KATORO GOLD PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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CHAIRMAN'S STATEMENT

BOARD OF DIRECTORS:	Sean Wade	Non-executive chairman
	Louis Coetzee	Executive director
	Louis Scheepers	Non-executive director
	Lukas Maree	Non-executive director

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STOCK EXCHANGE LISTING:
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CHAIRMAN'S STATEMENT

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WEBSITE:	www.katorogold.com
DATE OF INCORPORATION:	11 November 2014
COMPANY NUMBER:	09306219

CHAIRMAN'S REPORT

Introduction

I am pleased to present my maiden Katoro Gold Plc (hereinafter referred to as 'Katoro Gold' or 'Katoro') Annual Report and Financial Statements for the financial year ending 31 December 2023 as new incumbent non-executive chairman. This past year has been marked by a continued, focused effort at Katoro Gold to solidify the Company's position through a process of identification and selection of strategic opportunities in the realm of precious mineral exploration, whilst methodically continuing with the Haneti Project. Concurrently, we have maintained a dynamic, perceptive approach, continuously adapting our strategies to navigate the evolving demands of the industry and its associated markets.

Katoro Gold's commitment to portfolio diversification remained a cornerstone of its strategic vision in 2023. This involved the continuous evaluation of new opportunities aimed at the mitigation of country-specific risks and enhance the company's existing holdings. By actively seeking strategic acquisitions aligned with its vision of becoming a prominent African-focused player in the precious mineral exploration and development space, Katoro continuously seeks opportunities to strengthen its overall market position and resilience. This diversification strategy not only buffers against potential disruptions in specific geographic locations but also offered the potential to unlock new avenues for growth and value creation. As Katoro navigates the dynamic landscape of the African minerals industry, its focus on strategic portfolio diversification aims to position it for long-term success and a robust presence within the precious mineral sector.

Exploration and Development

In 2023, Katoro Gold, mindful of funding constraints, prioritised its resource development of the Haneti Project in Tanzania. After the successful diamond drill program and analysis of deep-seated rock data at the Haneti Project in 2022, consolidation of all data and the geological model for future exploration was done, in following of the Final Exploration Report's recommendations.

On the commercial front, discussions with potential partners regarding Haneti will resume in 2024, though funding uncertainties impaired the process during 2023. While the Joint Venture Agreement (JVA) with Lake Victoria Gold (LVG) established a framework for the Imweru Gold Project, with LVG holding an 80% stake in the project and Katoro Gold retaining the remaining 20%, it is important to note that LVG remains in default of their agreed capital contribution, which was due on or before December 31, 2023. Katoro is currently evaluating its options without prejudice.

Corporate and Post Year-End Developments

Katoro has entered 2024 with a comprehensive strategy aimed at resetting the Company's trajectory. This renewed approach involves a refreshed board of directors, strategic advisory support, and a revised funding plan. We believe these combined efforts hold significant potential to unlock substantial value for our shareholders. The recent successfully completed restructure and financing of the Company will position Katoro on the lower end of the UK junior resource market capitalisation spectrum, providing a solid foundation for our revitalised business strategy. This refreshed approach prioritises delivering value to shareholders, which remains our paramount objective.

Future Outlook

In a significant step forward for Katoro's comprehensive strategic revitalisation plan, the Company successfully secured a total of £825,000 in financing during February 2024. This capital injection commenced with an initial £750,000 announced on February 12th, followed by an additional £75,000 secured through a subsequent order from a single institution. This demonstrates strong market confidence in Katoro's renewed strategy and its potential to deliver long-term shareholder value. This influx of funds will provide a solid foundation for implementing the revitalisation plan and propelling Katoro towards a more robust and sustainable future.

Sean Wade
Non-Executive Chairman

STRATEGIC REPORT

The Board of Directors present their strategic report together with the audited annual financial statements for the year ended 31 December 2023 of Katoro Gold PLC (the "Company") and its subsidiaries (collectively the "Group").

Principal activities
The principal activity of the Group is gold and nickel focussed exploration activities in Tanzania and South Africa.

Review of business in the year
The Group is in its early stage of development and details of the operational activities of the Group are included in the Chairman's report.

Financial activities

Description	Note	31 December 2023	31 December 2022
		£	£
Administrative expenses		(450,540)	(664,682)
Foreign exchange (losses)/gains		(311)	(407)
Impairments	6 & 15	(7,053)	(224,966)
Loss on disposal of subsidiary		-	(75,922)
Share in profit / (loss) in associate	15	7,480	(4,408)
Exploration expenditure		(163,448)	(285,374)
Finance income		12	5,260
Taxation		-	(61)
Loss for the period		**(613,860)**	**(1,250,560)**

The decrease in the loss year-on-year, as disclosed in the table above and in the statement of comprehensive income, is mainly owing to the following causes:

- Decrease in administrative expenses due to decrease in operational activities during the current period;
- Decrease in explorational expenditure due to funding that is to be obtained before exploration projects can continue.
- There was a large impairment of the Haneti assets during 2022 which related to more than one year's expenses. The impairment in 2023 only relates to one year's expenditure and is considerably lower in value.

