

2022 ANNUAL REPORT





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CHAIRMAN'S STATEMENT

GLEN PARSONS

CHAIRMAN

The year in review marks a significant milestone for AfriTin and the team. I congratulate all of our employees on this achievement. The fundamentals in this financial year have been strong for tin, coupled with the ever-increasing demand for the transition to a greener world. Our team has successfully returned Uis to its rightful state as a producing mine. I congratulate all of our employees on this achievement.

Since attaining our Namibian licences, we remain confident in the fundamentals of producing a saleable tin concentrate and further unlocking future revenue streams. Against the backdrop of surpassing nameplate production in November 2020 and building on this throughout 2021, AfriTin is well on its way to becoming a globally significant producer of high demand strategic commodities. We look forward to building on our existing platform through our various expansion projects and complimentary metal streams.

As per most companies globally, AfriTin was not immune to the effects and disruptions of the COVID-19 pandemic. While our teams were presented with multiple logistical challenges, acts performed to overcome these are a testament to the resilience and flexibility of our employees and management. The health and safety of our staff, partners and stakeholders has been, and always will be of paramount importance to the Board.

AfriTin's commitment to strong Environmental, Social and Governance (ESG) principles has been entrenched in our philosophy since inception and is strongly supported by the Board and the entire organisation. We recognise the need and duty to entrench good governance and ESG principles as early as possible in our business development plan and to adopt necessary monitoring and change to sustainably achieve these.

Looking to the future of AfriTin, we remain confident in our pursuit of producing saleable commodities at Uis as well as our other license areas. The positive, global momentum shift in the green tech revolution and a step-change in demand for these strategic materials is the global opportunity that presents itself to AfriTin. AfriTin's ability to economically deliver these saleable products to what we believe is a pent up and ongoing future



demand for these minerals remains our focussed objective.

AfriTin is particularly proud of developing Uis in Namibia in conjunction with our majority Namibian workforce at site, our local communities and local and national government. Namibia is one of Africa's leading mining jurisdictions according to the Policy Perspective Index, and we are proud to play our part in its continued development. Listing on the Namibian Stock Exchange in March 2022 solidifies our commitment to the country and our desire to share our success locally with those who played a part in it.

We consider AfriTin today to be a significantly different company to what it was a year ago due to the change achieved and accelerated development progress at Uis. There are considerable future strategic milestones we have set for our teams, and whilst our tin success at Uis provides a proven underpinning foundation on which to build, we are not resting on this.

I applaud the work completed and the foundations laid to secure our future and would like to thank my fellow Board members, management teams, all stakeholders and most of all our people and their families.

GLEN PARSONS
Chairman
31 August 2022



CHIEF EXECUTIVE OFFICER'S STATEMENT

ANTHONY VILJOEN

CHIEF EXECUTIVE OFFICER

AfriTin has had another successful year, serving as the foundation for the rapid deployment of the Company's various growth initiatives over the coming months. I believe AfriTin is poised to become a leading supplier of technology metals, targeting a more diversified portfolio of production in the near future. We find ourselves a part of a small, unique group of global tin producers, with a differentiating factor being the prospect of underexplored lithium and tantalum in the region, as well as additional historical open pit mines which all form part of our exciting mining operations at our flagship Uis asset.

The market fundamentals for tin provided the perfect backdrop for a mine ramping up its production. Our positive production results coincided with a period of unprecedented tin price highs triggered by low stocks and no sign of relief from a constrained physical supply chain. The Company ended the financial year with cash and cash equivalents of £7.365m (2021: £1.351m). A £4.5 million senior secured term loan agreed with Standard Bank Namibia marked a strong endorsement of the Company and the expansion of our tin production. Our focus now turns to leveraging these cashflows from the tin production, to bring the significant lithium and tantalum revenue streams into production.

The Phase 1 pilot plant at Uis has performed strongly and provided a perfect platform to propel AfriTin from a single commodity producer to a multi-tech metal Company over the next five years. Production at our flagship asset exceeded nameplate capacity with an annual production of 804 tonnes of tin concentrate. A Definitive Feasibility Study for the expansion of the Phase 1 mining and processing facility was published during the year which served as confirmation of the highly attractive economics associated with the low-cost modular expansion of the current Phase 1 plant. The Phase 1 expansion project is currently in progress and is estimated to increase tin concentrate production by 67% by way of a modular expansion of the existing processing facility. The bulk of the civil construction and steel



fabrication has been completed, with on-site steel construction currently in progress.

In line with our vision of diversification of our tech-metal exposure through by-product production, raising equity funds of £13 million before expenses has put the Company in a position to expedite the Phase 1 expansion and further investigate lithium and tantalum by-product potential and exploration. By-product production as well as the introduction of ore sorting technology, which upgrades feed to the concentrator by up to four times the ROM grade, could transform the overall economics and unit cost of production for Phase 1. The Company is proceeding with the design and procurement of a pilot lithium beneficiation facility as well as the implementation of a tantalum concentrating circuit and ore sorting test circuit. By implementing the pilot phase development of these additional products, the Company aims to take advantage of the burgeoning technology metals market by fast-tracking the by-product streams into production.

Turning to Phase 2, the results of the Phase 2 Preliminary Economic Assessment (PEA) were announced during the year and demonstrated the economics and returns for the expansion (see announcement dated 26 April 2022). Phase 2 should see AfriTin produce globally significant volumes of tin, lithium, and tantalum, which the Directors believe are vital in meeting the demands of the transition to a new efficient and greener technology future.

The Directors consider the Damara region to be



a metallogenic jewel with huge, underexplored potential. The ore reserve declared at Uis represents a small portion of the historically drilled area in the mining licence property. As a route to expanding our footprint within the extended Uis project area, an exploration drilling campaign commenced during the year with the aim of verifying the historic resources and upgrading the resources to comply with the JORC (2012) Codes. This could see the resource increase significantly from 1.54 Mt, however, at this stage there can be no guarantee what that resource will be. We look forward to providing updates as we progress. The Company's other licence areas in the region encompass additional historical mining areas and there is potential for these to deliver sustained long-term value by reopening a global significant-tech metals province for AfriTin. The exploration of these remains a high priority for the Company. To this end, an exploration programme is in progress to confirm the historical tin and tantalum resource and to investigate the spodumene (lithium) discovery announced in March 2022 (after the period under review) at our B1/C1 mining licence. In addition, an aggressive confirmatory drilling program at the historic Brandberg West tin and tungsten mining operation, aims to verify the historical drilling database at this site.

Our fully funded Phase 1 expansion project and the extensive exploration programme currently underway are the fundamental building blocks to positioning AfriTin as a globally significant tech metals producer. While the volatility in the tin prices post year-end posed a challenge for the Group, we are at the advanced stages of securing funding to continue with our growth ambitions. A subsidiary of the Group has entered into a conditional, credit approved, term sheet for a lending facility with the Development Bank of Namibia Limited ("Development Bank of Namibia") to fund the Uis Phase 1 Stage II Continuous Improvement Project. As announced on 5 July 2022, a Proposed Lending Facility comprising a NAD 100 million (approximately £5.5 million) Senior Secured Lending Facility has been signed with the Development Bank of Namibia. Although the Lending Facility has been approved by the credit committee

and board of the Development Bank of Namibia, there are certain conditions precedent that need to be adhered to, including the completion of the final legal documentation. At this stage there can be no guarantee the Lending Facility will be entered into, or that any money will be drawn down, but AfriTin Management have every confidence that it will be. The Company has previously announced that the terms of this proposed lending facility expired at the end of July 2022 but the Directors confirm that this has now been extended such that completion is anticipated around the end of September 2022. A further update will be provided at that time.

As an acknowledgment of our commitment to developing Namibia and its capital markets further, AfriTin announced its dual listing on the NSX market of the Namibian Stock exchange. We are acutely aware of the influence and impact we can wield, and it is for this reason that the leadership team places great emphasis on creating value for the wider community, our shareholders, investors, and other stakeholders. Central to all decisions is the commitment to reducing carbon emissions and limiting the environmental impact of our operations. An Environmental, Social and Governance (ESG) system was implemented during the course of the year, and we hope to present a strategy to the market in H2 2022.

I would like to congratulate and thank our management teams, staff, and stakeholders for their outstanding efforts, continued support, and for all that we have achieved over the past year. In addition, I would like to thank the other Directors for their guidance and advice. We are committed to expanding and developing Uis, as well as our other Namibian exploration assets as we embark on the route to becoming a significant African multi-commodity tech metals producer. I look forward to updating the market on our progress.

ANTHONY VILJOEN
Chief Executive Officer
31 August 2022



FINANCIAL REVIEW

HITEN OOKA CHIEF FINANCIAL OFFICER

I am pleased to report the Company's annual revenue of £13.6m (2021: £5.0m) from the sale of 760 tonnes of tin concentrate (2021: 473 tonnes). During the year under review, 29 shipments (2021: 19 shipments) of tin concentrate left the Uis Mine and were sold to our offtake partner, Thaisarco. The average tin price achieved during the year under review was US\$38 680 (2021: US\$ 22 150). The increase in tin price achieved resulted in a healthy gross profit margin of 32% (2021: -0.05%).

Administrative expenses across the Group increased to £3.675m for the year (2021: £2.540m). The increase is as a result of an increase in staff head count given the growth phase of the business as well as increased support services costs on site and at the corporate head office due to increased operations.

The increase in finance cost for the year to £0.316m (2021: £0.184m) is as a result of interest on the Group's lending facilities no longer being capitalized to the mining asset post the achievement of commercial production at Uis in November 2020. Furthermore, additional interest was charged on the provisional payments that were received from Thaisarco due to exceptionally long transit times caused by global shipping delays.

The Group's loss for the year totalled £0.474m (2021: £5.796m). Basic loss per share from operations of 0.08 pence was recorded (2021: 0.76 pence). The Group's EBITDA showed significant improvement, increasing from negative £4.713m in the prior year to positive £2.589m in the current year.

Intangible asset additions amounted to £1.577m (2021: £0.982m) and property, plant and equipment additions amounted to £5.213m (2021: £2.570m). Capital expenditure occurred on a variety of growth projects, most notably the Uis Phase 1 Stage II



expansion. The construction of this expansion has been completed subsequent to year end. During the year, £1.737m was transferred from exploration and evaluation assets to the mining assets as per the requirements of IFRS 6. Please see Note 12 and 13 for further details.

As at 28 February 2022, the Group had cash in the bank amounting to £7.365m (2021: £1.351m). The inventory balance increased to £1.452m (2021: £0.997m) as a result of increased production of tin concentrate. At year end, 75 tonnes (2021: 36 tonnes) of tin concentrate was on hand, valued at £0.909m (2021: £0.373m). This has been shipped subsequent to year end.

Trade receivables increased to £3.953m at year end (2021: £1.188m) as a result of the higher production rates and the higher tin prices achieved in the financial year. The balance incorporates a fair value adjustment which was passed to reprice the shipments in transit at year end in accordance with the requirements of IFRS. Trade and other payables increased to £2.970m (2021: £1.484m) due to additional operating costs being incurred as a result of increased operations.

Borrowings increased due to a £4.5 million term loan obtained from Standard Bank for the construction of the Phase 1 Stage II expansion. The loan note facility as well as the Nedbank working

capital facility were fully settled during the year.

Equity increased due to a £13 million equity raise that was completed in May 2021. The convertible loan note which had been classified as equity was also fully settled in May 2021.

FUNDING

During the year, the Company completed a NAD 90 million (approximately £4.5 million) Term Loan Facility with Standard Bank Namibia. The loan term of 5 years is ranked as senior secured debt at an interest rate of 3-month JIBAR plus 4.5%. In addition to the Term Loan, Standard Bank took over the existing short-term banking facilities (working capital facilities) with Nedbank Namibia totalling NAD 43 million (approximately £2.2 million). These facilities will incur an interest rate of Namibian prime lending rate (currently 7.50%) minus 1.00%. Furthermore, Standard Bank also provided AfriTin Mining (Namibia) Pty Limited with a NAD 5 million guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power.

Management and the Board of Directors have considered the cash flow forecasts and stress testing as a result of the recent decline in Tin prices, and have concluded that the Company will be able to continue in operation for the foreseeable future as a going concern as the group is at an advanced stage of securing strategic funding for the business.

Notwithstanding the above, these circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets or settle its liabilities in the ordinary course of business. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated financial statements. For further details please see the going concern disclosure in Note 2.

HITEN OOKA

Chief Financial Officer
31 August 2022





DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of AfriTin hereby present their report together with the consolidated financial statements for the financial year from 1 March 2021 to 28 February 2022.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (AfriTin and its subsidiaries) is mineral exploration and the development of mining and exploration projects in Namibia. A review of the Group's progress and prospects is given in the CEO's statement in this Annual Report.



Volatility of metal prices

Risk and Impact

Tin, tantalum, and lithium prices are subject to high levels of volatility and are impacted by numerous factors that are outside of the control of the Group. A low tin, tantalum, or lithium price as well as commodity demand could affect the financial performance of the Group and this may affect the ability of the Group to fund future growth.

Mitigation

The Board and management constantly monitor the markets in which the Group operates. Long-term financial planning is undertaken on a regular basis.

The Board approved the modular expansion of the Phase 1 to increase tin output and leverage off current infrastructure and reduce unit costs through a 67% planned increase in tin production.

The Board is supporting the exploration and metallurgical test work for the extraction of lithium and tantalum at UIS. The benefits of extracting these additional metals includes enhanced revenue and lowered unit costs.



Foreign exchange

Risk and Impact

AfriTin's operations are mainly in Namibia and South Africa, however tin sales is based in US Dollars and equity funding is based in Pound Sterling. The volatility and movement in the Rand/Namibian Dollar exchange rate could be a significant risk factor to the Group.

Mitigation

The Group holds the majority of its funds in major currencies. It attempts to match cash held in a particular currency to the currency in which liabilities are incurred.



Exploration and mining risks

Risk and Impact

The business of mineral exploration involves a high degree of risk. Whilst the discovery of a mineral deposit may result in substantial rewards, few properties at the exploration stage are ultimately developed into producing mines.

The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unexpected rock properties, explosions, flooding, and extended interruptions due to inclement or hazardous weather conditions and other acts of God.

Mitigation

Exploration projects are carefully managed with regular review by the Board of progress against targets and expenditure. Funds are only expended in areas deemed prospective.

The Group adheres strictly to a health and safety programme. When constructing a mine site, external geotechnical, environmental, and geo-hydrological consultants are used to ensure all potential risks of this nature are understood and mitigation plans are put in place.



Development projects

Risk and Impact

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based on the interpretation of geological data obtained from drillholes and other sampling techniques and feasibility studies. This derives estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, as well as the configuration of the orebody, expected throughput and recovery rates, comparable facility and equipment operating costs and other factors.

Mitigation

The Group has appointed an experienced team of geoscientists and engineers, complemented by experienced consultants in specialist areas. Any new capital projects are supported by scoping, feasibility and intensive test work studies. The Uis Phase 1 pilot plant has provided an understanding of the metallurgy and processing elements of the project which will provide essential up-front information for the implementation of Phase 2. In addition, detailed metallurgical test work is being undertaken to assess the feasibility of extraction of Lithium and Tantalum prior to making any decision on the extraction of these metals. Third party experts are integral to the metallurgical test work. The company is advancing exploration drilling programmes to increase confidence levels for lithium and tantalum. All resources and reserves need to be JORC compliant and signed off by competent persons.



Capital budget overruns

Risk and Impact

Past environmental incidents in the extractive industry highlight risks such as water management, tailings storage facilities and other potential hazards to both the environment and community health and safety. Whilst best estimates are used in preparing capital project budgets, these budgets are dependent on a number of external factors which are beyond the control of the Group, resulting in a risk of material overruns versus budget.

