	20	**53**
First Aid Case	5	5	3	3	**16**
Property Damage	6	7	6	5	**24**
Environmental	2	1	2	0	**5**
Total	**20**	**20**	**39**	**32**	**111**

PICKSTONE PEERLESS MINE SAFETY STATISTICS 2022

TYPE OF INCIDENT	NUMBER OF INCIDENT				
	Q1	Q2	Q3	Q4	YTD
Fatality	0	0	0	1	**1**
High Potential Incident	1	0	1	1	**3**
Lost Time Injury	0	0	0	2	**2**
Medical Treatment Case	6	1	0	0	**7**
Near Miss	0	0	2	4	**6**
First Aid Case	0	0	3	2	**5**
Property Damage	8	2	2	6	**18**
Environmental	0	0	0	2	**2**
Total	**15**	**3**	**8**	**18**	**44**

Despite the rigorous health and safety precautions taken to avert injuries in the underground mine, a fatality occurred in November 2022. The appropriate notification was made to the Ministry of Mines Inspectors and an accident investigation was carried out, leading to the suspension of the underground mining operations. The suspension was eventually lifted when regulatory authorities were satisfied with management interventions and the OH&S measures in place. Through Providence Health, trauma counselling was provided to employees who were directly and indirectly affected by the accident.

Dallaglio has been providing its employees with access to medical facilities on the mines through Providence Health Mobile Clinics at both Pickstone Peerless and Eureka Mines. With the recommissioning of the Eureka Mine in October 2021, a permanent Providence Health Clinic was opened at Eureka Mine in November 2022 which is now registered with the Health Professions Authority. The clinic is equipped with two beds and blood pressure and diabetes testing equipment is available. Malaria and sexually transmitted infection (STI) testing is also carried out, as well as HIV testing. There is a visiting doctor from Guruve Hospital once a week. As a First Responder, an ACE ambulance and technicians are also available onsite.

The Mobile Clinic at Pickstone Peerless Mine is run by Providence Health and includes all basic equipment. Nurses are available 24/7 from Monday to Friday and a doctor visits the clinic once a week.

EUREKA MINE

THE ENVIRONMENT

Dallaglio is committed to ensuring that its operations are sustainable by reducing its impact on the environment, specifically recognising its responsibility in sustainably extracting finite resources. The Company ensures that its operations comply with national environmental laws, as well as international best practice and standards. Dallaglio's strategy is to identify environmental impacts from its operations, evaluate potential risk and take appropriate measures to control or mitigate the impacts.

Key Annual Environmental Data for 2022

The table below presents some key data for Pickstone Peerless and Eureka Mines:

	Unit	Pickstone Peerless Mine	Eureka Mine
Electricity	kWh/tonne of crushed ore	34.96	33.33
Total Diesel (machinery and generators)	litre/tonne of crushed ore	2.98	4.40
Activated Carbon	kg/tonne of crushed ore	0.17	0.04
Cyanide		0.82	1.00
Hydrogen Peroxide		1.05	0.37
Blasting Emulsion		2.23	2.49

Tailings Storage Facility

Managing the tailing dams is a critical element of Dallaglio's operations. Procedures are in place to ensure the tailings storage facilities (TSFs) are able to cope with extreme rainfall events without risking potential cyanide containing effluent egress into the natural water systems. Environmental monitoring boreholes for both control and plume analysis from the TSFs have been installed. The newer tailings storage facilities are lined according to national legislation to minimise the risk of cyanide leaching to underground water. The old, inherited TSFs that are not lined, are due for decommissioning in 2023.

CARBON FOOTPRINT

When reporting on Greenhouse Gases (GHGs), there are three scopes of emission to be included in the calculations:

Scope 1 Calculations covering emissions from direct fuel use
Scope 2 Calculations covering emissions from indirect sources such as electricity
Scope 3 Calculations covering indirect emissions not included in Scope 2, e.g. business travel, shipment of goods.

Dallaglio reports on its carbon footprint as follows:

- **Scope 1 calculations:**
  Application of the Department for Environment, Food and Rural Affairs (DEFRA) (United Kingdom)'s UK Government GHG (Greenhouse Gases) conversion factor for Company reporting for 2022.
- **Scope 2 calculations:**
  Calculation for 2022 is based on www.emissionsfactors.com's IPCC calculation value of 0.729770333127 $kgCO_{2e}$/kWh for Zimbabwe.

The carbon footprint data is presented as tonnes of carbon dioxide equivalent (tonnes CO_{2e}) which is the universal unit of measurement to indicate the global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide (CO_2). The GWPs used in the calculations of CO_{2e} are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period.

Opposite are the carbon footprint values for the two mining divisions. The first value shows the tonnes CO_{2e} based on the total production volume while the second calculation is the tonnes CO_{2e} per tonne of crushed ore. The second value allows the production efficiency of each mine to be compared.

Scope 1: Direct Emissions
This relates to the total amount of diesel used for both machinery and generators.

Emissions Sources (CO_2)	Unit	Pickstone Peerless Mine	Eureka Mine
Total Diesel used	tonnes CO_{2e}	4 002.66	17 144.76
Specific Diesel used	tonnes CO_{2e} per tonne of crushed ore	**0.0110**	**0.0154**

Scope 2: Indirect Emissions
This relates to indirect GHG emissions associated with the purchase of electricity from the national grid.

Emissions Sources (CO_2)	Unit	Pickstone Peerless Mine	Eureka Mine
Electricity	tonnes CO_{2e}	8 911.68	21 658.95
Specific Electricity	tonnes CO_{2e} per tonne of crushed ore	**0.0246**	**0.0194**

COMMUNITY INVOLVEMENT & DEVELOPMENT

Through its Corporate Social Investment Responsibility (CSIR) Policy and Plan, Dallaglio is committed to supporting initiatives that measurably improve lives and the sustainability of the environment that the Company operates in. The key aim of CSIR is to give support and improve the CSIR footprint of the Company by making sure that social investments deliver the desired benefits. Dallaglio has made a significant contribution towards developing the communities that surround the mines, as well as to the broader community development areas of the Zimbabwean economy.

Engaging in more sustainable initiatives, such as inclusive business, which benefits low-income communities and reduces poverty, while adhering to the Company's for-profit mandate, is key to Dallaglio's CSIR objectives.

Dallaglio's CSIR program aims to:

- Reduce poverty
- Increase education
- Promote gender equality and empowerment of women
- Improve general health and well-being
- Promote environmental sustainability

Milling Centre for the Small-Scale Mining Community

Cordillera is Dallaglio's formal small scale gold mining business with one asset, Pickstone Milling Centre (PMC). Under Cordillera's operating model, there are 160 people from the local community undertaking daily mining related work on formally issued tributed claims. There are a further 200 women from the local community hand sorting through low grade stockpiles for further processing at the milling centre. This hand-sorting initiative was designed to empower local women from the area. PMC remains the Group's flagship CSIR initiative, and is continually exploring opportunities to support the Group's wider CSIR strategy, focusing primarily on local schools and health facilities.

The processing plant at PMC includes a small crushing circuit and six round mills with concentrators. This plant allows the ore workings from small scale miners to be transported to the crushing plant, and then transferred to the main Pickstone Peerless processing plant. 39,218 tonnes of ore supplied by the informal miners were milled during 2022. The small-scale miners operate under the governance of a co-operative that regulates membership and legislative compliance. Through this association, more than 160 members of the community have access to incomes.

Community Social Investments

During 2022, Dallaglio supported its local communities through the following initiatives. Pickstone Peerless Mine spent a value of USD 40,992 while Eureka Mine spent USD 105,654.

EUREKA

- Purchased textbooks for primary and secondary schools in Guruve.
- Drilled and installed 5 solar powered boreholes at Chimanikire Primary School, Grey City and Muroiwa Villages, Muzika School and Nhamoyebonde Village.
- Drilled and installed 2 solar powered boreholes at Chipadze Stadium in Bindura.
- Carried out electricity repairs at Chimanikire School, including replacing cables.
- Contributed a total of 4,230 litres of diesel to different stakeholders in the Guruve District and Mashonaland Central Province.
- Donated bottled water and soft drinks for the Field Day held at Siyalima.

PICKSTONE PEERLESS

- Supported the local leadership through the provision of diesel, including for Heroes Day and Independence Day celebrations.
- Renovated the Mother's Shelter at the Mafuti Clinic.
- Donated 100 HIV/AIDS self-test kits and 300 condoms to the Fanham Clinic.

Employment Creation

Dallaglio places high emphasis on contributing to the local communities through employment creation. 37% of those employed at the Pickstone Peerless Mine and 65% at the Eureka Mine are from the local communities, demonstrating that Dallaglio is a key employer within the area of the mines.

Wealth & Income Creation

With Dallaglio running large scale mining operations, its mines provide significant economic benefit to the nation as follows:

- The recommissioning of Eureka Mine is making significant contributions towards the Government's Vision 2030 Goal.
- During 2022, Pickstone Peerless Mine produced 547 kg of smelted gold, while 1,352 kg were produced at Eureka and 61 kg at PMC. This would equate to an export value of USD 105 million. By 2025, Dallaglio is expected to produce 2,400kg of smelted gold with an export value of USD 130 million - a significant increment to Zimbabwe's current annual production. Dallaglio's total payments to the Zimbabwean Government for 2022 were USD 4,149,881. The key contributions to the fiscal revenue were through the payment of IMTT Tax (52%), Duty Payments (40%), Corporate Tax (7%) and Withholding Tax (1%).

GLOSSARY OF TERMS

ACCA	Association of Chartered Certified Accountants
BEO	Best Environmental Option
CDSB	Climate Change Disclosure Framework of the Carbon Disclosure Standards Board
CFAZ	Crocodile Farmers Association of Zimbabwe
CGI Zimbabwe	Chartered Governance and Accountancy Institute Zimbabwe
CIPS	Chartered Institute of Procurement & Supply
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CO2e	Carbon Dioxide Equivalent
CSI	Community Social Investments
CSIR	Corporate Social Investment Responsibility
CSR	Corporate Social Responsibility
CSRNZA	Corporate Social Responsibility Network Zimbabwe
CTC	Competition & Tariff Commission
CVSZ	Council of Veterinary Surgeons of Zimbabwe
DEFRA	Department for Environment Food and Rural Affairs (United Kingdom)
EMA	Environmental Management Agency
ESIA	Environmental & Social Impact Assessment
EY	Ernst & Young
GAPWUZ	General Agriculture & Plantation Workers' Union of Zimbabwe
GHG	Green House Gases
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HCS	Hazardous Chemical Substances
HIRA	Hazard Identification and Risk Assessment
HRDD	Human Rights Due Diligence
ICFA	International Crocodilian Farmers Association
ICZA	Institute of Chartered Accountants of Zimbabwe
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMF	International Monetary Fund
IMTT	Intermediated Money Transfer Tax
IP	Intellectual Property
IPCC	International Panel of Climate Change
ISO	International Organization of Standardization
KCF	Kariba Crocodile Farm
kWp	Kilowatt Peak
kWh	Kilowatt Hour
LCA	Life Cycle Assessment
LCP	Lake Crocodile Park (original name for KCF)
MSDS	Material Safety Data Sheets
MWh	Megawatt Hours
NCF	Nyanyana Crocodile Farm
NEC	National Employment Council
NRDC	Nyaminyami Rural District Council
NSSA	National Social Security Authority
OHS	Occupational Health & Safety
PCR	Polymerase Chain Reaction
PMC	Pickstone Milling Centre
PTO	Planned Task Observation
RFID	Radio Frequency Identification
RPAZ	Radiation Protection Authority of Zimbabwe
RDC	Rural District Council
R&M	Repair & Maintenance
SDGs	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
SHE	Social, Health & Environment
SOPs	Standard Operating Procedure(s)
SR	Social Responsibility
Tonnes CO2e	Tonnes of Carbon Dioxide Equivalent
VFL	Visible Felt Leadership
UCF	Ume Crocodile Farm
UNGC	United Nations Global Compact
UNGPs	United Nations Guiding Principles on Business & Humans Rights
VFDs	Variable Frequency Drives
VFEX	Victoria Falls Stock Exchange
WADCO	Ward Committee
WHT	Withholding Tax
WTO	World Trade Organisation
ZERA	Zimbabwe Energy Regulatory Authority
ZESA	Zimbabwe Electricity Supply Authority
ZETDC	Zimbabwe Electricity Distribution Company
ZIE	Zimbabwe Institute of Engineers
ZIMCODE	The National Code of Corporate Governance in Zimbabwe
ZINWA	Zimbabwe National Water Authority
ZPWMA	Zimbabwe Parks & Wildlife Management Authority
ZRP	Zimbabwe Republic Police
ZWS	Zimbabwe Standard

FINANCIAL PERFORMANCE

"Building a successful business requires a combination of human capital, financial resources, market opportunity, persistence and community support."

Andrew Yang

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2022

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DIRECTORS' RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The Directors of the Company are required by the Companies and Other Business Entities Act and the Victoria Falls Stock Exchange listing regulations to maintain adequate accounting records and to prepare financial statements that present a true and fair understanding of the situation of the Company and the Group at the end of each financial year, and of the profit and cash flows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Group conform to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Standards) and are consistent with those applied in the previous year, except for any changes arising from revisions and updates in IFRS as outlined in section 3 of the financial statements (Accounting Policies).

The principal accounting policies of the Group also conform to the applicable Companies and Other Business Entities Act (Chapter 24.31)

Compliance with IFRSs

The financial statements are prepared with the objective of complying fully with the IFRSs. Complying with IFRSs achieves consistency with the financial reporting framework adopted by the Group since 2010. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the financial statements.

The consolidated financial statements referred to below in all material respects comply with the International Financial Reporting Standards (IFRS) for the financial position, financial performance, and cash flows of the Group except for the following:

- International Accounting Standards 21- The Effects of Changes in Foreign Exchange Rates in prior period due to continuing issues from prior years in respect of non-compliance with International Accounting Standard 21.
- Application of International Accounting Standard 8 - Accounting Policies, Changes in Accounting Estimates and Errors; mainly correction of prior exchange rate due to non-availability of official market rates.

- International Accounting Standard 37 - Provisions, Contingent Liabilities and Contingent Assets in respect of mine rehabilitation provisions.
- In addition, the Group was non-compliant with the IFRS 3 (Business Combinations) paragraph 18 which requires Management to establish the fair values of net assets at acquisition. This arose from the acquisition of Dallaglio in 2020.

Paragraph 2.12 of the Conceptual Framework for Financial Reporting (The Conceptual Framework) prescribes that for financial information to be useful, it "must not only represent relevant phenomena, but it must also faithfully represent the substance of the phenomena that it purports to represent. In many circumstances, the substance of an economic phenomenon and its legal form are the same. If they are not the same, providing information only about the legal form would not faithfully represent the economic phenomenon." International Accounting Standard 10 (IAS10) "Events after the Reporting Period" also requires an entity to adjust the amounts recognised in its financial statements to reflect events after the reporting period that provide evidence of conditions that existed at the end of the reporting period.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The Board recognizes and acknowledges its responsibility for the Group's systems of internal financial control. Padenga maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors, negligence and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit Committee has met the external auditors to discuss their reports relating to their work and an assessment of the relative strengths and weaknesses of critical control areas and processes. No breakdowns in internal controls involving material loss were reported to the Directors in respect of the period under review.

The financial statements for the period ended 31 December 2022, which appear on pages 88 to 153 have been approved by the Board of Directors and are signed on its behalf by:

T N Sibanda Chairman 6 May 2023	**O T Kamundimu** Chief Finance Officer 6 May 2023	**G J Sharp** Chief Executive Officer 6 May 2023

COMPANY SECRETARY'S CERTIFICATION

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Company in terms of the Companies and Other Business Entities Act (Chapter 24:31) and all such returns are true, correct and up to date.

A D Lorimer
Company Secretary
Harare

6 May 2023

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Twelfth Annual Report together with the audited financial statements of the Group for the year ended 31 December 2022. In the report, "Group" refers to Padenga Holdings Limited and its subsidiary companies.

Share Capital

At 31 December 2022, the authorised share capital of the Company was 800,000,000 ordinary shares, and the issued share capital was 544 301 407 (2021-541 593 440) ordinary shares.

Group Results

	FY 2022 US$	FY 2021 US$
Profit/(Loss) before taxation	13 892 552	(7 263 281)
Taxation	(4 557 897)	(944 850)
Profit/(Loss) for the year	9 334 655	(8 208 131)
Profit/(Loss) attributable to shareholders	**2 669 989**	**(5 319 617)**

Dividends

There was no dividend declared in 2022 (2021:nil). Subsequent to the reporting date, in March 2023, the Board declared a final dividend of US$0.28 cents per share.

Reserves

The movement in the reserves of the Group are shown in the Statement of Profit or Loss and Other Comprehensive Income, Group Statements of Changes in Equity and in the Notes to the Financial Statements.

Directors and their Interests

No Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses. The beneficial interests of the Directors in the shares of the Company are given in Note 18 of the financial statements.

Directors' Fees

Members will be asked to approve payments of the Directors' fees in respect of the year ended 31 December 2022.

Auditors

Members will be asked to approve the remuneration of the auditors for the financial year ended 31 December 2022 and to re-appoint auditors of the Company to hold office for the following year.

Annual General Meeting

The Twelfth Annual General Meeting of the Company will be held at 08:15 hours on Tuesday 13th June 2023 at the Royal Harare Golf Club, 5th Street Extension, Harare as well as virtually via the link https://escrowagm.com/eagmZim/Login.aspx.

For and on behalf of the Board.

T N Sibanda
Chairman
Harare
6 May 2023

G J Sharp
Chief Executive Officer
Harare
6 May 2023

Board attendance (from 1 January 2022 to 31 December 2022)

Name of Director	Main Board		Audit & Risk Committee		Remuneration & Nominations Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Michael John Fowler	4	4	3	3	2	2
Oliver Tendai Kamundimu	4	4	3	3	2	2
Annie Mutsa Mazvita Madzara*#	4	4	3	3	2	2
Evlyn Mkondo*	4	3	3	3	2	2
Sternford Moyo*#	4	4	3	3	2	2
Gary John Sharp	4	4	3	3	2	2
Thembinkosi Nkosana Sibanda #	4	4	3	3	2	2

* Audit and Risk Committee member
\# Remuneration and Nominations Committee member

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Independent Auditors' Report
To the shareholders of Padenga Holdings Limited

Qualified opinion

We have audited the consolidated financial statements of Padenga Holdings Limited (the Group) set out on pages 88 to 141, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, accounting policies and notes to the financial statements.

In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Padenga Holdings Limited as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the manner required by the Companies and other Business Entities Act [Chapter 24:31].

Basis for qualified opinion

Non-compliance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
The Group recognised a mine rehabilitation provision of $2 701 799 and a related rehabilitation asset of $1 532 414 in the consolidated statement of financial position as at 31 December 2022. As described in accounting policy note 4, the rehabilitation provision is based on the life of mine closure plan where management records the present value of costs expected to be incurred at the end of the current estimated life of mine which constitutes a departure from IFRS. IAS 37 requires a provision to be recognised only if an entity has a present obligation (legal or constructive) as a result of a past event and thus the provision should be based on only the mining activity incurred at the reporting date; a provision is not recognised for expected future mining activity.

Further, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of management's estimate of the restoration expenditure to be incurred as at the end of the reporting period due to the following reasons:

- the methodology used to quantify the closure cost was not prepared on a first principal basis, that is, the closure cost estimate should have been broken down into its first principles (mine components, demolition, rehabilitation, closure and post closure activity, unit rates, quantities and others). Thus, the estimate was compiled on a high-level basis and does not contain sufficient detail and support to verify the completeness and accuracy of the data utilised as well as the reasonability of any assumptions applied.

- management relied on the rehabilitation specialist's report for January 2021 at one of the mines which does not reflect the disturbance in footprint up to the reporting date of 31 December 2022. Furthermore, the impact of significant developments in the macro-economic environment during 2022 were not completely taken into account in the roll forward of the January 2021 report.

As a result, we are unable to conclude whether the mine rehabilitation provision is completely and accurately recorded and accordingly, we are unable to quantify the misstatement in the current and prior year.

Non-compliance with International Financial Reporting Standards IAS 21–The Effect of Changes in Foreign Exchange Rates (IAS 21) and inappropriate application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8)
During the period 22 February 2019 to 22 June 2020, the Group translated foreign denominated transactions and balances using the interbank foreign currency exchange rate (the "interbank rate"). The interbank rate did not satisfy the requirements to be considered an appropriate exchange rate in accordance with IAS 21, during this period, due to the lack of access to foreign currency for immediate delivery through the interbank foreign currency market. This led to a qualified opinion by the predecessor auditor on the prior year consolidated financial statements and whilst considered to be material, the misstatement could not be quantified due to the lack of an appropriate alternative rate that would satisfy the requirements of IAS 21 and thus impact the current year opening balances.

In addition, and as disclosed in accounting policy note 1 to the consolidated financial statements, Padenga Holdings Limited acquired a subsidiary, Dallaglio Investments (Private) Limited, effective 1 January 2020. The subsidiary had, in 2019, applied an incorrect date of change of functional currency of 22 February 2019 instead of 1 October 2018. This constituted a departure from the requirements of IAS 21 and led to a qualified opinion being issued by the predecessor auditor. The financial effects of this departure on the prior years consolidated financial statements, whilst considered to be material, had not been determined and thus impacting the opening balances for the current year.

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The Group has not restated the consolidated financial statements, as required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to resolve the instances of non-compliance with IAS 21 noted above and as a result, a portion of property, plant and equipment, the related deferred tax, depreciation, and income tax expense remain misstated.

Consequently, our opinion on the consolidated financial statements is modified because of the possible effects of the non-compliance with IAS 21 on the current period's opening balances and on comparability of the prior period's consolidated financial statements.

Non-compliance with IFRS 3 - Business Combinations
As described in accounting policy Note 1 to the consolidated financial statements, the Group acquired a subsidiary, Dallaglio Investments (Private) Limited, effective 1 January 2020. The Group did not determine the "at acquisition" fair values of the acquired assets and assumed liabilities, constituting a departure from IFRS 3. As a result, the predecessor auditor qualified the prior year consolidated financial statements. Management has not restated the prior year statement of financial position in line with the requirements of IAS 8, and consequently, property, plant and equipment, goodwill and non-controlling interests balances remain misstated.

We are unable to quantify the magnitude of the misstatement and consequently, our audit opinion on the consolidated financial statements is qualified due to the possible effects of the matter on the opening balances of the current year and comparative consolidated annual financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in paragraph (a) of the Basis for qualified opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Existence of ore stockpiles
Refer to accounting policy note 4 on inventories, note 4.1 significant accounting judgements, estimates and assumptions - Inventories - Gold bullion, gold and ore stockpiles and mines inventories note 16.1 to the annual financial statements.