Shares were sub-divided during 2023 whereby the par value of each ordinary share changed from £0,01 to £0,001. The subdivision did not have an effect on the number of shares issued and therefore does not influence the loss per share. Share issues took place in April 2023 which reduced the loss per share compared to the prior year.

Key performance indicators
Management does not consider there to be any key financial KPI's at this stage, other than the loss per share for the period, which is included in the statement of comprehensive income. As and when operational activities increase management will reconsider the key financial KPI's and update the necessary disclosures accordingly. Non-financial KPI's comprise the measure of advancement with respect to the various key exploration projects over the medium to long term.

Principal Risks and Uncertainties
The realisation of exploration and evaluation assets is dependent on the discovery and successful development of economic mineral reserves and is subject to a number of significant potential risks summarised as follows, and described further below:

- financial instrument & foreign exchange risk;
- strategic risk;
- funding risk;
- commercial risk;
- operational risk;
- speculative nature of mineral exploration and development;
- political stability;
- Uninsurable Risks and
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts.

STRATEGIC REPORT

Financial instrument and foreign exchange risk
The Company and Group are exposed to risks arising from financial instruments held and foreign exchange transactions entered into throughout the period. These are discussed in Note 18 to the Annual Financial Statements.

Strategic risk
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, the Group may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. The Company expects to undertake sufficient due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk
In the past the Group has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Group remains a going concern until such time that revenues are earned through the sale or development and mining of a mineral deposit. There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future. The Directors regularly review cash flow requirements to ensure the Group can meet financial obligations as and when they fall due.

For further related disclosure refer to the going concern evaluation in the Directors' report. It includes the evaluation of the going concern assumption due to the funding risk. The section discloses the information that has been taken into account, how the risks were evaluated and mitigated.

Commercial risk
The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered, a profitable market will exist for the sale of such minerals. There can be no assurance that the quality of the minerals will be such that the Group properties can be mined at a profit. Factors beyond the control of the Group may affect the marketability of any minerals discovered. Mineral prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. Ultimately, the Group expects that prior to a development decision, a project would be the subject of a feasibility analysis to ensure there exists an appropriate level of confidence in its economic viability.

Operational risk
Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact any future production throughout. Although it is intended to take adequate precautions to minimise risk, there is a possibility of a material adverse impact on the Group's operations and its financial results. The Company will develop and maintain policies appropriate to the stage of development of its various projects.

Staffing and Key Personnel Risks
Recruiting and retaining qualified personnel is critical to the Group's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Group's business, results of operations and financial condition. Staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.

Speculative Nature of Mineral Exploration and Development
In addition to the above there can be no assurance that the current exploration programmes will result in profitable mining operations.

The recoverability of the carrying value of exploration and evaluation assets is dependent on the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in market conditions could require material write downs of the carrying value of the Group's assets.

STRATEGIC REPORT

Development of the Group's mineral exploration properties is, amongst others, contingent upon obtaining satisfactory exploration results and securing additional adequate funding. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk reduces substantially when a Group's properties move from the exploration phase to the development phase.

The discovery of mineral deposits is dependent upon a number of factors including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, including the size, grade and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Political Stability
The Company is conducting its activities in Tanzania and South Africa. The Directors believe that the Governments of Tanzania and South Africa support the development of natural resources by foreign investors and the Directors actively monitor the situation on an ongoing basis. However, there is no assurance that future political and economic conditions in Tanzania and South Africa will not result in the respective governments adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Company's ability to develop the projects.

Uninsurable Risks
The Group may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of prohibitive premium costs or for other reasons, such as amounts which exceed policy limits.

Foreign investment risks including increases in taxes, royalties and renegotiation of contracts
The Group is subject to risk arising from the ever-changing economic environment in which its subsidiaries operate, mainly driven by the changing regulatory environment governing corporate taxation, transfer pricing and other investment related operational activities. The Group continues to re-assess its investment decisions in order to limit exposure to the ever-changing regulatory environment in which it operates.