Mitigation

Capital expenditure and project execution are subject to pre-defined governance and approval procedures, which include feasibility studies prior to implementation. Management and the Board regularly review project progress and related expenditure on projects. This includes reviewing actual costs against budgeted costs, updating working capital models, and assessing potential impacts on future cash flow.



Power and water supply

Risk and Impact

Power sources and water supply are key to the functioning of viable mining operations. A lack of power or water, or uncertainties around their uninterrupted supply, would adversely impact the feasibility of the operation.

Mitigation

The Group has concluded a formal electrical power supply agreement with Namibia Power Corporation for power to the mining and processing facility at Uis and this will provide enough power for Phase 1 of the project. Diesel generators will serve as backup power.

A geohydrological study, water drilling and test pumping programme has demonstrated the viability of using groundwater sources for the Phase 1 pilot plant. This was confirmed with the implementation and successful operation of a water supply network.

Solutions for Phase 2 in terms of both electrical power and water supply are in the process of being reviewed.



Financing

Risk and Impact

The successful extraction of tin, tantalum and eventually lithium will require significant capital investment. The Group's ability to raise further funds will depend on the success of existing operations. Market conditions may not be conducive to financing. The Group may not be successful in procuring the requisite funds.

Mitigation

The Group has a supportive shareholder base, as well as significant future investor interest, to engage with for future funding rounds. The management are currently at an advance stage of securing strategic funding for the business. Refer to Note 2 for details. The Group monitors cash flows on an ongoing basis.



Key personnel risk

Risk and Impact

The success and operational performance of the Group is dependent on the skills, expertise and knowledge of management and qualified personnel. Group profitability could be impacted in the event that key personnel leave the business.

Mitigation

The Group has built a team of executives, scientists, engineers and support personnel who are experienced and versatile enough to address shortcomings that may arise from the loss of employees. In addition, the Group has developed long-standing relationships with consulting firms in key specialist areas. Remuneration arrangements, given the stage of the Group's development, are intended to be sufficiently competitive to attract, retain and motivate high-quality staff capable of achieving the Group's objectives, thereby enhancing shareholder value.



Social license to operate

Risk and Impact

Past environmental incidents in the extractive industry highlight risks such as water management, tailings storage facilities and other potential hazards to both the environment and community health and safety.

Mitigation

Our ability to maintain regulatory compliance in order to protect the environment, as well as the health and safety of host communities and workers, remains our top priority. We seek to build partnerships with host governments and local communities based on trust to drive shared long-term value while working to minimise the social and environmental impacts of our activities. The Board oversees the Group's environmental, safety and health, and corporate social responsibility programmes, policies and performance and is in the process of setting up an ESG board sub-committee to focus on these matters.



Climate change

Risk and Impact

Climate change and regulatory actions to reduce its impact may affect our suppliers, customers and business model, and hence affect AfriTin's growth and profitability. This impact could be amplified by the perception that the Company is undertaking activities that are harmful to the environment.

Mitigation

AfriTin is working towards implementing the recommendations of the Task Force on Climate-Related Financial Disclosures. Current risk mitigation around climate change involves assessing exposure across a wide range of outcomes, monitoring government action around climate change and constantly striving to reduce the environmental impact of our operations. The Board oversees the Group's environmental, safety and health, and corporate social responsibility programmes, policies and performance and is in the process of setting up an ESG board sub-committee to focus on these matters.



COVID

Risk and Impact

COVID-19 resulted in widespread socio-economic disruption around the world. The countries where the Group operates, namely Namibia, South Africa and the United Kingdom continue to be subject to varying levels of lockdown restrictions to contain the spread of the disease. Despite lockdowns, the Group's operation in Namibia remained open during the course of the reporting period (albeit with a temporary suspension on mining in April 2020) due to an exemption granted to the mining industry but did suffer supply-chain disruptions which delayed production ramp-up. The Group's operations are continuing with minimal disruption now that the global lockdown measures have eased. However, there continues to be a risk that lockdown measures return in the event of further COVID-19 outbreaks, which may result in interruptions to operations through supply chain disruption, illness amongst our workforce and related personnel, together with potential volatility in tin, tantalum, and lithium prices.

In addition to the above, COVID-19 restrictions have resulted in shipping disruptions and congestion at container shipping ports. Despite this, the shipping of tin concentrate to Thaisarco has continued.

Mitigation

The countries in which the Group operates have all instituted measures to limit the spread of COVID-19. The Group is following the World Health Organisation (WHO) guidelines and is complying with the regulations of Namibia, South Africa and the United Kingdom related to COVID-19. In addition, the Group has updated its health and safety policies and procedures to align with the above guidelines and to translate these guidelines into workplace-specific measures.

The Group has adopted technological tools, such as online video conferencing and project and team management software to enable office-bound staff to work remotely.

The countries in which the Group operates have rolled out COVID-19 vaccination programmes. All employees of the Group have been encouraged to get vaccinated.



Country and political risk

Risk and Impact

AfriTin's operations are predominantly based in Namibia. Emerging-market economies are generally subject to greater risks including legal, regulatory, tax, economic and political risks, which are potentially subject to rapid change.

Mitigation

The AfriTin team is experienced at operating in Africa. AfriTin routinely monitors political and regulatory developments in Namibia at both regional and local level.

RESULTS AND DIVIDEND

The Group's results are a loss of £0.474m. The Directors will not be recommending the declaration of a dividend.

SHARE CAPITAL AND FUNDING

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 21. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

DIRECTORS

The Directors who served the Company during the year and to date are as follows:

DIRECTORS' INTERESTS

Anthony Viljoen Chief Executive Officer
Glen Parsons Chairman/Independent Non-Executive Director
Laurence Robb Independent Non-Executive Director
Terence Goodlace Independent Non-Executive Director
Michael Rawlinson Independent Non-Executive Director (Appointed 20th December 2021)

The Directors' beneficial interests in the shares of the Company as at 28 February 2022 were:

	Ordinary shares of no par value	Share options
Anthony Viljoen	11 296 690	10 600 000
Glen Parsons	4 307 486	4 500 000
Laurence Robb	1 300 815	4 000 000
Terence Goodlace		4 000 000
Michael Rawlinson	2 652 931	

DIRECTORS' INDEMNITY INSURANCE

The Group has maintained insurance throughout the year for its directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's exploration and development activities. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group, and that are of interest and concern to them as employees.

CREDITORS' PAYMENT POLICY AND PRACTICE

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy to abide by the terms of payment agreed with suppliers when agreeing the terms of each transaction. Suppliers are made aware of the terms of payment.

RELATED-PARTY TRANSACTIONS

Details of related-party transactions are given in Note 27 of the consolidated financial statements.

EVENTS AFTER BALANCE SHEET DATE

Events after balance sheet date are detailed in Note 26 of the consolidated financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought

to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The Directors will place a resolution before the Annual General Meeting to reappoint BDO LLP as the Group's auditor for the ensuing financial year.

ELECTRONIC COMMUNICATIONS

The maintenance and integrity of the Group's website is the responsibility of corporate management and the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Group's website is maintained in compliance with AIM Rule 26.

By order of the Board

MICHAEL RAWLINSON
Non Executive Director
31 August 2022





CORPORATE GOVERNANCE REPORT

As a listed company traded on the AIM market of the London Stock Exchange, we recognise the importance of sound corporate governance throughout our organisation, giving our shareholders and other stakeholders including employees, customers, suppliers, and the wider community confidence in our business. We endeavour to conduct our business in an ethical and sensitive manner irrespective of gender, race, colour or creed.

AfriTin has chosen to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 for Smaller Companies. Below we outline how we apply each of the code's ten key principles to our business.

PRINCIPLE

1. Establish a strategy and business model that promotes long-term value for shareholders.

APPLICATION

The Company is a pure tin company listed in London and its vision is to create a portfolio of world-class, conflict-free, tin-producing assets. The Company's flagship asset is the Uis brownfield tin mine in Namibia, formerly the world's largest hard-rock tin mine.

The Company is managed by an experienced Board of Directors and management team with a current two-fold strategy: fast-track Uis brownfield tin mine in Namibia to commercial production (the intention is to ramp up to 10 000 tonnes of concentrate) and consolidate other quality African tin assets. The Company strives to capitalise on the solid supply/demand fundamentals of tin by developing a critical mass of tin resource inventory, achieving production in the near term and further scaling-up production by consolidating tin assets in Africa.

Sustainable development principles are integrated into corporate strategies and decision-making processes by the Board of Directors and management team. The Company endeavours to ensure that responsible health and safety, environmental, human rights and labour practices and policies are adopted by suppliers and contractors.

The Company is subject to a variety of risks, specifically those relating to the mining and exploration industry. The principal risk factors facing the business as well as mitigation of those

risks are outlined in the Directors' Report in this Annual Report.

PRINCIPLE

2. Seek to understand and meet shareholder needs and expectations.

APPLICATION

The Board is committed to maintaining good communication and having a constructive dialogue with all its shareholders.

Management, led by the CEO, undertake regular presentations and roadshows to investors as appropriate. This enables them to develop a balanced understanding of the issues and concerns of shareholders. The views of shareholders are communicated to the rest of the Board.

Furthermore, the Company keeps shareholders informed on the Company's progress through its public announcements and its website. All reports and press releases are published in the 'Investors' section of the Company's website.

PRINCIPLE

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.

APPLICATION

The Board recognises that its prime responsibility is to promote the success of the Company for the benefit of its stakeholders and members as a whole. This success is largely reliant on its relations with its stakeholders, both internal (employees and shareholders) and external (customers, suppliers, business partners and advisors).

Employees, community members and other stakeholders work in collaboration with one another and with transparency and accountability. Open dialogue and engagement with community members at our sites is central to maintaining a successful relationship and essential to ensuring long-term sustainability for all parties involved. The Company continually implements inclusive and supportive approaches with local communities, to contribute to their economic and social well-being.

The Company endeavours to systematically examine the environmental impact of any of its operations and will adopt measures to mitigate this challenge. The goal is to minimise the negative

impacts on the environment of the different processes related to the extraction of tin. At our operational project area, Uis, the non-chemical nature of ore beneficiation, combined with an ore that is largely free of deleterious elements, contributes to a reduced level of environmental risk. Nonetheless, the Company ensures compliance with its operational environmental management plan through continuous monitoring of dust, water, and waste management.

The Company maintains a regular dialogue with key suppliers.

Managing human capital equitably and sustainably is central to the Company's project development strategy. The Company promotes an inclusive work environment through its recruitment policies, management and remuneration policies and development initiatives. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and that are of interest and concern to them as employees.

The Company has set up a share option scheme for key employees which gives them a stake in the Company's long-term success.

PRINCIPLE
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.

APPLICATION
As an entrepreneurial business operating in emerging markets there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate risks and individual project risks.

The Board ensures that there is a risk-management framework in place which identifies and addresses all relevant risks in order to execute and deliver strategy. Key risks are reviewed by the Board regularly and disclosed in the Directors' Report.

The Audit Committee receives feedback from the external auditor on the state of the Company's internal controls, and reports their findings to the Board.

PRINCIPLE
5. Maintain the Board as a well-functioning, balanced team led by the chair.

APPLICATION
The Board is made up of the Chairman, three Non-Executive Directors and the CEO.

The roles of the Chairman and CEO are clearly separated.

The CEO is responsible for the day-to-day operational management of the business and is supported by a Chief Financial Officer, a Chief Operating Officer, geologists and engineers.

The Chairman is responsible for the leadership and effective working of the Board, for the implementation of sound corporate governance, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information.

The Chairman and Non-Executive Directors (Glen Parsons, Terence Goodlace, Laurence Robb and Michael Rawlinson) are considered to be independent of management and free to exercise independent judgement. It is acknowledged that the Non-Executive Directors do have share options. However, the quantum of these share options is not material and is too low to affect independence.

The Board meets at least every three months or at any other time deemed necessary for the good management of the business. Every Director has attended all Board meetings whilst being a Director of the Company.

PRINCIPLE
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.

APPLICATION
Directors who have been appointed to the Company have been chosen because of the skills, knowledge and experience they offer considering the stage of the Company and the strategy that it is pursuing.

The composition of the Board as well as biographical details of Board members can be found on the Board of Directors page on the Company website.

Furthermore, the Company has put in place an Audit Committee and a Remuneration Committee.

The Directors have access to training (online training or external training courses) to ensure that

their skills are kept up to date. The Board and its committees will also seek external expertise and advice where required.

As part of the induction programme conducted by the Company's nominated adviser, Directors are briefed on regulations that are relevant to their role as directors of an AIM-quoted company.

Hiten Ooka (Chief Financial Officer) and Frans van Daalen (Chief Operating Officer) attend Board meetings by invitation to provide input from a financial and operational perspective.

PRINCIPLE
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

APPLICATION
The Board considers evaluation of its performance and that of its committees and individual Directors to be an integral part of corporate governance to ensure Board Members have the necessary skills, experience and abilities to fulfil their responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

The Chairman is responsible for ensuring the evaluation process is "fit for purpose", as well as for dealing with matters raised during the process.

Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board.

PRINCIPLE
8. Promote a corporate culture that is based on ethical values and behaviours.

APPLICATION
The Company has a strong ethical culture, which is promoted by the Board and the management team.

The Company endeavours to conduct its business in an ethical, professional and responsible manner, treating all employees, customers, suppliers and partners with equal courtesy irrespective of gender, race, colour or creed.

PRINCIPLE
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

APPLICATION
The Board approves the Company's strategy and ensures that necessary resources are in place in order for the Company to meet its objectives.

Whilst the Board has delegated the operational management of the Company to the Chief Executive Officer and other senior management, a number of specific matters are subject to the approval of the Board. These include:

- annual budget;
- interim and final financial statements;
- management structure and appointments;
- mergers, acquisitions and disposals;
- capital raising;
- joint ventures and investments;
- corporate strategy;
- projects of a capital nature; and
- major contracts.

The Non-Executive Directors have a particular responsibility to constructively challenge the strategy proposed by the executive management team, to scrutinise and challenge performance, to ensure appropriate remuneration, and to ensure that succession planning is in place in relation to senior members of the management team. The senior management team enjoy open access to the Non-Executive Directors.

The Chairman is responsible for leadership of the Board and ensuring its effectiveness. The Chairman with the assistance of the Chief Executive Officer sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues.

The roles of the Audit Committee and the Remuneration Committee are set out further on in this report.

The governance structures will evolve over time in parallel with the Company's objectives, strategy, and business model to reflect the development of the Company.

PRINCIPLE
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

APPLICATION

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to arrive at informed decisions about the Company. The 'Investors' section on the Company's website provides all required regulatory information as well as additional information shareholders may find helpful, including:

- information on Board members, advisers and significant shareholdings;
- a historical list of the Company's announcements;
- corporate governance information;
- historical Annual Reports and notices of Annual General Meetings; and
- share price information and interactive charting facilities to assist shareholders in analysing performance.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes for or against resolutions.

THE BOARD OF DIRECTORS

The Board currently comprises:

- Independent Non-Executive Chairman
- Glen Parsons (appointed 23 October 2017)

- Independent Non-Executive Directors
- Laurence Robb (appointed 23 October 2017)
 - Terence Goodlace (appointed 23 May 2018)
 - Michael Rawlinson (appointed 20 December 2021)

- Executive Director- Chief Executive Officer
- Anthony Viljoen (appointed 23 October 2017)

Operational management in South Africa and Namibia is led by Anthony Viljoen supported by a Chief Financial Officer (Hiten Ooka), a Chief Operating Officer (Frans van Daalen), geologists and engineers. Operational management is also supported technically through various consultancy agreements that were in place during the year under review. The Board met formally four times during the year and also met frequently on an ad-hoc basis. All press releases, including operational updates, are approved by the entire Board.