Key audit matter	How the matter was addressed in our audit
• As at 31 December 2022, mines inventory - ore stockpiles are valued at $8 029 075. • The process of determining the quantity of mineral inventory in the ore stockpiles is complex and involves estimation of the volume of material in the plant using quantity surveying techniques and applying a determined mineral content percentage. Management utilises specialists, internal and external, to determine the quantum in crushed and uncrushed ore stockpiles. • Due to the estimation involved in determining the quantity of ore inventory on hand as at 31 December 2022 we considered this to be a key audit matter.	Our audit procedures included the following: • Evaluating the professional qualifications, competence, capabilities and objectivity of management's internal and external experts, through inspection of their professional membership and reviewing their curriculum vitae. • Inspecting the reports from management's internal and external experts and comparing to the recorded quantities of mineral ore. • Assessing the reasonableness of the year end quantity of ore in relation to opening quantity of ore at the start of the year, the quantity extracted during the year and supported by the independent contractor's monthly certificates and the quantity of ore processed through the respective mills. • Assessing the reasonability of the method of quantifying ore inventory and comparing the method to that employed in the prior year. • Assessing the adequacy and appropriateness of the Group's disclosures in the consolidated financial statements for compliance with IAS 2, Inventories.

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Emphasis of matter
We draw attention to Note 32 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2021 has been restated. Our opinion is not modified in respect of this matter.

Other matter - comparative information
The consolidated financial statements of the Group as at and for the year ended 31 December 2021, excluding the adjustments described in note 32 to the restated consolidated financial statements, were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 28 April 2022 as a result of non-compliance with the requirements of IAS 21 - The effects of Changes in Foreign Exchange Rates, IFRS 3 - Business Combinations and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2022, we audited the adjustments described in note 32 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended 31 December 2021, other than with respect to the adjustments described in note 32 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in note 32 to the consolidated financial statements are appropriate and have been properly applied.

Other information
The directors are responsible for the other information. The other information comprises the Report of the directors and Directors' responsibility and approval of financial Statements, and the unaudited financial information of Padenga Company on pages [137] to [141] consisting of Company statements of financial position and notes to the financial statements, but does not include the consolidated financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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 have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for qualified opinion section above, in the prior year, the Group did not comply with the requirements of IAS 21, Effects of Changes in Foreign Exchange Rates and IFRS 3, Business Combinations, and in the current year the Group did not comply with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. We have concluded that the other information is materially misstated for the same reasons with respect to the amounts or other items referred to in the basis of qualified opinion above.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the consolidated financial statements
The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and the manner required by the Companies and other Business Entities Act [Chapter 24:31], and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

8 May 2023

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	31 Dec 2022 Audited US$	31 Dec 2021 Audited * US$
Continuing operations			
Revenue	**7**	127 894 086	76 097 089
Other income	**7.1**	269 632	561 586
Financial income	**8.3**	10 830 563	3 323 778
impairment gain/(loss) on trade receivables	**17.2**	440	(3 387)
Cost of goods sold	**7.2**	(72 662 083)	(46 730 505)
Employee benefits expense	**7.4**	(15 112 929)	(11 617 846)
Other operating costs	**7.3**	(18 937 671)	(7 462 007)
Operating profit before depreciation, amortisation, impairment, and fair valuation adjustments		**32 282 038**	**14 168 708**
Depreciation	**12**	(6 736 247)	(4 896 966)
Depreciation– right of use assets	**12.2**	(1 581 360)	(1 461 186)
Amortisation	**13.1**	(2 964 394)	(1 255 429)
Operating profit before interest and fair value adjustments		**21 000 037**	**6 555 127**
Fair value adjustments on biological assets	**15.3**	2 693 509	(3 645 405)
Profit before interest and tax		**23 693 546**	**2 909 722**
Interest income	**8.1**	155 333	5 475
Interest expense - loans	**8.2**	(9 537 131)	(10 081 598)
Interest expense - lease	**8.2**	(419 196)	(96 880)
Profit/(loss) before tax		**13 892 552**	**(7 263 281)**
Income tax expense	**9.1**	(4 557 897)	(944 850)
Profit/(loss) for the year from continuing operations		**9 334 655**	**(8 208 131)**
Discontinued operation			
(Loss)/profit from discontinued operation, net of tax	**31**	(2 856 209)	825 871
Profit/(loss) for the period		**6 478 446**	**(7 382 260)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**6 478 446**	**(7 382 260)**
Profit/(loss) for the year attributable to:			
Equity holders of the parent		2 669 989	(5 319 617)
Non-controlling interest		3 808 457	(2 062 643)
		6 478 446	**(7 382 260)**
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the parent		2 669 989	(5 319 617)
Non-controlling interest		3 808 457	(2 062 643)
		6 478 446	**(7 382 260)**
Earnings/(loss) per share (cents) #			
Basic earnings/(loss) per share		**0.49**	(0.98)
Diluted earnings/(loss) per share		**0.48**	(0.99)
Basic headline earnings/(loss) per share		**0.50**	(0.99)
Diluted headline earnings/(loss) per share		**0.49**	(0.99)
Earnings/(loss) per share (cents) - continuing operations #			
Basic earnings/(loss) per share	**6**	0.93	(1.11)
Diluted earnings/(loss) per share	**6**	0.91	(1.11)
Basic headline earnings/(loss) per share	**6**	0.93	(1.11)
Diluted headline earnings/(loss) per share	**6**	0.92	(1.11)

* Comparative information has been re-presented due to a discontinued operation (refer to note 31).
# Earnings per share were restated due to the change in weighted average number of shares (refer to note 6).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	Note	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$	31 Dec 2021 Restated * US$
ASSETS				
Non-current assets				
Property, plant, and equipment	**12**	70 509 518	69 654 126	58 494 615
Mine development assets	**14**	6 716 003	6 862 092	1 320 757
Exploration and evaluation assets	**14.1**	148 104	-	-
Rehabilitation assets	**14.2**	1 532 414	1 723 074	1 536 945
Goodwill	**1**	4 594 571	4 594 571	4 594 571
Intangible assets	**13**	175 662	218 926	113 938
Right of use of assets	**12.2**	4 068 915	5 577 155	1 068 018
Other receivables	**17.2**	500 000	-	-
Biological assets	**15.1**	11 868 447	9 897 769	7 226 343
Deferred tax asset	**9.2.3**	-	2 366 838	2 631 117
		100 113 634	**100 894 551**	**76 986 304**
Current assets				
Biological assets	**15.2**	28 087 096	25 424 810	28 485 850
Mines Inventories	**16.1**	10 091 079	6 557 692	2 916 713
Inventories	**16**	16 786 979	16 112 051	19 529 366
Trade and other receivables	**17.1**	23 053 113	13 285 530	17 953 694
Current tax receivable	**9.2.2**	1 865 815	2 097 660	2 097 660
Cash and cash equivalents	**11.1**	1 264 386	6 343 767	3 951 118
		81 148 468	**69 821 510**	**74 934 401**
Total assets		**181 262 102**	**170 716 061**	**151 920 705**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	**18.2**	54 430	54 159	54 159
Share premium	**18.6**	27 005 023	27 004 245	27 004 245
Retained earnings		39 903 571	37 233 582	42 553 199
Share based payment reserve	**18.4**	563 768	377 244	189 671
Change in ownership reserve	**18.7**	(63 863)	(63 863)	(63 863)
Equity attributable to equity holders of the parent		**67 462 929**	**64 605 367**	**69 737 411**
Non-controlling interest	**26**	**17 121 712**	**13 313 255**	**15 375 898**
Total shareholders' equity		**84 584 641**	**77 918 622**	**85 113 309**
Non-current liabilities				
Interest-bearing borrowings	**19.1**	7 932 747	29 512 807	5 000 000
Lease liabilities	**24.1**	2 758 424	3 983 058	585 505
Mine rehabilitation provisions	**14.3**	2 701 799	2 480 308	1 926 083
Deferred tax liability	**10**	16 353 126	11 994 664	11 652 910
		29 746 096	**47 970 837**	**19 164 498**
Current liabilities				
Bank overdraft	**19.4**	5 842 018	729 110	7 252 118
Contract balances	**20.1**	-	740 613	1 336 925
Interest-bearing borrowings	**19.2**	45 045 053	33 064 710	29 401 501
Trade and other payables	**20**	12 336 862	7 191 233	7 525 213
Lease liabilities	**24.1**	1 710 470	1 859 883	198 000
Provisions	**21**	1 444 669	65 983	63 530
Tax payable	**9.2.1**	552 293	1 175 070	1 865 611
		66 931 365	**44 826 602**	**47 642 898**
Total liabilities		**96 677 461**	**92 797 439**	**66 807 396**
Total equity and liabilities		**181 262 102**	**170 716 061**	**151 920 705**

*Refer to the prior year errors described in note 32.

O T Kamundimu
Chief Finance Officer
6 May 2023

G J Sharp
Chief Executive Officer
6 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

	Share capital note 18.2 US$	Share premium note 18.6 US$	Share based payment reserve note 18.4 US$	Change in ownership reserve note 18.7 US$	Retained earnings US$	Total equity attributable to equity holders of the parent US$	Non-controlling interest note 26 US$	Total share-holders equity US$
Previously reported balance at 1 January 2021	54 159	27 004 245	189 671	(63 863)	43 524 488	70 708 700	16 715 950	87 424 650
Adjustment on correction of error*	-		-	-	(971 289)	(971 289)	(1 340 052)	(2 311 341)
Balance at 1 January 2021 (restated)*	54 159	27 004 245	189 671	(63 863)	42 553 199	69 737 411	15 375 898	85 113 309
Total comprehensive loss	-	-	-	-	(5 319 617)	(5 319 617)	(2 062 643)	(7 382 260)
Share based payment scheme expense for the yea	-	-	187 573	-	-	187 573	-	187 573
Balance at 31 December 2021	**54 159**	**27 004 245**	**377 244**	**(63 863)**	**37 233 582**	**64 605 367**	**13 313 255**	**77 918 622**
Balance at 1 January 2022	**54 159**	**27 004 245**	**377 244**	**(63 863)**	**37 233 582**	**64 605 367**	**13 313 255**	**77 918 622**
Total comprehensive income	-	-	-	-	2 669 98	2 669 989	3 808 457	6 478 446
Issue of ordinary shares	271	778	-	-	-	1 049	-	1 049
Share options exercised	-	-	(1 049)	-	-	(1 049)	-	(1 049)
Share based payment scheme expense for the year	-	-	187 573	-	-	187 573	-	187 573
Balance at 31 December 2022	**54 430**	**27 005 023**	**563 768**	**(63 863)**	**39 903 571**	**67 462 929**	**17 121 712**	**84 584 641**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	31 Dec 2022 Audited US$	31 Dec 2021 Audited US$
Cash generated from operations			
Profit/(loss) before tax		**13 892 552**	**(6 437 410)**
Adjusted for non-cash items			
Depreciation	12	6 736 247	5 150 876
Depreciation – right of use assets	12.2	1 581 360	1 461 186
Amortisation of intangible assets	13.1	2 964 394	1 255 429
Net interest expense		9 800 994	10 230 042
Unrealised exchange loss	7.5	1 981 536	366 976
Deaths of biological assets	15.1	18 323	13 906
Fair value adjustment on biological assets	15.3	(2 693 509)	3 441 013
Loss/(profit) on disposal of property, plant, and equipment		194 457	(23 341)
Unwinding of rehabilitation provision	14.3	221 491	172 023
Share based option scheme adjustment		186 524	187 572
Inventory write offs	7.6	(22 476)	7 894
Provisions credited to profit or loss		285 135	2 453
Cash generated from operations before working capital changes		**35 147 028**	**15 828 620**
Working capital changes			
Increase in inventories		(7 352 454)	(4 392 779)
(Increase)/decrease in biological assets		(1 027 908)	1 317 657
(Increase)/decrease in receivables		(7 291 882)	4 410 882
Increase/(decrease) in payables		5 130 039	(1 661 604)
Working capital changes		**(10 542 205)**	**(325 844)**
Cash generated from operating activities		**24 604 823**	**15 502 776**
Interest received	8.1	155 333	5 475
Interest paid		(12 592 167)	(9 928 674)
Interest paid - leases		(419 196)	(42 723)
Taxation paid	9.2	(590 366)	(1 029 358)
Net cash generated from operations		**11 158 427**	**4 507 496**
Net cash utilised in investing activities		**(13 677 510)**	**(23 295 571)**
- proceeds on disposal of property, plant, and equipment		39 577	96 000
- purchase of property, plant, and equipment	12	(10 766 351)	(16 387 817)
- purchase of mine development assets	14	(2 571 795)	(6 607 310)
- expenditure on exploration and evaluation of assets	14.1	(148 104)	-
- disposal of discontinued operation, net of cash disposed of	31	(122 218)	-
- expenditure on non-current biological assets	15.1	(96 032)	(221 740)
- purchase of intangible assets	13	(12 587)	(174 704)
Net cash flow before financing activities		**(2 519 083)**	**(18 788 075)**
Net cash (utilised)/generated in financing activities		**(2 067 088)**	**21 386 767**
- proceeds from share issues		1 049	-
- proceeds from borrowings	19.2	42 773 010	42 708 545
- repayments of borrowings	19.2	(43 393 979)	(21 265 501)
- Lease payments	11.2	(1 447 168)	(56 277)
Net (decrease)/increase in cash and cash equivalents		**(4 586 171)**	**2 598 692**
Impact of changes in exchange rates on cash held	7.5	(493 210)	(206 043)
Cash and cash equivalents at the beginning of the period		6 343 767	3 951 118
Cash and cash equivalents at the end of the period	11.1	**1 264 386**	**6 343 767**

ACCOUNTING POLICIES

For the year ended 31 December 2022

1. CORPORATE INFORMATION

The consolidated financial statements of Padenga Holdings Limited and its subsidiaries for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 6 May 2023. Padenga Holdings Limited is a Limited Liability Company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange (VFEX).

The Group has an 82.88% stake in Tallow Creek Ranch (TCR), an unlisted company based in Texas (United States of America) that specialised in alligator farming. In July 2022, the Group discontinued operations at TCR following the disposal of its operating assets to a third party (Refer to Note 31). The principal continuing activities of the Company and its subsidiaries (the Group) include the production and rearing of crocodiles and the export of Nile crocodile skins and meat. The Group is also engaged in developing and operating large scale commercial gold mines in Zimbabwe, after having acquired a 50.1% stake in Dallaglio Investments (Private) Limited. Information on the Group's parent and other related party relationships is presented in note 28.

Business combinations

Information on acquisition of Dallaglio Investments (Private) Limited

On 1 January 2020, the Group acquired a 50.1% stake in Dallaglio Investments (Private) Limited , that specialises in mining. Dallaglio Investments (Private) Limited owns Delta Gold and Breckridge Investments. Delta Gold owns Eureka Gold Mine, a mining operation based in Guruve mining area, in the province of Mashonaland Central, Zimbabwe.

Breckridge Investments (Private) Limited ('Breckridge') owns Cordillera (Private) Limited ('Cordillera') whose primary business is the provision of custom milling and gold buying services to small scale gold miners in and around the Pickstone area in Chegutu, in the province of Mashonaland West, Zimbabwe.

Assets acquired and liabilities assumed

The value of the identifiable assets and liabilities of Dallaglio Investments as at the date of acquisition were:

	Value recognised on acquisition Restated * US$
Assets	
Fixed assets	10 757 597
Exploration and evaluation assets	4 195 346
Rehabilitation asset	3 117 093
Inventory	4 517 426
Debtors	26 171 889
Bank balances	947 009
Total	**49 706 360**
Liabilities	
Overdraft	6 150 501
Creditors	1 770 829
Mine rehabilitation provision	3 355 930
Deferred tax	2 702 878
Current tax liability	918 695
Loans third party	5 575 427
Total liabilities	**20 474 260**
Net assets	**29 232 100**
Non-controlling interest (49.9% of net assets)	(14 586 818)
Total Net Assets acquired	**14 645 282**
Goodwill arising on acquisition**	**4 594 571**
Purchase consideration	**19 239 853**

*Refer to the prior year errors described in note 32.

****Goodwill recognised**

At the time of acquisition, Dallaglio Investments (Private) Limited was producing around 65 kilograms of gold per month from Pickstone Peerless and, on this basis, was profitable.

Dallaglio Investments (Private) Limited has also invested funds in pre-mining operations at Eureka.

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

Gross carrying amount	
At 1 January 2022	4 594 571
Movement	-
At 31 December 2022	**4 594 571**

Goodwill arising on acquisition of Dallaglio Investments (Private) Limited after having acquired a 50.1% stake in Dallaglio Investments (Private) Limited

Assessment of impairment of goodwill:

Goodwill is allocated to the mining business operating segment. The recoverable amount of the cash generating unit of US$ 74 459 818 has been determined based on value in use calculations. Budgeted operating cash flows for the mining business unit were projected and discounted at the group's weighted average pre-tax cost of capital. The impairment calculations performed indicated that the goodwill was not impaired.

The following key assumptions were made in determining the value in use of the mining business cash-generating unit:

i. A forecast horizon of ten years was used. The forecast horizon is higher than five years and is consistent with Life of Mine
ii. The values assigned to the ten-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management's experience.
iii. The key assumptions for the recoverable amount are the long-term growth rate and the discount rate.
iv. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the Group for investment proposals or for any other assessments.
v. A discount rate of 21.46% per annum, being the Group's pre-tax weighted average cost of capital, was used. The Group's pre-tax weighted average cost of capital is deemed appropriate.

Goodwill impairment testing is a six-step process

a. Dividing the entity into cash generating units or identifying the cash generating units
b. Allocating the goodwill to the cash generating unit(s)
c. Identifying the carrying amount of the cash generating unit assets
d. Estimating the future pre-tax cash flows of the cash generating unit under review
e. Identifying an appropriate discount rate and discounting the future cash flows
f. Comparing carrying value with value in use and recognising impairment losses

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Dallaglio Investments (Private) Limited with those of the Group.

The goodwill is not deductible for income tax purposes.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

CORPORATE INFORMATION (continued)

2.1 STATEMENT OF COMPLIANCE

Compliance with IFRSs

The financial statements are prepared with the objective of complying fully with the IFRSs. The financial statements have been prepared in compliance with the Companies and Other Business Entities Act (COBE) (Chapter 24:31). Complying with IFRSs achieves consistency with the financial reporting framework adopted by the Group since 2010. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the financial statements.

The consolidated financial statements referred to above in all material respects comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) for the financial position, financial performance, and cash flows of the Group except for the following:

International Accounting Standard 21- The Effects of Changes in Foreign Exchange Rates in Prior Period due to continuing issues from prior years in respect of non-compliance with International Accounting Standard 21,

- International Accounting Standards 8 - Accounting Policies, Changes in accounting estimates and errors; mainly correction of prior exchange rate due to non- availability of official market rates.
- International Accounting Standard 37 - Provisions, contingent liabilities and contingent assets in respect of mine rehabilitation provisions.
- In addition, the Group was non-compliant with the IFRS 3 paragraph 18 which require Management to establish the fair values of net assets at acquisition. This arose on the acquisition of Dallaglio.

According to IAS 21, if the primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash, an entity considers the following factors in determining its functional currencythe currency:

(a) 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); and
(b) of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
(c) 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).
(d) the currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated.
(e) the currency in which receipts from operating activities are usually retained.

Given the context of the environment, management assessed whether there had been a change in the functional currency used by the Group. Management therefore concluded that the US dollar is still the functional currency of the Group and its subsidiaries.

Going concern

The Board has performed a thorough assessment and confirms that the Group has adequate resources to continue in business and into the foreseeable future. This is supported by both current performance and financial forecasts as well as regular upgrade of property, plant and equipment. Accordingly, the financial statements have been prepared on the basis that the Group is a going concern.

2.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.31).

The consolidated financial statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value. The consolidated financial statements are presented in United States dollars (US$).

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Padenga Holdings Limited and its subsidiaries as at 31 December 2022. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent Group, using consistent accounting policies. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

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

- 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
- The ability to use its power over the investee to affect its returns Generally, there is presumption that most of the voting rights result in control. 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 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 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 of during the year are included in the statement of comprehensive income and the statement of financial position from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests (NCIs).

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. 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.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

3 STANDARDS, INTERPRETATIONS, AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has only early adopted Amendments to IAS1 and IFRS Practice statement 2 in preparing these consolidated financial statements.

Deferred tax related to assets and Liabilities arising from a single transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group will recognise a separate deferred tax asset and a deferred tax liability. As at 31 December 2022, the taxable temporary difference in relation to the right-of-use asset is $4,068,915 (Note 12.2) and the deductible temporary difference in relation to the lease liability is $4,468,894 (Note 24.1), resulting in a net deferred tax asset of $98,874.82 (Note 10) . Under the amendments, the Group will recognise a separate deferred tax liability of $1,005,836 and a deferred tax asset of $1,104,711. There will be no impact on retained earnings on adoption of the amendments.

IAS 1- Amendment-classification of liabilities as current or non-current. Non current liabilities with covenants

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

There will be no impact on the Group

Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements. '

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Definition of Accounting Estimates (Amendments to IAS 8).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

Changes in significant accounting policies

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.

The Group has adopted Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37) from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs. The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

Disclosure of accounting policies - Amendments to IAS 1 and IFRS practice statement 2.

Effective for annual periods beginning on or after 1 January 2023 In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), 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

Replacement of the term 'significant' with 'material'

In the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

Disclosure of standardised information

Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed. The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

Transition

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. Since the amendments to the PS provide non-mandatory guidance on the application of the definition of material to accounting policy information, the Board concluded that transition requirements and an effective date for these amendments were not necessary.

Impact

The Group decided to early adopt.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DISCONTINUED OPERATION

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

REVENUE

Revenue recognition – Crocodiles and Alligators

The Group is in the business of production and selling of crocodile skins and meat to both the local and export markets. The Group recognises revenue from contracts with customers when the skins are collected by the customer from the farms and at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue, which excludes Value Added Tax and sales between Group companies, represents the invoiced value of goods and services supplied by the Group. The Group recognizes revenue when the customer obtains control of the goods according to the terms of the contracts. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as the principal or agent. The Group has concluded that it is acting as the principal in all its revenue arrangements.

Variable consideration

The Group earns a variable quality incentive on the sale of skins to its major customer. Under IFRS15, the quality incentive gives rise to variable consideration. The quality incentive is recognised as the difference between the prices achieved from skins delivered in the year and the guaranteed price. 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 with the variable consideration is subsequently resolved. Consequently, the timing of the recognition of quality incentive revenue is much later than the timing of the underlying sale. In determining the variable consideration, the group use the expected value method as this better predicts the amount of the consideration to which it will be entitled. The Group uses the expected value method in estimating the variable consideration for the sale of crocodile skins.

Sale of goods

There are no significant changes to the Group's revenue recognition policy attributable to product sales. Revenue from sale of skins and meat is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For skin and meat sales the normal credit term is 30 to 90 days upon delivery of goods. In determining the transaction price for the sale of skins, the Group considers the effects of variable consideration in the form of quality incentive.

Revenue recognition – Mining

Sale of gold

"Revenue is measured at the fair value of the consideration received or receivable in respect of the sale of gold bullion produced in the ordinary course of the Group's activities. The Group sells all of its gold mined in Zimbabwe to Fidelity Printers and Refineries (Private) Limited. Prices will be based on market prices. Quantities of the gold are obtained from the gold declaration form produced by the Group and agreed by the two parties.