Section 172 Report

Section 172(1)(a) to (f) of the Companies Act 2006 requires each director to act in the way he or she considers would be most likely to promote the success of the Company for the benefit of its members as a whole, with regard to the following matters:

a. **The likely consequences of any decision in the long-term**
Katoro Gold is a mining exploration and development Company. By their natures mining exploration and development projects are complex, capital intensive, last many years and involve a varied group of stakeholders. As such it is extremely important that the board considers all decisions made by the Company in the context of their long-term impact on the Company. Consequences of such decisions include (but are not limited to) the impact on all stakeholders (with particular care towards local communities), impact on environmental issues in and around project areas and the financial impact on the Company and its ability to function effectively. Katoro Gold is meticulous in its planning, as is required for permitting processes in the mining exploration and development sector. As such, the Company prepares detailed planning documents before initiating any major work programme. Such planning documents assess a variety of factors from community and environmental issues to technical geological and project funding matters. Where appropriate the Company provides copies of these reports on its website (www.katorogold.com) or releases excerpts via the London Stock Exchange's Regulatory News Service.

b. **The interests of the company's employees**
The health and safety of Katoro Gold's employees is of paramount concern to the board. It is imperative that Katoro Gold provides a safe and secure working environment for all staff. The Company conducts regular Health & Safety reviews and ensures that any operational plans are subject to rigorous scrutiny in their creation and constant monitoring during their implementation.

The Company is a responsible employer in respect to the approach it takes towards employee and contractor pay, benefits and other terms of engagement as it develops. These are constantly reviewed.

STRATEGIC REPORT

While the Board is all male at the date of this report, it is committed to fair and equal gender opportunity and fostering diversity, subject to ensuring appointees are appropriately qualified and experienced for their roles. The Group acknowledges that as it expands its operations, it will be to its benefit to align the composition of its Boards and profile of its management and staff to reflect balance in the ethnicity and gender of its personnel.

Analyses of gender of Group personnel during reporting period:

	Male	**Female**	**Other**
Board	4	0	0
Management	1	4	0
Employees	No direct employees	No direct employees	No direct employees

c. The need to foster the company's business relationships with suppliers, customers and others

Mining exploration and development projects involve a diverse and varied group of stakeholders. These include (but is not limited to) the Company's employees, government officials, local communities, financial backers, shareholders and other suppliers. The Company adopts a transparent and open stance in its dealings with all stakeholders to help build trust. Mining exploration and development projects can only succeed with the full support of all involved.

The board has oversight of the procurement and contract management processes in place and receives regular updates on any matters of significance, as well as approving the awarding of large contracts. The board ensures the Company fully adheres to the Bribery Act 2010 2010 by means of Anti-Corruption & Bribery and Whistle-Blowing policies that is implemented.

d. The impact of the company's operations on the community and environment

Mining exploration and development projects can have a significant impact on local communities and the environment. The board constantly reviews the impact of its operations on local communities and the environments. Where required, the Company completes detailed surveying work (such as Environmental Impact Assessments) and, where necessary, applies for relevant permits. Such processes require diligence and concentrated effort.

The board ensures it maintains positive relations with local communities, by engaging in local programmes and providing secure employment opportunities.

e. The desirability of the company maintaining a reputation for high standards of business conduct

As a listed company, Katoro Gold's reputation for the high standards of its business conduct is paramount. The board makes every effort to ensure it maintains these.

The Company is subject to the disclosure requirements of the AIM Rules for Companies and Financial Conduct Authority's Disclosure Transparency Rules. These comprehensive set of rules enforce a strict discipline upon the Company in terms of the manner, timeliness, subjectivity and content of its public disclosures.

Katoro Gold is also required to complete an annual audit. This is a rigorous analysis of the Company's operations and review of the Company's policies. The results of this are published each year in the Company's Annual Report.

Katoro Gold also publishes on its website an "AIM 26 Disclosure" (https://katorogold.com/investors/aim-rule-26), which details much of the manner in which the Company is run.

Katoro Gold is committed to corporate governance and adheres to the QCA Corporate Governance Code. The Company's corporate governance statement can be found here https://katorogold.com/wp-content/uploads/2018/10/QCA-Statement.pdf.

STRATEGIC REPORT

f. **The need to act fairly as between members of the company**

As a listed Company, Katoro Gold is committed to treating its shareholders fairly and delivering shareholder value.

Katoro Gold is registered in England and Wales and is subject to the Companies Act 2006. The Company is also subject to the UK City Code on Takeovers and Mergers. The Company's articles of association, which help define some of the actions between the Company and its shareholders, can be found here https://katorogold.com/investors/corporate-documents

This report was approved by the Board on 30 May 2024 and signed on its behalf by:

Louis Coetzee
Executive Director

CORPORATE GOVERNANCE REPORT

Our Company is dedicated to upholding a high standard of corporate governance. As Chairman, it remains my responsibility, working with my fellow Board members, to ensure that good standards of corporate governance are encompassed throughout the Company. As a Board, we set clear expectations regarding our culture, values and behaviours. We firmly believe that by encouraging the right way of thinking and behaving across all our people, our corporate governance culture is reinforced, enabling us to conduct business sustainably, responsibly and deliver value for our shareholders.