THE AUDIT COMMITTEE

The Audit Committee meets at least twice a year and is composed exclusively of Non-Executive Directors: Glen Parsons (Chairman) and Michael Rawlinson. The Chief Executive Officer, Anthony Viljoen, and the Chief Financial Officer, Hiten Ooka, attend Audit Committee meetings by invitation. The committee is responsible for:

- reviewing the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, stock exchange requirements and legal requirements;
- receiving and considering reports on internal financial controls, including reports from the auditor, and reporting auditor findings to the Board;
- considering the appointment of the auditor and their remuneration, including reviewing and monitoring their independence and objectivity;
- meeting with the auditor to discuss the scope of the audit, issues arising from their work and any matters they wish to raise; and
- developing and implementing policy on the engagement of the external auditor to supply non-audit services.

The Audit Committee is provided with details of any proposed related-party transactions in order to consider and approve the terms and conditions of such transactions.

The Audit Committee met three times during the year to consider the following agenda items:

- July 2021:
- Critical accounting estimates
 - Going concern assessment
 - Approval of the Annual Report for the period ended February 2021

- September 2021:
- Approval of the half-year results and report to 31 August 2020
 - Going concern assessment

- February 2022:
- Auditor independence
 - External audit plan for the year ended February 2022

THE REMUNERATION COMMITTEE

The Remuneration Committee meets at least once a year and is composed exclusively of Non-Executive Directors: Michael Rawlinson (Chair) and Glen Parsons.

The Committee is responsible for reviewing the performance of senior management and for setting the scale and structure of their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant, paying due regard to the interests of shareholders and the performance of the Group.

The Remuneration Committee met formally once during the year to consider the following agenda items:

- February 2022:
- Initiation of STIP and Share Option plan for Organisation (2021/2022)
 - Review and implementation of Balance Scorecard for organisation performance (2021/2022)

THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The ESG committee comprises of the following Board of Directors: Terence Goodlace (Chairman), Laurence Robb and Anthony Viljoen. Additional members of the Board, Executive Management and the ESG team attend the committee meetings by invitation.

The Committee ensures that ESG is embedded in the business' operations. We are conscious of the impact ESG has on the long-term success of the business. Our approach to ESG is one that is inclusive, intended to benefit all stakeholders involved.

The ESG Committee's role to date has been to advise on the approach the Company should implement to maintain a good ESG scorecard and Social Licence to operate. This includes drafting of the ESG Strategy, policies, compliance systems and monitoring the Company's performance against industry practices.

The ESG Committee met twice during the year

to consider the following agenda items:

- August 2021:
- Governance Structure of the Committee and Organisation
 - Identification of critical policies and procedures to be implemented
 - 4 x policies:
 - Occupational Health and Safety Policy
 - Environmental Policy
 - Sustainable Development Policy
 - Risk Management Policy

- February 2022:
- Climate change risk assessment
 - Amendment of Group Diversity Policy
 - Development of 5-year ESG Strategy

INTERNAL CONTROLS

The Board acknowledges its responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst the Board is aware that no system can provide absolute assurance against material misstatement or loss, in light of the increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

RISK MANAGEMENT

The Board considers risk assessment and management to be important in achieving its strategic objectives. Project milestones and timelines are regularly reviewed.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare the Annual Report and Consolidated Financial Statements for each financial year in accordance with UK Adopted International Accounting Standards and AIM Rules for Companies.

The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial year and of the profit or loss of the Group for that year and are required by UK Adopted International Accounting Standards to reflect fairly the financial position and performance of the Group.

In preparing the Group financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK Adopted International Accounting Standards; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, disclose with reasonable accuracy at any time the financial position of the Group, and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm they have discharged their responsibilities as noted above.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRITIN MINING LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 28 February 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of AfriTin Mining Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 28 February 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the financial statements, which indicates that the Group will need to raise additional funding within twelve months from the date of approval of financial statements to fund their working capital and

capital projects. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting and our audit procedures in response to key audit matter included the following:

- We discussed with Directors and the Audit Committee their assessment of potential risks and uncertainties, forecast commodity prices and the availability of financing that are relevant to the Group's business model and operations. We formed our own assessment of risks and uncertainties based on our understanding of the business and mining sector and considered these in performing our own sensitivities.
- We reviewed the latest board approved cash flow forecasts for the Group to December 2023. We challenged management's assumptions in respect of level of production, Forecast Tin prices, operating costs and capital expenditure. In doing so, we considered factors such as empirical operational performance, recent cost profile and market analyst commentary regarding forecast commodity prices.
- We recalculated forecast covenant compliance calculations and assessed the consistency of such calculations with the ratios stated in the relevant lender agreements.
- We assessed the sensitivity analysis performed in respect of key assumptions underpinning the forecasts and considered management's conclusions as to whether such scenarios are reasonably possible based on our knowledge of the business and operating environment.
- We discussed with management and the Board the Group's strategy to access capital to fund its development plans and working capital needs. We considered the Director's judgement that they had reasonable expectation of securing necessary funding and the timing of such funding requirement.

- We reviewed and considered the adequacy of the disclosure within the financial statements relating to Directors’ assessment of the going concern basis of preparation with the requirements of the financial reporting framework, our understanding of

the business and the Directors going concern assessment.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

Coverage	89% (2021: 89%) of Group total assets 99% (2021: 99%) of Group revenue		
Key audit matters (“KAM”)		2022	2021
	Going concern	Yes	Yes
	Carrying value of the Uis mining assets	Yes	Yes
Materiality	Group financial statements as a whole £370,000 (2021: £230,000) based on 1% of total assets (2021: 1% of total assets)		

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In approaching the Group audit we considered how the Group is organised and managed. Whilst AfriTin Mining Limited is a Company registered in Guernsey and listed on AIM in the UK and the NSX in Namibia, the Group’s principal operations are located in Namibia and South Africa. We assessed the business as being principally a single project comprising of the Namibia subsidiaries that operate the Uis Mine, a corporate head office function and an exploration business unit. The Namibia subsidiaries that operate the Uis Mine and the corporate head office function were regarded as being significant components of the Group and were subject to full scope audits. The audits of each of the components were principally performed in the United Kingdom, Namibia and South Africa. All of the audits were conducted by either the group audit team or BDO network member firms. The remaining components of the Group were considered non-significant and these components were principally subject to analytical review

procedures, together with specified audit procedures over exploration and evaluation related assets. This work was conducted by BDO network member firms.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- We held planning meetings with the component auditors and local management.
- Detailed Group reporting instructions were sent to the component auditors, which included significant areas to be covered by the audits and set out the information to be reported to the Group audit team.
- The Group audit team was actively involved in the direction of the audits performed by the component auditor for Group reporting purposes, along with the consideration of findings and determination of conclusions drawn. We performed our own additional procedures in respect of certain of the significant risk areas that represented key audit matters in addition to the procedures

performed by the component auditor.

- We received and reviewed Group reporting submissions and performed a review of the component auditors’ file. Our review was performed remotely using our online audit software as a result of travel restrictions due to Covid-19.
- We held clearance meetings remotely with the component auditors and local management to discuss significant audit and accounting issues and judgements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance

in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the 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 the Material uncertainty related to going concern section above, we have determined the matters described below to be key audit matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of the Uis mining assets <i>See Note 2: Critical accounting estimates and judgements and Note 13: Property, Plant and Equipment.</i> Details of the carrying value of the Uis mining assets are disclosed in Note 13: Property, Plant and Equipment. Details of the carrying value of the Uis mining assets are disclosed in Note 13: Property, Plant and Equipment. As disclosed in Note 2 Critical accounting estimates and judgements, management have performed an impairment indicator review for Uis mining assets in accordance with the accounting standards. In undertaking this assessment management have prepared the underlying valuation model of the Uis mine. As set out in Note 2, Management have concluded that no indicators of impairment have been identified at year-end. The assessment of the recoverable value of the Uis mining assets requires significant judgement and estimates to be made by management – in particular regarding the inputs applied	We reviewed and challenged management’s impairment indicator assessment for the Uis Mine mining assets which was carried out in accordance with relevant accounting standards in order to determine whether there were any indicators of impairment. In doing so, our procedures included: • Reviewing the Competent Person’s Report to support the mineral reserve and performed an assessment of the independence and competence of managements expert. • Critically reviewing the Life of Mine (‘LoM’) forecast by making enquiries of operational management, evaluating it against our understanding of the operations and historic performance, and evaluating the consistency of available reserves with the Competent Person’s Report. • Obtaining management’s impairment model to confirm that headroom existed over the asset carrying value as part of our assessment of potential impairment indicators. • Checking the mathematical accuracy of management’s impairment model. • Challenging the significant inputs and assumptions used in the managements impairment model and whether these were indicative of potential bias. This included comparing forecast commodity prices to a range of third-party independent market outlook reports and historical actual data, comparing the forecast production to third party feasibility and resource studies. We compared forecasted costs against the expected production profiles in the mine plans and recent historical performance.

in the models including; future tin prices, production and reserves, operating and development costs and discount rates. The carrying value of the Uis mining assets is therefore considered a key audit matter given the level of judgement and estimation involved.	- Recalculating the discount rate and utilising BDO valuation experts to assist us in assessing managements discount rate by recalculating it in reference to external data. - Review of management’s sensitivity analysis and performance of our own sensitivity analysis over individual key inputs including tin prices, discount rate and plant recovery. Key observation: We found the key assumptions made by management in their impairment model to be within an acceptable range and found management’s conclusion that no impairment indicator was present in respect of the Uis mining assets at 28 February 2022 to be appropriate.
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OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level,

performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	2022	2021
Materiality	£370,000	£230,000
Basis for determining materiality	1% of total assets	1% of total assets
Rationale for the benchmark applied	We consider total assets to be the most significant determinant of the Group’s financial performance used by members given the Group. The Group has invested significant sums on its production and non-production mining assets and these are considered to be the key value driver for the Group as its assets are an indicator of future value to shareholders.	
Performance materiality	£278,000	£172,500
Basis for determining performance materiality	Performance materiality was set at 75% of the above materiality level based on assessment of aggregation risk considering factors such as volume and nature of errors in prior periods.	

Component materiality

We set materiality for each component of the Group based on a percentage between 18% and 83% (2021: 20% and 55%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £66,000 to £264,000 (2021: £46,000 to £128,000). In the audit of each component, we further applied performance materiality levels of 75% (2021: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £18,500 (2021:12,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES (GUERNSEY) LAW, 2008 REPORTING

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors’ Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities,

outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Holding discussions with the Directors and the Audit Committee and made enquiries about whether they were aware of any known or suspected instances of non-compliance with laws and regulations or fraud;
- Gaining an understanding of the of the laws and regulations relevant to the Group and the industry in which it operates, through discussion with Directors and our knowledge of the industry. These included the listing rules, the financial reporting framework, Guernsey Companies Law, tax legislation and the various Mining Regulations in Namibia;
- Communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remaining alert to any indications of fraud or noncompliance with laws and regulations throughout the audit;
- Assessing the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by making enquiries of the Directors and the Audit Committee during the planning and execution phases of our audit to understand where they considered there to be susceptibility to fraud, considering the risk of management override of controls and relevant controls established to address risks identified to prevent or detect fraud.

We believed the areas in which fraud might occur were in the management override of controls, recognition of revenue in the correct period, and bias in accounting estimates. In response our procedures included, but were not limited to;

- Agreeing the financial statement disclosures to underlying supporting documentation;
- Addressing the fraud risk in relation to revenue recognition by testing one hundred percent of revenue transactions to supporting documentation, including testing the that revenue was recorded in the correct period by testing revenue transactions in the period proceeding and preceding year end.

- Addressing the risk of fraud through management override of internal controls, by testing the appropriateness of journal entries made throughout the year by applying specific criteria to select journals which may be indicative of possible irregularities or fraud;
- Assessing areas of the Financial Statements which include judgement and estimates, as set out in Note 2 to the financial statements and in our Key audit matters section above and evaluated whether there was evidence of bias by the Directors;
- Made of enquiries of Directors as to whether there was any correspondence from regulators in so far as the correspondence related to the Financial Statements;
- Reading minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jack Draycott

For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
31 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).





FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February 2022

	Notes	Year ended 28 February 2022 £	Year ended 28 February 2021 £
Continuing operations			
Revenue	5	13 615 045	4 985 107
Cost of Sales	6	(9 302 518)	(4 987 696)
Gross profit / (loss)		4 312 527	(2 589)
Administrative expenses	7	(3 674 662)	(2 539 762)
Impairment of exploration licences		-	(3 069 232)
Other income		61 753	-
Operating loss		699 619	(5 611 583)
Finance income		6 545	-
Finance cost	9	(316 365)	(184 300)
Profit / (loss) before tax		389 798	(5 795 883)
Deferred tax movement	10	(864 199)	-
Profit / (loss) for the year		(474 401)	(5 795 883)
Other comprehensive income / (loss)			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of share-based payment reserve		767	(531)
Exchange differences on translation of foreign operations		526 779	(526 231)
Exchange differences on non-controlling interest		(6 700)	1 390
Total comprehensive income for the year		46 445	(6 321 255)
Profit / (loss) for the year attributable to:			
Owners of the parent		(815 645)	(5 694 962)
Non-controlling interests	24	341 244	(100 921)
		(474 401)	(5 795 883)
Total comprehensive profit / (loss) for the year attributable to:			
Owners of the parent		(288 098)	(6 221 724)
Non-controlling interests	24	334 543	(99 531)
		46 445	(6 321 225)
Loss per ordinary share			
Basic and diluted loss per share (in pence)	11	(0.08)	(0.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2022

	Notes	Year ended 28 February 2022 £	Year ended 28 February 2021 £
Assets			
Non-current assets			
Intangible assets	12	5 147 782	5 240 461
Property, plant and equipment	13	19 150 092	13 634 701
Total non-current assets		24 297 875	18 875 162
Current assets			
Inventories	14	1 451 933	996 698
Trade and other receivables	15	3 953 382	1 188 152
Cash and cash equivalents	16	7 365 379	1 351 200
Total current assets		12 770 694	3 536 050
Total assets		37 068 569	22 411 212
Equity and liabilities			
Equity			
Share capital		38 655 078	25 608 001
Convertible loan note reserve	21	-	2 170 645
Accumulated deficit		(10 739 321)	(10 030 679)
Warrant reserve	22	192 632	211 348
Share-based payment reserve	23	704 828	743 615
Foreign currency translation reserve		(1 534 560)	(2 061 339)
Equity attributable to the owners of the parent		27 278 657	16 641 591
Non-controlling interests	24	183 200	(151 344)
Total equity		27 461 857	16 490 247
Non-current liabilities			
Environmental rehabilitation liability	19	295 151	180 917
Borrowings	17	4 095 405	-
Lease liability	20	167 216	260 512
Deferred tax liability	10	861 784	-
Total non-current liabilities		5 419 556	441 429
Current liabilities			
Trade and other payables	18	2 969 833	1 484 482
Borrowings	17	1 024 736	3 869 489
Lease liability	20	192 586	125 565
Total current liabilities		4 187 155	5 479 536
Total equity and liabilities		37 068 569	22 411 212

The notes that follow in this report form part of these financial statements.
The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 31 August 2022.