"Revenue will be recognised when the Group has fulfilled its performance obligations in terms of its agreement with its customer; that is, on the date that gold bullion is delivered to Fidelity Printers and Refineries (Private) Limited. For gold sales the normal credit term is 10 days upon delivery of goods.

Financial income/loss

Financial Income/loss relates to foreign currency exchange gains or losses from the translation of monetary assets and liabilities at the reporting date and from settlement of foreign denominated assets and liabilities are recognised in profit or loss.

Interest income

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

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (if it is probable that the economic benefits will flow to the Group) and the amount of revenue can be measured reliably.

EMPLOYEE BENEFITS

Short–term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid, and other contributions, are recognised during the period in which the employee renders the related service.

The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit funds

Retirement benefits are provided for Group employees through an independently administered defined contribution fund and contributions to the National Social Security Authority (NSSA) Scheme. Payments to the defined contribution fund and to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service.

Other long–term benefits

Other long-term benefits are recognised as an expense when an obligation arises. The Group had no other long-term benefit commitments during the year.

Termination benefits

The Group recognises termination benefits as a liability and an expense at the earlier of when:

a) the offer of termination cannot be withdrawn or
b) when the related restructuring costs are recognised under IAS 37

Provisions, contingent liabilities and contingents assets.

The Group had no termination benefit commitments during the year.

Provision for leave pay

Leave pay for employees is provided based on leave days accumulated at an expected rate of payment. The timings of the cash outflows are by their nature uncertain

Measurement

Short-term employee benefits

All short-term employee benefits are measured at cost.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
BUSINESS COMBINATIONS
Recognition

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Applying the acquisition method requires (a) identifying the acquirer; (b) determining the acquisition date; (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non–controlling interest in the acquiree; and (d) recognising and measuring goodwill or a gain from a bargain purchase.

At acquisition – measurement

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non–controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 (revised) are first assessed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date and recognised at their fair value as at the acquisition date, except for non–current assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5 "Non–current Assets Held-for-Sale and Discontinued Operations "which are recognised and measured at fair value less costs of disposal.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 and movements in contingent considerations are recorded in profit or loss.

Acquisition of interests from non-controlling interest

Acquisitions of non-controlling interests in subsidiaries without change in control are accounted for as transactions between shareholders. There is no re-measurement to fair value of net assets acquired that were previously attributable to non-controlling interests. The profit or loss on the transaction is accounted for in equity and is not recognised in profit or loss.

LEASES

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset. Short term leases are for a period of 12 months and below. The long-term leases are for contracts which are above 12 months up to 20 years.

Leased assets/(ROUA)

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of the 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 basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 5 – 10 years
- Plant and equipment 5 – 10 years

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.

Leased liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments including in substance fixed lease 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 values 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 in the period in which the event or condition that triggers the payment occurs. In calculating the present value of the 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 re-measured if there is a modification, a change in the lease term, a change in lease payments or a change in the option to purchase the underlying asset.

Low value and short-term leases

The Group has elected not to recognise ROU assets and liabilities for the leases where the total lease term is less than or equal to 12 months, or for leases of low value with a threshold of below US$5,000 per year. Lease expenses for low value leases are recognised in the statement of profit or loss and other comprehensive income.

PROPERTY, PLANT, and EQUIPMENT

Property, plant, and equipment are stated at cost which comprises of the 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 excluding the costs of day-to-day servicing, less accumulated depreciation, and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment. When significant parts of property and equipment require replacement in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when major inspection is performed, its costs are recognised in the carrying amount of plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as they are incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold property is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the expected useful lives of the assets such that the cost is reduced to the residual values of the assets over the useful lives of the assets. The various rates of depreciation are listed below:

Freehold property	2% -2.5%
Leasehold improvements	5% - 10% limited to the lease period
Plant, fittings, and equipment	3% - 33%
Vehicles	10% - 30%

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
PROPERTY, PLANT, and EQUIPMENT(continued)

Certain plant and machinery were depreciated at the lower of life of mine or estimated remaining useful life. As at 31 December 2022 the life of mine was estimated as follows:

Mine	Estimated Useful life
Breckridge Mine	10 years
Delta Gold Zimbabwe	10 years

Freehold properties are Group owned buildings not built on leased land. Leasehold Improvements relate to infrastructure that has been built on the leased farms which includes crocodile pens and storage barns for inventory.

Due to the nature of the leasehold improvements these have been assessed to have shorter useful lives than freehold property. In addition, the depreciation rates are limited to the remaining lease period which includes the renewal period. Further details of the lease terms have been provided in Note 24.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed by the Group, and prospectively adjusted if necessary, on an annual basis. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

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

Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant, and equipment each year taking into consideration previous experience, technology changes and the local operating environment. No change to the useful lives has been considered necessary during the period. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is an indication of impairment in value. Refer to note 12 for the carrying amount of property, plant, and equipment (PPE) and the PPE accounting policy note for the useful lives of PPE.

Capital work in progress

Expenditure is transferred from 'Exploration and evaluation assets' to Property, plant, and equipment once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in capital work in progress. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in capital work in progress are then transferred to 'Plant and Machinery which is also a sub-category of 'Property, Plant and Equipment'.

Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

Pre-operating costs

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity and to support and maintain that productive capacity is capitalised as property, plant, and equipment. The recognition of pre-production expenditure including evaluation costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount.

Interest on general or specific borrowings to finance the establishment or expansion of mining and processing assets is capitalised during the construction phase. When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction. Actual interest, net of any temporary income, on specific borrowings is capitalised. Interest on general borrowings is capitalised at theweighted average cost of the debt on qualifying expenditure, limited to actual interest incurred.

Mining claims

Mining claims are the right to extract minerals from a tract of public land. Mining claims not expensed are not depreciated until a claim is explored and a mine is operational. Depreciation is based on the units-of-production method. Expenditure on mining exploration in new areas of interest is charged against income as incurred. Costs related to property acquisitions, surface and mineral rights are capitalised to mining assets and are recorded at cost less accumulated depreciation and any impairment losses.

STRIPPING COSTS

When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

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. The stripping activity asset is subsequently amortised using the unit of production 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

The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management. Factors used to determine when a mine/component has commenced production are set out in the 'Production start date'

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.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

a) Future economic benefits (being improved access to the ore body) are probable
b) The component of the ore body for which access will be improved can be accurately identified
c) 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.

EXPLORATION and EVALUATION EXPENDITURE

Exploration and evaluation (E&E) activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.
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.

Initial recognition and measurement

Once the legal right to explore has been acquired, E&E expenditure is charged to profit or loss as incurred, unless the Group concluded that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, 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.

E&E expenditure incurred on licences where a JORC-compliant resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a JORC-compliant resource. Costs expensed during this phase are included in 'Other operating expenses' in the statement of profit or loss and other comprehensive income.

Upon the establishment of a JORC-compliant resource (at which point, the Group considers it probable that economic benefits will be realised), the Group capitalises any further evaluation expenditure incurred for the particular licence as E&E assets up to the point when a JORC-compliant reserve is established. Capitalised E&E expenditure is considered to be an intangible asset.

Exploration and evaluation assets are initially recognised at fair value, including resources and exploration potential that is considered to represent value beyond proven and probable reserves. Once all E&E activities for a particular asset or project have been exhausted, a uniquely identified E&E asset is recognised.

Subsequent measurement

E&E assets are subsequently measured at cost less impairment. Once JORC-compliant reserves are established and development sanctioned, E&E assets are tested for impairment.

Impairment and derecognition

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. One or more of the following facts and circumstances could indicate that an impairment test is required:

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

INTANGIBLE ASSETS

Intangible assets acquired separately are initially measured and recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occur.

The group intangible assets relate mainly to IT system and software. The assets are amortised over 6 years. Intangible assets with indefinite useful lives are not amortised but are assessed for indication for impairment annually.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand,deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at amortised costs with any movement in the foreign currency denominated balances arising from changes in exchange rates, being recognised in profit or loss. In the statement of financial position, bank overdrafts are shown under current liabilities.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and 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. Apart from 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 are measured at the transaction price as disclosed in section Revenue from contracts with customers. (IFRS 15).

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 referred to as the SPPI test and 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.

Subsequent measurement

Subsequent measurement of financial instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments).

Trade and other receivables are subsequently measured at their amortised cost. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Cash and cash equivalents are measured at amortised cost. The Group adopted the simplified approach for the assessment of expected credit losses.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain circumstances the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovery the contractual cash flows.

De-recognition of financial assets

A financial asset is de-recognised when either:

(I) The rights to receive cash flows from the asset have expired, or

(ii) 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.

FINANCIAL LIABILITIES

Financial liabilities include trade and other accounts payable, and interest-bearing loans and these are initially measured at fair value including transaction costs and subsequently at amortised cost. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised costs. All financial liabilities are recognised initially at amortised cost and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 de-recognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets impairment IFRS 9 - Expected credit loses

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises lifetime expected losses on all these assets without the need to identify significant increases in credit risk (i.e. no distinction is needed between 12-month and lifetime expected credit losses). However, not all trade receivables, contract assets or lease receivables are short term.

The Group has considered expected credit losses through selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Refer to Note 17.2 for the carrying amount of trade and other receivables and more information on the impairment of trade and other receivables.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The 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.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent 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 five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment of non-financial assets

Impairment of 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. If such indication exists, the Group estimates the assets or CGU's (cash-generating unit) recoverable amount. 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 its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, 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 revalued amount, in which case, the reversal is treated as a revaluation increase.

GOODWILL

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for NCI (non-controlling interest) over the fair value of the identifiable net assets acquired and liabilities assumed). If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in statement of profit or loss and other comprehensive income.

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

SHARE-BASED PAYMENTS

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 18.4.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

Change in ownership reserve

This reserve arose in 2017 on acquisition of additional interest in the Tallow Creek Ranch subsidiary, which brought the parent's shareholding to 82.88%.The change in shareholding was a result of the capital injection on the equity attributable to owners of the parent.

Share premium reserve

The Group has a share premium reserve that initially arose on the issue of 541 593 440 shares to shareholders of Innscor Africa Limited at the date of unbundling and separate listing in 2010. The reserve is adjusted as applicable on any new issue of shares.

Share capital

Share capital represents the nominal or par value of shares that have been issued.

Retained earnings

Retained earnings includes all current and prior period retained profits.

All other reserves are as stated in the consolidated statement of changes in equity.

PROVISIONS

General provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense. Provisions on leave pay is dependent on the time an employee may leave the organisation and the level of salary they will be earning at that time.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Provisions are classified as current liabilities unless the Group has an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date.

Biological assets
Biological assets are living animals that are managed by the Group. Agricultural produce is the harvested product of the biological asset at the point of harvest. Thereafter, product is classified as inventory. There are two classes of biological assets, grower stock and breeder stock.

The biological assets of the Group comprise of crocodile and alligator livestock. At initial recognition, biological assets are valued at fair value and where fair value cannot be reliably measured, they are valued at fair value and where fair value cannot be reliably measured, they are valued at historical cost. Fair value for breeders is determined using the cost approach by reference to the prevailing replacement cost per unit of inputs required to bring the breeders to maturity.

Fair value of the grower stock is determined by reference to the average theoretical life span of the crocodile and alligator stock and the prevailing market prices. The stock is evaluated in terms of its respective life span at the reporting date and consideration given to the different saleable products that could be derived from crocodiles and alligators of each age group at the time. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products.

Fair value movements of the biological assets are recognised in profit or loss.

Fair value measurement
The Group measures non-financial assets at fair value at each balance sheet 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 to /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, if market participants act in their economic best interest. A fair value measurement of a non-financial asset considers 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing 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.

INVENTORIES
Inventories are assets (I) held-for-sale in the ordinary course of the business; (ii) in the process of production for such sale; (iii) to be consumed in the production process or the rendering of services.

The main categories of inventory recognised in the financial statements are (i) Finished goods - skins and meat, Gold bullion (ii) Raw materials, packaging and consumables (iii) Work in progress - ore stockpiles Inventories are stated at the lower of cost and estimated net realisable value. The cost is established on a weighted average basis. Cost represents the cost of materials and where appropriate, direct labour and manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs of completion and the estimated costs necessary to make the sale.

Agricultural produce harvested from biological assets is measured at fair value less cost to sell at the point of harvest. The fair value less cost to sell determined becomes the cost of the agricultural produce for subsequent measurement.

CONTRACT DEPOSITS
Contract deposits are advances received from customers for future delivery of goods. The goods are in the form of hatchlings, crocodile, and alligator skins. The revenue will be realised upon delivery of the goods.

TAXES
Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the relevant tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:
Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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:
'where the deferred income 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 losses. Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred income tax assets and deferred income tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Royalties, resource rent tax and revenue-based taxes

In addition to corporate income taxes, the Group's consolidated financial statements also include, and recognise as taxes on income, other types of taxes on net income.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is the case when they are imposed under government authority and the amount payable is based on taxable income — rather than physical quantities produced or as a percentage of revenue — after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales. The resource rent taxes payable by the Group meet the criteria to be treated as part of income taxes.

Value added tax

Revenues, expenses, and assets are recognised net of the amount of Value Added Tax except:

- Where the Value Added Tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of Value Added Tax included.

The net amount of the Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Chief Executive.

REHABILITATION ASSETS

The Group recognise in full the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

A liability is raised and the corresponding adjustment is taken to the value of the asset.

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.

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 Group assesses its mine rehabilitation asset at each reporting date.

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.

REHABILITATION PROVISION

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2032, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes 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 market future market prices for the necessary rehabilitation works required that will reflect 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. Mine rehabilitation costs will be incurred by the Company either while operating, or at the end of the operating life of, the Company's facilities and mine properties. The Company assesses its mine rehabilitation provision at each reporting date.

The Company recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. 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 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 that 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 the restoration of site damage (subsequent to the 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.

BORROWING COSTS

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

ACCOUNTING POLICIES (continued)

For the year ended 31 December 2022

4.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Other borrowing costs are expensed in the period in which they are incurred.

MINE DEVELOPMENT ASSETS

Expenditure of an intangible nature is transferred from "Exploration and evaluation assets" to Mine development assets once the work completed to date supports the future development of a mine and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure of an intangible nature related to the development of a mine is capitalised in Mine development assets. The recognition of these costs in the carrying amount of an asset ceases when the mine is in the location and condition necessary to operate as intended by management.

Mine development assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Individual mining assets are depreciated using the units-of-production method based on their estimated economically recoverable proved and probable mineral reserves, limited to the life of mine.

4.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS EXPLORATION and EVALUATION EXPENDITURE

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Assumption 1

Exploration and evaluation (E&E) activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Dallaglio applies the area of interest method when accounting for E&E costs. Licence 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, E&E expenditure is charged to profit or loss as incurred, unless the Group concludes that a future economic benefit is more likely than not to be realised. These costs include directly attributable employee remuneration, 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.

Assumption 2

E&E expenditure incurred on licences where a JORC-compliant resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a JORC-compliant resource. Costs expensed during this phase are included in 'Other operating expenses' in the statement of profit or loss and other comprehensive income. Upon the establishment of a JORC-compliant resource (at which point, the Group considers it probable that economic benefits will be realised), the Group capitalises any further evaluation expenditure incurred for the licence as E&E assets up to the point when a JORC- compliant reserve is established. Capitalised E&E expenditure is an intangible asset. Exploration and evaluation assets acquired in a business combination are initially recognised at fairvalue, including resources and Similarly, the costs associated with acquiring an E&E asset (that does not represent a business) are also capitalised. and development is sanctioned, E&E assets are tested for impairment and transferred to 'Mines under construction' which is a sub-category.

No amortisation is charged during the E&E phase. Refer to note 14.1 for carrying amount of the exploration and evaluation assets.

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Trade receivables subject to provisional pricing are already carried at fair value.

Fair valuation of biological assets – crocodiles

The Group assumes that all hatchlings are born on 31 December every year and that the average theoretical lifespan of a crocodile is 32 months. The fair value calculation is performed only when the crop reaches 18 months of age, before that point the fair value is based on the costs incurred to date. The skin price used in the fair value calculation is that for the average forecast price of skins prevailing as at year end. A crocodile at slaughter yields an average of 5.54kg of premium quality meat which is suitable for sale to the export and local markets.

Fair valuation of biological assets – alligators

The Group assumes that all incoming livestock is born on 1 October every year and that the average theoretical lifespan of an alligator is 12 months. The fair value calculation is performed only when the crop reaches 8 months of age. The skin price used in the fair value calculation is that for the prices prevailing as at year end. An alligator at slaughter yields an average of 2.1kgs of premium quality meat.

Fair valuation of biological assets – breeders

Fair value for breeders is determined using the cost approach by reference to the prevailing replacement cost per unit of inputs required to bring the breeders to maturity.

Refer to Note 15 for the carrying amount of biological assets and the estimates and assumptions applied in determining the fair values of biological assets.

Ore reserve and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the number of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- 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. (the impact on goodwill is limited to impairment).
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the Unit of Production (UOP) method, or where the useful life of the related assets change.
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes 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.

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.

ACCOUNTING POLICIES

For the year ended 31 December 2022

4.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the Joint Ore Resource Code (JORC) for Reporting Exploration Results, Mineral Resources and Ore Reserves. 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 prices, 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, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate ore reserves and mineral resources 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 ore reserves and mineral resources may change.

Inventories - Gold bullion, gold and ore stockpiles.

Gold bullion, gold and ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is 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.

If the ore stockpile is not expected to be processed in 12 months after the reporting date, it is included in non-current assets and the net realisable value is calculated on a discounted cash flow basis. 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 on a volume basis at each month end. Separately identifiable costs of conversion of gold specifically allocated. Refer to note 16.1 for the carrying amount of inventories-gold bullion, gold and ore stockpiles.

Pre-operating costs

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity and to support and maintain that productive capacity is capitalised as property, plant, and equipment. The recognition of pre-production expenditure including evaluation costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

5 INVESTMENTS IN SUBSIDIARIES

5.1 Interest in Tallow Creek Ranch (TCR)

The shareholding in Tallow Creek Ranch was 82.88% since 2017. In July 2022, the Group concluded an Asset Purchase Agreement with a offshore equity group for the sale of the operating assets of TCR. Consequently, the financial results of this operation have been disclosed as a discontinued operation. (Refer to Note 32).

5.2 Interest in Dallaglio Investments Limited

The Group acquired a shareholding of 50.1% in the subsidiary in 2020.

6 EARNINGS PER SHARE FOR CONTINUING OPERATIONS

A. Basic Earnings per share

The calculation of basic earnings per share (EPS) has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding

I Profit (loss) for the year attributable to ordinary shareholders (basic)

	2022			2021 Restated *		
	Continuing operations US$	Discontinued operations US$	Total US$	Continuing operations US$	Discontinued operations US$	Total US$
Profit (loss) for the year attributable to owners of the company	5 037 215	(2 367 226)	2 669 989	(6 004 097)	684 480	(5 319 617)
Profit (loss) for the year attributable to ordinary shareholders (basic)	**5 037 215**	**(2 367 226)**	**2 669 989**	**(6 004 097)**	**684 480**	**(5 319 617)**

I Weighted average number of ordinary shares (basic)

	2022 Audited US$	2021 Restated * US$
Issued ordinary shares at 1 January	541 593 440	541 593 440
Share options ecercised	2 030 975	-
Weighted average number of shares at 31 December	**543 624 415**	**541 593 440**

B. Diluted earnings per share

The calculation of diluted earnings per share (EPS) has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

I Profit (loss) for the year attributable to ordinary shareholders (diluted)

	2022			2021 Restated *		
	Continuing operations US$	Discontinued operations US$	Total US$	Continuing operations US$	Discontinued operations US$	Total US$
Profit (loss) for the year attributable to ordinary sharehloders (diluted)	5 037 215	(2 367 226)	2 669 989	(6 004 097)	684 480	(5 319 617)
Profit (loss) for the year attributable to ordinary shareholders (diluted)	**5 037 215**	**(2 367 226)**	**2 669 989**	**(6 004 097)**	**684 480**	**(5 319 617)**

I Weighted average number of ordinary shares (diluted)

	2022 Audited US$	2021 Restated * US$
Issued ordinary shares at 1 January	543 624 415	541 593 440
Effect of share options on issue	8 800 893	10 831 868
Weighted average number of shares at 31 December	**552 425 308**	**552 425 308**

*Comparative information has been updated to include the basic and diluted amounts per share for the discontinued operation in order to comply with the requirements of the standard.

For the comparative, the Group restated the weighted average number of shares to 552 425 308 which was incorrectly reported as 557 841 242.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

6 EARNINGS PER SHARE FOR CONTINUING OPERATIONS (continued)

C. Headline earnings basis

Headline earnings per share is calculated by dividing the headline earnings (after taking out profits from non-core activities like profit on disposal of fixed assets and interest income) for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

I Profit (loss) for the year attributable to ordinary shareholders (basic)

	2022			2021 Restated *		
	Continuing operations US$	Discontinued operations US$	Total US$	Continuing operations US$	Discontinued operations US$	Total US$
Profit (loss) for the year attributable to owners of the company	5 037 215	(2 367 226)	2 669 989	(6 004 097)	684 480	(5 319 617)
Loss/(profit) on disposal of equipment and intangible assets	194 457	-	194 457	(23 341)	-	(23 341)
Interest income	(155 333)	-	(155 333)	(5 475)	-	(5 475)
Headline earnings/(loss)	**5 076 339**	**(2 367 226)**	**2 709 113**	**(6 032 913)**	**684 480**	**(5 348 432)**

I Weighted average number of ordinary shares (basic)	2022 Audited US$	2021 Restated * US$
Issued ordinary shares at 1 January	541 593 440	541 593 440
Share options ecercised	2 030 975	-
Weighted average number of shares at 31 December	**543 624 415**	**541 593 440**

Weighted average number of ordinary shares (diluted)

	2022 Audited US$	2021 Restated * US$
Effect odf share options on issue	543 624 415	541 593 440
Share options ecercised	8 800 893	10 831 868
Weighted average number of shares at 31 December	**552 425 308**	**552 425 308**

*Comparative information has been updated to include the basic and diluted amounts per share for the discontinued operation in order to comply with the requirements of the standard. #For the comparative, the Group restated the weighted average number of shares to 552 425 308 which was incorrectly reported as 557 841 242.

6.1 Dividends

Dividends paid per share are based on the ordinary number of shares in issue on the effective date of declaration and entitlement of the ordinary shares to the dividend. There was no dividend declared in 2022 (2021:Nil). Subsequent to the reporting date, in March 2023, the Board declared a final dividend of US$0.2756 cents per share.