It is the Board's role to ensure that the Group is managed for the long-term benefit of all shareholders, with effective and efficient decision-making. Corporate governance is an important part of that role, reducing risk and adding value to our business.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). This statement sets out how the Company complies with, and where relevant departures from, the 10 principles of the QCA Code.

1. Establish a strategy and business model which promote long-term value for shareholders

Katoro Gold's primary focus during the year is on advancing and developing its Tanzanian and South African projects. The Company is also in the process of reviewing other exploration and mining projects in the region, with a view to building a diversified mining portfolio. The objective is two- fold: to mitigate country specific risk and enhance the existing portfolio.

The Company is in the process of reviewing all existing interests. The emphasis is on pursuing only those interest where the further investment of managerial and technical time, and financial resources, yields a reasonable prospect of a strong commercial outcome. Any existing interests must be weighed against the value available from potential new opportunities.

On the Haneti project we successfully completed the diamond drilling program. This enables us to focus on specific target areas in future endeavours. The majority of Katoro's resources will be used to fund the continued development of the Company's projects.

The Board sets the Company's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner. The Company has set out a strategy and business model to promote long-term value for shareholders and will update all shareholders on this in the annual reports for each year.

The Board identifies and evaluates key challenges and appropriately manage these challenges. Among other, challenges include to raise sufficient funding for projects identified in the region; competitiveness in the market; the quality of mineral resources that are identified during exploration; and the economic viability of projects. The Board meet on a regular basis to discuss the strategic direction of the Company and any significant deviation or change will be highlighted promptly should this occur.

The Strategic Report of the Company can be found on pages 4 to 8.

2. Seek to understand and meet shareholder needs and expectations

The Company is committed to listening to, and communicating openly with, its shareholders to ensure that its strategy, business model and performance are clearly understood. The Company regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session. The Board is lead by the Non-Executive Chairman who is responsible for understanding and meeting shareholder needs and expectations. Due to the size of the Company, there is no dedicated investor relations department, and the Non-Executive Chairman is responsible for reviewing all communications received from investors and will determine the most appropriate response.

In addition, the Company's progress on achieving its key targets is regularly communicated to investors via presentations and through its announcements to the market which can be at www.katorogold.com.

The Company also utilises professional advisers such as the Company's NOMAD, Broker, Auditor, Investor and Media Relations Adviser, professional accounting consultants and the Company Secretary who provide advice and recommendations on shareholder communication.

CORPORATE GOVERNANCE REPORT

Contact details are provided on the Company's website and within public documents should shareholders wish to communicate with the company.

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

The Board believes its main stakeholders in addition to its investors are its employees, suppliers, consultants, members of local communities where the Company undertakes development activities. The Board is committed to understanding the requirements and needs of its stakeholders, meetings are regularly held by management to discuss engagement and feedback and the Board lead by the Non-Executive Chairman is also responsible for fostering and improving open communication and contact with relevant stakeholders of the Group. The business model identifies key resources and relationships on which the business relies by way of the Board's relevant experience, strategic direction, and regular assessment. The Board lead by the Non-Executive Chairman obtains feedback from stakeholders via various channels, most notably stakeholder engagements and its AGM, and any required relevant actions are then formulated and implemented accordingly.

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

The Board regularly reviews the risks facing the business and the internal controls which are in place to address risks. In order to support its duties and responsibilities the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Company. The principal risks that the Company is exposed to can be classified under the general headings of exploration risk, commodity risk, price risk, currency risk and political risk, strategic risk, operational risk, funding and foreign investment risk. A more detail analysis of the principal risks can be found on pages 4 to 6 within the Company's annual report.

The audit committee is tasked with identifying, analysing and reporting on risk during the financial period, nevertheless it is also part of the everyday function of the Directors and is managed at Board level too.

Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Company are appropriate to the business.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

The Board acknowledge their responsibility for, and recognise the importance of implementing and maintaining, high standards of corporate governance. The Board is responsible for establishing and maintaining the system of internal controls. The Company subscribes to the values of good corporate governance at all levels and is committed to conduct business with discipline, integrity and social responsibility.