MICHAEL RAWLINSON
Non Executive Director
31 August 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2022

	Share capital £	Convertible loan note reserve £	Accumulated deficit £	Warrant reserve £	Share-based payment reserve £	Foreign currency translation reserve £	Total £	Non-controlling interests £	Total equity £
Total equity as at 29 February 2020	20 487 239	3 770 645	(4 365 500)	78 651	559 534	(1 535 108)	18 995 461	(51 812)	18 943 649
Loss for the year	-	-	(5 694 962)	-	-	-	(5 694 962)	(100 921)	(5 795 883)
Other comprehensive income / (loss)	-	-	-	-	(531)	(526 231)	(526 762)	1 390	(525 372)
Transactions with owners:									
Share-based payments	-	-	-	-	281 431	-	281 431	-	281 431
Issue of shares	3 774 079	-	-	-	(96 819)	-	3 677 260	-	3 677 260
Share issue costs	(253 317)	-	-	-	-	-	(253 317)	-	(253 317)
Conversion of convertible loan notes	1 600 000	(1 600 000)	-	-	-	-	-	-	-
Warrants issued in the year	-	-	-	162 480	-	-	162 480	-	162 480
Warrants expired in the year	-	-	29 783	(29 783)	-	-	-	-	-
Total equity as at 28 February 2021	25 608 001	2 170 645	(10 030 679)	211 348	743 615	(2 061 339)	16 641 591	(151 344)	16 490 247
Loss for the year	-	-	(815 645)	-	-	-	(815 645)	341 244	(474 401)
Other comprehensive income / loss	-	-	-	-	767	526 779	527 546	(6 700)	520 846
Transactions with owners:									
Issue of shares	13 039 102	-	-	-	(10 000)	-	13 029 102	-	13 029 102
Share issue costs	(793 775)	-	-	-	-	-	(793 775)	-	(793 775)
Share-based payments	-	-	-	-	88 088	-	88 088	-	88 088
Share options exercised during the year	308 545	-	117 642	-	(117 642)	-	308 545	-	308 545
Warrants exercised in the year	63 150	-	18 716	(18 716)	-	-	63 150	-	63 150
Issue costs reclassified to retained earning	-	29 355	(29 355)	-	-	-	-	-	-
Settlement of convertible loan note in shares	430 055	(430 055)	-	-	-	-	-	-	-
Settlement of convertible loan note in cash	-	(1 769 945)	-	-	-	-	(1 769 945)	-	(1 769 945)
Total equity as at 28 February 2022	38 655 078	-	(10 739 321)	192 632	704 828	(1 534 560)	27 278 657	183 200	27 461 857

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2022

	Notes	Year ended 28 February 2022 £	Year ended 28 February 2021 £
Cash flows from operating activities			
Profit / (loss) before taxation		389 798	(5 795 883)
Adjustments for:			
Fair value adjustment to customer contract	5	(137 019)	(205 635)
Depreciation of property, plant and equipment	13	1 861 023	898 528
Depreciation of intangible assets	12	28 198	-
Impairment of exploration licences		-	3 069 232
Share-based payments		55 793	217 407
Equity-settled transactions		66 101	618 260
Finance income		(6 545)	-
Finance costs	9	316 365	184 300
Changes in working capital:	15		
Increase in receivables	14	(2 866 192)	(352 953)
Increase in inventory	18	(418 556)	(753 688)
Increase in payables		1 006 060	619 573
Net cash used in operating activities		569 064	(1 500 858)
Cash flows from investing activities			
Purchase of intangible assets		(1 442 774)	(964 191)
Purchase of property, plant and equipment		(4 543 884)	(1 990 856)
Net cash used in investing activities		(5 986 658)	(2 955 047)
Cash flows from financing activities			
Finance income		6 545	-
Finance costs	9	(224 061)	(37 612)
Lease payments	20	(213 661)	(128 600)
Net proceeds from issue of shares	21	12 548 248	2 796 683
Settlement of convertible loan notes	17	(1 769 945)	-
Proceeds from borrowings	17	5 024 727	7 908 028
Repayment of borrowings	17	(3 907 086)	(5 378 742)
Net cash generated from financing activities		11 464 767	5 159 757
Net increase in cash and cash equivalents		6 047 173	703 852
Cash and cash equivalents at the beginning of the year		1 351 200	574 600
Foreign exchange differences		(32 994)	72 748
Cash and cash equivalents at the end of the year	16	7 365 379	1 351 200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2022

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

AfriTin Mining Limited (“AfriTin”) was incorporated and domiciled in Guernsey on 1 September 2017, and admitted to the AIM market in London on 9 November 2017. The company’s registered office is PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH, and it operates from Illovo Edge Office Park, 2nd Floor, Building 3, Corner Harries and Fricker Road, Illovo, Johannesburg, 2116, South Africa.

These financial statements are for the year ended 28 February 2022 and the comparative figures are for the year ended 28 February 2021.

The AfriTin Group comprises AfriTin Mining Limited and its subsidiaries as noted below.

AfriTin Mining Limited (“AML”) is an investment holding company and holds 100% of Guernsey subsidiary, Greenhills Resources Limited (“GRL”).

GRL is an investment holding company that holds investments in resource-based tin and tantalum exploration companies in Namibia and South

Africa. The Namibian subsidiary is AfriTin Mining (Namibia) Pty Limited (“AfriTin Namibia”), in which GRL holds 100% equity interest. The South African subsidiaries are Mokopane Tin Company Pty Limited (“Mokopane”) and Pamish Investments 71 Pty Limited (“Pamish 71”), in which GRL holds 100% equity interest.

AfriTin Namibia owns an 85% equity interest in Uis Tin Mining Company Pty Limited (“UTMC”). The minority shareholder in UTMC is The Small Miners of Uis who own 15%.

Mokopane owns a 74% equity interest in Renetype Pty Limited (“Renetype”) and a 50% equity interest in Jaxson 641 Pty Limited (“Jaxson”).

The minority shareholders in Renetype are African Women Enterprises Investments Pty Limited and Cannosia Trading 62 CC who own 10% and 16% respectively.

The minority shareholder in Jaxson is Lerama Resources Pty Limited who owns a 50% interest in Jaxson. Pamish 71 owns a 74% interest in Zaaipplaats Mining Pty Limited (“Zaaipplaats”). The minority shareholder in Zaaipplaats is Tamiforce Pty Limited who owns 26%.

AML holds 100% of Tantalum Investment Pty Limited, a company holding Namibian exploration licenses EPL5445 and EPL5670 for the exploration of tin, tantalum and associated minerals.

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
AfriTin Mining Limited	N/A	Guernsey	Ultimate holding company
Greenhills Resources Limited ¹	100%	Guernsey	Holding company
AfriTin Mining Pty Limited ¹	100%	South Africa	Group support services
Tantalum Investment Pty Limited ¹	100%	Namibia	Tin & tantalum exploration
AfriTin Mining (Namibia) Pty Limited ²	100%	Namibia	Tin & tantalum operations
Uis Tin Mining Company Pty Limited ³	85%	Namibia	Tin & tantalum operations
Mokopane Tin Company Pty Limited ²	100%	South Africa	Holding company
Renetype Pty Limited ⁴	74%	South Africa	Tin & tantalum exploration
Jaxson 641 Pty Limited ⁴	50%	South Africa	Tin & tantalum exploration
Pamish Investments 71 Pty Limited ²	100%	South Africa	Holding company
Zaaipplaats Mining Pty Limited ⁵	74%	South Africa	Property owning

As at 28 February 2022, the AfriTin Group comprised:

¹ Held directly by AfriTin Mining Limited

² Held by Greenhills Resources Limited

³ Held by AfriTin Mining (Namibia) Pty Limited

⁴ Held by Mokopane Tin Company Pty Limited

⁵ Held by Pamish Investments 71 Pty Limited

These financial statements are presented in Pound Sterling (£) because that is the currency in which the Group has raised funding on the AIM market in the United Kingdom. Furthermore, Pound Sterling (£) is the functional currency of the ultimate holding company, AfriTin Mining Limited.

The Group's key subsidiaries, AfriTin Namibia and UTMIC, use the Namibian Dollar (N\$) as their functional currency. The year-end spot rate used to translate all Namibian Dollar balances was £1 = N\$20.33 and the average rate for the financial year was £1 = N\$20.27

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Consolidated Financial Statements have been prepared in accordance with UK Adopted International Accounting Standards. The Consolidated Financial Statements also comply with the AIM Rules for Companies, NSX Listing Requirements and the Companies (Guernsey) Law, 2008 and show a true and fair view.

The significant accounting policies applied in preparing these Consolidated Financial Statements are set out below. These policies have been consistently applied throughout the period. The Consolidated Financial Statements have been prepared under the historical cost convention except as where stated.

GOING CONCERN

The Group closely monitors and manages its liquidity risk and day to day working capital requirements. Cash forecasts are regularly produced, considering the global logistical challenges around sales to ensure sufficient cash within the Group to meet its obligations. The Group runs sensitivities for different scenarios, including but not limited to changes in commodity prices and exchange rates. The Group also routinely monitors the covenants associated with the borrowing facilities and proactively engages

with Standard Bank, the lender, where there is any risk. Based on the year-to-date production profile and latest forecast, the group will be able to meet its covenant obligations for the testing period February 2023. For the purpose of assessing going concern, the Directors have prepared forecasts to December 2023.

The main sensitivities considered as part of management's going concern assessment are production, tin prices, exchange rates and committed expansion capital. The Group's ability to achieve its future production profile is predicated on the successful completion of the Uis phase 1 expansion which will increase the production capability up to 1,200 tonnes of tin concentrate per annum.

Based on the forecasts, additional funding is likely to be required within the next 12 months for the purpose of working capital and capital projects. The Group believes it has several options available to it, including but not limited to, use of the overdraft facility, restructuring of the debt, additional debt or equity, cost reduction strategies as well as potential offtake arrangements. Management is already at an advanced stage of securing bank funding and other finance for the next 12 months, with a primary allocation to capital expansion projects and by-product pilot facilities. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

Notwithstanding the above, these circumstances indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and accordingly the Group may be unable to realise its assets or settle its liabilities in the ordinary course of business. As a result of their review, and despite the aforementioned material uncertainty, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these consolidated financial statements.

BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from

its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of the net assets upon liquidation are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management steering committee that makes strategic decisions.

FOREIGN CURRENCIES

Functional and presentational currency

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which that company operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in Pound Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation date where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a financial currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

REVENUE RECOGNITION

IFRS 15 "Revenue from Contracts with Customers" establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group generates revenue from its primary activity, the sale of tin concentrate, and it continued to generate immaterial revenue from the sale of sand.

The Group produces and sells tin concentrate from its Uis Tin Mine in Namibia. Once concentrate has been produced at the Uis plant, it is sampled, bagged, and loaded into containers for

transportation to the port in Walvis Bay for shipment.

The company currently has an offtake agreement with its customer, Thailand Smelting and Refining Company (“Thaisarco”), which was signed on 1 August 2019. This contract was renewed on 1 December 2020 for a further 3 years. As per the contract, Thaisarco pays AfriTin on the basis of actual tin content in the concentrate per Thaisarco’s analysis, at the London Metal Exchange price less treatment charges, unit deductions and impurity charges.

The Group can elect for the sale of each shipment to occur under the following terms:

Option 1: Standard provisional payment

Thaisarco shall pay 90% provisional payment on the basis of actual tin content as per their own analysis. Payment is to be made within 10 working days after the arrival of concentrate at Thaisarco’s works. Title shall pass to Thaisarco when the concentrate arrives at the Songkhla Port in Thailand.

Option 2: Provisional payment option against original bill of lading

Thaisarco shall pay 90% provisional payment on the basis of provisional tin content per UTMIC’s analysis. The provisional payment shall be done against presentation of a provisional invoice and an original bill of lading. Title shall pass to Thaisarco when UTMIC receives the 90% provisional payment.

Option 3: Provisional payment option against warehouse holding certificate

Thaisarco shall pay 70% provisional payment on the basis of provisional tin content per UTMIC’s analysis. The provisional payment shall be done against presentation of a provisional invoice and an original warehouse holding certificate. Thaisarco shall pay an additional 20% provisional payment upon presentation of the original bill of lading. Title shall pass to Thaisarco when UTMIC receives the 70% provisional payment.

During the financial year, the Group concluded sales under Option 3.

Revenue is recognised at a point in time when title and control of the goods has transferred to the customer, which is when the concentrate arrives at Songkhla Port in Thailand under Option 1 or when provisional payment is received by UTMIC under

Option 2 and Option 3. There is limited judgement needed to identify the point at which control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession of the products. At this point, the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

Pricing for the provisional payment is determined by the published tin price on the date that title and control passes. Pricing for the final payment shall be declared within 30 market days after arrival at Thaisarco’s works. The lower of the cash price and the 3-month forward-looking price is used in these calculations.

Variable consideration relating to final assay results is constrained in estimating revenue unless it is highly probable that there will not be a future reversal in the amount of revenue recognised when the final assay has been determined.

Revenue from the sale of sand is recognised at the point in time when control of the goods has transferred to the customer, which is when the sand leaves the Group’s premises. At this point, the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax charge is based on taxable profit for the period. The Group’s liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the “balance sheet liability” method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is

realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

INTANGIBLE EXPLORATION AND EVALUATION ASSETS

All costs associated with mineral exploration and evaluation are capitalised as intangible exploration and evaluation assets and subsequently measured at cost. These include the costs of: acquiring prospecting licenses; mineral production licenses and annual license fees; rights to explore; topographical, geological, geochemical, and geophysical studies; and exploratory drilling, trenching, sampling, and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

If an exploration project is successful, the related expenditures will be transferred at cost to property, plant and equipment and amortised over the estimated life of the commercial ore reserves on a unit of production basis (with this charge being taken through profit or loss). Where capitalised costs relate to both development projects and exploration projects, the Group reclassifies a portion of the costs which are considered attributable to near-term production based on a percentage of the ore resource expected to be mined in the relevant phase. Where a project does not lead to the discovery of commercially viable quantities of mineral resources and is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are recognised in the income statement.

The recoverability of deferred exploration costs is dependent upon the discovery of economically viable ore reserves, the ability of the Group to obtain necessary financing to complete the development of ore reserves and future profitable production or proceeds from the extraction or disposal thereof.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Intangible exploration and evaluation assets are reviewed regularly for indicators of impairment following the guidance in IFRS 6 “Exploration for

and Evaluation of Mineral Resources” and tested for impairment where such indicators exist.

In accordance with IFRS 6, the Group considers the following facts and circumstances in their assessment of whether the Group’s exploration assets may be impaired:

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

If any such facts or circumstances are noted, the Group, as a next step, performs an impairment test in accordance with the provisions of IAS 36 “Impairment of Assets”. In such circumstances, the aggregate carrying value of the mining exploration and evaluation assets is compared to the expected recoverable amount of the cash-generating unit. The recoverable amount is the higher of value in use and the fair value less costs to sell.

SHARE CAPITAL AND RESERVES

i) Warrant reserve

The warrants issued by the Company are recorded at fair value on initial recognition net of transaction costs. The fair value of warrants granted is recognised as an expense or as share issue costs based on their nature, with a corresponding increase in equity. The fair value of the warrants granted is measured using the Black Scholes valuation model, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of warrants that vest.

ii) Convertible loan note reserve

The proceeds received on issue of the Group's convertible loan notes are allocated into their liability and equity components based on the terms of the agreement.

The Group takes into account:

- whether there is a contractual obligation to settle in cash;
- whether there is a contractual obligation to issue a variable number of shares; and
- whether the instruments book value is variable.

Where none of the above criteria are met, the convertible loan notes are allocated as equity.

iii) Share-based payment reserve

Where equity-settled share options are awarded to directors or employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less the estimated residual value

of each asset over its expected useful economic life. The applicable rates are:

- The mining assets are depreciated using the units of production method from the point that commercial production was achieved. This reflects the production activity in the period as a proportion of the total mining reserve. Where the units of production method is used, the assets are depreciated based on a rate determined by the tonnes of ore processed divided by the estimate of the mineral reserve.
- Short-lived assets which are used in the mining and processing plant are depreciated over a period of between one and ten years.
- Right-of-use assets are depreciated over the period of the lease contract.
- Computer equipment is depreciated over three years.
- Furniture is depreciated over five years.
- Vehicles are depreciated over four years.
- Mobile equipment is depreciated over ten years.

Land and mining assets under construction are not depreciated.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end and adjusted if necessary.