7 REVENUE

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Skins sales	15 376 264	24 380 973
Quality incentive	7 255 799	-
Meat Sales local	319 800	326 506
Gold deliveries	104 942 223	51 389 610
Total revenue	**127 894 086**	**76 097 089**

Quality incentive relates to the additional income that is receivable on the contract sales of crocodile skins for achieving agreed quality targets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

7 REVENUE (continued)

Reconciliation of disaggregated revenue to segmental revenue:

	31 Dec 2022			31 Dec 2021		
	TOTAL Audited US$	Padenga Zimbabwe Audited US$	Dallaglio Audited US$	TOTAL Restated * US$	Padenga Zimbabwe Restated * US$	Dallaglio Restated * US$
Skins exports	15 376 264	15 376 264	-	24 380 973	24 380 973	-
Quality incentive	7 255 799	7 255 799	-	-	-	-
Meat sales -local	319 800	319 800	-	326 506	326 506	-
Gold deliveries	104 942 223	-	104 942 223	51 389 610	-	51 389 610
Total Revenue	**127 894 086**	**22 951 863**	**104 942 223**	**76 097 089**	**24 707 479**	**51 389 610**

7.1 Other income

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Scrap sales	76 356	538 245
Profit on asset disposal	-	23 341
Discount	79 371	-
Insurance claims	69 393	-
Sundry income	44 512	-
	269 632	**561 586**

7.2 Cost of sales

Livestock additions	577 614	1 177 575
Feed	2 655 333	2 528 889
Cleaning and treatments	481 498	458 570
Fuel and energy-production	438 696	417 805
Staff costs	1 000 450	952 809
Gold deliveries cost of sales	67 508 492	41 194 857
	72 662 083	**46 730 505**

Cost of sales relates to the cost of the skins and gold deliveries from the mining division. The cost of skins sold is made up of costs accumulated throughout the life of the crocodiles and alligators. These costs are livestock additions (cost of eggs), feed, cleaning and treats, Fuel and energy and staff costs. Gold deliveries cost of sales comprise of mining costs, processing costs and maintenance costs.

7.3 Other operating costs

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Salt and packaging material	148 270	235 346
Fuel and energy-administration	1 244 506	894 283
Repairs and maintenance	3 569 099	1 072 678
IMTT and bank charges	3 021 606	288 160
Security	1 157 043	256 209
Consultancy	3 019 638	485 568
Accounting and auditing fees	611 100	219 976
Staff transport	825 657	503 493
Other overheads	5 042 154	3 401 646
Short term leases	298 599	104 648
	18 937 671	**7 462 007**

* Previously reported other overheads for the year ended 31 December 2021 have been disaggregated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

7 REVENUE (continued)

7.4 Employee benefits expense

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Wages and salaries	14 625 683	11 173 114
Social security cost	172 307	139 360
Share-based payment expense	187 573	187 573
Medical aid	37 985	42 674
Pension	89 381	75 125
	15 112 929	**11 617 846**
7.4.1 Director emoluments		
Fees	183 032	152 305
Salaries	820 171	745 867
	1 003 203	**898 172**

Included in wages and salaries in note 7.4 is US$820 171 for 2022 that was paid to executive directors (2021-US$745 867).

7.5 Foreign exchange losses		
Exchange losses unrealised	1 981 536	366 976
Exchange losses realised on translation of bank balances	493 210	206 043
7.6 Write offs		
Included in other operating costs are:		
Stock losses (written back)/written off	(22 476)	7 894
Deaths of breeders (note 15.1)	18 323	13 906

The write offs are included in other overheads (see note 7.3)

8 INTEREST

8.1 Interest Income		
Interest income from short term investments	153 816	3 648
Interest income from staff loans	1 517	1 827
Total interest income	**155 333**	**5 475**
8.2 Interest expense		
Interest on loans and overdrafts	9 537 131	10 081 598
Lease interest expense	419 196	96 880
Total Interest expense	**9 956 327**	**10 178 478**
Net interest	**9 800 994**	**10 173 003**
8.3 Financial income		
Net foreign exchange gains	10 830 563	3 323 778
	10 830 563	**3 323 778**

9 TAXATION

9.1 Income tax expense		
Current income tax:		
Current income tax charge	199 435	341 634
Deferred tax charge on assessed losses for the year	-	264 279
Effect of movement in exchange rates	-	(2 817)
Deferred tax charge	4 358 462	341 754
Income tax expense	**4 557 897**	**944 850**

Deferred tax charge included share based payments recognised in profit and loss for 2022 amounting to US$46 349 (2021; US$46 439)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

9 TAXATION (continued)

9.2. Taxation paid

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
9.2.1 Income tax payable at the beginning of the period	**1 175 070**	**1 865 611**
Effect of movement in exchange rates	(231 846)	(2 817)
Current income tax charge	199 435	341 634
Amount paid	(590 366)	(1 029 358)
Current tax payable	**552 293**	**1 175 070**
9.2.2 Current tax receivable at the beginning of the period	(2 097 660)	(2 097 660)
Effect of movement in exchange rates	231 845	-
Current tax receivable	**(1 865 815)**	**(2 097 660)**
9.2.3 Deferred tax asset		
Opening balance as at the beginning of the period	(2 366 838)	(2 631 117)
Effect of derecognition of deferred tax asset in discontinued operations	2 366 838	264 279
Deferred tax asset	**-**	**(2 366 838)**

The deferred tax asset arose from the losses made in the past few years by Tallow Creek Ranch (TCR). The Group has derecognised the deferred tax asset as it believes that it is not probable that the deferred tax assets will be recovered since TCR has disposed its assets.

9.3 Reconciliation of rate of taxation

Statutory rate of taxation, inclusive of AIDS levy	(24.72)	(24.72)
Effect of expenses not deductible for tax	1.75	32.78
Effect of exempt income	(8.10)	(0.09)
Effect of different tax rate on foreign subsidiary	(1.73)	5.03
Effective rate	**(32.80)**	**13.00**

Expenses not deductible for tax include research and development, interest on loan obtained to capitalise foreign subsidiary and donations. Exempt income is for bank interest.

10 NET DEFERRED TAX LIABILITIES

Reconciliation

Opening balance as at the beginning of the period	11 994 664	11 652 910
Release to profit or loss	4 358 462	341 754
	16 353 126	**11 994 664**
Accelerated depreciation for tax purposes	15 388 589	15 014 542
Deferred tax arising from Lease liabilities and Right of Use of Assets	(98 875)	(36 958)
Deferred tax arising from assessed loss	(6 937 369)	(9 766 712)
Deferred tax on biological assets	5 752 229	4 961 520
Deferred tax on exploration and evaluation assets	36 612	-
Deferred tax on mine development assets	2 870 292	2 172 911
Deferred tax on intangible assets	9 035	29 714
Provisions	(667 387)	(502 254)
Unrealised exchange profit	-	121 901
	16 353 126	**11 994 664**

11 CASH FLOW INFORMATION

11.1 Cash and cash equivalents

Made up as follows:

Bank balances and cash on hand (US$)	1 057 483	6 049 859
Bank balances and cash on hand (ZWL)	206 903	270 744
Money market short term deposits (ZWL)	-	23 164
Cash and cash equivalents	**1 264 386**	**6 343 767**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

11 CASH FLOW INFORMATION (continued)

11.2 Changes in liabilities arising from financing activities for the year ended 31 December 2022 in US$ loans

	Non-current borrowings US$	Current borrowings US$	Overdraft US$	TOTAL US$
Interest-bearing borrowings				
Opening balance 1 January 2022	**29 512 807**	**33 064 710**	**729 110**	**63 306 627**
Loan received	5 642 764	32 017 338	5 112 908	**42 773 010**
Deferred consideration			-	**-**
Interest expense	1 715 272	7 190 529	631 330	**9 537 131**
Exchange gain		-	-	**-**
Interest paid	(1 557 772)	(10 403 065)	(631 330)	**(12 592 167)**
Reclassification	(17 258 375)	17 258 375	-	**-**
Discontinued operations-TCR	(1 101 549)	290 745	-	**(810 804)**
Repayments	(9 020 400)	(34 373 579)		**(43 393 979)**
Total loans from financing activities	**7 932 747**	**45 045 053**	**5 842 018**	**58 819 818**

Changes in liabilities arising from financing activities for the year ended 31 December 2021 in US$ loans

	Non-current borrowings US$	Current borrowings US$	Overdraft US$	TOTAL US$
Interest-bearing borrowings				
Opening balance 1 January 2021	**5 000 000**	**29 401 501**	**7 252 118**	**41 653 619**
Loan received	24 512 808	18 195 737	-	**42 708 545**
Interest expense	828 451	9 310 187	-	**10 138 638**
Interest paid	(828 452)	(9 100 222)	-	**(9 928 674)**
Payments	-	(14 742 493)	(6 523 008)	**(21 265 501)**
Total loans from financing activities	**29 512 807**	**33 064 710**	**729 110**	**63 306 627**

Leases	Current leases US$	Non-current leases US$	Total US$
Opening balance 1 January 2022	1 859 883	3 983 059	**5 842 942**
New lease during the year	42 000	31 120	**73 120**
Interest accrual	419 196	-	**419 196**
Lease payments during the year	(1 447 168)	-	**(1 447 168)**
Interest payment	(419 196)	-	**(419 196)**
Transfer from non-current to current	1 255 755	(1 255 755)	**-**
Closing balances as at 31 December 2022	**1 710 470**	**2 758 424**	**4 468 894**
Opening Balance 1 January 2021	198 000	585 505	**783 505**
New lease during the year	1 572 425	3 489 132	**5 061 557**
Interest payment	42 723	54 157	**96 880**
Lease payments during the year	(56 277)	-	**(56 277)**
Interest accruals	(42 723)	-	**(42 723)**
Transfer from non-current to current	145 735	(145 735)	**-**
Closing balances as at 31 December 2021	**1 859 883**	**3 983 059**	**5 842 942**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

11 CASH FLOW INFORMATION (continued)

11.2 Changes in liabilities arising from financing activities for the year ended 31 December 2022 in US$ loans

	31 Dec 2021 US$	New loans/leases US$	Payments US$	Interest on discontinued operations US$	Interest accrual US$	Re-classification US$	31 Dec 2022 US$
Current interest-bearing borrowings	**33 064 709**	32 017 338	(44 776 643)	290 745	7 190 529	17 258 375	**45 045 053**
Current lease liabilities	**1 859 883**	42 000	(1 866 364)	-	419 196	1 255 755	**1 710 470**
Overdraft	**729 110**	5 112 908	(631 330)	-	631 330	-	**5 842 018**
Non-current interest-bearing borrowings	**29 512 807**	5 642 764	(10 578 172)	(1 101 549)	1 715 272	(17 258 375)	**7 932 747**
Non-current lease liabilities	**3 983 059**	31 120	-	-	-	(1 255 755)	**2 758 424**
Total liabilities from financing activities	**69 149 568**	**42 846 130**	**(57 852 509)**	**(810 804)**	**9 956 327**	**-**	**63 288 712**

Changes in liabilities arising from financing activities for the year ended 31 December 2021 in US$

	31 Dec 2020 US$	New loans/leases US$	Payments US$	Interest on discontinued operations US$	Interest accrual US$	Re-classification US$	31 Dec 2021 US$
Current interest-bearing borrowings	29 401 501	18 195 737	(23 842 715)	-	9 310 186	-	33 064 709
Current lease liabilities	198 000	1 572 425	(99 000)	-	42 723	145 735	1 859 883
Overdraft	7 252 118	-	(6 523 008)	-	-	-	729 110
Non-current interest-bearing borrowings	5 000 000	24 512 808	(828 452)	-	828 451	-	29 512 807
Non-current lease liabilities	585 505	3 489 132	-	-	54 157	(145 735)	3 983 059
Total liabilities from financing activities	**42 437 124**	**47 770 102**	**(31 293 175)**	**-**	**-**	**10 235 517**	**69 149 568**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12 PROPERTY, PLANT AND EQUIPMENT

Cost	Freehold property US$	Leasehold improvements US$	Plant, fittings and equipment US$	Motor vehicles US$	Total US$
At 1 January 2021	**5 320 680**	**27 723 204**	**41 741 238**	**2 262 985**	**77 048 107**
Additions	213 455	1 383 007	14 663 191	128 164	16 387 817
*Transfers -prior year adjustment	-	-	76 335	-	76 335
Transfers	-	-	-	(81 106)	(81 106)
Disposals	-	-	(77 173)	(168 984)	(246 157)
At 31 December 2021	**5 534 135**	**29 106 211**	**56 403 592**	**2 141 058**	**93 184 996**
Additions	-	858 251	9 593 571	314 529	10 766 351
Disposals	(4 131 858)	-	(952 825)	(13 781)	(5 098 464)
At 31 December 2022	**1 402 277**	**29 964 462**	**65 044 338**	**2 441 807**	**98 852 883**
Depreciation					
At 1 January 2021	(1 180 250)	(11 488 649)	(4 473 483)	(1 411 111)	(18 553 493)
Disposals	-	-	75 404	98 094	173 498
Charge for the year-disposed assets	(194 507)		(59 403)		(253 910)
Charge for the year	(34 246)	(1 380 660)	(3 246 242)	(235 818)	(4 896 966)
At 31 December 2021	**(1 409 003)**	**(12 869 309)**	**(7 703 724)**	**(1 548 835)**	**(23 530 871)**
Disposals	1 346 309	-	577 444	-	1 923 753
Impairment	-	-	-	-	-
Charge for the year	(1 622)	(1 533 637)	(5 040 980)	(160 008)	(6 736 247)
At 31 December 2022	**(64 316)**	**(14 402 946)**	**(12 167 260)**	**(1 708 842)**	**(28 343 365)**
Net carrying amount:					
At 31 December 2021	**4 125 132**	**16 236 902**	**48 699 868**	**592 224**	**69 654 126**
At 31 December 2022	**1 337 962**	**15 561 515**	**52 877 078**	**732 964**	**70 509 518**

*Refer to the prior year errors described in note 32.

Group's fully depreciated assets in use in US$

Asset code	Initial cost US$	Accumulated depreciation US$	Net carrying amount US$
Vehicles and boats			
Boats	283 597	283 597	-
Vehicles	1 037 108	1 037 108	-
Total vehicles and boats	**1 320 705**	**1 320 705**	-
Leasehold	5 503 565	5 503 565	-
Total leasehold	**5 503 565**	**5 503 565**	-
Intangible Assets	55 987	55 987	-
Total intangibles	**55 987**	**55 987**	-
Plant and equipment			
Furniture fixtures and fittings	10 669	10 669	-
Computer equipment	669 761	669 761	-
Plant and equipment	819 779	819 779	-
Total plant and equipment	**1 500 209**	**1 500 209**	**-**
Property, plant and equipment	**8 380 466**	**8 380 466**	**-**

The Group had assets with a value of US$ 8 380 466 (2021 - US$ 3 381 380) which were fully depreciated but still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

12 PROPERTY, PLANT, AND EQUIPMENT (continued)

12.1 Security

Plant and equipment valued at US$15 636 511 (2021:Nil) was pledged as security against the Group's borrowing facility. The assets are not to be disposed, assigned or pledged and are to be insured against all risks during the tenure of the borrowings.

12.2 Right of use of assets

	31 Dec 2022			31 Dec 2021		
Cost	**Plant and equipment Audited US$**	**Leasehold property Audited US$**	**Total Audited US$**	**Leasehold property Restated * US$**	**Plant and equipment Restated * US$**	**Total Restated * US$**
At the beginning of the period	5 970 323	1 493 238	**7 463 561**	1 493 238		1 493 238
Additions and adjustments		73 120	**73 120**		5 970 323	5 970 323
At the end of the period	**5 970 323**	**1 566 358**	**7 536 681**	**1 493 238**	**5 970 323**	**7 463 561**
Amortisation						
At the beginning of the period	(1 216 240)	(670 166)	**(1 886 406)**	(425 220)		(425 220)
Charge for the year	(1 358 309)	(223 051)	**(1 581 360)**	(244 946)	(1 216 240)	(1 461 186)
At the end of the period	**(2 574 549)**	**(893 217)**	**(3 467 766)**	**(670 166)**	**(1 216 240)**	**(1 886 406)**
Carrying amount						
At the end of the period	**3 395 774**	**673 141**	**4 068 915**	**823 072**	**4 754 083**	**5 577 155**

13 INTANGIBLE ASSETS

Cost	**Purchasing system US$**	**ERP Sage Pastel US$**	**SAP Business 1 US$**	**Pastel Evolution System US$**	**Other intangible assets US$**	**Total US$**
Balance at 1 January 2021	22 689	122 199	88 928	8 470	47 964	**290 250**
Purchases	-	77 238	9 790	-	87 679	**174 707**
Balance at 31 December 2021	22 689	199 437	98 718	8 470	135 643	**464 957**
Balance at 1 January 2022	22 689	199 437	98 718	8 470	135 643	**464 957**
Purchases	-	-	-	-	12 587	**12 587**
Balance at 31 December 2022	22 689	199 437	98 718	8 470	148 230	**477 544**
Accumulated amortisation						
Balance at 1 January 2021	(18 844)	(41 093)	-	(3 412)	(112 967)	**(176 316)**
Amortisation	(1 580)	(62 202)	-	(1 585)	(4 349)	**(69 715)**
Balance at 31 December 2021	(20 423)	(103 295)	-	(4 997)	(117 316)	**(246 031)**
Balance at 1 January 2022	(20 423)	(103 295)	-	(4 997)	(117 316)	**(246 031)**
Amortisation	(471)	(52 312)	-	(729)	(2 338)	**(55 851)**
Balance at 31 December 2022	(20 895)	(155 608)	-	(5 726)	(119 653)	**(301 882)**
Net carrying amount 31 December 2021	2 266	96 142	98 718	3 473	18 327	**218 926**
Net carrying amount 31 December 2022	1 794	43 829	98 718	2 744	28 576	**175 662**

Intangible assets pertain to computer software. Included in other intangible assets is Diligent Software and Xperdyte. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 31 December 2022 the ERP sage pastel had an average remaining useful life of one year. The purchasing system and pastel evolution had an average remaining useful life of three years. SAP Business 1 has no amortisation for the period as the software is currently work in progress and has not yet been commissioned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

13 INTANGIBLE ASSETS (continued)

13.1 Amortisation costs

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Intangible assets	(55 851)	(69 716)
Mine development assets (see note 14)	(2 717 883)	(989 640)
Rehabilitation asset (see note 14.1)	(190 660)	(196 073)
Total amortisation costs 31 December	**(2 964 394)**	**(1 255 429)**

The Group performed its annual impairment assessment as at 31 December 2022 and there were no indications of impairment in intangible assets.

14 MINE DEVELOPMENT ASSETS

At the beginning of the period	6 862 092	1 320 757
Additions	2 571 794	6 607 310
Transfers to property, plant and equipment	-	(76 335)
Amortisation	(2 717 883)	(989 640)
Total mine development assets	6 716 003	6 862 092

* In 2021, there was an amount of $6 862 092 (2020- $1,320,757) that was erroneously classified as Exploration and evaluation assets. The assets had met the conditions required for reclassification from Exploration and Evaluation assets to Mine Development assets. (Refer to note 33).

14.1 Exploration and evaluation assets

At the beginning of the period		
Additions	148 104	-
Amortisation	-	-
Total exploration and evaluation assets	148 104	-

Exploration and evaluation (E&E) activity involves the search for mineral resources the determination of technical feasibility and the assessment of commercial viability of an identified resource.

* Exploration resources acquired are not subject to amortisation until they are included in the life-of-mine plan and production has commenced. In 2021, an amount of $6 862 092 (2020 $1,320,757) was erroneously included in Exploration and Evaluation assets instead of Mine Development Assets (Refer to note 33).

14.2 Rehabilitation asset

Opening balance	1 723 074	1 536 945
Additional provision	-	382 202
Amortisation	(190 660)	(196 073)
Total rehabilitation costs capitalised	**1 532 414**	**1 723 074**

Rehabilitation asset relates to the present value of rehabilitation costs relating to mine sites, when the producing mine properties are expected to cease operations.

14.3 Mine rehabilitation provisions

At the beginning of the period	**2 480 308**	**1 926 083**
Change in provision	-	382 202
Unwinding of discount	221 491	172 023
At the end of the period	**2 701 799**	**2 480 308**

These provisions relate to future expected costs to restore the environment after the end of mining activities or at closure of the mine. The expected cost is assessed by environmental experts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

15 BIOLOGICAL ASSETS

Reconciliation of opening and closing carrying amounts

15.1 Non-current biological assets - breeder crocodiles and alligators

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
At the beginning of the period	**9 897 769**	**7 226 343**
Expenditure on non-current biological assets	96 032	188 241
Transfer of expenditure from current biological assets	-	33 499
Fair value adjustment	3 417 082	2 463 592
Biological assets disposed	(1 524 113)	-
Deaths of breeders	(18 323)	(13 906)
At the end of the period	**11 868 447**	**9 897 769**
At 31 December, the Group had the following number of live animals within non-current biological assets:		
Mature crocodiles	4 120	3 669
Immature crocodiles	1 009	1 498
Immature alligators	-	1 185

15.2 Current biological assets – harvesting crocodiles and alligators

At the beginning of the period	**25 424 810**	**28 485 850**
Slaughter (transfer to inventories)	(2 557 245)	(3 507 211)
Expenditure relating to births	257 976	239 121
Expenditure on current biological assets	6 324 594	6 145 154
Transfer to non–current biological	-	(33 499)
Disposal of non-current asset	(639 466)	-
Fair value adjustment	(723 573)	(5 904 605)
At the end of the period	**28 087 096**	**25 424 810**
At 31 December the Group had the following number of live animals within current biological assets:		
Crocodiles	166 283	160 585
Alligators	-	5 841

A portion of the biological assets has been pledged as collateral against the Group's borrowing facility with the bank. Biological assets are pledged as security amount to US$25 million. These assets are breeders, which will not beharvested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

15 BIOLOGICAL ASSETS (continued)

15.3 Fair value disclosures

Valuation process

The Group's Executive Committee determines the policies and procedures for fair value measurement of biological assets. The Management Accountant prepares the computation monthly and the information is reviewed by the Finance Manager and Divisional Chief Financial Officer. The Executive Committee verifies major inputs applied to the latest valuation by agreeing the information in the computation to contracts and other relevant documents.

Valuation technique

1. The Harvesting stock of crocodiles and alligators is valued using the income approach. Fair value is determined from the price the Group sells at the point of harvesting to the market.
2. The breeders are valued using the cost approach. The fair value is determined based on the current replacement costs of a breeder as at year end being the current costs needed to produce a breeder of similar age maturity and condition as at the year end.