The Board currently comprises of a three Non-executive Directors including the Chairman along with an Executive Director. Short biographies of the Directors appointed to the Board can be found within the Directors' Report on page 12. The Directors' Report also includes details of the Committees and the number of meetings held during the year with the attendance record of each Director. The role of each of the Board's committees can also be found on pages 17 to 18.

Directors are expected to devote such time as is necessary for the proper performance of their duties. Overall, it is anticipated that directors will spend a minimum of two (2) days a month on work for the Company. The nature of the role makes it impossible to be specific about the maximum time commitment. The Board is of the view that the Chairman and each of the Directors who held office during 2023 committed sufficient time to fulfilling their duties as members of the Board.

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

The Board has a diverse range of skills, experience and personal qualities that help deliver the strategy of the Company. The Company will ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities to deliver the Company's strategy and targets. The directors are members of a regulated professional bodies (e.g., lawyers, chartered accountants, geologists) and must comply with their respective body's continued

CORPORATE GOVERNANCE REPORT

professional development requirements. Each Director's biographical details, along with a description of their role and experience, can be found within the Directors' Report on page 12.

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

Given the Company's current size, the Board has not considered it necessary to undertake an assessment of the Board performance and effectiveness.

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

The Company operates a corporate culture that is based on ethical values and behaviours. It does maintain a quality system appropriate to the standards required for a Company of its size. The Board communicates regularly with staff through meetings and messages. The culture is consistent with the company's objectives, strategy and business model per the strategic report by way of regular assessment and strategic direction by the Board.

The Company also has a Corporate Social Responsibility Policy, details of which can be found on page 18 of the Directors' Report.

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

The Board sets the direction for the Company through a formal schedule of matters reserved for its decision. The Non-Executive Chairman in combination with the Executive and Non-Executive Directors, implements the strategy for the Company and regularly reports to the Board or progress as well as continually engaging with the Company's shareholders and stakeholders. The Board has a schedule of matters reserved for its review and approval, such items include, Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Executive Director and the senior management team.

The Board and Committees along with the matters reserved for each are explained within the Directors' Report on pages 17 to 18. Further information can also be found on the Company's website www.Katorogold.com.

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

Under AIM rule 26 the Company already publishes historical annual reports, notices of meetings and other publications which can be found on the Company's website www.Katorogold.com. The Board has not published Audit Committee or Remuneration Committee reports in the Company's latest annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Company.

In regard to a general meeting of the Company once the meeting has concluded the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website. If it became relevant an explanation of actions where a significant proportion of votes (e.g., 20% of independent votes) is cast against a resolution would be provided.

This report was approved by the Board on 30 May 2024 and signed on its behalf by:

Louis Coetzee
Executive Director

DIRECTORS' REPORT

The Board of Directors present their Annual Report together with the audited annual financial statements for the year ended 31 December 2023 of Katoro Gold plc ("the Company") with registered number 09306219 and its subsidiaries (collectively "the Group").

The Board comprises of an Executive Director and three Non-Executive Directors. As the Company evolves, the Board composition is reviewed and expanded on if necessary to ensure appropriate expertise are in place at all times to support its business activities. The Directors' skillset is kept up to date as disclosed in the Corporate Governance report on page 10.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions. An agenda and all supporting documentation are circulated to all Directors before each Board Meeting. Open and timely access to all information is provided to all Directors to enable them to bring independent judgement on issues affecting the Company and facilitate them in discharging their duties.

Throughout the financial year, and up to the date of this report post year end, the Board of Directors comprised the following members, who served as Directors of the Company:

- Sean Wade – Chairman (Non-Executive Director) (appointed on 29 February 2024)
- Louis Coetzee – Chairman (Executive Director)
- Louis Scheepers (Non-Executive Director)
- Myles Campion (Non-Executive Director) (resigned on 14 June 2023)
- Paul Dudley (Non-Executive Director) (resigned on 14 June 2023)
- Lukas Marthinus Maree (Tinus Maree) (Non-Executive Director)

Sean Wade, Age 53 – (Non-Executive)
Sean is an experienced corporate executive within the natural resources sector, having held senior executive and consultancy roles in several mining companies across a wide variety of commodities. A capital markets professional by background, he has worked on numerous transactions in the capital markets, including IPO's, secondary capital raising and M&A in various jurisdictions. He is currently Chief Executive Officer of Power Metal Resources plc (AIM:POW).

Louis Coetzee, BA, MBA, Age 59 – (Executive)
Louis has over 27 years' experience in business development, promotion and financing in both the public and private sectors. In recent years, he has concentrated on the exploration and mining area where he has founded, promoted and developed several junior mineral exploration companies based mainly on Tanzanian assets. Previous roles include Vice-President of Canadian listed Great Basin Gold (TSX: CBG) whilst other current roles include CEO of Kibo Mining plc (AIM and AltX listed). Louis has tertiary qualifications in law and languages, project management, supply chain management and an MBA from Bond University (Australia) specialising in entrepreneurship and business planning and strategy.