Gains or losses on disposal are included in profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

MINING ASSET – STRIPPING

In open pit mining operations, it is necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalised and included in the carrying amount of the related mining property. During the production phase of a mine, stripping costs will be recognised as an asset only if the following conditions are met:

- It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body (mining phases) for which access has been improved; and

- The costs relating to the stripping activity associated with that component can be measured reliably.

Stripping costs incurred and capitalised during the development and production phase are depleted using the unit-of-production method over the reserves and, in some cases, a portion of resources of the area that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as costs of sales and included in operating expenses.

RIGHT-OF-USE ASSET

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. The asset may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purposes the assets is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purposes it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The right-of-use asset is initially measured at the

present value of the remaining lease payments, discounted using the incremental borrowing rate.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is annually assessed for impairment and will be adjusted for certain re-measurements of the lease liability.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there has been a change in economic conditions that indicate a possible impairment in a cash-generating unit, the recoverability of the net book value relating to that unit is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future commodity prices and future costs.

The recoverable amount is determined on the fair value less cost to develop basis. In assessing the recoverable amount, the expected future post-tax cash flows from the asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Life of Mine ("LoM") plan is the approved management plan at the reporting date for ore extraction and its associated capital expenditure. The capital expenditure included in the impairment model does not include capital expenditure to enhance the asset performance outside of the existing LoM plan. The ore tonnes included in the LoM plan are those as per the Reserve Statement, which management considers economically viable.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, then the carrying amount of the asset (or cash-generating unit) is reduced

to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that it reverses gains previously recognised in other comprehensive income.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

INVENTORIES

Inventory consists of tin concentrate on hand, the run of mine stockpile, and consumable items.

The tin concentrate is carried at the lower of cost or net realisable value. The cost of the concentrate includes direct materials, direct labour, depreciation, and overhead costs relating to processing and engineering activities. Net realisable value is the estimated selling price net of any estimated selling costs in the ordinary course of business.

The run of mine stockpile is carried at the lower of cost or net realisable value. The cost of the stockpile includes direct materials, direct labour, depreciation, and overhead costs relating to mining activities. Net realisable value is the estimated selling price net of necessary processing costs and any estimated selling costs in the ordinary course of business.

Consumables are valued at the lower of cost (determined on the weighted average basis) and net realisable value. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Replacement cost is used as the best available measure of net realisable value.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSETS

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at amortised cost, and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are classified as at amortised cost only if the asset is held to collect the contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest. At subsequent reporting dates, financial assets at amortised cost are measured at amortised cost less any impairment losses.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses on a forward-looking basis the expected credit losses, defined as the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the simplified approach permitted by IFRS 9 “Financial Instruments” is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 28 February 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of our customer to settle the receivables balance.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at the fair value of the consideration receivable less any impairment.

Trade and other receivables are subsequently measured at amortised cost or at fair value through profit or loss.

Under its offtake arrangement, the Group receives a provisional payment upon satisfaction of its performance obligations based on the tin price at that date. This occurs prior to the final price determination and the Group then subsequently receives the difference between the final price and quantity and the provisional payment. As a result of the pricing structure, the instrument is classified at fair value through profit or loss and changes in fair value are recorded as other revenue.

Trade and other receivables are classified as a current asset as these are expected to be settled within a year.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than three months.

FINANCIAL LIABILITIES

Financial liabilities include trade and other payables, borrowings, and other longer-term financing, classified into one of the following categories:

- Fair value through profit or loss: The liabilities are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement. The Group currently has no financial liabilities carried at fair value through profit or loss.
- Financial liabilities carried at amortised cost

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, calculated using the effective interest rate method.

BORROWINGS

Interest-bearing debt is initially recorded at fair value less transaction costs, and is subsequently measured at amortised cost, calculated using the effective interest rate method.

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The company has transferred its right 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, and either
 - The company has transferred substantially all the risks and rewards of the asset, or
 - The company has neither transferred nor retained substantially all the risks and rewards of the asset, however the control of the asset has been transferred.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires, or it is cancelled.

Any gain or loss on derecognition is taken to the profit or loss.

REHABILITATION PROVISION

The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. Rehabilitation will generally occur on or after closure of a mine.

Initial recognition is at the time that the construction or disturbance occurs, and thereafter as and when additional construction or disturbances take place. The estimates are reviewed annually to take into account the effects of inflation and changes in the estimated cost of the rehabilitation works and are discounted using rates that reflect the time value of money. Annual increases in the provision due to the unwinding of the discount are recognised in the statement of comprehensive income as a finance

cost. The present value of additional disturbances and changes in the estimate of the rehabilitation liability are recorded to mining assets against an increase/decrease in the rehabilitation provision.

The rehabilitation asset is amortised over the life of the mine once commercial production commences. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

LEASE LIABILITY

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease. The liability is subsequently measured at amortised cost using the effective interest rate method. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is provided below.

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and in future years if the revision affects both current and future years.

i) Going concern and liquidity

Significant estimates were required in forecasting cash flows used in the assessment of going

concern including tin and tantalum prices, the levels of production, operating costs, and capital expenditure requirements. For further details, refer to going concern considerations laid out earlier in Note 2.

ii) Decommissioning and rehabilitation obligations

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements, as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions (see Note 19) are further influenced by changing technologies, and by political, environmental, safety, business, and statutory considerations.

The Group's rehabilitation provision is based on the net present value of management's best estimates of future rehabilitation costs. Judgement is required in establishing the disturbance and associated rehabilitation costs at period end, timing of costs, discount rates, and inflation. In forming estimates of the cost of rehabilitation which are risk adjusted, the Group assessed the Environmental Management Plan and reports provided by internal and external experts. Actual costs incurred in future periods could differ materially from the estimates, and changes to environmental laws and regulations, life of mine estimates, inflation rates, and discount rates could affect the carrying amount of the provision.

The carrying amount of the rehabilitation obligations for the Group at 28 February 2022 was £295 151 (2021: £180 917). In determining the amount attributable to the rehabilitation liability, management used a discount rate of 10% (2021: 12.8%), an inflation rate of 5% (2021: 6%) and an estimated mining period of 17 years (2021: 18 years), being the Phase 1 expansion life of mine. A 1% increase or decrease in the inflation rate used would result in a £52 848 difference in the liability. A 2% increase or decrease in the discount rate used would result in a £79 345 difference in the liability.

iii) Impairment indicator assessment for exploration & evaluation assets

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including specific impairment indicators prescribed in

IFRS 6: Exploration for and Evaluation of Mineral Resources. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The valuation of intangible exploration assets is dependent upon the discovery of economically recoverable deposits which, in turn, is dependent on future tin prices, future capital expenditures, environmental and regulatory restrictions, and the successful renewal of licences. The Group considers the South African exploration and evaluation assets to be non-core as it continues to primarily focus on developing its Namibian assets. Accordingly, the capitalised exploration and evaluation expenditure relating to the South African assets was impaired to nil in the prior year on the basis that the Group did not intend on incurring any further expenditure on its South African licences. The Directors have concluded that there are no indications of impairment in respect of the carrying value of Namibian intangible assets as at 28 February 2022 based on planned future development of the Namibian projects, and current and forecast tin prices. Exploration and evaluation assets are disclosed fully in Note 12.

iv) Impairment assessment for property, plant and equipment

Management have reviewed the Uis mine for indicators of impairment and have considered, among other factors, the operations to date at the Uis Tin Mine, the Phase 1 Stage II expansion of the Uis operations, forecast commodity prices, and market capitalisation of the Group. In undertaking the indicator review, management have also reviewed the underlying LoM valuation model for Uis and have concluded that no indicators of impairment have been noted at year end. The LoM valuation model is on a fair value less cost to develop basis and includes assessments of different scenarios associated with capital development and expansion opportunities.

The forecasts required estimates regarding forecast tin prices, ore resources and production, and operating and capital costs. The discounted cash flows use a discount rate of 8% post tax nominal. Under the base case forecast using a forecast tin price of \$35 940 falling to \$31 339 by 2025, the forecast indicates headroom as at 28 February 2022.

As an additional test, management performed certain sensitivity calculations. These included raising the discount rate to 12% post tax nominal,

lowering the forecast tin prices by 5%, lowering plant recovery by 5% and increasing operating costs by 10%. In each of these circumstances, the forecast indicated headroom as at 28 February 2022.

v) Depreciation

Judgement is applied in making assumptions about the depreciation charge for mining assets when using the unit-of-production method in estimating the ore tonnes held in reserves. The relevant reserves are those included in the current approved LoM plan which relates to the Phase 1 expansion. Judgement is also applied when assessing the estimated useful life of individual assets and residual values. The assumptions are reviewed at least annually by management and the judgement is based on consideration of the LoM plan, as well as the nature of the assets. The reserve assumptions included in the LoM plan are evaluated by management.

vi) Capitalisation and depreciation of waste stripping

The Group has elected to capitalise the costs of waste stripping activities as these are necessary to allow for improved access to the ore and, therefore, will result in future economic benefits. The costs of drilling, blasting and load & haul of waste material is capitalised until such time that the underlying ore is used in production. These costs are then expensed on a proportional basis. The capitalised costs are included in the mining asset in property, plant & equipment and are expensed back into the statement of comprehensive income as depreciation. Capitalisation of waste stripping requires the Group to make judgements and estimates in determining the amounts to be capitalised. These judgements and estimates include, amongst others, the expected life of mine stripping ratio for each separate open pit, the determination of what defines separate pits, and the expected volumes to be extracted from each component of a pit for which the stripping asset is depreciated.

vii) Determination of ore reserves

The estimation of ore reserves primarily impacts the depreciation charge of evaluated mining assets, which are depreciated based on the quantity of ore reserves. Reserve volumes are also used in calculating whether an impairment charge

should be recorded where an impairment indicator exists.

The Group estimates its ore reserves and mineral resources based on information, compiled by appropriately qualified persons, relating to geological and technical data on the size, depth, shape, and grade of the ore body and related to suitable production techniques and recovery rates. The estimate of recoverable reserves is based on factors such as tin prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. Consequently, assumptions that are valid at the time of estimation may change significantly if or when new information becomes available.

viii) Valuation of inventories

Judgement is applied in making assumptions about the value of inventories and inventory stockpiles, including tin prices, plant recoveries and processing costs, to determine the extent to which the Group values inventory and inventory stockpiles. The Group uses forecast tin prices to determine the net realisable value of the ROM stockpile and the tin concentrate inventory on hand at year end. Inventory stockpiles are measured using actual mining and processing costs.

ix) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise, or not to exercise, an extension option. Extension options are only included in the lease term where the company is reasonably certain that it will extend or will not terminate the lease when the lease expires. For all leases, the most relevant factors include:

- Historical lease durations;
- Costs incurred in replacing the leased asset;
- Possible business disruption due to replacing the leased asset;
- Likelihood of extension of the lease – if there are significant penalties to terminate, then it's reasonably certain that the Group will extend.

The lease term is reassessed on an ongoing basis, especially when the option to extend becomes exercisable, or on occurrence of a significant

event or a significant change in circumstances which affects this assessment, and that is within the control of the Group.

x) Determining the incremental borrowing rate to measure lease liabilities

The interest rate implicit in leases is not available, therefore the Group uses the relevant incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is estimated to be the interest rate that the Group would pay to borrow:

- over a similar term;
- with similar security;
- the amount necessary to obtain an asset of a similar value to the right of use asset; and
- in a similar economic environment.

The IBR, therefore, is considered to be the best estimate of the incremental rate and requires management's judgement as there are no observable rates available.

xi) Determining the fair value of trade receivables classified at fair value through profit and loss

The consideration receivable in respect of certain sales for which performance obligations have been satisfied at year end and for which the Group has received prepayment under the terms of the offtake agreement, remain subject to pricing adjustments with reference to market prices at the date of finalisation. Under the Group's accounting policies, the fair value of the consideration is determined, and the remaining receivable is adjusted to reflect fair value. Management estimated the forward price based on the LME 3-month tin price that is expected when the open shipments will be finalised. As at 28 February 2022 the Group recognised a receivable at fair value through profit or loss of £812 594 (2021: £531 583).

3. ADOPTION OF NEW AND REVISED STANDARDS

A number of new and amended standards and interpretations issued by IASB have become effective for the first time for financial periods beginning on (or after) 1 March 2021 and have been applied by the Group in these financial statements. None of these new and amended standards and interpretations had a significant

effect on the Group because they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which have not been adopted early.

4. SEGMENTAL REPORTING

The reporting segments are identified by the management steering committee (who are considered to be the chief operating decision-makers) by the way that the Group's operations are organised. As at 28 February 2022, the Group operated within two operating segments: tin exploration and mining activities in Namibia and South Africa.

Segment results

The following is an analysis of the Group's results by reportable segment.

Year ended 28 February 2022 Results			
	South Africa (£)	Namibia (£)	Total / (£)
Revenue	34 444	13 580 600	13 615 045
Associated costs	(30 843)	(10 693 637)	(10 724 480)
Segmental profit	3 601	2 886 963	2 890 564

Year ended 28 February 2021 Results			
	South Africa (£)	Namibia (£)	Total / (£)
Revenue	34 863	4 950 244	4 985 107
Associated costs	(8 786)	(5 715 954)	(5 724 740)
Impairment of exploration license	(3 069 232)	-	(3 069 232)
Segmental loss	(3 043 155)	(765 710)	(3 808 865)

The reconciliation of segmental gross loss to the Group's loss before tax is as follows:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Segmental profit / (loss)	2 890 564	(3 808 865)
Unallocated costs	(2 252 700)	(1 802 718)
Other income	61 755	-
Finance income	6 545	-
Finance costs	(316 365)	(184 300)
Profit / (loss) before tax	389 798	(5 795 883)

Unallocated costs are mainly comprised of corporate overheads and costs associated with being listed in London.

Other segmental information as at 28 February 2022			
	South Africa / £	Namibia / £	Total / £
Intangible assets - exploration and evaluation	12 565	5 043 165	5 055 730
Other reportable segmental assets	70 564	24 119 470	24 190 033
Other reportable segmental liabilities	(63 006)	(4 038 840)	(4 101 846)
Unallocated net liabilities	-	-	2 317 939
Total consolidated net assets	20 122	25 123 795	27 461 857

Other segmental information as at 28 February 2021			
	South Africa / £	Namibia / £	Total / £
Intangible assets - exploration and evaluation	11 309	5 229 152	5 240 461
Other reportable segmental assets	76 460	15 494 907	15 571 367
Other reportable segmental liabilities	(62 302)	(1 651 016)	(1 713 318)
Unallocated net liabilities	-	-	(2 608 263)
Total consolidated net assets	25 467	19 073 043	16 490 247

Unallocated net assets/liabilities are mainly comprised of cash and cash equivalents and the working capital facility which are managed at a corporate level.

5. REVENUE

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Revenue from the sale of tin	13 717 620	4 744 609
Revenue from the sale of sand	34 444	34 863
Total revenue from customers	13 752 064	4 779 472
Other revenue – change in fair value of customer contract	(137 019)	205 635
Total revenue	13 615 045	4 985 107

The revenue from the sale of tin and sand is recognised at the point in time at which control transfers. Refer to Note 2 for further details.

Other revenue relates to the change in the fair value of amounts receivable under the offtake agreement between the date of initial recognition and the period end resulting from forecast market prices at the estimated final pricing date. Refer to Note 2 for details of trade receivables recorded at fair value through profit or loss.

6. COST OF SALES

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Costs of production	8 057 083	4 531 697
Smelter charges	748 892	287 319
Logistics costs	126 086	48 578
Government royalties	370 457	120 102
	9 302 518	4 987 696

7. ADMINISTRATIVE EXPENSES

The profit / (loss) for the year has been arrived at after charging:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Staff costs	1 269 882	1 201 489
Depreciation of property, plant & equipment	221 948	275 987
Professional fees	621 379	127 902
Travelling expenses	96 956	44 793
Uis administration expenses	660 476	361 509
Auditor's remuneration	95 000	69 250
Other costs	709 022	458 832
	3 674 662	2 539 762

Other costs are mainly comprised of corporate overheads necessary to run the South African head office and the costs associated with being listed in London.