Type		Valuation technique	Significant unobservable Inputs (Level 3)	Quantitative information 2022	Quantitative information 2021
Crocodiles Harvesting stock	Yearlings Rearing's	**Income approach.** The valuation model is determined by reference to the average theoretical life span of the crocodile stock and prevailing market prices of the skin and meat. The fair value is based on the value of the skin and meat.	**Price per skin** Quality grading Age of crocodiles Price per kg of meat Meat yield per crocodile	**Price per skin:** US$ 160 – US$ 860 Age: 1 – 3 years Meat Price/kg: US$0.79 to US$4 Meat yield per crocodile: 5.54 kgs	**Price per skin:** US$ 160 – US$ 760 Age: 1 – 3 years Meat Price/kg: US$0.79 to US$4 Meat yield per crocodile: 5.12 kgs
Alligators Harvesting stock	Yearlings Rearing's	**Income approach.** The valuation model is determined by reference to the average theoretical life span of the alligator stock and prevailing market prices. The fair value is based on the value of the skin and meat.	**Price per skin** Quality grading Age of alligators Price per kg of meat Meat yield per alligator	N/A	**Price per skin:** US$ 50 – US$ 200 Age: 1 – 2 years Meat prices: Not assessed as there were no meat sales during the year.
Crocodiles and Alligators	Breeders	**Cost approach.** The valuation model is determined by reference to the average theoretical life span of the breeding stock and current replacement cost.	**Replacement cost of hatchlings** plus inputs at current costs up to maturity. Age of the breeders.	**Replacement cost per breeder:** US$ 900 – US$2400 Age: 7 – 41 years.	*Replacement cost per breeder:* US$ 900 – US$1 500 Age: 7 – 41 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

15 BIOLOGICAL ASSETS (continued)

15.3 Fair value disclosures (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of biological assets by the valuation technique:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value hierarchy- 31 December 2022

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$	Fair value gain/(loss) US$
Harvesting Crocodiles	-	-	28 087 097	28 087 097	(723 573)
Breeders	-	-	11 868 448	11 868 448	3 417 082
Total	**-**	**-**	**39 955 545**	**39 955 545**	**2 693 509**

Fair value hierarchy- 31 December 2021

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$	Fair value (loss)/gain US$
Harvesting Alligators	-	-	639 465	639 465	110,362
Harvesting Crocodiles	-	-	24 785 345	24 785 345	(6 014 967)
Breeders (Including Alligators)	-	-	9 897 769	9 897 769	2 463 592
Total	**-**	**-**	**35 322 579**	**35 322 579**	**(3 441 013)**
Less fair value for discontinued operations	**-**	**-**	**-**	**-**	**204 392**
Fair value for continuing operations	**-**	**-**	**-**	**-**	**(3 645 405)**

Sensitivity analysis

The fair value of Harvesting crocodiles and alligators is most sensitive to the price and quality of the skin and to the age of the crop. An increase or decrease in the price of the skin will result in an increase or decrease in the fair value of the Harvesting crocodile and alligator stock. An improvement in quality will result in an increase in fair value of the Harvesting crocodile and alligator stock whilst a decrease in quality will result in a reduction in their fair value. A change in age profile towards maturity will result in an increase in fair value of the crocodile and alligator stock.

The fair value of the breeder stock is most sensitive to movements in replacement costs of inputs and to the age variation of the animals. An increase in the price of inputs will result in an increase in the fair value of the breeders whilst a decrease in the price of inputs will result in a decrease in fair value of the breeders. A change in age variation towards maturity will result in an increase in fair value of the breeders.

The table belowpresents the sensitivity of profit or loss before tax due to changes in market price (crocodiles and alligators) as this is considered the key input in the determination of the fair values. The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable the negative impact on profit would be of a similar magnitude.

	% Change	Effect on profit before tax US$
Harvesting Crocodiles		
Fair value less costs to sell	10%	72 357
Breeders		
Fair value less costs to sell	10%	341 708

We have not done sensitivity analysis on quality as the quality parameters are subjective and difficult to determine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

15 BIOLOGICAL ASSETS (continued)

15.4 Biological assets risk management policies

Biological assets are live animals that are managed by the Group. Agricultural produce is the harvested product obtained from the biological asset. The Biological assets of the Group comprise of live crocodiles and alligators. These biological assets are exposed to various risks which include disease or infection outbreaks and price fluctuations. The Group has put in place measures and controls to mitigate losses from the above risks. These measures and controls include inter alia a very comprehensive biosecurity program across the operations, insurance against theft and unnatural deaths, vaccination to prevent widespread disease and infections, continuing comprehensive herd health monitoring programs and formal marketing contracts that include a regular evaluation of prices and an assessment of market trends.

15.5 Commitments for the development or acquisition of biological assets

The Group had not committed itself to acquiring any biological assets as at 31 December 2022 (2021: none), other than through internally bred hatchlings.

16 INVENTORIES

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Inventories		
Raw materials consumables and packaging	12 682 601	9 271 833
Finished goods – skins and meat	4 104 378	6 840 218
	16 786 979	**16 112 051**

There were stock losses written off from inventories and recognised as an expense in 2022 of US$22 476 (2021: US$7 894). The write down is mainly due to obsolescence. There were no inventories pledged as security against borrowings.

Inventories of US$15 209 790 (2021:US$9 997 217) were recognised as an expense during the year and included in 'cost of sales'.

16.1 Mines inventories

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Finished goods – gold bullion	2 062 004	1 139 006
Work in progress - ore stockpiles	8 029 075	5 418 686
	10 091 079	**6 557 692**

At 31 December, crushed and uncrushed ore stockpiles, subject to meeting minimum estimated mineral content, are valued through a process of estimation of the volumes of material in the plant through quantity surveying techniques and estimated mineral content. This process is done by qualified experts and the value was US$ 8,029,075 (2021: US$ 5,418,686)

17 TRADE AND OTHER RECEIVABLES-NON-CURRENT

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Other receivables	**500 000**	**-**

Other receivables relate to Escrow amount of $500 000 held by Escrow agent in the US. The Escrow Reserve Amount retained in the Escrow Fund shall remain in the Escrow Fund until such claims for indemnification have been fully and finally resolved or satisfied for the sale of TCR assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

17 TRADE AND OTHER RECEIVABLES-NON-CURRENT (continued)

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Other receivables	**500 000**	**-**

Other receivables relate to Escrow amount of $500 000 held by Escrow agent in the US. The Escrow Reserve Amount retained in the Escrow Fund shall remain in the Escrow Fund until such claims for indemnification have been fully and finally resolved or satisfied for the sale of TCR assets.

17.1 Trade and other receivables-current

Trade receivables	8 638 777	5 458 601
Staff receivables	551 427	110 363
VAT refund	3 040 071	5 415 995
Prepayments	10 159 385	295 421
Other receivables	663 453	2 005 150
Total	**23 053 113**	**13 285 530**

Trade receivables are non-interest bearing and are generally on 30-day terms. Credit terms for other receivables vary per transaction but do not exceed 60 days. As at 31 December 2022 there were no trade receivables that were past due.

The loss allowance provision as at 31 December 2022 is determined as shown in note 17.3 and incorporates forward-looking information.

17.2 Impairment gain/(loss) on trade receivables

As at 31 December 2022 the age analysis of trade and staff receivables was as follows:

				Lifetime ECL		
	Credit loss rate	Total US$	12 month ECL US$	30 - 60 day US$	60 - 90 days US$	More than 90 days US$
Trade receivables	0.052724%	8 638 777	8 638 777	-	-	-
Staff receivables	0.461204%	551 427	551 427	-	-	-
Trade loss allowance	-	(440)	-	-	-	-
Total loss allowance	**-**	**(440)**	**-**	**-**	**-**	**-**

As at 31 December 2021 the age analysis of trade and staff receivables was as follows:

				Lifetime ECL		
	Credit loss rate	Total US$	12 month ECL US$	30 - 60 day US$	60 - 90 days US$	More than 90 days US$
Trade receivables	0.052700%	5 458 601	5 458 601	-	-	-
Staff receivables	0.461200%	110 363	110 363	-	-	-
Trade loss allowance	-	2 878	-	-	-	-
Staff loss allowance	-	509	-	-	-	-
Total loss allowance		**3 387**	**-**	**-**	**-**	**-**

Trade and staff receivables disclosed above did not have a significant increase in credit risk nor where there considered to be credit-impaired at the reporting date. The Group conducts due diligence assessments on the Companies and their Directors and on an annual basis credit terms are renewed and are subject to credit verification procedures. In addition, the balances are monitored on an on-going basis with the result that the receivables are recoverable. Animpairment analysis is performed at each reporting date. The amount of ECLs is sensitive to changes in circumstances and of the economic conditions. The Group has had no default or written-off past due trade receivables historically.

As at 31 December 2022, an assessment for expected credit losses was done on trade and staff receivables. The ECL computation in 2022 resulted in a gain allowance of US$2 947 (2021 -US$3 387 loss). Note 29.4 on credit risk of trade receivables explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

18 ORDINARY SHARE CAPITAL

	31 Dec 2022 Number of shares	31 Dec 2021 Number of shares
In issue at 1 January	541 593 440	541 593 440
Exercise of share options	2 707 967	-
In issue at 31 December	544 301 407	541 593 440
	544 301 407	**541 593 440**

18.1 Authorised

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
800 000 000 (2019: 800 000 000) ordinary shares of US$0.0001 each	80 000	80 000
18.2 Issued and fully paid		
544 301 407 (2021: 541 593 440) ordinary shares of US$0.0001 each	54 430	54 159
Total issued share capital	**54 430**	**54 159**

All ordinary shares rank equally with regards to the company's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

18.3 Unissued shares		
Unissued to be held in reserve under control of Directors (255 698 593 shares of US$0.0001 each)	25 570	25 841

18.4 Padenga holdings share ownership scheme

The Scheme is intended as an incentive to senior executives and other employees to identify themselves more closely with the activities of the Group and to promote its continued growth and profitability by giving them the opportunity of acquiring shares in the Group. The terms of the scheme are as follows:

Terms of the option scheme:

Maximum shares

The maximum number of shares available under the scheme is limited to 54 159 344 shares.

Determination of fair value of services received

- As stipulated by IFRS 2, equity-settled options are valued as at the applicable grant date.
- The share options are exercisable at any point on or after the vesting date and therefore display characteristics of American-style call options.
- The shares are dividend-paying and we have determined that it is optimal to exercise share options at the earliest possible date being the vesting date because the value of the rights decrease over time due to the periodic dividend payments. We therefore concluded that these options were like the call options because a rational investor would exercise on vesting date and therefore allowing for the use of the Black-Scholes Model which we adopted as our methodology.
- Before 9 July 2021, the shares were traded in ZWL on the Zimbabwe Stock Exchange (ZSE). The share options have been valued in US Dollars and therefore options issued in ZWL were converted to US Dollars using the Interbank Auction rates according to the Reserve Bank of Zimbabwe on the applicable dates. There are no cash settlement alternatives.

Employee awards

Share option awards are based on the financial performance of the Group and the performance and contribution to the success of the Group by the Employee.

Vesting period

The vesting period is as follows:

a) 50% of the total number of options vests at the expiry of three years; and

b) 100% of the total number of options vests at the expiry of four years unless otherwise determined by the Board.

Option price

The option price shall not be less than the highest of the 45-day volume weighted average price of Padenga Holdings Limited shares as stated in the daily quotation sheet issued by the Victoria Falls Stock Exchange immediately preceding the offer date or the nominal value of the shares.

Lapse of options

Insofar as it has not previously been exercised an option shall lapse upon the earliest of 24 (twenty-four) months from the date on which the option may first be exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

18 ORDINARY SHARE CAPITAL (continued)

18.4 Padenga holdings share ownership scheme (continued)

Maximum number of shares available under the scheme	**54 159 344**
Shares issued in 2019	5 415 934
Shares issued in 2020	5 415 934
Vesting period	3 and 4 years from grant date
Vesting dates for shares granted in 2019	11 March 2022 and 11 March 2023
Vesting dates for shares granted in 2020	24 March 2023 and 24 March 2024

The Company has no legal or constructive obligation to purchase or settle the options in cash.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Reconciliation of share options		
Balance at the beginning of they year	**10 831 868**	**10 831 868**
Exercised during the year	(2 707 967)	-
Balance at the end of the year	**8 123 901**	**10 831 868**

Movements in the number of share options outstanding is as follows:
Details of outstanding share options are as follows:

Number of shares	Financial year of option grant	Financial year in which options vest	Exercise price in US cents per share option	Share price "fair value" at 31 Dec	Fair value of shares US$
2 707 967	**Dec-19**	**Mar-23**	**0.0003876**	**0.0004**	**1 050**
2 707 967	**Dec-20**	**Mar-23**	**0.1140283**	**0.1140**	**308 785**
2 707 967	**Dec-20**	**Mar-24**	**0.1250303**	**0.1250**	**338 578**

The fair value of options granted during the prior periods was determined using the Black-Scholes Model. The significant inputs into the model were average share of 0.0004 US cent at the grant date exercise price shown above share price volatility of 54.89 % dividend yield of 1.94% an expected option life of three years and an annual risk-free interest rate of 10.47%. The expected volatility of the share price was determined by considering the historical volatility of the Padenga Holdings Limited share price. The share price at which the options were exercised was US$0.0003874.

Grant of options - vesting period 3-4 years

Year of grant	**2019**	**2019**	**2020**	**2020**
Share options - cumulative number of shares issued to date	2 707 967	2 707 967	2 707 967	2 707 967
Value of share (US$ cents)	0.0003874	0.0003876	0.1140283	0.1250303
	1 049	**1 050**	**308 785**	**338 578**

Analysis of share options for the year ended 31 December 2022

	Granted in 2019		Granted in 2020		Total
Year of vesting	**Vesting 3 years 2022 US$**	**Vesting 4 years 2023 US$**	**Vesting 3 years 2023 US$**	**Vesting 4 years 2024 US$**	**US$**
	50%	50%	50%	50%	
Share options - number of shares	2 707 967	2 707 967	2 707 967	2 707 967	**10 831 868**
Value of Shares (US$ cents)	0.0003874	0.0003876	0.1140283	0.1250303	-
Total stock option compensation	1 049	1 050	308 785	338 578	**649 462**
Vesting period	3	4	3	4	-
Cumulative expense at the beginning of the year	1 049	1 050	205 857	169 288	**377 244**
Stock option compensation expense for the year	-	-	102 929	84 644	**187 573**
Cumulative expense at the end of the year	1 049	1 050	308 786	253 932	**565 867**
Stock option exercised	(1 049)	-	-	-	**(1 049)**
Share option reserve balance	-	1 050	308 786	253 932	**563 768**

The group will expect to transfer an estimate of US$253,696 to the tax authority to settle employees tax obligation associated with the share based payment arrangement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

18 ORDINARY SHARE CAPITAL (continued)

18.4 Padenga holdings share ownership scheme (continued)

Analysis of share options for the year ended 31 December 2021

	Granted in 2019		Granted in 2020		Total
Year of vesting	**Vesting 3 years 2022 US$**	**Vesting 4 years 2023 US$**	**Vesting 3 years 2023 US$**	**Vesting 4 years 2024 US$**	**US$**
	50%	50%	50%	50%	
Share options - number of shares	2 707 967	2 707 967	2 707 967	2 707 967	**10 831 868**
Value of shares (US$ cents)	0.0003874	0.0003877	0.114	0.1250303	-
Total stock option compensation	1 049	1 050	308 785	338 578	**649 462**
Vesting period	3	4	3	4	
Cumulative expense at the beginning of the year	1 049	1 050	102 928	84 644	**189 671**
Stock option compensation expense for the year	-	-	102 929	84 644	**187 573**
Cumulative expense at the end of the year	1 049	1 050	205 857	169 288	**377 244**
Share option reserve balance	1 049	1 050	205 857	169 288	**377 244**

18.5 Directors' shareholding

The Directors held directly and indirectly the following number of shares:

	31 Dec 2022	%	31 Dec 21	%
Michael John Fowler	113 006 196	20.76%	112 508 810	20.77%
Oliver Tendai Kamundimu	531 164	0.10%	113 200	0.02%
Anne Madzara	150 000	0.03%	-	-
Gary John Sharp	1 826 783	0.34%	1 317 500	0.24%
Themba Sibanda	175 001	0.03%	-	-
	115 689 144	**21.26%**	**113 939 510**	**21.03%**

There were no changes in the Director's interests after 31 December 2022 and up to the date of this report.

18.6 Share premium of US$27 005 023 (2021: US$27 004 245) arose initially on issue of 541 593 440 shares to shareholders of Innscor Africa Limited at the date of unbundling and separate listing in 2010 and subsequently on exercise of share options.

18.7 Change in ownership reserve

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Change in ownership reserve at the beginning of the period	(63 863)	(63 863)
Change in ownership reserve at the end of the period	(63 863)	(63 863)

This reserve arose in 2017 on acquisition of additional interest in the Tallow Creek Ranch subsidiary, which brought the parent's shareholding to 82.88%. The change in shareholding was a result of the capital injection on the equity attributable to the owners of the parent. There was no movement in 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

19 INTEREST-BEARING BORROWINGS

19.1 Long-term financing

Unsecured

	Currency	Rate of Interest	Year repayable	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Foreign interest -bearing borrowings	US$	6%-8%	2023	-	11 434 485
Local interest -bearing borrowings	US$	10%-12%	2024	7 932 747	18 078 322
				7 932 747	**29 512 807**
19.2 Short-term financing					
Secured					
Foreign short-term borrowings	US$	6%-12%	up to 365 days	8 589 867	10 994 927
Local short-term borrowings	US$	10%-12%	up to 365 days	36 455 186	22 069 783
				45 045 053	**33 064 710**

19.2 Reconciliation of interest-bearing borrowings position

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Opening interest-bearing borrowings position	**63 306 627**	**41 653 619**
New loans	42 773 010	42 708 545
Discontinued operations-TCR	(810 804)	-
Interest expense	9 537 131	10 138 638
Interest paid	(12 592 167)	(9 928 674)
Loan repayments	(43 393 979)	(21 265 501)
Closing interest-bearing borrowings position	**58 819 818**	**63 306 627**
Summary of interest-bearing borrowings/overdraft position		
Interest-bearing borrowings	7 932 747	29 512 807
Short term bearing borrowings	45 045 053	33 064 710
Bank overdraft	5 842 018	729 110
Closing interest-bearing borrowings/overdraft position	**58 819 818**	**63 306 627**

Plant and equipment valued at US$15 636 511 (2021:Nil) was pledged as security against the Group's borrowing facility. The assets are not to be disposed, assigned or pledged during the tenure of the borrowings.

The loan repayments of US$43 393 979 include US$ 27 709 968 which relates to the repayments of loans at Dallaglio.

The total loan balances include overdraft facility of US$5 842 018 (2021-US$729 110) which is disclosed separately on note 19.4. Included in the current portion of interest-bearing borrowings, is an amount of US$7,631,982 (2021:US$9 893 378) due to Southern African Trade Finance Limited (US$5 149 750) and Sub Sahara Retail Investments Limited (US$ 2 482 232) which were due to be settled as at 31 December 2022. These borrowings, which were utilised for the investment in the now discontinued Tallow Creek Ranch operations have been rolled over to a future date on the same conditions prevailing on 31 December 2022.

Short term borrowings form part of the core borrowings of the Group and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The Group has a US$8.980million (2021: US$20 million) unutilised facility.

Borrowing powers

In terms of the Company's Articles of Association the Group may with previous sanction of an ordinary resolution of the Group in a general meeting borrow on the determination of the Directors amounts that do not exceed the aggregate total equity. The Group is within its borrowing limits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

19 INTEREST-BEARING BORROWINGS (continued)

19.4 Bank overdraft

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Bank overdraft for the year	(5 842 018)	(729 110)
Total bank overdraft	**(5 842 018)**	**(729 110)**

The Group has a current overdraft arrangement with a local bank to finance working capital requirements.

20 TRADE AND OTHER PAYABLES

Trade payables	11 471 782	7 090 134
Other payables	865 080	101 099
	12 336 862	**7 191 233**

Trade payables are non-interest bearing and are normally settled within 30 days.
Other payables are non-interest bearing and have varying settlement terms.
*Refer to the prior year errors described in note 32

20.1 Contract balances

Current contract balances	740 613	1 336 925
Performance obligation satisfied during the year	(740 613)	(596 312)
	-	**740 613**

Contract balances mainly relate to advances received.
Performance obligations are satisfied within 12 months from date of receipt.
For 2022, the Group cleared the outstanding balance after the sale of TCR assets.

21 PROVISIONS

At the beginning of the period	**65 983**	**63 530**
Arising during the year	1 456 886	58 448
Utilised	(78 200)	(55 995)
As at the end of the period	**1 444 669**	**65 983**

All provisions relate to short-term employee benefits accruals.

22 CONTINGENT LIABILITIES

The Group had no contingent liabilities at 31 December 2022 (2021:Nil).

23 CAPITAL EXPENDITURE COMMITMENTS

Authorised but not yet contracted	24 480 912	26 087 163
	24 480 912	**26 087 163**

The capital expenditure will mainly be for Breckridge underground mine project and resurfacing of pens on the farms. This will be financed from the forecasted cash flow resources and borrowing facilities.

24 LEASE LIABILITY SHORT-TERM LEASE AGREEMENTS

These are lease agreements entered into by the company for purposes of staff accommodation and offices. The contracts are signed for a period of 12 months with a 3 month notice period by either party. If an employee leaves employment by way of resignation, the employee gives the company 3 months' notice. This is also the same period applied by the Group to terminate the lease for both staff accommodation and offices. The Group makes payments on a monthly basis. An assessment on the value of the leases has shown that the maximum lease period is within 12 months which make them short term lease. Based on the above assessments the Group has concluded that these leases are short term leases and have been accounted for through profit and loss. In 2022 short term leases expensed amounted to US$ 298 599 (2021: US$ 104 168).

24.1 Long-term lease agreements

Leases include leases of certain buildings and land upon which the Group's farms are located and lease of generator . The remaining lease terms vary between 1 and 5 years with options to renew for periods that range from 10 to 20 years. Renewal is reasonably certain to be exercised as the land is not available for use for any other purpose other than crocodile rearing and extensive construction of pens was done during the years. This is not a significant judgement area as the renewals are specified in the contracts.

The lease for generators expire on the 30th June 2025 and has an option to purchase on or before the 30th June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

24 LEASE LIABILITY SHORT-TERM LEASE AGREEMENTS (continued)

24.1 Long-term lease agreements (continued)

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Lease liabilities		
Current liabilities		
Lease liabilities	1 710 470	1 859 883
Non-current liabilities		
Lease liabilities	2 758 424	3 983 058
Total lease liabilities recognised in SFP	**4 468 894**	**5 842 941**
Lease liabilities		
Opening balance	5 842 942	783 505
Additions	73 120	5 061 557
Accretion of interest	419 196	96 880
Payments (inclusive of interest)	(1 866 364)	(99 000)
Closing balance	**4 468 894**	**5,842,942**
Current	1 710 470	1 859 884
Non-current	2 758 424	3 983 058
Lease payments to be made in future (future cash outflows)		
Payable within one year	1 957 590	1 859 883
Payable between two and five years	3 011 678	4 059 275
Payable after five years	66 000	1 566 000
	5 035 268	**7 485 158**

25 SEGMENTAL INFORMATION

Operating segments

For management purposes the Group is organized into business units based on the type of product namely crocodiles', alligators, and mineral output. Segmental reporting based on the type of products or business activity within a particular economic and geographical environment. Crocodile farming is based in Zimbabwe, Alligator farming is based in the United States of America and Mining is based in Zimbabwe. The revenue, operating profit, assets and liabilities reported to the board are measured consistently with that in the reported consolidated financial statements.