Louis Scheepers, Age 66 – (Non-Executive)
Louis is an experienced project manager with more than 20 years' experience of practical project development and execution in the mining and extractive industry. He has gained valuable experience in mineral exploration, feasibility studies and greenfield mining projects, spending much time in South, Central and East Africa, as well as the Middle East. Other positions he has held include CEO of Mzuri Exploration Services Ltd as well as the executive responsible for project development at TSX, NYSE and JSE listed Great Basin Gold Ltd after completing a stint as mining consultant.

Lukas Marthinus (Tinus) Maree, BLC, LLB, Age 62 – (Non-Executive)
Tinus is a lawyer by profession. He has served on the boards of a number of public companies including Kibo Mining plc., Goldsource Mines Limited, Africo Resources Limited and Diamond works Limited that have made significant successful investments in exploration projects in Africa and North America, and has more recently served as the CEO of private investment companies Rusaf Gold Limited and Mzuri Capital Group Limited, both of which have successfully developed and sold mineral projects in Russia and Tanzania in the last seven years. He was also a founder principal of River Group, Designated Advisors to the listing of Kibo on the JSE and was responsible for its Canadian office until his retirement from the Group in 2013 to pursue personal interests.

DIRECTORS' REPORT

Review of Business Developments
As set out in the Chairman's Report and review of activities, Katoro Gold prioritised its resource development of the Haneti Project in Tanzania. The aim of Katoro is to focus on high impact exploration and development projects, rather than a diverse wide ranging portfolio, enabling the allocation of working capital into focused business interests.

Results
The result for the year amounted to a total comprehensive loss of £607,365 for the year ended 31 December 2023 (31 December 2022: loss of £1,153,334).

Joint Venture Agreement with Lake Victoria Gold Limited
Following the default in settlement of the outstanding purchase consideration receivable from Lake Victoria Gold Limited related to the sale of the Imweru Gold Project, the Group entered into a Joint Venture Agreement ('Agreement') with Lake Victoria Gold ('LVG') for the development of the Company's Imweru Gold Project ('Project'). During 2022, under the Agreement, LVG purchased an 80% equity interest in Kibo Gold by way of share issue of Kibo Gold Limited, with the balance of 20% being held by Katoro, as a carried interest, effectively losing control of Kibo Gold Limited and its fully owned subsidiaries Savannah Mining Limited and Reef Miners Limited.

Under the Agreement, the Company is due €792,000 from LVG. This liability was due to be settled by 31 December 2023 and is disputed by LVG. Due to the disputed nature of the receivable, it has been fully provided against in the financial statements. The Company is taking legal advice in respect of this outstanding amount with a view to taking appropriate recovery action for the amount considered due.

Post Statement of Financial Position Events
The Company raised £825 000 through the issue of shares in February 2024.

On 29 February 2024, the Company appointed Sean Wade as Non-executive Chairman, and Louis Coetzee moved from the role of Executive Chairman into the role of Executive Director to continue the management of business operations.

The appointment of a new Chief Executive Officer is expected in the near term and, as notified, on their appointment Mr Coetzee will step down from the Board of the Company into the role of business consultant until 31 July 2024 to again assist with transitional business operations.

As at the end of January 2024 the creditors of the Company included an amount of £91,000 in respect of outstanding Board fees from current Directors for the period April 2023 to January 2024, inclusive. This amount has been reduced with the agreement of the Board of directors to £63,617, which was settled through the issue of 63,617,880 Ordinary Shares as the issue price of 0.1p per share . Shares are subject to a "hard" lock-in.

The Company has settled invoices amounting to £38,305 due to Kibo Energy plc through the issue of 38,305,000 Ordinary Shares ("Service Shares") at the same issue price as the Financing Shares of 0.1p per share. Shares are subject to a "hard" lock-in.

Value Generation Limited has been appointed as an advisor to the Company to assist with business recovery and support the Company in the areas of strategy, operational planning, communications and business administration.

Directors' Interests
Directors may own shares in the company as regulated by AIM and the MAR rules, which has a standard share dealing code. The Directors complied to the requirements during the year under review.

The interests of the Directors (held directly and indirectly), who held office at the date of approval of the financial statements, in the share capital of the Company are detailed below.