8. STAFF COSTS

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Staff costs capitalised under property, plant and equipment	607 622	1 094 729
Staff costs capitalised under intangible assets	171 793	261 844
Staff costs recognised as administrative expenses	1 182 228	666 746
Staff costs included in cost of sales	1 317 548	285 216
Share-based payment charge capitalised under property, plant and equipment	18 892	45 820
Share-based payment charge capitalised under intangible assets	6 076	18 204
Share-based payment charge recognised as administrative expenses	80 253	207 407
Share issue charge	7 401	327 336
	3 391 813	2 907 301

Key management personnel have been identified as the Board of Directors, Frans van Daalen (Chief Operating Officer of the Group) and Robert Sewell (Chief Financial Officer of the Group). Details of key management remuneration are shown in Note 27.

The average number of staff during the period was 165 (2021: 108) with an average total cost per employee for the year of £20 510 (2021: £26 862).

Emoluments of £183 712 including £13 258 of share options and shares to be issued (2021: £289 104 including £172 323 of share options and shares to be issued) were paid in respect of the highest-paid director during the year.

9. FINANCE COST

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Interest on lease liability	42 630	39 691
Interest on environmental rehabilitation liability	12 080	7 593
Bank interest	102 655	31 696
Interest on loan notes	68 836	49 863
Amortisation of warrant charge	37 594	49 541
Other interest	52 570	5 916
	316 365	184 300

10. TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Factors affecting tax for the year:		
The tax assessed for the year at the Guernsey corporation tax charge rate of 0%, as explained below:		
Profit / (loss) before taxation	389 798	(5 795 883)
Profit / (loss) before taxation multiplied by the Guernsey corporation tax charge rate of 0%		
Effects of:		
Differences in tax rates (overseas jurisdictions)	(525 598)	(549 615)
Tax losses carried forward	525 598	549 615
Movement in deferred tax	(864 199)	-
Tax for the year	(864 199)	-

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £4 290 665 (2021: £3 244 873).

11. LOSS PER SHARE FROM CONTINUING OPERATIONS

The calculation of a basic loss per share of 0.08 pence (2021: loss per share of 0.76 pence), is calculated using the total loss for the year attributable to the owners of the Company of £815 645 (2021: loss of £5

694 962) and the weighted average number of shares in issue during the period of 1 064 247 295 (2021: 749 085 933).

Due to the loss for the year, the diluted loss per share is the same as the basic loss per share. The number of potentially dilutive ordinary shares, in respect of share options, warrants and shares to be issued as at 28 February 2022 is 76 261 762 (2021: 86 882 728). These potentially dilutive ordinary shares may have a dilutive effect on future earnings per share.

12. INTANGIBLE ASSETS

	Exploration and evaluation assets	Computer software	Total
Cost	£	£	£
As at 29 February 2020	7 324 494	116 523	7 441 018
Additions for the year - other expenditure	977 797	4 598	982 395
Impairment for the year	(3 069 232)	-	(3 069 232)
Exchange differences	(108 373)	(5 347)	(113 720)
As at 28 February 2021	5 124 686	115 775	5 240 461
Additions for the year - other expenditure	1 577 065	-	1 577 065
Transfer to mining asset	(1 058 602)	-	(1 058 602)
Transfer to mining asset under construction	(678 467)		(678 467)
Exchange differences	91 047	4 397	95 443
As at 28 February 2022	5 055 729	120 172	5 175 901

	Exploration and evaluation assets	Computer software	Total
Accumulated Depreciation	£	£	£
As at 28 February 2021	-	-	-
Charge for the period	-	28 198	28 198
Exchange differences	-	(79)	(79)
As at 28 February 2022	-	28 119	28 119
Net Book Value	£	£	£
As at 28 February 2022	5 055 729	92 053	5 147 782
As at 28 February 2021	5 124 686	115 775	5 240 461
As at 29 February 2020	7 324 494	116 523	7 441 018

For the purposes of impairment testing, the intangible exploration and evaluation assets are allocated to the Group's cash-generating units, which represent the lowest level within the Group at which the intangible exploration and evaluation assets are measured for internal management purposes, which is not higher than the Group's operating segments as reported in Note 4.

The amounts for intangible exploration and evaluation assets represent costs incurred on active exploration

projects. Amounts capitalised are assessed for impairment indicators under IFRS 6 at each year end as detailed in the Group’s accounting policy.

During the year, the Group transferred the costs incurred on the Phase 1 Stage II Definitive Feasibility Study (DFS) from exploration & evaluation assets to mining asset under construction. It was determined that the project had reached the stage of being commercially viable and technically feasible, therefore, the transfer from intangible assets to property, plant and equipment was deemed necessary. Demonstration of commercial viability and technical feasibility coincided with a Board decision and approval to commence development and construction of the project. As this expansion was still being constructed at year-end, the cost of the study was transferred to the mining asset under construction.

Furthermore, the Group transferred the purchase price of the Uis mining licence ML134. The pegmatites covered by this mining licence are currently being mined at the Uis Mine. As mining activities are actively taking place and revenue is being generated from the ore that has been mined on this licence area, management concluded that the value of this licence must be moved to property, plant and equipment, in the mining asset category.

The Group considers the South African exploration and evaluation assets to be non-core as it continues to primarily focus on developing its Namibian assets. Accordingly, the capitalised exploration and evaluation expenditure relating to the South African assets of £3.069m was impaired to nil in the prior year on the basis that the Group does not intend to incur any further expenditure on its South African licences.

The Directors have concluded that there are no indicators of impairment in respect of the carrying value of the Namibian exploration and evaluation assets at 28 February 2022 based on planned future development of the projects and current and forecast tin prices.



13. PROPERTY, PLANT AND EQUIPMENT

	Land	Mining asset under construction	Mining asset	Mining asset - Stripping	Decommissioning asset	Right-of-use Asset	Computer Equipment	Furniture	Vehicles	Mobile equipment	Total
Cost											
As at 29 February 2020	12 438	12 000 929	-	-	79 497	255 964	94 373	84 748	79 135	-	12 607 084
Additions for the year	-	2 028 009	123 803	-	90 323	259 957	46 543	21 598	-	-	2 570 233
Disposals for the year	-	-	-	-	-	-	(1 955)	-	-	-	(1 955)
Transfer between categories of assets	-	(13 550 114)	13 550 114	-	-	-	-	-	-	-	-
Foreign exchange differences	(576)	(478 824)	1 236	-	(2 777)	(9 250)	(3 903)	(3 681)	(3 662)	-	(501 437)
As at 28 February 2021	11 862	-	13 675 153	-	167 043	506 671	135 058	102 665	75 473	-	14 673 925
Additions for the year	-	2 600 997	728 150	1 335 861	95 585	129 982	73 337	72 991	-	176 273	5 128 100
Disposals for the year	-	-	-	-	-	-	(15 891)	-	(12 523)	-	(28 414)
Transfer from exploration and evaluation asset	-	678 467	1 058 602	-	-	-	-	-	-	-	1 734 530
Foreign exchange differences	450	304 389	147 863	(3 733)	6 076	18 877	4 968	3 674	2 901	(493)	484 972
As at 28 February 2022	12 312	3 583 853	15 609 768	1 332 128	268 704	655 530	197 472	179 330	65 851	175 780	22 080 728
Accumulated Depreciation											
As at 29 February 2020	-	-	-	-	-	53 887	40 339	18 610	26 380	-	139 216
Charge for the year	-	-	717 864	-	-	108 794	35 622	17 566	18 682	-	898 528
Foreign exchange differences	-	-	6 118	-	-	(1 407)	(1 528)	(669)	(1 034)	-	1 480
As at 28 February 2021	-	-	723 982	-	-	161 274	74 433	35 507	44 028	-	1 039 224
Charge for the year	-	-	1 115 292	489 372	9 461	165 689	40 445	28 329	9 204	3 231	1 861 023
Foreign exchange differences	-	-	20 501	(1 368)	(26)	5 661	2 727	1 255	1 646	(9)	30 388
As at 28 February 2022	-	-	1 859 775	488 005	9 435	332 624	117 605	65 091	54 878	3 222	2 930 635
Net Book Value											
As at 28 February 2022	12 312	3 583 853	13 749 993	844 123	259 269	322 906	79 867	114 239	10 973	172 558	19 150 092
As at 28 February 2021	11 862	-	12 951 171	-	167 043	345 397	60 625	67 158	31 445	-	13 634 701
As at 29 February 2020	12 438	12 000 929	-	-	79 497	202 077	54 034	66 138	52 755	-	12 467 868

The Uis Tin Mine reached commercial production during the previous financial year, on 1 December 2020. Nameplate capacity (taking into account mining volumes, plant throughput and recovery) of Stage I of Phase 1 was defined as 60 tonnes of tin concentrate at a grade of 60% tin in concentrate per month (36 tonnes of contained tin). 63.9 tonnes of tin concentrate was produced in November 2020 and production of 60 tonnes or more per month has been consistently achieved subsequently. Management therefore determined that commercial production was reached at this point. Up to this date, costs directly related to the development of the mine were capitalised to the mining asset.

In October 2020, the Company embarked on the Uis Phase 1 Stage II Definitive Feasibility Study (DFS) with a view to expand the existing Phase 1 plant to increase its nameplate production from 60 to 105 tonnes

of tin concentrate per month. This DFS has been approved by the Board, the necessary funding has been obtained and construction has commenced to implement the expansion. All costs associated with carrying out the study were previously capitalized as exploration and evaluation assets under IFRS 6. During the financial year, management performed an assessment and transferred the costs associated with the study from exploration and evaluation assets to mining assets under construction. It was determined that the project had reached the stage of being commercially viable and technically feasible, therefore, the transfer was deemed necessary. The capitalised costs of the study as well as the construction costs of the expansion will remain in mining asset under construction until the project has been completed.

Additions to the mining asset include capitalised costs and equipment purchased as part of the Uis Phase 1

Continuous Improvement project as well as the transfer of the cost of ML134 from exploration and evaluation assets to PPE.

The Group has elected to capitalise the costs of waste stripping activities as these are necessary to allow improved access to the ore and, therefore, will result in future economic benefits. The costs of drilling, blasting and load & haul of waste material is capitalised until such time that the underlying ore is used in production.

Please refer to Note 20 for further information on the right-of-use asset.

From 1 December 2020, depreciation of the mining asset commenced in accordance with IAS 16. The total depreciation charge for the current financial year was split between administrative expenses and cost of sales. £221 948 (2021: £275 987) was included in administrative expenses, while the balance of £1 639 075 (2021: £622 541) was included in cost of sales as it was a cost that was incurred for mining and processing purposes.

14. INVENTORIES

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Tin concentrate on hand	909 180	373 310
Run-of-mine stockpile	155 389	427 423
Consumables	387 364	195 965
	1 451 933	996 698

15. TRADE AND OTHER RECEIVABLES

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Trade receivables	96 173	185 451
Trade receivables at fair value through profit or loss	812 594	531 583
Other receivables	1 875 561	204 779
VAT receivables	1 169 053	266 339
	3 953 382	1 188 152

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their short-term nature. No allowance for any expected credit losses against any of the trade receivables is provided due to no history of default or non-payment from any of the Group's customers.

Trade receivables at fair value through profit or loss relates to the change in the fair value of trade receivables under the offtake agreement between the date of initial recognition and the period end resulting from forecast market prices at the estimated final pricing date.

Other receivables primarily consist of prepayments that the Group has made and deposits that have been paid on items of equipment that are necessary for the Phase 1 Stage II expansion.

The total trade and other receivables denominated in South African Rand amount to £61 316 (2021: £79 888), denominated in Namibian Dollars amount to £2 851 028 (2021: £429 819) and denominated in US Dollars amount to £812 594 (2021: 627 566).

16. CASH AND CASH EQUIVALENTS

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Cash on hand and in bank	7 365 379	1 351 200

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank. The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value. The total cash and cash equivalents denominated in South African Rand amount to £80 463 (2021: £119 976), the total cash and cash equivalents denominated in Namibian Dollars amount to £1 279 798 (2021: £13 156) and the total cash and cash equivalents denominated in US Dollars amount to £3 450 626 (2021: £551 832).

17. BORROWINGS

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Standard Bank Term loan facility	4 523 414	-
Standard Bank VAT facility	367 739	-
Standard Bank working capital facility	228 988	
Nedbank working capital facility	-	1 710 247
Loan note instrument	-	2 159 242
	5 120 141	3 869 489

On 18 November 2021, a term loan facility of N\$90 000 000 (c. £4 428 000), a VAT facility of N\$8 000 000 (c. £394 000) and a working capital facility of N\$35 000 000 (c. £1 722 000) was entered into between the Company's subsidiary, Uis Tin Mining Company (Pty) Ltd and Standard Bank Namibia.

The maturity date of the term loan facility is November 2026 and the capital balance of the loan together with accrued interest will be repaid in quarterly instalments over the next 5 years. Interest is charged on the outstanding capital balance of the loan at a rate of 3-month JIBAR plus a margin of 4.5%.

The Group is required to meet the following covenants as part of the term loan facility agreement:

- EBITDA ÷ total interest must not be lower than 4.5 times
- Total debt ÷ EBITDA must not exceed 4 times in year 1, 3.5 times in year 2 and 3 times thereafter
- Free cash flow before Debt Service Cover ÷ Principal and Interest Senior Debt Service Payments must not be lower than 1.3 times
- Free cash flow before Debt Service Cover + Total Cash Collateral ÷ Principal and Interest Senior Debt Service Payments must not be lower than 2 times

The Group met all the above covenant requirements as at 28 February 2022.

The VAT facility is secured by assessed/audited VAT returns (refunds) which have not been paid by Namibia Inland Revenue. Standard Bank Namibia provides a facility amounting to the unpaid refunds. Any drawdowns against this facility are repaid to the bank upon receipt of cash from Namibia Inland Revenue.

The VAT facility and the working capital facility have no fixed maturity date, however both are renewed on an annual basis. Interest accrues on these facilities at the Namibian prime rate less 1%.

Standard Bank Namibia have provided a N\$ 4 117 500 (c. £195 000) guarantee to the Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power. As a result of the guarantee provided by Standard Bank, no cash was paid over for the deposit.

The full working capital facility that was previously held with Nedbank Namibia was repaid during the year as the Group's facilities were moved over to Standard Bank.

On 5 May 2020, £2 050 000 financing was secured by way of a new loan note facility. The notes, which were issued in tranches of £50 000, had an interest rate of 10% per annum which was accrued and payable in full on redemption. The notes had a 12-month term and were repaid along with the accrued interest in May 2021.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN BORROWINGS

	£
Balance as at 29 February 2020	1 230 961
Incoming cash flows	
Proceeds from working capital facility	5 858 028
Proceeds from loan note instrument	2 050 000
Outgoing cash flows	
Repayment of working capital facility	(5 374 044)
Interest paid on working capital facility	(31 696)
Non-cash flows	
Interest accrued on loan note instrument	146 836
Warrants issued during the year	(162 480)
Amortisation of warrant charge	124 886
Balance as at 28 February 2021	3 869 489
Incoming cash flows	
Proceeds from term loan	4 428 000
Proceeds from VAT facility	367 739
Proceeds from working capital facility	228 988
Outgoing cash flows	
Repayment of loan note instrument and interest	(2 196 836)
Repayment of working capital facility	(1 607 592)
Interest paid on working capital facility	(102 655)
Non-cash flows	
Interest accrued on term loan (capitalised to mining asset under construction)	95 414
Amortisation of warrant charge	37 594
Balance as at 28 February 2022	5 120 141

18. TRADE AND OTHER PAYABLES

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Trade payables	2 293 471	1 094 390
Other payables	341 276	141 677
Accruals	335 087	248 415
	2 969 833	1 484 482

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 30 days.