	Continued operations				Discontinued operations
	Zimbabwe Crocodiles US$	Zimbabwe mines (Dallaglio) US$	Adjustments US$	Total US$	USA Alligators US$
Revenue					
31 Dec 2022	22 951 863	104 942 223	-	127 894 086	150 844
31 Dec 2021	24 707 479	51 389 610	-	76 097 089	2 369 263

Major revenues

Revenues from Fidelity Printers and Refinery of the Group's Mining segment represented approximately US$104 942 223 (2021: US$51 389 610) of the Group's revenue. Revenues from one of the Group's Crocodile segment customer represented approximately US$21 310 902 (2021: US$24 380 973) of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

25 SEGMENTAL INFORMATION (continued)

Operating segments (continued)

	Continued operations				Discontinued operations
	Zimbabwe Crocodiles US$	Zimbabwe mines (Dallaglio) US$	Adjustments US$	Total US$	USA Alligators US$
Cost of sales					
31 Dec 2022	5 153 590	67 508 493	-	72 662 083	172 919
31 Dec 2021 restated *	5 535 651	41 194 854	-	46 730 505	2 599 777
Fair value adjustments					
31 Dec 2022	2 693 509	-	-	2 693 509	(178 649)
31 Dec 2021 restated *	(3 645 405)	-	-	(3 645 405)	204 392

* Comparative information has been restated to include the disclosure requirements of IFRS 8-operating segments.

	Continued operations				Discontinued operations
	Zimbabwe Crocodiles US$	Zimbabwe mines (Dallaglio) US$	Adjustments US$	Total US$	USA Alligators US$
Depreciation and amortisation					
31 Dec 2022	2 145 047	9 136 954	-	11 282 001	118 090
31 Dec 2021	2 343 869	5 269 712	-	7 613 581	253 910
Interest expense, loans and leases					
31 Dec 2022	3 277 927	5 830 551	847 849	9 956 327	319 263
31 Dec 2021	2 513 028	7 512 527	152 923	10 178 478	57 034
Profit/(loss) before tax					
31 Dec 2022	1 934 733	12 932 665	(974 846)	13 892 552	(489 371)
31 Dec 2021	(2 810 321)	(4 337 857)	(115 103)	(7 263 281)	825 871
Income tax expense					
31 Dec 2022	(237 337)	(4 320 560)	-	(4 557 897)	(2 366 839)
31 Dec 2021 restated *	(601 531)	(79 040)	(264 279)	(944 850)	-
Total segment assets					
31 Dec 2022	96 655 166	99 361 330	(15 323 117)	180 693 379	568 723
31 Dec 2021	102 015 924	79 583 245	(21 862 106)	159 737 063	5 489 499
Segment liabilities					
31 Dec 2022	26 743 572	61 626 679	3 729 762	92 100 013	4 577 448
31 Dec 2021	30 600 677	50 460 697	2 727 215	83 788 589	9 008 851
Total capital expenditure					
Expansion capital expenditure					
31 Dec 2022	-	7 304 635	-	7 304 635	-
31 Dec 2021 restated *	1 340 158	20 615 740	-	21 955 898	-
Maintenance capital expenditure					
31 Dec 2022	885 266	5 308 936	-	6 194 202	-
31 Dec 2021	453 057	754 306	-	1 207 363	6 570

* Comparative information has been restated to include the disclosure requirements of IFRS 8-operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

25 SEGMENTAL INFORMATION (continued)

Operating segments (continued)

Aggregate amount of cash flows from operating, investing, and financing activities

	Continued operations				Discontinued operations	Total consolidated
	Zimbabwe Crocodiles US$	Zimbabwe mines (Dallaglio) US$	Adjustments US$	Total US$	USA Alligators US$	US$
Cashflow from operating activities						
31 Dec 2022	4 936 959	15 746 415	3 428 239	24 111 613	493 210	24 604 823
31 Dec 2021 restated *	5 205 270	10 112 478	(12 182)	15 305 566	197 210	15 502 776
Cashflow from investing activities						
31 Dec 2022	(968 493)	(12 586 800)	-	(13 555 293)	(122 217)	(13 677 510)
31 Dec 2021 restated *	(1 800 468)	(21 432 392)	-	(23 232 860)	(62 711)	(23 295 571)
Cashflow from financing activities						
31 Dec 2022	(3 594 715)	3 527 627	(2 000 000)	-	-	(2 067 088)
31 Dec2021 restated *	1 100 065	20 411 691	-	-	(124 989)	21 386 767

* Comparative information has been re-presented due to a discontinued operation (refer to note 31).

26 MATERIAL PARTLY-OWNED SUBSIDIARIES

The Group holds an 82.88% (2021: 82.88%) interest in Tallow Creek Ranch an unlisted company based in Texas (United States of America) that specialises in alligator farming. The Group also holds an 50.1% (2021: 50.1%) interest in Dallaglio Investments Limited an unlisted company based in Harare (Zimbabwe) that specialises in gold mining.

Alligator farming subsidiary

In July 2022, Tallow Creek Ranch (TCR) disposed of all its operating assets. Consequently, this subsidiary has been reported as a discontinued operation (Refer to note 31).

Financial information of the subsidiary is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Tallow Creek Ranch	USA	17.12%	17.12%
Accumulated balances of non-controlling interest:		(1 707 817)	(1 218 834)
(Loss)/profit allocated to non-controlling interest:		(488 983)	141 389
The summarized financial information for this subsidiary is provided below. This nformation is based on amounts before inter-company eliminations.			
Reconciliation of NCI of subsidiary (Tallow Creek Ranch)			
Opening balance of NCI		(1 218 834)	(1 360 223)
Share of (losses)/profits for NCI for the current year		(488 983)	141 389
Closing NCI as at 31 December		**(1 707 817)**	**(1 218 834)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

The summarised financial information for this subsidiary is provided below. This information is based on amounts before inter- company eliminations.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Summarised statement of profit or loss:		
Revenue	150 844	2 369 263
Other income	1 473 616	1 589 561
Cost of sales	(172 919)	(2 599 778)
Administrative expenses	30 616	(680 529)
Fair value adjustment	(178 649)	204 393
Finance costs	(1 792 879)	(57 039)
(Loss)/profit before tax	**(489 371)**	**825 871**
Deferred tax expense	(2 366 838)	-
(Loss)/profit for the year	**(2 856 209)**	**825 871**
Total comprehensive (loss)/income	**(2 856 209)**	**825 871**
Attributable to non-controlling interests	(488 983)	141 389
Summarised statement of financial position:		
Inventories, biological assets, trade receivables and cash and bank balances	568 724	2 548 434
Property, plant and equipment	-	2 941 065
Trade contract deposits and other payables	-	(1 507 302)
Interest-bearing borrowing – non-current	-	(6 400 000)
Interest-bearing borrowings - current	(4 577 448)	(1 101 548)
Total equity	**(4 008 724)**	**(3 519 351)**
Attributable to:		
Equity holders of parent	(2 300 907)	(2 441 906)
Non-controlling interest	(1 707 817)	(1 077 445)
Summarised cash flow information		
Operating	(810 883)	197 210
Investing	5 190 213	(62 711)
Financing	(4 501 548)	(124 989)
Net (decrease)/increase in cash and cash equivalents	**(122 218)**	**9 510**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

26 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

Mining subsidiary

Financial information of the subsidiary is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Dallaglio Investments	Zimbabwe	49.90%	49.90%
Opening non-controlling interest		14 532 089	16 736 121
Profit/(loss) allocated to non-controlling interest:		4 297 440	(2 204 032)
Accumulated balances of non-controlling interest		18 829 529	14 532 089
The summarised financial information for this subsidiary is provided below. This information is based on amounts before inter- company eliminations.			
Summarised statement of profit or loss:			
Revenue		104 942 223	51 389 610
Cost of sales		(67 508 493)	(41 194 854)
Other Income		212 399	448 263
Administrative expenses		(27 769 430)	(11 097 646)
Financial Income		8 869 160	3 366 148
Finance costs		(5 813 195)	(7 249 378)
Profit/(loss) before tax		**12 932 664**	**(4 337 857)**
Income tax expense		(4 320 560)	(79 040)
Profit/(loss) for the year		**8 612 104**	**(4 416 897)**
Total comprehensive income/(loss)		**8 612 105**	**(4 416 898)**
Attributable to non-controlling interests		4 297 440	(2 204 032)
Summarised statement of financial position:			
Inventories trade receivables and cash and bank balances		37 039 844	35 102 183
Property, plant and equipment		62 321 486	44 481 062
Trade and other payables		(25 743 327)	(17 541 076)
Interest-bearing borrowings		(35 883 352)	(32 919 621)
Total equity		**37 734 651**	**29 122 548**
Attributable to:			
Equity holders of parent		18 905 121	14 590 459
Non-controlling interest		18 829 529	14 532 089
Summarised cash flow information:			
Operating		15 746 415	10 112 478
Investing		(12 586 800)	(21 432 392)
Financing		3 527 627	20 411 691
Net increase in cash and cash equivalents		**6 687 242**	**9 091 777**
Reconciliation of NCI of all subsidiaries			
Opening balance of NCI		13 313 255	15 375 898
Share of profits/(losses) for NCI for the current year		3 808 457	(2 062 643)
Closing NCI as at December 2022		**17 121 712**	**13 313 255**

All the revenues from the mining business were sold to one customer.
* Refer to prior year error described on note 32.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

27 PENSION FUNDS

27.1 Innscor Africa Limited pension fund

This is a self-administered defined contribution fund. Employees of the Group are eligible to become members of the fund. Contributions are at the rate of 14% of pensionable emoluments of which members pay 50%.

27.2 National Social Security Authority Scheme

The scheme was established and is administered in terms of statutory Instrument 393 of 1993. Introduced in 1994, the Pension and Other Benefits Scheme is a defined contribution plan based on a 50/50 contribution from the employers and employees and limited to specific contributions legislated from time to time. With effect from 1 June 2021, the effective contribution rate was reviewed to 75% of the previous month's total consumption poverty line published by the Zimbabwe National Statistics Agency, ("ZIMSTAT") for both the employee and employer.

27.3 Pension costs recognised as an expense for the year:

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Innscor Africa Limited Pension Fund	82 642	68 387
National Social Security Authority Scheme (NSSA)	439 752	287 926
	522 394	356 313

Pension costs are recognised in profit and loss under staff costs. Padenga recognised NSSA expense of US$ 99 229 while Dallaglio recognised US$340 523 in financial year 2022.(2021-Padenga US$66 283 and Dallaglio US$221 643).

28 RELATED PARTY DISCLOSURES

Related party activities consist of transactions between Padenga Holdings Limited, its subsidiaries, key management personnel and other parties that meet the definition of related party. The transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of transactions between Group companies and other related parties are disclosed in note 28.1.

Transactions	Nature of relationship	Services	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Innscor Africa Limited Pension Fund#	Common Shareholder	Pension Fund	82 642	68 387
Tallow Creek Ranch	Subsidiary	Research and development fees	41 591	42 000
Gravitas (Private) Limited	Common Shareholder	Marketing Fees	232 200	232 201
Irvine's Zimbabwe (Private) Limited	Common Shareholder	Feed Purchases	45 737	71 775
Kniphofia (Private) Limited	Common Shareholder	Property Rentals	41 250	42 000
Shayamoya Haulage (Private) Limited	Common Shareholder	Interest on loans	1 528	1 028
Ambridge Investments (Private) Limited	Common Shareholder	Interest on loans	69 306	29 104
Federated Properties (Private) Limited	Common Shareholder	Interest on loans	18 737	7 183
Simbisa Brands Limited	Common Shareholder	Interest on loans	569 674	-
ZMD Investments (Private) Limited	Common Shareholder	Interest on loans	23 000	23 000
Providence Human Capital	Common Shareholder	Payroll service fees	91 263	46 580
Dallaglio Investment	Subsidiary	Directors fees	26 088	87 716
Innscor Africa Limited	Common Shareholder	Tax consultation fees	13 404	14 397
Dallaglio ##	Subsidiary	Payment for Investment	-	4 157 640
			1 256 420	**4 823 011**

#The Innscor Africa Limited Pension Fund is a self-administered, defined contribution fund. The Fund has been operational since 2000. Membership is compulsory for employees of the Group who are not members of other occupational pension funds. Contributions are at the rate of 14% of pensionable emoluments after NSSA and members pay 7% and the employer 7%. Employees for Padenga contribute towards this pension fund.

##Dallaglio -Between January 2020 and December 2020, the Group advanced US$15,842,360 to Dallaglio as part payment in an acquisition transaction which gave Padenga Holdings a shareholding of 50.1% in the mining company - Dallaglio. In 202 the transaction was completed through settling the deferred consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

28 RELATED PARTY DISCLOSURE (continued)

Amounts owed to related party

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Non-current		
Amounts owed to related party		
Hopina Trading (Private) Limited#	-	12 227
Shayamoya Haulage (Private) Limited	-	37 556
	-	**49 783**
#Hopina Trading (Private) Limited has common shareholding with the Group		
Current		
Gravitas (Private) Limited	413 967	-
Ambridge Investments (Private) Limited	765 440	696 135
Federated Properties (Private) Limited	244 491	225 754
Simbisa Brands Limited	5 100 000	1 246 160
Innscor Africa Limited	-	6 289 253
ZMD Investments (Private) Limited	450 717	427 717
Hopina Trading (Private) Limited	12 227	-
H M Barbour (Private) Limited	150 000	-
	7 136 842	**8 885 019**

28.2 Compensation of key management personnel

The remuneration of Directors and key members of management during the year was as follows:		
Short term benefits	6 583 439	5 571 012
Post-employment benefits	67 871	25 906
Share-based payments	187 573	-
	6 838 883	**5 596 918**

As at 31 December 2022 Key management staff owed the company US$263 228 (2020: US$97 819). Interest is being charged at 6% - 8%.

28.3 Transactions with Directors

The Group has leased a property from a company in which some of the Directors have either a financial or custodial interest. The lease is undertaken on an arm's length basis.

Lease payments	132 000	42 000
	132 000	**42 000**

28.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Amounts outstanding at the period end are unsecured and settlement occurs in cash. There have been no guarantees provided for or received for any related party receivables or payables for the period ended 31 December 2022. The Group has not recorded any impairment of receivables relating to amounts owed by related parties.

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank loans, trade and other payables, lease liabilities and overdrafts. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The carrying amounts for the group's financial assets approximate their fair values.

29.1 Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to variable short-term overdraft rates and interest-bearing borrowings rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

29.1 Interest rate risk management (continued)

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 invests in money market instruments which are subject to changes in interest rates on the local money markets. The Group's policy is to adopt a non-speculative approach to managing interest rate risk and only invests in instruments that are approved by the executive committee. The Group's policy is to manage its interest cost by limiting exposure to overdrafts and where borrowings are required to borrow at favourable rates of interest. The sensitivity of the Group's profit before tax to changes in interest rates on its material exposures is as disclosed on Note 29.2 below. The Directors at the reporting date were not aware of any information or events that may have a significant impact on the reported profit and loss of the Group.

29.2 Interest rate sensitivity analysis

The following table demonstrates sensitivity to possible changes in interest rates on short and long-term borrowings.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Effect on profit before tax and equity		
Increase of 3%	298 690	307 066
Decrease of 3%	(298 690)	(307 066)
The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment showing a significantly lower volatility.		
Variable rate instruments		
Financial liabilities	58 819 817	63 306 627

29.3 Foreign currency risk

The Group operates globally which gives rise to a risk that income and cash flows may be adversely affected by fluctuations in foreign currency exchange rates. The Group is primarily exposed to the Rand and ZWL Dollar but also transacts in other foreign currencies. The Group currently does not use financial instruments to hedge these risks. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. Such exposure arises from the sale or purchases by the Group in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured. The carrying amounts in US$ of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Liabilities	Assets	Net exposure
31 Dec 2022			
Currency			
South African Rand#	(2 962 987)	-	(2 962 987)
ZWL	(40 941)	-	(40 941)
	(3 003 928)	**-**	**(3 003 928)**
31 Dec 2021			
Currency			
South African Rand	(748 433)	-	(748 433)
ZWL	(288 219)	2 673 050	2 384 831
	(1 036 652)	**2 673 050**	**1 636 398**

#The South African Rand denominated liabilities relate to trade and other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

29.3. Foreign currency sensitivity

The following table demonstrates sensitivity to a reasonably likely change in the Rand and ZWL exchange rate of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities (with all other variables held constant). The Group's exposure to foreign currency changes for all other currencies is not material.

Effect on profit before tax and equity of changes in exchange rate.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
+ 5% (Rand)	(148 149)	(37 422)
- 5% (Rand)	148 149	37 422
+5% (ZWL)	(2 047)	119 242
-5% (ZWL)	2 047	(119 242)

29.4 Credit risk

The Group trades only with recognized creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the elevant operating unit credit terms are specified contractually within the regulations by the Reserve Bank of Zimbabwe. The Group evaluates its customers on a yearly basis. The credit risk on liquid funds is limited because counter parties are banks with credit ratings assumed by international credit-rating agencies.These financial assets are considered to have low credit risk.

The expected credit gain recorded for the period was US$ 440 (2021 loss-US$ 3 387) and the provision was made in the financial statements.

29.5 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through a well-managed portfolio of short-term investments and/or flexibility using bank overdrafts and interest-bearing borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing in the next 12 months can be rolled over with existing lenders. The table below summarises the maturity profile of the Group's financial assets and liabilities:

	Within 3 months US$	3-12 months US$	1 – 2 Years US$	2 – 3 Years US$	More than 3 Years US$	Total US$
2022						
Liabilities						
Interest bearing borrowings	-	45 045 053	7 932 747	-	-	52 977 800
Interest on interest bearing borrowings	-		793 275	-	-	793 275
Overdraft	5 842 018	-	-	-	-	5 842 018
Lease liabilities	-	1 957 590	752 919	752 919	1 571 839	5 035 267
Trade and other payables	12 336 862	-	-	-	-	12 336 862
TOTAL	**18 178 880**	**47 002 643**	**9 478 941**	**752 919**	**1 571 839**	**76 985 222**
Assets						
Trade receivables	8 638 777	-	-	-	-	8 638 777
Staff receivables	551 427					551 427
Cash and cash equivalents	1 264 386	-	-	-	-	1 264 386
TOTAL	**10 454 590**	**-**	**-**	**-**	**-**	**10 454 590**
2021 *restated						
Liabilities						
Interest bearing borrowings	-	33 064 709	32 464 088	-	-	65 528 797
Interest on interest bearing borrowings	-		3 246 409	-	-	3 246 409
Overdraft	729 110	-	-	-	-	729 110
Lease liabilities	-	1 957 590	752 919	752 919	1 571 839	5 035 267
Trade and other payables	7 191 233	-	-	-	-	7 191 233
TOTAL	**7 920 343**	**35 022 299**	**36 463 416**	**752 919**	**1 571 839**	**81 730 816**
Assets						
Trade receivables	5 458 601	-	-	-	-	5 458 601
Staff receivables	110 363					110 363
Cash and cash equivalents	6 343 767	-	-	-	-	6 343 767
TOTAL	**11 912 731**	**-**	**-**	**-**	**-**	**11 912 731**

Trade and other payables exclude contract balances.

The overdraft in current year US$5 842 018 was secured under different terms with a shorter tenure than that secured in 2021 (US$729 110).
*Non -financial assets which were previously incorrectly included in the maturity analysis in the comparative financial period have been removed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

30 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support the business and maximise shareholder value.

The Group manages its capital structure and adjusts it considering changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders return capital to shareholders or issue new shares. Capital comprises all components of equity excluding non-controlling interests. No changes were made to the objectives policies or processes during the period ended 31 December 2022. The Group monitors capital using a gearing ratio which is calculated as the proportion of net debt (comprising borrowings as offset by cash and bank balances) to equity. The target ratio ranges from 5% to 10%.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
Long-term borrowings	7 932 747	29 512 807
Short-term borrowings	50 887 071	33 793 820
Less cash and cash equivalents	(1 264 386)	(6 343 767)
Net debt	**57 555 432**	**56 962 860**
Total equity	84 584 641	77 918 622
Equity and net debt	**142 140 073**	**134 881 482**
Gearing ratio	40.49%	42.23%

Reconciliation of the borrowings is covered under note 19.3.

31 DISCONTINUED OPERATIONS

The board of directors of Padenga Holdings, which is the majority shareholder of Tallow Creek Ranch (TCR) resolved to discontinue TCR operations through the sale of its operating assets to a potential buyer. The sale transaction was concluded in July 2022. Revenue ,expenses and gains and losses relating to the discontinuation of TCR have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
A. Results of discontinued operation		
Revenue	**150 844**	**2 369 263**
Financial income	-	1 589 561
Expenses	(719 551)	(3 280 307)
Fair value	(178 649)	204 393
Interest expenses	(319 263)	(57 039)
Results from operating activities	**(1 066 619)**	**825 871**
Deferred tax expense	(2 366 838)	-
Results from operating activities, net of tax	**(3 433 457)**	**825 871**
Gain on sale of disposed assets	577 248	-
(Loss)/profit on sale of discontinued operations, net of tax	**(2 856 209)**	**825 871**
B. Cash flows (used in)/from discontinued operation		
Net cash (used in)/from operating activities	(810 883)	197 210
Net cash from investing activities	5 190 213	(62 711)
Net cash from financing activities	(4 501 548)	(124 989)
Net cash flows for the year	**(122 218)**	**9 510**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

31 DISCONTINUED OPERATIONS (continued)

	31 Dec 2022 Audited US$	31 Dec 2021 Restated * US$
C. Effect of disposal on financial position		
Property, plant and equipment	2 822 975	-
Biological assets-non current at disposal	1 524 113	-
Inventories	556 099	-
Biological assets-current	252 788	-
Net assets and liabilities	**5 155 975**	-
Purchase consideration	**5 733 223**	-
Consideration received during the year	5 190 213	-
Cash held in Escrow account	500 000	-
Biological assets-non current purchased before disposal	43 010	-
Profit on disposal of assets	**577 248**	**-**
D. Earnings per share for discontinued operations		
Net (loss)/profit attributable to ordinary equity holders of the parent	(2 367 226)	684 482
Non- core activities		
Loss/(profit) on disposal of equipment nd intangible assets		
Interest income	-	-
Headline (loss)/earnings	(2 367 226)	684 482
Weighted average number of ordinary shares for basic earnings per share	544 301 407	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution	557 841 242	557 841 242
Basic (loss)/earnings per share (US cents)	(0.43)	0.13
Diluted (loss)/earnings per share (US cents)	(0.43)	0.12
Basic headline (loss)/earnings per share (US cents)	(0.43)	0.13
Diluted headline (loss)/earnings per share (US cents)	(0.43)	0.12

*The comparative has been updated to include the basic and diluted amounts per share for the discontinued operation in order to comply with the requirements of IFRS 5.

32 PRIOR PERIOD ERRORS

a) For the year ended 31 December 2021, assets amounting to US$6 938 427 (2020: US$1 320 757) were erroneously included in Exploration and Evaluation assets. The assets had met the conditions required for reclassification to Mine Development Assets (US$6 862 092) and property, plant and equipment (US$76 335). This has now been correctly classified.