The Group has financial risk management policies in place to ensure that payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

The total trade and other payables denominated in South African Rand amount to £124 904 (2021: £232 071) and £2 692 924 (2021: £1 185 802) is denominated in Namibian Dollars.

19. ENVIRONMENTAL REHABILITATION LIABILITY

	£
Balance as at 28 February 2020	86 005
Increase in provision	90 323
Interest expense	7 593
Foreign exchange differences	(3 004)
Balance as at 28 February 2021	180 917
Increase in provision	95 585
Interest expense	12 080
Foreign exchange differences	6 569
Balance as at 28 February 2022	295 151

Provision for future environmental rehabilitation and decommissioning costs are made on a progressive basis. Estimates are based on costs that are regularly reviewed and adjusted appropriately for new circumstances. The environmental rehabilitation liability is based on disturbances and the required rehabilitation as at 28 February 2022.

The rehabilitation provision represents the present value of decommissioning costs relating to the dismantling and sale of mechanical equipment and steel structures related to the Phase 1 pilot plant, the demolishing of civil platforms, and reshaping of earthworks. A provision for this requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance, and the timing, extent and costs of the required closure and rehabilitation activities. In calculating the appropriate provision, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof are prepared. These forecasts are then discounted to their present value using a risk-free rate specific to the liability. In determining the amount attributable to the rehabilitation liability, management used a discount rate of 10% (2021: 12.8%), an inflation rate of 5% (2021: 6%), and an estimated mining period of 17 years (2021: 18 years). Actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for the necessary rehabilitation works and timing of when the mine ceases operation.

20. LEASE LIABILITY

The Company assessed all existing and new rental agreements and concluded that the following rentals fall within the scope of IFRS 16: Leases and therefore a lease liability has been raised:

	Lease term	Option to extend/terminate	Incremental borrowing rate
Office building	5 years	Option to extend not specified in contract. Term of lease determined to be 5 years.	13.75%
Workshop facility	2 years	Option to extend not specified in contract. Term of lease determined to be 2 years.	7.5%
Residential housing	5 years	The lease will continue automatically after the initial period for an open-ended period. Either party must provide written notice if they wish to terminate. Lease term determined to be 5 years.	8.5%
Mobile Units	2 years	-	7.5%

	Office Building £	Workshop £	Housing £	Mobile units £	Total £
Balance as at 28 February 2020	223 673	-	-	-	223 673
Additions	-	108 252	151 705	-	259 957
Interest expense	24 419	3 923	11 349	-	39 691
Lease payments	(64 201)	(30 319)	(34 080)	-	(128 600)
Foreign exchange differences	(10 749)	818	1 287	-	(8 644)
Balance as at 28 February 2021	173 142	82 674	130 261	-	386 077
Additions	61 293	-	-	68 689	129 982
Interest expense	25 103	4 259	9 857	3 411	42 630
Lease payments	(95 317)	(54 641)	(36 811)	(26 892)	(213 661)
Foreign exchange differences	6 600	3 280	5 021	(126)	14 775
Balance as at 28 February 2022	170 821	35 572	108 328	45 082	359 803

The following is the split between the current and the non-current portion of the liability:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Non-current liability	167 215	260 512
Current liability	192 588	125 565
	359 803	386 077

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN LEASES

	£
Balance as at 28 February 2021	386 077
Outgoing cash flows	
Lease payments	(213 661)
Non-cash flows	
Additions	129 982
Interest expense	42 630
Foreign exchange differences	14 775
Balance as at 28 February 2022	359 803

21. SHARE CAPITAL

	Number of ordinary shares of no par value issued and fully paid	Share Capital £
Balance as at 29 February 2020	653 146 373	20 487 239
Capital Raise - 3 August 2020	145 238 089	3 050 000
Shares issued to suppliers	15 273 480	320 743
Share issue costs	-	(253 317)
Shares issued to directors/employees	16 133 440	403 336
Loan note conversion	44 898 630	1 600 000
Balance as at 28 February 2021	874 690 012	25 608 001
Warrants exercised - 22 April 2021	1 686 666	63 150
Capital raise - 12 May 2021	216 666 667	13 000 000
Share issue costs	-	(823 447)
Convertible loan note settled - 25 May 2021	18 963 699	430 055
Shares issued to suppliers - 25 May	327 868	29 672
Shares issued to suppliers - 15 Dec	798 001	39 102
Exercising of employee share options - 14 Jan	2 185 087	72 059
Exercising of employee share options - 27 Jan	1 250 000	56 250
Exercising of employee share options - 22 Feb	5 273 684	180 236
Balance as at 28 February 2022	1 121 841 684	38 655 078

Authorised: 1 220 486 913 ordinary shares of no par value

Allotted, issued and fully paid: 1 121 841 684 ordinary shares of no par value

On 22 April 2021, warrant holders exercised 1 186 666 warrants at an exercise price of 4.5 pence and 500 000 warrants at an exercise price of 1.95 pence.

On 12 May 2021, the Company completed an equity fundraising by way of a placing and direct subscription of 216 666 667 ordinary shares of no par value in the Company at a price of 6 pence per share.

On 25 May 2021, the holders of the outstanding 2019 Convertible Loan Notes elected to convert a portion of the outstanding amount into fully paid ordinary shares of no par value in the Company, with the remainder being redeemed in cash. 18 963 699 ordinary shares of no par value were issued to various holders to settle this loan.

On 25 May 2021, 327 868 ordinary shares of no par value were issued to Hannam & Partners Advisory Limited, in accordance with the terms of their broker engagement letter with the Company. These shares were issued at a price of 6 pence per share.

On 4 January 2021, 16 133 440 ordinary shares of no par value were issued to various directors and employees in lieu of payment of Director's fees and part settlement of salaries. These shares were issued at a price of 2.5 pence per share.

On 15 December 2021, 798 001 ordinary shares of no par value were issued to settle a contractual liability at 4.90 pence in lieu of fees in relation to a consulting agreement.

On 14 January 2022, the Company received notice from share option holders to exercise 1 300 877 share

options at an exercise price of 3 pence, 467 105 share options at an exercise price of 3.5 pence and 417 105 share options at an exercise price of 4 pence.

On 27 January 2022, the Company received notice from share option holders to exercise 1 250 000 share options at an exercise price of 4.5 pence.

On 22 February 2022, the Company received notice from share option holders to exercise 2 336 842 share options at an exercise price of 3 pence, 1 468 421 share options at an exercise price of 3.5 pence, and 1 468 421 share options at an exercise price of 4 pence.

22. WARRANTS

Date of grant	10 Dec. 2020	7 July 2020	31 May 2020	5 May 2020
Number granted	2 500 000	2 500 000	2 500 000	13 000 000
Contractual life	2.4 years	2.8 years	2.9 years	3 years
Estimated fair value per warrant (£)	0.0101	0.0122	0.0068	0.0069

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	10 Dec. 2020	7 July 2020	31 May 2020	5 May 2020
Share price at grant date (pence)	2.35	3	1.8	1.8
Exercise price (pence)	1.95	1.95	1.95	1.95
Expected life	2.4 years	2.8 years	2.9 years	3 years
Expected volatility	60%	60%	60%	60%
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%	1.24%

The warrants in issue during the year are as follows:

Outstanding as at 29 February 2020	5 671 939
Exercisable as at 29 February 2020	5 671 939
Granted during the year	20 500 000
Expired during the year	(1 871 939)
Exercised during the year	-
Outstanding as at 28 February 2021	24 300 000
Exercisable as at 28 February 2021	24 300 000
Granted during the year	-
Expired during the year	-
Exercised during the year	(1 686 666)
Outstanding as at 28 February 2022	22 613 334
Exercisable as at 28 February 2022	22 613 334

The warrants outstanding at year end have an average exercise price of £0.024, with a weighted average remaining contractual life of 1.13 years.

On 22 April 2021, notice was received from warrant holders to exercise 1 186 666 warrants at an exercise price of 4.5 pence and 500 000 warrants at an exercise price of 1.95 pence. The charges previously raised on these warrants was reversed, resulting in a movement in the warrant reserve. Please refer to the statement of changes in equity for the reconciliation of the warrant reserve.

23. SHARE-BASED PAYMENT RESERVE

Director share options

The director share options in issue during the year are as follows:

Outstanding as at 29 February 2020	27 100 000
Exercisable as at 29 February 2020	13 125 000
Granted during the year	-
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding as at 28 February 2021	27 100 000
Exercisable as at 28 February 2021	8 389 999
Granted during the year	-
Forfeited during the year	-
Exercised during the year	(1 250 000)
Expired during the year	-
Outstanding as at 28 February 2022	25 850 000
Exercisable as at 28 February 2022	23 850 000

On 4 January 2021, 10 600 000 share options held by the Chief Executive Officer, Anthony Viljoen were repriced by the Remuneration Committee to align company and shareholder expectations with long-term incentivisation goals. The exercise price and the first exercise date were changed, however, the contractual life of the options remained unchanged. The fair value of the repriced options (calculated using the Black Scholes method) decreased from the initial fair valuation. As such, no adjustment to amortising of the initial fair value over the vesting period was made.

A previous Non-Executive Director elected to exercise his remaining 1 250 000 share options during the year. This resulted in a charge of £13 800 being passed through the share-based payment reserve.

No new share options were issued during the year.

The Director share options outstanding at year end have an average exercise price of £0.045 (2021: £0.053), with a weighted average remaining contractual life of 1.79 years (2021: 2.77 years).

A Director must remain as a director of the Company for the share options to vest. In the event that a Director ceases to be a Director during the vesting period, the Board reserves the right to determine whether the share options will be terminated or not. There are no market-based vesting conditions on the share options.

Employee share options

The employee share options in issue during the year are as follows:

Outstanding as at 29 February 2020	34 830 000
Exercisable as at 29 February 2020	11 250 000
Granted during the year	-
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding as at 28 February 2021	34 830 000
Exercisable as at 28 February 2021	26 610 001
Granted during the year	-
Forfeited during the year	-
Exercised during the year	(7 458 771)
Expired during the year	-
Outstanding as at 28 February 2022	27 371 229
Exercisable as at 28 February 2022	27 371 229

On 4 January 2021, 34 830 000 share options held by employees were repriced by the Remuneration Committee to align company and shareholder expectations with long-term incentivisation goals. The exercise price and the first exercise date were changed, however the contractual life of the options remained unchanged. The fair value of the repriced options (calculated using the Black Scholes method) decreased from the initial fair valuation. As such, no adjustment to amortising of the initial fair value over the vesting period was made.

A number of employees elected to exercise their share options during the year. This resulted in a charge of £103 824 being passed through the share-based payment reserve.

The employee share options outstanding as at the financial year end have an average exercise price of £0.034 (2021: £0.034), with a weighted average remaining contractual life of 1.96 years (2021: 2.96 years).

An employee must remain in employment with the Company for the share options to vest. There are no market-based vesting conditions on the share options.

Director shares to be issued

Directors' fees of £25 508 (2021: £16 342) are owing to the Directors at the end of the year. The Company may consider settling these fees by issuing shares in the future.

Employee shares to be issued

Employee salaries of £4 182 (2021: £17 720) are owing to employees at the end of the year. The Company may consider settling these salaries by issuing shares in the future.

24. NON-CONTROLLING INTERESTS

Non-controlling interest that is material in the Group relates to the Small Miners of Uis ("SMU") who own 15% of UTM. SMU is a non-profit association incorporated in Namibia. The entity was set up by the Ministry of Mines and Energy to act on behalf of small-scale miners across Namibia.

Other includes the following minority interests which are not material:

- Cannosia Trading 62 CC which own 16% of Renetype
- African Women Enterprise Investments (Pty) Ltd which own 10% of Renetype
- Lerama Resources (Pty) Ltd which own 50% of Jaxson
- Tamiforce (Pty) Ltd which own 26% of Zaaipiaats

As at 28 February 2022

	UTMC	Other	Total
Amount attributable to all shareholders:			
Profit / (loss) after tax	2 281 762	(3 926)	2 277 836
Non-current assets	7 085 066	12 313	7 097 379
Current assets	8 862 468	-	8 862 468
Total assets	15 947 534	12 313	15 959 847
Non-current liabilities	12 843 653	44 967	12 888 620
Current liabilities	1 788 861	12 786	1 801 648
Total liabilities	14 632 514	57 753	14 690 267
Net assets / (liabilities)	1 315 020	(45 440)	1 269 580
Amount attributable to non-controlling interest:			
Profit / (loss) after tax	342 264	(1 021)	341 243
Net assets / (liabilities)	196 230	(13 030)	183 200
As at 28 February 2021			
Amount attributable to all shareholders:			
Loss after tax	(659 673)	(7 150)	(666 822)
Non-current assets	2 678 021	15 233	2 693 254
Current assets	2 524 054	-	2 524 054
Total assets	5 202 076	15 233	5 217 308
Non-current liabilities	5 136 254	43 275	5 179 529
Current liabilities	997 620	11 964	1 009 584
Total liabilities	6 133 874	55 239	6 189 113
Net liabilities	(931 798)	(40 006)	(971 804)
Amount attributable to non-controlling interest:			
Loss after tax	(98 951)	(1 970)	(100 921)
Net liabilities	139 770	11 574	151 344

25. FINANCIAL INSTRUMENTS

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising returns to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or arrange debt financing.

The capital structure of the Group consists of cash and cash equivalents and equity, comprising issued capital, issued convertible loan notes, borrowings and retained losses.

The Group is not subject to any externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the bases for recognition of income and expenses for each class of financial asset, financial liability, and equity instrument, are disclosed in Note 2.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings
- Lease liability

Categories of financial instruments

The Group holds the following financial assets:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Measured at amortised cost:		
Trade and other receivables	1 971 734	390 230
Cash and cash equivalents	7 365 379	1 351 200
Measured at fair value through profit or loss:		
Trade and other receivables	812 594	531 583
Total financial assets	10 149 708	2 273 013

Under its customer sale arrangement, the Group receives a provisional payment upon satisfaction of its performance obligations based on the spot price at that date. This occurs prior to the final price determination, with the Group then subsequently receiving or paying the difference between the final price and quantity and the provisional payment. As a result of the pricing structure, the instrument is

classified at fair value through profit or loss and measured at fair value with resulting changes in fair value recorded as other revenue.

Trade receivables at fair value through profit or loss fail the criteria for being measured at amortised cost owing to the variability resulting from final pricing adjustments. Financial instruments measured at fair value are presented by level within which the fair value measurement is categorised. The levels of fair value measurement are determined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's contract receivable at 28 February 2022 is recorded at fair value through profit or loss and fair valued based on the estimated forward prices that will apply under the terms of the sales contracts on the product reaching the port of destination. The trade receivables fair value reflects amounts receivable from the customer adjusted for forward prices expected to be realised.

The forward price is based on the expected LME 3-month tin price on the date of finalisation. Given the short period to final pricing, the time value of money is not considered to be significant.

Fair value of this trade receivable at fair value through profit or loss is categorised at Level 1. During the year there were no transfers between levels of fair value hierarchy.

The Group holds the following financial liabilities:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Measured at amortised cost:		
Trade and other payables	2 969 833	1 484 482
Borrowings	5 120 141	3 869 489
Lease liability	359 803	386 077
Total financial liabilities	8 449 777	5 740 048

Maturity analysis of the contractual undiscounted cash flows:

	Up to 3 months	Between 3 & 12 months	Between 1 & 2 years	Between 2 & 5 years	Total
Trade and other payables	2 969 833	-	-	-	2 969 833
Borrowings	139 694	885 042	1 031 067	3 064 338	5 120 141
Lease Liability	50 077	142 511	124 288	42 927	359 803
	3 159 604	1 027 553	1 155 355	3 107 265	8 449 777

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group's principal financial assets are bank balances and trade and other receivables.