Impact on non-current assets	Corrected position as at 1 Jan 2021 US$	Adjustments US$	Previously reported 1 Jan 2021 US$
Exploration and evaluation assets	-	(1 320 757)	**1,320,757**
Mine development assets	**1 320 757**	1 320 757	-

Impact on non-current assets	Corrected position as at 31 Dec 2021 US$	Adjustments US$	Previously reported 31 Dec 2021 US$
Exploration and evaluation assets	-	(6 938 427)	**6 938 427**
Mine development assets	**6 862 092**	6 862 092	-
Property, plant and equipment	**69 654 126**	76 335	**69 577 791**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

32 PRIOR PERIOD ERRORS (continued)

b) In December 2021, there were some consolidation adjustments misallocated to trade and other payables. These related to the acquisition of Dallaglio (Private) Limited, during the year ended 31 December 2020. The Non- controlling interest and goodwill were calculated incorrectly at acquisition of Dallaglio on 1 January 2020 due to the misstatement of the net asset value of Dallaglio. This arose because of the incorrect inclusion of pre-acquisition goodwill asset of Dallaglio. Further, IAS 29 translation adjustments were included as post-acquisition gains in the 2020 statement of comprehensive income statement. The parent company also failed to recognise an interest expense on the deferred consideration payable in the 2020 statement of comprehensive income statement. The result of these errors were incorrectly recorded in trade and other payables. The errors arose during 2020 and were corrected retrospectively by restating each of the affected financial statement balances as follows:

Impact	Corrected position as at 1 Jan 2021 US$	Adjustments US$	Previously reported 1 Jan 2021 US$
Trade and other payables	(7 525 213)	(3 233 698)	**(4 291 515)**
Goodwill	4 594 571	922 357	3 672 214
Non-controlling interest	(15 375 898)	1 340 052	(16 715 950)
Retained income	(42 553 199)	971 289	(43 524 488)

Impact	Corrected position as at 31 Dec 2021 US$	Adjustments US$	Previously reported 31 Dec 2021 US$
Trade and other payables	(7 191 233)	(3 233 698)	**(3,957,535)**
Goodwill	4 594 571	922 357	3 672 214
Non-controlling Interest	(13 313 255)	1 340 052	(14 653 307)
Retained income	(37 233 582)	971 289	(38 204 871)

33 EVENTS OCCURRING AFTER REPORTING PERIOD

Events after the reporting period are those events favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorised for use. There were no material events after the reporting period.

34 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on 6 May 2023.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
ASSETS			
Non-current assets			
Property, plant and equipment	I	20 024 203	21 074 822
Intangible assets	II	131 830	122 783
Right of use assets	III	673 141	823 072
Investments	IV	20 000 000	23 388 619
Biological assets	V	11 868 446	8 373 655
Total non-current assets		**52 697 620**	**53 782 951**
Current assets			
Biological assets	VI	28 087 096	24 785 345
Inventories	VII	8 240 909	11 744 822
Taxation	VIII	1 865 282	2 097 123
Trade and other receivables	IX	4 384 915	5 844 865
Cash and cash equivalents	X	994 614	3 760 814
Total current assets		**43 572 816**	**48 232 969**
Total assets		**96 270 436**	**102 015 920**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	XI	54 430	54 159
Non-distributable reserves		27 005 023	27 004 245
Share based payment scheme		563 769	377 245
Distributable reserves		42 288 286	43 979 595
Share capital and reserves		**69 911 508**	**71 415 244**
Non-current liabilities			
Deferred tax liability	XII	9 449 769	9 212 342
Lease liabilities	XVI	383 117	367 783
Interest bearing debt	XIII	2 289 984	6 889 520
		12 122 870	**16 469 645**
Current liabilities			
Interest bearing debt	XIV	13 014 510	11 773 451
Lease liabilities	XVI	176 000	355 500
Trade and other payables	XV	1 045 548	2 002 080
		14 236 058	**14 131 031**
Total liabilities		**26 358 928**	**30 600 676**
Total equity and liabilities		**96 270 436**	**102 015 920**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

I PROPERTY, PLANT AND EQUIPMENT

Cost	Freehold property Unaudited US$	Leasehold improvements Unaudited US$	Plant fittings and equipment Unaudited US$	Motor vehicles Unaudited US$	Total Unaudited US$
At 1 January 2021	**80 086**	**27 723 204**	**7 572 220**	**1 610 705**	**36 986 215**
Additions	-	1 383 007	228 514	6 990	1 618 511
Disposals	-	-	(77 162)	(68 170)	(145 332)
At 31 December 2021	**80 086**	**29 106 211**	**7 723 572**	**1 549 525**	**38 459 394**
Additions	-	633 992	238 688	-	872 680
Disposals	-	-	(13 531)	-	(13 531)
At 31 December 2022	**80 086**	**29 740 203**	**7 948 729**	**1 549 525**	**39 318 543**
Depreciation					
At 1 January 2021	**(28 247)**	**(11 489 087)**	**(2 585 466)**	**(1 305 050)**	**(15 407 850)**
Disposals	-	-	75 393	68 170	143 563
Charge for the year	(3 302)	(1 380 660)	(609 025)	(127 298)	(2 120 285)
At 31 December 2021	**(31 549)**	**(12 869 747)**	**(3 119 098)**	**(1 364 178)**	**(17 384 572)**
Disposals	-	-	8 690	-	8 690
Charge for the year	(1 622)	(1 495 074)	(349 271)	(72 491)	(1 918 458)
At 31 December 2022	**(33 171)**	**(14 364 821)**	**(3 459 679)**	**(1 436 669)**	**(19 294 340)**
Net carrying amount: **At 31 December 2021**	**48 537**	**16 236 464**	**4 604 480**	**185 347**	**21 074 822**
At 31 December 2022	**46 914**	**15 375 382**	**4 489 050**	**112 856**	**20 024 203**

II INTANGIBLE ASSETS

	Purchasing system Unaudited US$	Pastel SAP Business 1 Unaudited US$	Other Evolution System Unaudited US$	Intangible assets Unaudited US$	Total Unaudited US$
Carrying amount At 1 January 2021	**3 846**	**88 929**	**5 058**	**16 106**	**113 939**
Additions	-	9 792	-	6 566	16 358
Amortisation charge for the year	(1 579)	-	(1 586)	(4 349)	(7 514)
Net carrying amount 31 December 2021	**2 267**	**98 721**	**3 472**	**18 323**	**122 783**
Additions	-	-	-	12 585	12 585
Amortisation charge for the year	(471)	-	(729)	(2 338)	(3 538)
Net carrying amount 31 December 2022	**1 796**	**98 721**	**2 743**	**28 570**	**131 830**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

III RIGHT OF USE ASSET

Cost	31 Dec 2022 Leasehold property Unaudited US$	31 Dec 2021 Leasehold property Unaudited US$
At 1 January	**1 493 238**	**1 493 238**
Additions	73 120	-
At 31 December	**1 566 358**	**1 493 238**
Depreciation		
At 1 January	**(670 166)**	**(425 220)**
Adjustments of lease charges	-	(28 877)
Amortisation charge for the year	(223 051)	(216 069)
At 31 December	**(893 217)**	**(670 166)**
At 31 December	**673 141**	**823 072**

IV. INVESTMENTS

	1 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
At the beginning of the period	**23 388 619**	**23 388 619**
Impairment of Tallow Creek Ranch	(3 388 619)	-
At the end of the period	**20 000 000**	**23 388 619**

The Group acquired a 50.1% stake in a mining business at 1st of January 2020 for a consideration of US$ 20 000 000. This was in addition to 82.88% investment in Tallow Creek Ranch(TCR), a USA based alligator farming business. After the sale of TCR assets the investment was impaired

V. BIOLOGICAL ASSETS (NON-CURRENT)

At the beginning of the period	**8 373 655**	**5 830 332**
Expenditure on non-current biological assets	96 032	102 476
Transfer from current biological assets	-	33 499
Fair value adjustment	3 417 082	2 377 724
Deaths of non-current biological assets	(18 323)	29 624
At the end of the period	**11 868 446**	**8 373 655**

Non-current biological assets relate to mature and immature breeders.
We had a total of 5 129 breeders composed of 4 120 mature breeders and 1 009 immature breeders.

VI. BIOLOGICAL ASSETS (CURRENT)

At the beginning of the period	**24 785 345**	**27 084 838**
Slaughter (transfer to inventory)	(1 891 419)	(7 300 976)
Births	257 975	236 990
Transfer to non-current biological assets	-	(33 499)
Expenditure on current biological assets	6 324 594	7 019 195
Fair value adjustment	(723 572)	(1 853 746)
Deaths of current biological assets	(665 827)	(367 457)
At the end of the period	**28 087 096**	**24 785 345**

Current biological assets relate to harvesting crops.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII INVENTORY

	1 Dec 2022 Uanudited US$	31 Dec 2021 Unaudited US$
Raw materials and consumables stocks	4 136 531	5 044 022
Finished goods – skins and meat	4 104 378	6 700 800
	8 240 909	**11 744 822**

There were stock losses written off from inventories and recognised as an expense of $22 476 (2021: $7 894).
There were no inventories pledged as security against borrowings.

VIII TAXATION

Taxation paid		
Income tax refundable at the beginning of the period	(2 097 123)	(2 134 050)
Current income tax charge	-	-
Effects of movement in exchange rate	231 841	-
Income tax amount paid	-	36 927
Current tax refundable	**(1 865 282)**	**(2 097 123)**

IX TRADE AND OTHER RECEIVABLES

Trade receivables	3 630 141	3 250 398
Prepayments and other receivables	754 774	2 594 467
	4 384 915	**5 844 865**

Trade receivables are non-interest bearing and are generally on 30-day terms.
Credit terms for other receivables vary per transaction but do not exceed 60 days.
As at 31 December 2022 there was provision for expected gain of US$ 440
(2021 loss-US$3 387) on total receivables.
Prepayments and other receivables mainly comprise VAT Refunds, prepayments and staff loans.

X CASH AND CASH EQUIVALENTS

Made up as follows:

Bank balances and cash on hand US$	**787 711**	**3 466 906**
Bank balances (ZWL)	206 903	270 744
Money market short term deposits (ZWL)	-	23 164
Cash and cash equivalents	**994 614**	**3 760 814**

XI SHARE CAPITAL

Refer to Note 18.

XII DEFERRED TAX LIABILITY

Opening balance as at the beginning of the period	9 212 342	8 879 669
Release to profit or loss	237 427	332 673
Closing balance at the end of the period	**9 449 769**	**9 212 342**
Analysis of deferred tax liability		
Accelerated depreciation for tax purposes	4 146 976	4 171 820
Deferred tax arising from Lease liabilities and Right of Use of Assets	53 448	53 412
Fair value adjustments on biological assets	5 198 857	5 184 352
Deferred tax arising from assessed loss	-	-
Provisions	(81 361)	(81 326)
Deferred tax on intangible assets	9 948	5 948
Unrealised exchange loss	121 901	(121 864)
	9 449 769	**9 212 342**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

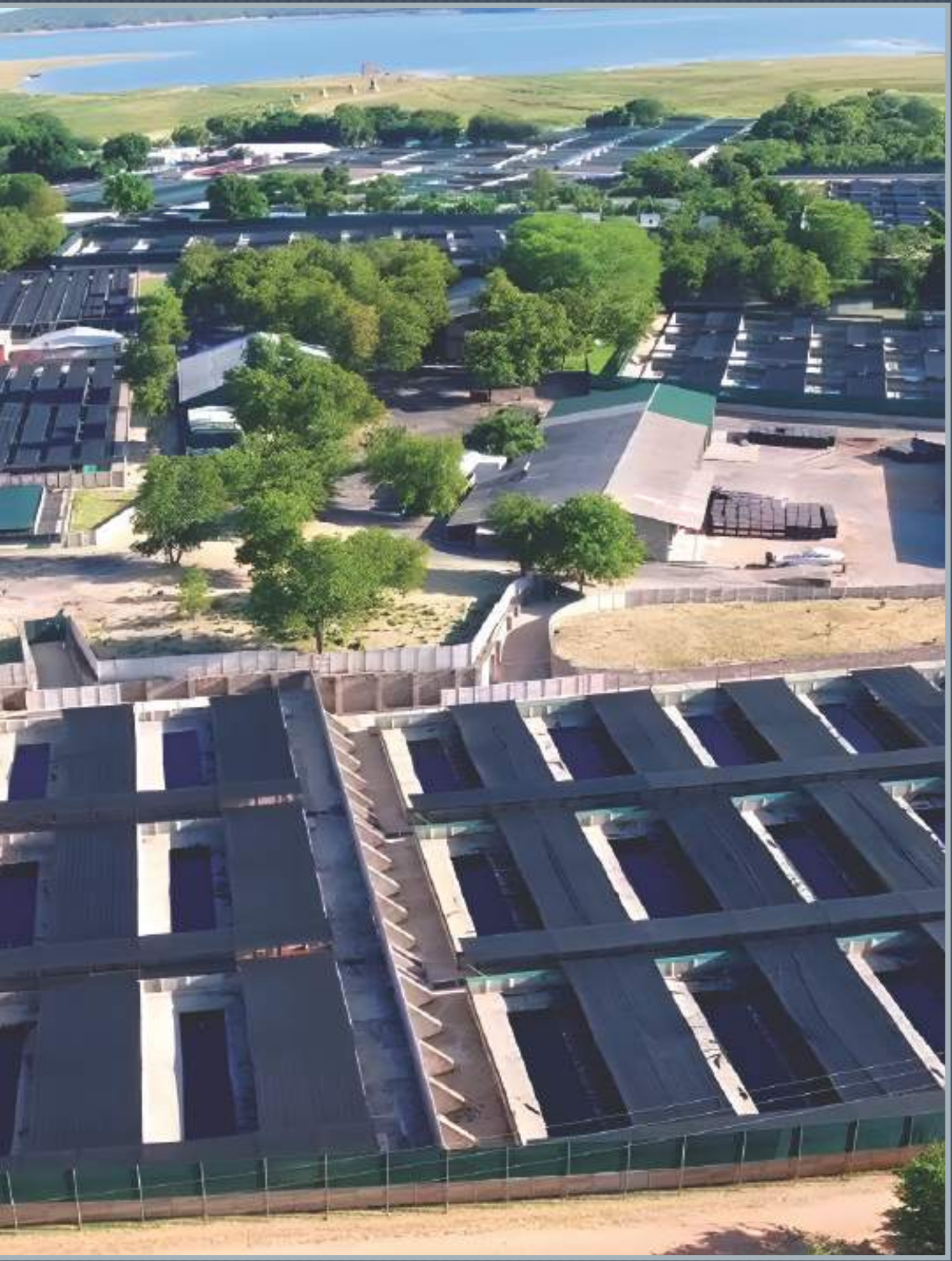
XIII NON-CURRENT INTEREST-BEARING DEBT

	1 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
Long-term interest debt	**2 289 984**	**6 889 520**
This relates to a long-term portion of a loan facility obtained in 2020 to fund the acquisition of the mining business. The loan interest rate is 8% and has a 3-year term. Repayment will be in 2024.		
XIV CURRENT INTEREST-BEARING DEBT		
Short-term interest debt	**13 014 510**	**11 773 451**
Current interest-bearing debt repayable in December 2023.		
XV TRADE AND OTHER PAYABLES		
Trade payables	891 099	1 704 167
Accruals	54 415	231 935
Provisions	100 034	65 978
Total	**1 045 548**	**2 002 080**
Trade payables are non-interest bearing and are normally settled within 30 days. Other payables are non-interest bearing and have varying settlement terms.		
XVI LEASE LIABILITIES		
Current liabilities		
Lease Liabilities	176 000	355 500
Non-current liabilities		
Lease liabilities	383 117	367 783
Total lease liabilities recognised in SFP	**559 117**	**723 283**
Lease liabilities		
Opening balance	**723 283**	**783 505**
Accretion of interest and additions	124 659	81 501
Lease interest payments	(51 539)	(42 723)
Payments	(237 286)	(99 000)
Closing balance	**559 117**	**723 283**
Current	**176 000**	**355 500**
Non-current	**383 117**	**367 783**
Total lease liabilities	**559 117**	**723 283**
XVII RECONCILIATION OF INTEREST BEARING BORROWINGS		
Opening balance	**18 662 971**	**15 134 421**
New loans	9 623 611	15 996 758
Interest expense	3 226 388	2 416 148
Interest paid	(3 226 388)	(2 416 148)
Loan Repayments	(12 982 089)	(12 468 208)
Closing balance	**15 304 493**	**18 662 971**

CROCODILE DIVISION

COMPANY ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2022



COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
Continuing operations			
Revenue	**A.1**	22 951 863	24 707 482
Other income	**A.2**	57 233	115 090
Financial income/(loss)	**A.11**	1 961 402	(42 370)
Credit impairment gain	**IX**	440	2 317
Cost of goods sold	**A.3**	(5 153 675)	(5 535 647)
Employee benefits expense	**A.4**	(7 961 377)	(6 501 355)
Other operating costs	**A.5**	(7 329 750)	(7 059 006)
Operating profit before depreciation, amortisation, impairment and fair valuation adjustments		**4 526 136**	**5 686 511**
Depreciation	**I**	(1 918 458)	(2 120 283)
Depreciation– right of use assets	**III**	(223 051)	(216 069)
Amortisation	**II**	(3 538)	(7 514)
Operating profit before interest and fair value adjustments		**2 381 089**	**3 342 645**
Fair value adjustments on biological assets		2 693 509	(3 645 405)
Profit/(loss) before interest and tax		**5 074 598**	**(302 760)**
Interest income	**A.9**	137 976	5 475
Interest expense – loans	**A.10**	(3 226 388)	(2 416 148)
Interest expense - lease	**A.10**	(51 539)	(96 880)
Profit/(loss) before tax		**1 934 647**	**(2 810 313)**
Income tax expense	**A.12**	(237 337)	(601 437)
Profit/(loss) for the year from continuing operations		**1 697 310**	**(3 411 750)**
Discontinued operation			
Loss from discontinued operation, net of tax	**IV**	(3 388 619)	-
Loss for the period		(1 691 309)	(3 411 750)
Loss for the year attributable to:			
Equity holders of the parent		(1 691 309)	(3 411 750)
Non-controlling interest		-	-
		(1 691 309)	**(3 411 750)**

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
ASSETS			
Non-current assets			
Property, plant and equipment	I	20 024 203	21 074 822
Intangible assets	II	131 830	122 783
Right of use assets	III	673 141	823 072
Investments	IV	20 000 000	23 388 619
Biological assets	V	11 868 446	8 373 655
Total non-current assets		**52 697 620**	**53 782 951**
Current assets			
Biological assets	VI	28 087 096	24 785 345
Inventories	VII	8 240 909	11 744 822
Taxation	VIII	1 865 282	2 097 123
Trade and other receivables	IX	4 384 915	5 844 865
Cash and cash equivalents	X	994 614	3 760 814
Total current assets		**43 572 816**	**48 232 969**
Total assets		**96 270 436**	**102 015 920**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	XI	54 430	54 159
Non-distributable reserves		27 005 023	27 004 245
Share based payment scheme		563 769	377 245
Distributable reserves		42 288 286	43 979 595
Share capital and reserves		**69 911 508**	**71 415 244**
Non-current liabilities			
Deferred tax liability	XII	9 449 769	9 212 342
Lease liabilities	XVI	383 117	367 783
Interest bearing debt	XIII	2 289 984	6 889 520
		12 122 870	**16 469 645**
Current liabilities			
Interest bearing debt	XIV	13 014 510	11 773 451
Lease liabilities	XVI	176 000	355 500
Trade and other payables	XV	1 045 548	2 002 080
		14 236 058	**14 131 031**
Total liabilities		**26 358 928**	**30 600 676**
Total equity and liabilities		**96 270 436**	**102 015 920**

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2022

	Share capital note 18.2 Unaudited US$	Share premium note 18.6 Unaudited US$	Share based payment reserve note 18.4 Unaudited US$	Retained earnings Unaudited US$	Total equity attributable to equity holders of the parent Unaudited US$	Total share-holders equity Unaudited US$
Balance at 1 January 2021	54 159	27 004 245	189 671	47 391 345	74 639 420	74 639 420
Total comprehensive loss	-	-	-	(3 411 750)	(3 411 750)	(3 411 750)
Share based payment scheme expense for the year	-	-	187 574	-	187 574	187 574
Balance at 31 December 2021	**54 159**	**27 004 245**	**377 245**	**43 979 595**	**71 415 244**	**71 415 244**
Balance at 1 January 2022	**54 159**	**27 004 245**	**377 245**	**43 979 595**	**71 415 244**	**71 415 244**
Total comprehensive loss	-	-	-	(1 691 309)	(1 691 309)	(1 691 309)
Issue of ordinary shares	271	778	-	-	1 049	1 049
Share options exercised	-	-	(1 049)	-	(1 049)	(1 049)
Share based payment scheme expense for the year	-	-	187 573	-	187 573	187 573
Balance at 31 December 2022	**54 430**	**27 005 023**	**563 769**	**42 288 286**	**69 911 508**	**69 911 508**

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
Cash generated from operations			
Profit/(loss) before tax		1 934 647	(2 810 313)
Adjusted for non-cash items			
Depreciation	I	1 918 458	2 120 283
Depreciation – right of use assets	III	223 051	216 069
Amortisation of intangible assets	II	3 538	7 514
Net interest expense	A.10	3 139 951	2 507 553
Unrealised exchange loss	A.7	1 488 798	366 976
Deaths of biological assets	A.8	18 326	(29 624)
Fair value adjustment on biological assets		(2 693 509)	3 645 405
Loss/(profit) on disposal of property, plant, and equipment		(7 967)	1 768
Share based option scheme adjustment		186 524	187 574
Inventory write back	A.8	(22 476)	(7 894)
Provisions credited to profit or loss		285 137	2 448
Cash generated from operations before working capital changes		**6 474 478**	**6 207 759**
Working capital changes			
Decrease/(Increase) in inventories		528 973	(2 328 123)
(Increase)/decrease in biological assets		(1 027 908)	445 748
(Increase)/decrease in receivables		(413 066)	2 186 242
Decrease in payables		(625 521)	(3 084 322)
Working capital changes		**(1 537 522)**	**(2 780 455)**
Cash generated from operating activities		**4 936 956**	**3 427 304**
Interest received	A.9	137 976	5 475
Interest paid		(3 226 388)	(2 416 148)
Interest paid - leases		(51 539)	(96 880)
Taxation paid		-	(36 927)
Net cash generated from operations		**1 797 005**	**882 824**
Net cash utilised in investing activities		**(968 490)**	**(1 770 843)**
proceeds on disposal of property, plant and equipment		12 808	-
- purchase of property, plant, and equipment	I	(872 679)	(1 618 512)
- expenditure on non-current biological assets	V	(96 032)	(135 974)
- purchase of intangible assets	II	(12 587)	(16 357)
Net cash flow before financing activities		**828 515**	**(888 019)**
Net cash (utilised)/generated in financing activities		**(3 594 715)**	**3 429 550**
- proceeds from share issues		1 049	-
- proceeds from borrowings	XVII	9 623 611	15 996 758
- repayments of borrowings	XVII	(12 982 089)	(12 468 208)
- Lease payments	XVI	(237 286)	(99 000)
Net (decrease)/increase in cash and cash equivalents		**(2 766 200)**	**2 541 531**
Cash and cash equivalents at the beginning of the period		3 760 814	1 219 283
Cash and cash equivalents at the end of the period	X	**994 614**	**3 760 814**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2022

	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
A.1 Reconciliation of disaggregated revenue to segmental revenue:		
Skins exports	15 376 264	24 380 976
Quality incentive	7 255 799	-
Meat sales-local	319 800	326 506
Total revenue	**22 951 863**	**24 707 482**
A.2 Other income		
Scrap sales	57 233	115 090
	57 233	**115 090**
A.3 Cost of sales		
Livestock additions	577 699	1 177 575
Feed	2 655 333	2 528 889
Cleaning and treatments	481 497	458 569
Fuel and energy-production	438 696	417 805
Staff costs	1 000 450	952 809
	5 153 675	**5 535 647**
Cost of sales relates to the cost of the skins. The cost of skins sold is made up of costs accumulated throughout the life of the crocodiles and alligators. These costs are livestock additions (cost of eggs), feed, cleaning and treats, fuel and energy and staff costs.		
A.4 Employee benefits expense		
Wages and salaries	7 591 932	6 172 319
Social security cost	99 230	68 387
Share-based payment expense	187 573	187 573
Medical aid	-	4 689
Pension	82 642	68 387
	7 961 377	**6 501 355**
A.5 Other operating costs		
Salt and packaging material	148 270	235 343
Fuel and energy-administration	879 250	668 472
Repairs and maintenance	1 065 439	966 398
Other overheads	5 078 955	5 084 145
Short term leases	157 836	104 648
	7 329 750	**7 059 006**
A.6 Director emoluments		
Fees	183 032	152 305
Salaries	820 171	745 867
	1 003 203	**898 172**

Included in wages and salaries in note A.4 is US$820 171 that was paid to executive directors (2021-US$745 867).