Credit risk arises principally from the Group's cash and trade and other receivables balances. Credit risk is the risk that the counterparty fails to repay its obligation to the Group in respect of amounts owed. The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk.

The concentration of the Group's credit risk is considered by counterparty, geography and currency. The Group has split its cash reserves across multiple banks in an effort to mitigate credit risk. The Pound Sterling and US Dollar accounts are held with a bank in Mauritius which has a rating of Baa1 (Moody's), the Rand account is held with a bank in South Africa which has a rating of Ba2 (Moody's), and the Namibian Dollar account is held with a bank in Namibia with a rating of Ba2 (Moody's). The banks chosen remain stable and do not present any further risks.

The concentration of credit risk was as follows:

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Currency		
Sterling	2 554 492	666 236
USD	3 450 626	551 832
South African Rand	80 463	119 976
Namibian Dollars	1 279 798	13 156
	7 365 379	1 351 200

Credit risk relating to trade & other receivables has also been considered. Credit verification procedures are undertaken for all customers with whom we trade on credit. This includes an assessment of the credit quality of the customer, taking into account its financial position, past experience and other factors. The trade account receivables comprise a limited customer base. Ongoing credit evaluation of the financial position of customers is performed and compliance with credit limits by customers is regularly monitored by management. Please refer to Note 15 for the concentration of credit risk relating to trade receivables.

As at 28 February 2022, the Group held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Group applies IFRS 9 to measure expected credit losses for receivables and these are regularly monitored and assessed. There has been no impairment of financial assets during the year. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by regularly reviewing the Group's gearing levels, cash-flow projections and associated headroom and ensuring that excess banking facilities are available for future use.

The Group maintains good relationships with its banks and its cash requirements are anticipated via the budgetary process. As at 28 February 2022, the Group had £7 365 379 (2021: £1 351 200) of cash reserves.

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and the interest rates.

Interest rate risk

The Group has interest bearing assets in the form of cash & cash equivalents. The Group does not earn significant interest on cash balances.

The Group has interest bearing liabilities in the form of bank loans and facilities. These liabilities are exposed to variable interest rates. The following table details the Group's sensitivity to a 1% increase and a 1% decrease in the interest rate.

	Value (£)	Cash flow impact of a 1% increase in interest rate (£)	Cash flow impact of a 1% decrease in interest rate (£)
Borrowings	5 120 141	(51 201)	51 201

Foreign exchange risk

The Group has foreign currency denominated assets and liabilities, and is therefore exposed to exchange rate fluctuations. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities, all in Pound Sterling, are shown below.

	Year ended 28 February 2022 (£)	Year ended 28 February 2021 (£)
Cash and cash equivalents	4 810 887	684 964
Other receivables	2 555 885	1 137 272
Trade and other payables	(2 550 860)	(1 417 873)
Borrowings	(5 120 141)	(1 710 247)
	304 229	(1 305 884)

The Company operates on an international basis, therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. The Company is exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in British Pounds, US Dollars, South African Rand and Namibian Dollars.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Group's sensitivity to a 10% increase and decrease in the Pound Sterling against the Rand and the Namibian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 10% change in foreign currency rates.

	Rand denominated monetary item (£)	Rand currency impact Strengthening (£)	Rand currency impact Weakening (£)
Assets	141 779	155 957	127 601
Liabilities	(124 904)	(137 395)	(112 414)
	16 875	18 562	15 187

	Namibian Dollar denominated monetary items (£)	Namibian Dollar currency impact Strengthening (£)	Namibian Dollar currency impact Weakening (£)
Assets	4 130 827	4 543 909	3 717 744
Liabilities	(7 813 065)	(8 594 372)	(7 031 759)
	(3 682 239)	(4 050 462)	(3 314 015)

26. EVENTS AFTER BALANCE SHEET DATE

Decline in Tin Price

The recent volatility in the tin prices has placed additional pressures on the group with regards to funding of capital expansion project via internal sources. Management had anticipated the declines and are already at advanced stages of securing the funding in order to continue its growth ambitions.

Proposed Lending Facility

Uis Tin Mining Company (Pty) Limited ("UTMC"), a subsidiary of the Group, has entered into a conditional, credit approved, term sheet for a lending facility with the Development Bank of Namibia Limited ("Development Bank of Namibia") to fund the Uis Phase 1 Stage II Continuous Improvement Project.

As announced on 5 July 2022, a Proposed Lending Facility comprising a NAD 100 million (approximately £5.5 million) Senior Secured Lending Facility has been signed with the Development Bank of Namibia. Although the Lending Facility has been approved by the credit committee and board of the Development Bank of Namibia, there are certain conditions precedent that need to be adhered to, including the completion of the final legal documentation. At this stage there can be no guarantee that the Lending Facility will be entered into, or that any funds will be drawn down, but AfriTin Management have every confidence that it will be. The Company has previously announced that the terms of this proposed lending facility has expired at the end of July 2022 but the Directors confirm that this has now been extended such that completion is anticipated around the end of September 2022. A further update will be provided at that time.

Issue of Share Options

On the 8th of April 2022, the Group has issued options of 54,310,000 ordinary shares as part of its Long-Term Incentive Scheme to certain Directors, PDMRs and employees of the Company. These are in line with the established share option scheme of the Company to both reward and incentivise key employees, as per the company's reward policies. These share options vest in three tranches over three and are exercisable at a price of 9.8 pence; 10.3 pence and 10.8 pence. They are conditional only on the continued employment of the relevant recipient as a director or employee of the company at the time of exercise.

Phase 1 Stage II Expansion: Construction Completed

Construction of the plant expansion circuits is now complete, allowing the Project to advance to the commissioning stage. Commissioning of the new circuits is being implemented in two stages: firstly, the commissioning of the dry plant which has commenced and will be completed by end of August 2022, and secondly the commissioning of the wet plant, which is scheduled for the month of September 2022. The commissioning process has been designed to minimise production disruption. There is a requirement

to shutdown certain plant circuits to facilitate tie-ins with the existing plant but due to stockpiling and flexibility built into the current circuit, this is not expected to have a material impact on the production performance of the Company.

Key management change

During the month of July 2022 Mr Robert Sewell stepped down as CFO of the Company to pursue other opportunities. He remained as a consultant to the Company in the short-term to ensure a smooth transition process with the newly appointed CFO Mr Hiten Ooka.

27. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Bushveld Minerals Limited ("Bushveld") is a related party due to Anthony Viljoen, Chief Executive Officer, being a Non-Executive Director on the Bushveld Board. During the period, Bushveld charged the Group £37 924 (2021: £82 423) for the use of office space. At period end, the Group owed Bushveld £71 040 (2021: £112 962).

The remuneration of the key management personnel of the Group, which includes the Directors, as well as Frans van Daalen and Robert Sewell, is set out below.

28 February 2022	Share Option Charge (£)	Shares Issued in Relation to Director Fees/ Salary (£)	Shares Issued in Relation to Bonus (£)	Director Fees/ Salary (£)	Other Fees (£)	Total (£)
Non-Executive Directors						
Glen Parsons (Chairman)	5 524	-	-	59 167	-	64 691
Terence Goodlace	5 524	-	-	56 308	-	61 832
Laurence Robb	5 524	18 000	-	17 000	8 000	48 524
Michael Rawlinson (appointed 20 Dec 2021)	-	3 500	-	4 000	49 102	56 602
Executive Director						
Anthony Viljoen (Chief Executive Officer)	13 258	-	-	170 454	-	183 712
Other key management personnel						
Robert Sewell (Chief Financial Officer)	8 838	-	-	110 326	-	119 164
Frans van Daalen (Chief Operating Officer)	8 838	-	-	140 390	-	149 228
	47 506	21 500	-	557 645	57 102	683 753

28 February 2021	Share Option Charge (£)	Shares Issued in Relation to Director Fees/ Salary (£)	Shares Issued in Relation to Bonus (£)	Director Fees/ Salary (£)	Other Fees (£)	Total (£)
Non-Executive Directors						
Glen Parsons (Chairman)	10 893	40 000	-	-	-	50 893
Terence Goodlace	10 761	-	-	28 750	-	39 511
Laurence Robb	10 761	13 000	-	12 000	-	35 761
Roger Williams (resigned 28 Sept. 2020)	10 761	-	-	14 583	-	25 344
Executive Director						
Anthony Viljoen (Chief Executive Officer)	26 090	17 365	128 868	116 781	-	289 104
Other key management personnel						
Robert Sewell (Chief Financial Officer)	19 599	-	65 919	86 745	-	172 263
Frans van Daalen (Chief Operating Officer)	22 099	-	81 178	112 322	-	215 599
	110 964	70 365	275 965	371 181	-	828 475

28. CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Year ended 28 February 2022 (£)
Exploration and evaluation projects	1 021 297
Property, plant and equipment	1 695 932
	2 717 228

The full balance of these commitments will be due within the next 12 months.

29. RESERVES WITHIN EQUITY

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Convertible loan note reserve

The convertible loan note reserve represents proceeds on issue of convertible loan notes relating to equity component plus accrued interest on the convertible loan notes. These notes were settled in full during the financial year.

Warrant reserve

The warrant reserve represents the cumulative charge to date in respect of unexercised share warrants at the balance sheet date.

Share-based payment reserve

The share-based payment reserve represents the cumulative charge to date in respect of unexercised share options at the balance sheet date as well as fees/salaries owed to directors/employees to be settled through the issuing of shares.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of entities with a functional currency other than Pound Sterling.

Retained earnings/accumulated deficit

The retained earnings/accumulated deficit represents the cumulative profit and loss net of distribution to owners.





NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

(Incorporated in Guernsey under registered number 63974)

Registered office:

PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH
31 August 2022

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Market Act 2000.

If you have sold or transferred your shares in AfriTin Mining Limited, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Notice of an Annual General Meeting of AfriTin Mining Limited to be held at 11:00 am on 29 September 2022 PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH the "Meeting"). Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, but in any event so as to be received by the company Secretary at the registered office in accordance with the provisions of the Company's Articles of Incorporation not less than 48 hours (excluding any non-business days) before the time appointed for the Meeting. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person at the Meeting should they so wish.

PLEASE READ CAREFULLY: ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING IN LIGHT OF COVID-19

At the date of this Notice, there are no Covid-19 related restrictions on travel to and from Guernsey, nor movement within Guernsey. Accordingly, it is expected that shareholders in Guernsey, or those who wish to travel to Guernsey for the Meeting, will be able to attend the Meeting as normal.

However, this situation may change prior to the date of the Meeting and it may be necessary for the Company to impose restrictions on entry to the Meeting in order to limit or restrict the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the Meeting or any restriction on the maximum number of attendees.

In addition, the Board recognises that travel to Guernsey may not be feasible for the majority of shareholders and has put in place the following measures (the "Covid-19 Precautions"):

1. The Company urges shareholders to vote by proxy and to appoint the chairman of the Meeting as their proxy for that purpose. If a shareholder appoints someone other than the chairman of the Meeting as their proxy, that proxy, if not present in Guernsey, may not be able physically to attend the Meeting or cast the shareholder's vote. All votes on the resolutions contained in this Notice will be held by poll, so that all voting rights exercised by shareholders who are entitled to do so at the Meeting will be counted.
2. The Board encourages all shareholders to exercise their votes by proxy, and to submit any questions in respect of the Meeting in advance. This should ensure that your votes are registered in the event

that attendance at the Meeting is not possible. Shareholders are encouraged to use the online voting facilities detailed below where possible rather than submitting a paper proxy card to the Company Secretary, the Oak Trust.

- Shareholders who do choose to attend the Meeting in person are asked to comply with any applicable guidance issued by the States of Guernsey’s guidance on respecting personal space and practising good hand hygiene, and with any distancing requirements requested by the chairman of the meeting.

The arrangements for the Meeting proposed by the Board are subject to constant review, and should they be subject to change in line with changing guidance from the States of Guernsey, or in the event that the situation surrounding COVID-19 should affect the plans to hold the Meeting at the proposed date and time or at the proposed address, the Company will update shareholders through a market announcement and will provide further details on the Company’s website. The Board reserves the right, should it become necessary, to restrict attendance at the Meeting as part of security arrangements pursuant to Article 46 of the Articles of Incorporation of the Company (the “Articles”).

PROXY

To register your vote electronically, log on to our registrar’s web site at www.signalshares.com and follow the instructions on screen. To be valid your proxy must be registered not later than 48 hours (excluding non-working days) before the time fixed for the Meeting. Do not show these details to anyone unless you wish them to give proxy instructions on your behalf.

NOTICE OF MEETING

A Form of Proxy for use by shareholders is enclosed. To register a vote electronically, log on to the Registrar’s web site at www.signalshares.com and follow the instructions on screen.

ORDINARY RESOLUTIONS

- That Laurence Robb be appointed as Chairman of the annual general meeting in accordance with and pursuant to article 19.1.5 of Articles.
- To receive and adopt the Annual Financial Statements of the Company and the Directors’ report and the report of the Auditor for the year ended 28 February 2022.
- That Michael Rawlison shall be re-elected as a director of the Company, having previously been appointed by the Directors pursuant to article 24.5 of the Articles.
- That Anthony Viljoen shall be re-elected as a director of the Company, having retired by rotation and offered himself for re-election.
- That Messrs BDO LLP be reappointed as Auditors to the Company.
- That the Directors be authorised to approve the remuneration of the Company’s Auditors.
- The Company be generally and unconditionally authorised to make on market acquisitions of Ordinary Shares on such terms and in such manner as the Directors determine provided that:
 - the maximum aggregate number of Ordinary shares which may be purchased is 112,184,168 Ordinary Shares;
 - the minimum price(excluding expenses) which may be paid for each Ordinary share is £0.01;
 - the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 105 per cent of the average closing price of such shares for the 5 business days of AIM prior to the date of purchase; and
 - this authority shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to that time (except in relation the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).
- The Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 379,207,756 shares (together “Equity Securities”) in the capital of the Company being approximately one third of the issued share capital of the Company (excluding treasury shares) in accordance with Article 4.2 of the Articles of

Incorporation of the Company such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Equity Securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant Equity Securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities but, for the avoidance of doubt, is additional to the authority provided by Resolution 9 (if passed).

EXTRAORDINARY RESOLUTIONS

- That the Directors be and are hereby authorised to exercise all powers of the Company to grant rights to subscribe for shares to directors or employees of the Company in accordance with Article 4.2 of the Articles as part of the previously adopted directors and employees share option schemes (together the “Options”), and to issue shares pursuant to the exercise of such Options, as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant, provided the total Options outstanding at any point in time may not confer rights to subscribe for shares exceeding 10% of the number of issued shares of the Company at that time, and provided that the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution (unless previously renewed, revoked or varied by the Company by extraordinary resolution), save that the Company may before such expiry make an offer or agreement which would or might require Options to be granted after such expiry and the Directors may issue or grant the Options in pursuance of such an offer or agreement, and issue shares pursuant to the exercise of Options, as if the authority conferred by the above resolution had not expired.
- If Resolution 8 is passed, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue or grant Equity Securities in the capital of the Company pursuant to the issue or grant referred to in Resolution 8 as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant provided that (i) the maximum maximum aggregate number of Equity Securities that may be issued or granted under this authority is 112,184,168 shares, being approximately 10% of the issued share capital of the Company (excluding treasury shares); and (ii) the authority hereby conferred, unless previously renewed, revoked or varied by the Company by extraordinary resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be issued or granted after such expiry and the Directors may issue or grant Equity Securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities in the capital of the Company as if the pre-emption rights contained in Article 5.2 of the Articles of Incorporation of the Company did not apply to such issue or grant but, for the avoidance of doubt, is additional to the authority provided by Resolution 9 (if passed).

By order of the Board

MICHAEL RAWLINSON

Director

31 August 2022



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