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

	31 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
A.7 Foreign exchange losses and (gains)		
Exchange losses unrealised	1 488 798	366 976
A.8 Write offs		
Included in other operating costs are:		
Stock losses written back	(22 476)	(7 894)
Deaths of breeders (note V)	18 323	13 906
The write offs are included in other overheads (see note A.4)		
A.9 Interest income		
Interest income from short term investments	136 460	3 648
Interest income from staff loans	1 516	1 827
Total interest income	**137 976**	**5 475**
A.10 Interest expense		
Interest on loans	3 226 388	2 416 148
Lease interest expense	51 539	96 880
Total interest expense	**3 277 927**	**2 513 028**
Net interest	**3 139 951**	**2 507 553**
A.11 Financial income		
Financial income/(loss)	1 961 402	(42 370)
	1 961 402	**(42 370)**
Financial income mainly comprises of foreign exchange gains.		
A.12 Income tax expense		
Current income tax:		
Current income tax charge	-	268 673
Deferred tax charge	237 337	332 764
Income tax expense	**237 337**	**601 437**
A.13 Reconciliation of rate of taxation		
Statutory rate of taxation, inclusive of AIDS levy	(24.72)	(24.72)
Effect of expenses not deductible for tax	12.72	46.21
Effect of exempt income	(0.27)	(0.09)
Effect of different tax rate on foreign subsidiary		
Effective rate	**(12.27)**	**21.40**

Expenses not deductible for tax include research and development, interest on loan obtained to capitalise foreign subsidiary and donations. Exempt income is for bank interest

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

I PROPERTY, PLANT AND EQUIPMENT

Cost	Freehold property Unaudited US$	Leasehold improvements Unaudited US$	Plant fittings and equipment Unaudited US$	Motor vehicles Unaudited US$	Total Unaudited US$
At 1 January 2021	**80 086**	**27 723 204**	**7 572 220**	**1 610 705**	**36 986 215**
Additions	-	1 383 007	228 514	6 990	1 618 511
Disposals	-	-	(77 162)	(68 170)	(145 332)
At 31 December 2021	**80 086**	**29 106 211**	**7 723 572**	**1 549 525**	**38 459 394**
Additions	-	633 992	238 688	-	872 680
Disposals	-	-	(13 531)	-	(13 531)
At 31 December 2022	**80 086**	**29 740 203**	**7 948 729**	**1 549 525**	**39 318 543**
Depreciation					
At 1 January 2021	**(28 247)**	**(11 489 087)**	**(2 585 466)**	**(1 305 050)**	**(15 407 850)**
Disposals	-	-	75 393	68 170	143 563
Charge for the year	(3 302)	(1 380 660)	(609 025)	(127 298)	(2 120 285)
At 31 December 2021	**(31 549)**	**(12 869 747)**	**(3 119 098)**	**(1 364 178)**	**(17 384 572)**
Disposals	-	-	8 690	-	8 690
Charge for the year	(1 622)	(1 495 074)	(349 271)	(72 491)	(1 918 458)
At 31 December 2022	**(33 171)**	**(14 364 821)**	**(3 459 679)**	**(1 436 669)**	**(19 294 340)**
Net carrying amount: **At 31 December 2021**	**48 537**	**16 236 464**	**4 604 480**	**185 347**	**21 074 822**
At 31 December 2022	**46 914**	**15 375 382**	**4 489 050**	**112 856**	**20 024 203**

II INTANGIBLE ASSETS

	Purchasing system Unaudited US$	Pastel SAP Business 1 Unaudited US$	Other Evolution System Unaudited US$	Intangible assets Unaudited US$	Total Unaudited US$
Carrying amount At 1 January 2021	**3 846**	**88 929**	**5 058**	**16 106**	**113 939**
Additions	-	9 792	-	6 566	16 358
Amortisation charge for the year	(1 579)	-	(1 586)	(4 349)	(7 514)
Net carrying amount 31 December 2021	**2 267**	**98 721**	**3 472**	**18 323**	**122 783**
Additions	-	-	-	12 585	12 585
Amortisation charge for the year	(471)	-	(729)	(2 338)	(3 538)
Net carrying amount 31 December 2022	**1 796**	**98 721**	**2 743**	**28 570**	**131 830**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

III RIGHT OF USE ASSET

Cost	31 Dec 2022 Leasehold property Unaudited US$	31 Dec 2021 Leasehold property Unaudited US$
At 1 January	**1 493 238**	**1 493 238**
Additions	73 120	-
At 31 December	**1 566 358**	**1 493 238**
Depreciation		
At 1 January	**(670 166)**	**(425 220)**
Adjustments of lease charges	-	(28 877)
Amortisation charge for the year	(223 051)	(216 069)
At 31 December	**(893 217)**	**(670 166)**
At 31 December	**673 141**	**823 072**

IV. INVESTMENTS

	1 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
At the beginning of the period	**23 388 619**	**23 388 619**
Impairment of Tallow Creek Ranch	(3 388 619)	-
At the end of the period	**20 000 000**	**23 388 619**

The Group acquired a 50.1% stake in a mining business at 1st of January 2020 for a consideration of US$ 20 000 000. This was in addition to 82.88% investment in Tallow Creek Ranch(TCR), a USA based alligator farming business. After the sale of TCR assets the investment was impaired

V. BIOLOGICAL ASSETS (NON-CURRENT)

At the beginning of the period	**8 373 655**	**5 830 332**
Expenditure on non-current biological assets	96 032	102 476
Transfer from current biological assets	-	33 499
Fair value adjustment	3 417 082	2 377 724
Deaths of non-current biological assets	(18 323)	29 624
At the end of the period	**11 868 446**	**8 373 655**

Non-current biological assets relate to mature and immature breeders.
We had a total of 5 129 breeders composed of 4 120 mature breeders and 1 009 immature breeders.

VI. BIOLOGICAL ASSETS (CURRENT)

At the beginning of the period	**24 785 345**	**27 084 838**
Slaughter (transfer to inventory)	(1 891 419)	(7 300 976)
Births	257 975	236 990
Transfer to non-current biological assets	-	(33 499)
Expenditure on current biological assets	6 324 594	7 019 195
Fair value adjustment	(723 572)	(1 853 746)
Deaths of current biological assets	(665 827)	(367 457)
At the end of the period	**28 087 096**	**24 785 345**

Current biological assets relate to harvesting crops.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII INVENTORY

	1 Dec 2022 Uanudited US$	31 Dec 2021 Unaudited US$
Raw materials and consumables stocks	4 136 531	5 044 022
Finished goods – skins and meat	4 104 378	6 700 800
	8 240 909	**11 744 822**

There were stock losses written off from inventories and recognised as an expense of $22 476 (2021: $7 894).
There were no inventories pledged as security against borrowings.

VIII TAXATION

Taxation paid		
Income tax refundable at the beginning of the period	(2 097 123)	(2 134 050)
Current income tax charge	-	-
Effects of movement in exchange rate	231 841	-
Income tax amount paid	-	36 927
Current tax refundable	**(1 865 282)**	**(2 097 123)**

IX TRADE AND OTHER RECEIVABLES

Trade receivables	3 630 141	3 250 398
Prepayments and other receivables	754 774	2 594 467
	4 384 915	**5 844 865**

Trade receivables are non-interest bearing and are generally on 30-day terms.
Credit terms for other receivables vary per transaction but do not exceed 60 days.
As at 31 December 2022 there was provision for expected gain of US$ 440
(2021 loss-US$3 387) on total receivables.
Prepayments and other receivables mainly comprise VAT Refunds, prepayments and staff loans.

X CASH AND CASH EQUIVALENTS

Made up as follows:

Bank balances and cash on hand US$	**787 711**	**3 466 906**
Bank balances (ZWL)	206 903	270 744
Money market short term deposits (ZWL)	-	23 164
Cash and cash equivalents	**994 614**	**3 760 814**

XI SHARE CAPITAL

Refer to Note 18.

XII DEFERRED TAX LIABILITY

Opening balance as at the beginning of the period	9 212 342	8 879 669
Release to profit or loss	237 427	332 673
Closing balance at the end of the period	**9 449 769**	**9 212 342**
Analysis of deferred tax liability		
Accelerated depreciation for tax purposes	4 146 976	4 171 820
Deferred tax arising from Lease liabilities and Right of Use of Assets	53 448	53 412
Fair value adjustments on biological assets	5 198 857	5 184 352
Deferred tax arising from assessed loss	-	-
Provisions	(81 361)	(81 326)
Deferred tax on intangible assets	9 948	5 948
Unrealised exchange loss	121 901	(121 864)
	9 449 769	**9 212 342**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

XIII NON-CURRENT INTEREST-BEARING DEBT

	1 Dec 2022 Unaudited US$	31 Dec 2021 Unaudited US$
Long-term interest debt	**2 289 984**	**6 889 520**
This relates to a long-term portion of a loan facility obtained in 2020 to fund the acquisition of the mining business. The loan interest rate is 8% and has a 3-year term. Repayment will be in 2024.		
XIV CURRENT INTEREST-BEARING DEBT		
Short-term interest debt	**13 014 510**	**11 773 451**
Current interest-bearing debt repayable in December 2023.		
XV TRADE AND OTHER PAYABLES		
Trade payables	891 099	1 704 167
Accruals	54 415	231 935
Provisions	100 034	65 978
Total	**1 045 548**	**2 002 080**
Trade payables are non-interest bearing and are normally settled within 30 days. Other payables are non-interest bearing and have varying settlement terms.		
XVI LEASE LIABILITIES		
Current liabilities		
Lease Liabilities	176 000	355 500
Non-current liabilities		
Lease liabilities	383 117	367 783
Total lease liabilities recognised in SFP	**559 117**	**723 283**
Lease liabilities		
Opening balance	**723 283**	**783 505**
Accretion of interest and additions	124 659	81 501
Lease interest payments	(51 539)	(42 723)
Payments	(237 286)	(99 000)
Closing balance	**559 117**	**723 283**
Current	**176 000**	**355 500**
Non-current	**383 117**	**367 783**
Total lease liabilities	**559 117**	**723 283**
XVII RECONCILIATION OF INTEREST BEARING BORROWINGS		
Opening balance	**18 662 971**	**15 134 421**
New loans	9 623 611	15 996 758
Interest expense	3 226 388	2 416 148
Interest paid	(3 226 388)	(2 416 148)
Loan Repayments	(12 982 089)	(12 468 208)
Closing balance	**15 304 493**	**18 662 971**

SHAREHOLDERS' INFORMATION

We are committed to increasing long-term value for shareholders and we are confident that we will continue to do so through the successful execution of our core strategic priorities and company policies.

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Shareholders' Calendar 157
Notice of Annual General Meeting 158
Form of Proxy 12th Annual General Meeting 160

SHAREHOLDERS' ANALYSIS For the year ended 31 December 2022

Size of Shareholding	Number of Shareholders	Shareholders %	Issued Shares	Share %
1-5000	3,816	79.7	2,665,976	0.49
5001-10000	218	4.6	1,604,101	0.29
10001-25000	212	4.4	3,451,463	0.63
25001-50000	138	2.9	4,831,369	0.89
50001-100000	123	2.6	8,979,598	1.65
100001-200000	97	2.0	13,620,902	2.50
200001-500000	81	1.7	25,309,484	4.65
500001-1000000	47	1.0	33,005,080	6.06
1000001 and Above	53	1.1	450,833,434	82.83
	4,785	**100**	**544,301,407**	**100**

Trade Classification				
Local Companies	1441	30.11	425,276,994	78.13
Local Nominee	177	3.70	52,808,228	9.70
Pension Funds	78	1.63	30,482,042	5.60
Fund Managers	89	1.86	15,528,607	2.85
Local Individual Resident	2676	55.92	13,466,743	2.47
Insurance Companies	33	0.69	3,309,540	0.61
Trusts	17	0.36	1,085,684	0.20
Other Investments & Trust	114	2.38	916,470	0.17
Charitable	28	0.59	755,927	0.14
Banks	4	0.08	225,951	0.04
Deceased Estates	61	1.27	170,474	0.03
New Non Resident	54	1.13	113,003	0.02
Foreign Individual Resident	6	0.13	71,147	0.01
Government / Quasi	2	0.04	65,236	0.01
Foreign Nominee	2	0.04	17,987	0.00
Foreign Companies	3	0.06	7,374	0.00
Total	**4,785**	**100**	**544,301,407**	**100**

Top Ten Shareholders		
Z M D Investments (Pvt) Ltd	119,754,476	22.00
H M Barbour (Pvt) Ltd	105,896,539	19.46
Stanbic Nominees(Pvt) Ltd	38,927,454	7.15
NSSA - APWCS	36,381,508	6.68
Old Mutual Life Ass Co Zim Ltd	28,769,064	5.29
Sarcor Investments (Pvt) Ltd	22,480,658	4.13
SCB Nominees 033663900002	15,452,419	2.84
Pharaoh Limited	14,592,401	2.68
City and General Holdings (Pvt) Ltd	9,822,598	1.80
Other	152,224,290	27.97
Total	**544,301,407**	**100**

SHAREHOLDERS' CALENDAR

For the year ended 31 December 2022

Twelfth Annual General Meeting	13 June 2023
End of First Half of 2023 Financial Year	30 June 2023
Publication of Interim Report for First Half of 2023 Financial Year	30 September 2023
End of 2023 Financial Year	31 December 2023
Annual Report Published for 2023 Financial Year	23 May 2024
Thirteenth Annual General Meeting	13 June 2024

Registered Office:

Padenga Holdings Limited
121 Borrowdale Road
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Harare
Zimbabwe

P O Box HG 633
Highlands
Harare
Zimbabwe

Transfer Secretaries:

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Padenga Holdings Limited is to be held at the Royal Harare Golf Club, 5th Street extension, Harare, on Tuesday 13 June 2023 at 08h15, as well as virtually via the link https://escrowagm.com/eagmZim/Login.aspx for the purpose of transacting the following business below: -

ORDINARY BUSINESS

1. To receive, approve and adopt the Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2022.

2. To re - elect the following Director, Mr S. Moyo, who retires by rotation in terms of the Articles of Association of the Company and, being eligible, offers himself for re-election. Mr Moyo is a highly respected registered legal practitioner of long standing, specialising in corporate and commercial law and he is currently the senior partner of Scanlen and Holderness Legal Practitioners.

3. To re - elect the following Director, Mr T. N. Sibanda, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election. Mr Sibanda has been a partner at Schmulian & Sibanda Chartered Accountants (Zimbabwe) and has accumulated over 30 years' experience in compliance and audit services and is a highly experienced director of companies.

4. To approve the Directors' remuneration for the financial year ended 31 December 2022.

5. To approve the remuneration of the Auditors, Messrs KPMG, for the past audit.

6. To re-appoint Messrs KPMG as the Auditors of the Company until the conclusion of the next Annual General Meeting.

(NOTE: In terms of Section 69(6) of the VFEX listing requirements, companies must change their audit partners every five years and their audit firm every ten years. KPMG has been the auditor of the Company for one year.)

7. To confirm the final dividend of US$0.28 cents per share declared on 16 March 2023.

SPECIAL BUSINESS

8. Approval of Share Buy-Back

To consider and, if deemed fit, to pass with or without modification, the following special resolution: "That the Company authorises in advance, in terms of the Companies and Other Business Entities Act (Cap 24:31) and the ZSE Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that: -

i. the authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
ii. acquisitions shall be of ordinary shares which, in the aggregate in any one financial year, shall not exceed 10% (ten per centum) of the Company's issued ordinary share capital; and
iii. the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and
iv. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition; and
v. if during the subsistence of this resolution the Company is unable to declare and pay a cash dividend then this resolution shall be of no force and effect."

(NOTE: In terms of this resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies and Other Business Entities Act and the regulations of the VFEX. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company, the adequacy of ordinary capital and reserves as well as working capital.)

NOTICE OF ANNUAL GENERAL MEETING

9. Approval of Loans to Directors

To resolve as an ordinary resolution, with or without amendments: - "That the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

ANY OTHER BUSINESS

10. To transact any other business competent to be dealt with at an Annual General Meeting.

Proxies

In terms of the Companies and Other Business Entities Act (Cap 24:31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

Members who may not physically be able to attend the meeting shall be able to do so via the eAGM platform and such members are requested to register using the link above, at least 48 (forty-eight) hours before the commencement of the meeting or to inform the Share Transfer Secretaries to make appropriate arrangements.

BY ORDER OF THE BOARD

A D Lorimer
Company Secretary
121 Borrowdale Road
Harare

22 May 2023

FORM OF PROXY - 12TH ANNUAL GENERAL MEETING

I /We, _____ (full names) of _____

_____ (full address) being the registered holder/s of

_____ ordinary shares in PADENGA HOLDINGS LIMITED, do hereby appoint:

_____ (full names) of _____

_____ (full address) or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on the 13 JUNE 2023 at 08.15 am and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:
(Please mark the appropriate box with an "X" next to each resolution)

	ORDINARY BUSINESS	**For**	**Against**	**Abstain**
1	THAT the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2022 be adopted.			
2	THAT Mr S Moyo be re-elected as a Director of the Company in terms of the Articles of Association.			
3	THAT Mr T N Sibanda be re-elected as a Director of the Company in terms of the Articles of Association.			
4	THAT the remuneration of the Directors be confirmed.			
5	THAT the remuneration of the Auditors, KPMG, for the past audit be confirmed.			
6	THAT Messrs KPMG be re-appointed as Auditors of the Company for the following year until the conclusion of the next Annual General Meeting.			
7	To confirm the final dividend of US$0,28 per share declared on 16 March 2023			
	SPECIAL BUSINESS			
8	As a Special Resolution THAT the Company be authorised in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) to purchase its own shares, subject to certain conditions.			
9	THAT the Company be authorised to make loans to Executive Directors in terms of Section 208 of the Companies and Other Business Entities Act (Chapter 24:31), subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this _____ day of _____ 2023.

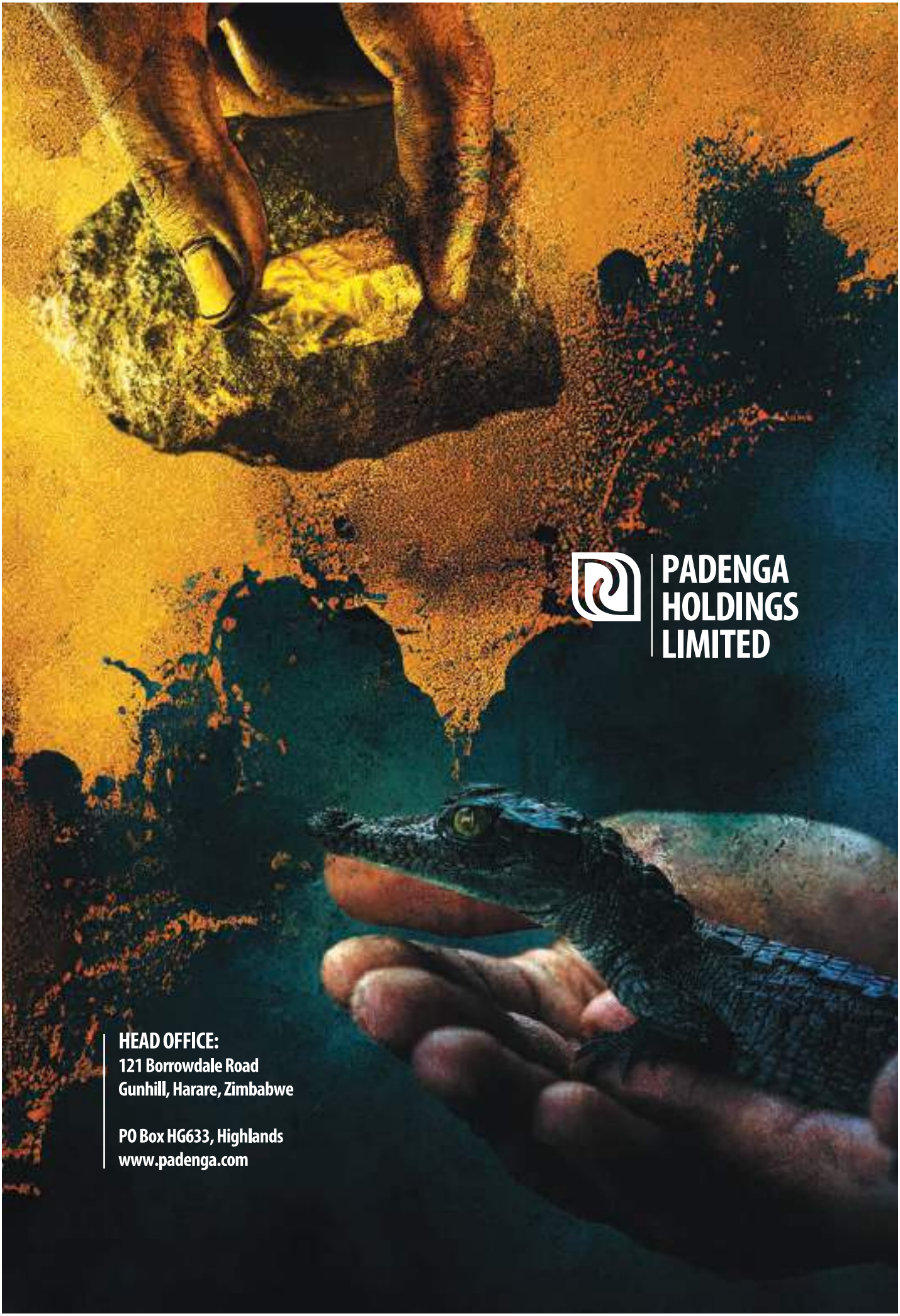
_____

SIGNATURE OF SHAREHOLDER

NOTES:
1. In terms of 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 persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company to be received by the Company Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialed.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

The Padenga Holdings Limited Annual Report for FY 2022 and the Proxy Form for the Padenga AGM is available for download at ***http://www.padenga.com***

"Our strengths include good people, great ethics and strong governance."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