Ordinary Shares (held directly and indirectly)

Directors	30 May 2024	31 December 2023	31 December 2022
Sean Wade[1]	-	-	-
Louis Coetzee	43,872,627	43,872,627	666,667
Louis Scheepers	33,872,627	33,872,627	666,667
Myles Campion[2]	14,416,667	14,416,667	2,416,667
Paul Dudley[3]	12,918,433	12,918,433	1,833,333
Tinus Maree	43,872,627	43,872,627	666,667

DIRECTORS' REPORT

Warrants (held directly and indirectly)

Directors	30 May 2024	31 December 2023	31 December 2022
Sean Wade[1]	-	-	-
Louis Coetzee	22,000,000	22,333,334	333,334
Louis Scheepers	12,000,000	12,333,333	333,333
Myles Campion[2]	12,000,000	12,333,333	333,333
Paul Dudley[3]	11,085,100	11,418,433	333,333
Tinus Maree	22,000,000	22,333,333	333,333

Louis Coetzee is also a director of Kibo Energy Plc, a significant shareholder.

Share Options

Directors	30 May 2024	31 December 2023	31 December 2022	Options as % of current issued share capital
Sean Wade[1]	25,000,000	-	-	1,57%
Louis Coetzee	8,082,330	8,082,330	8,082,330	0.51%
Louis Scheepers	4,594,478	4,549,478	4,549,478	0.29%
Myles Campion[2]	4,991,165	4,991,165	4,991,165	0.32%
Paul Dudley[3]	4,991,165	4,991,165	4,991,165	0.32%
Tinus Maree	4,991,165	4,991,165	4,991,165	0.32%

For further detail surrounding the ordinary shares and share options please refer to Note 10 and 11 of the annual financial statements.

1 – Sean Wade was appointed on 29 February 2024
2 – Myles Campion resigned on 14 June 2023
3 – Paul Dudley resigned on 14 June 2023

Director's Remuneration

Directors	31 December 2023	31 December 2022
Sean Wade (appointed on 29 February 2024)	-	-
Louis Coetzee	£36,000	£36,000
Louis Scheepers	£36,000	£36,000
Myles Campion (resigned on 14 June 2023)	£16,246	£36,000
Paul Dudley (resigned on 14 June 2023)	£16,246	£39,843
Tinus Maree	£36,000	£36,000

There were no other elements of Director's remuneration incurred in the period, other than the those stated above, namely share options, warrants and cash payments.

There have been no other contracts or arrangements of significance during the period in which Directors of the Company, or their related parties, were interested.

Directors' Meetings
The Company held the following Board and Committee meetings during the reporting period and the number of meetings attended by each of the Directors of the Company during the year to 31 December 2023 were:

Name	Plc Board	Audit and Risk Committee	Remuneration Committee[4]
Sean Wade[1]	-	-	-
Louis Coetzee	22/22	-	-
Louis Scheepers	22/22	1/1	-
Myles Campion[2]	14/15	0/1	-

DIRECTORS' REPORT

Name	Plc Board	Audit and Risk Committee	Remuneration Committee[4]
Paul Dudley[3]	15/15	1/1	-
Tinus Maree	22/22	2/2	-

1 – Sean Wade was appointed on 29 February 2024
2 – Myles Campion resigned on 14 June 2023
3 – Paul Dudley resigned on 14 June 2023
4 – Due to the size and stage of development of the Company no such meetings were held.

Overview of Remuneration Policy

The Company's policy for the remuneration of the Company's Directors is that it should be structured to attract and retain executives of a high calibre with the skills and experience necessary to successfully grow the Company. The objective of the policy is to help deliver long-term value for shareholders by enabling the efficient and effective delivery of the Company's strategy as outlined in the Strategic Report.

When determining levels of remuneration, the Company will review the remuneration practices adopted by peer companies both in the market generally and in the same business sector as the Company.

The Company believes that a significant portion of the remuneration package of senior executives should be linked to performance while maintaining an appropriate balance between fixed and variable pay, short-term and long-term variable pay, and rewards in cash and shares. The Company, by considering recommendations from the Remuneration, Nominations & Governance Committee, will regularly review the Company's remuneration policies to ensure that these policies do not encourage and reward inappropriate risk-taking that may not be in the best interests of shareholders. It will also ensure that its remuneration policy aligns with the Company's corporate and financial governance policies as well as all regulatory and listing regulations. As the Company's Board grows, it will establish a separate standalone Remuneration Committee to exclusively deal with remuneration policy matters.

The Company will strive to align its remuneration policy to the principles below, which are taken from the 2018 UK Corporate Governance Code, during 2024 the Company will align its remuneration principles with 2023 QCA Corporate Governance Code which came into effect for financial years starting on or after 1 April 2024, and the first reporting under the new principles is expected in 2025.

Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.
Simplicity – remuneration structures will avoid complexity and their rationale and operation should be familiar to all stakeholders and be easy to understand.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans are identified and mitigated.
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, and in consistency with the Group's purpose, values and strategy.

DIRECTORS' REPORT

Significant Shareholdings
The Company has been informed that, in addition to the interests of the Directors, at 31 December 2023 and at the date of this report, the following shareholders own 3% or more beneficial interest, either direct or indirect, of the issued share capital of the Company, which is considered significant for disclosure purposes in the annual financial statements:

Percentage of Issued Share Capital			
Shareholder	**30 May 2024**	**31 December 2023**	**31 December 2022**
Kibo Energy plc	8.42%	14,36%	20.88%
Charlemont Capital Investments sociéte à responsibilité limitée	4.34%	7%	-
Gervais Heddle	3.57%		
Richard Edwards	-	N/A	N/A
Sanderson Capital Partners Ltd	N/A	N/A	4.34%

Subsidiary Undertakings
Details of the Company's subsidiary undertakings are set out in Note 14 to the annual financial statements.

Political and Charitable Donations
During the period, the Group made no charitable or political contributions (2022: £ nil).

Going Concern
In the past the Group has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Group remains a going concern until such time that revenues are earned through the sale or development and mining of a mineral deposit. There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future.

The Directors regularly review cash flow requirements to ensure the Group can meet financial obligations as and when they fall due. In performing the going concern assessment, the Board considered various factors, including the availability of cash and cash equivalents, data relating to working capital requirements for the foreseeable future, available information about the future, possible outcomes of planned events, and the responses to such events and conditions that would be available to the Board.

The Group currently generates no revenue and had a net liability position of £638,288 as at 31 December 2023 (31 December 2022: £230,908). As at year end, the Group had liquid assets in the form of cash and cash equivalents of £414 and no other financial asset balances receivable (2022: £49,596 and £nil).

Considering the net current liability position of £638,288, the Directors have reviewed the cash flow forecasts, based on the existing budget, and evaluated to prior year actuals. The forecast includes estimates and assumptions regarding future costs and the timing of these. The financial forecast does not include non-committed expenditure.

There is a material uncertainty related to the above events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors continue to consider it appropriate to prepare the financial statements on a going concern basis and have not made any adjustments which could arise in the event that the Group is not a going concern. Refer to the note to the financial statements on page 32 on Going Concern where plans to deal with the shortfall and the possible sources of funding are described.

Environmental responsibility
The Company recognises that its activities require it to have regard to the potential impact that it, its subsidiaries and partners may have on the environment. Where exploration and development works are carried out, care is taken to limit the amount of disturbance and where any remediation works are required, they are carried out as and when required.

DIRECTORS' REPORT

SECR reporting is not required since the energy consumption was less than 40 000 kWh during the year under review.

Dividends
There have been no dividends declared or paid during the current financial period (2022: £Nil).

Corporate Governance Policy
The Board is aware of the importance to conform to its statutory responsibilities and industry good practice in relation to corporate governance of the Group and as a result has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The Company's statement of compliance against the QCA code is set out on pages 9 to 11.

Role of Directors
All Board members ensure that appropriate governance procedures are adhered to and there is a clear division of responsibilities at Board level to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.

The Non-Executive Chairman in combination with the Executive Director implements the strategy for the Company and regularly reports to the Board or progress as well as continually engaging with the Company's shareholders and stakeholders.

Board and Audit Committee meetings have been taking place periodically and the executive Director manages the daily Company operations with Board meetings taking place on a regular basis throughout the financial period. During the current reporting period, the Board met twelve times and provided pertinent information to the Executive Committee of the Company. An agenda and supporting documentation are circulated in advance of each meeting.

All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

The Board is responsible for effective control over the affairs of the Company, including strategic and policy decision-making financial control, risk management, communication with stakeholders, internal controls and the asset management process. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Audit and Risk Committee were tasked with, amongst other things, identifying, analysing and reporting on risk during the financial period.

Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense.

Audit and Risk Committee
The members of the Audit and Risk Committee are Tinus Maree as Chairman and Louis Scheepers.

The Audit and Risk Committee has set out its roles and responsibilities within its charter and ensured that it is aligned to good financial governance principles.
These include:

- the establishment of an Audit and Risk Committee to guide the audit approach, as well as its modus operandi and the rules that govern the audit relationship;
- assess the processes relating to and the results emanating from the Group's risk and control environment;
- monitoring the integrity of the Group's integrated reporting and all factors and risks that may impact on reporting;
- annually reviewing the expertise, appropriateness and experience of the finance function;
- annually nominating the external auditors for appointment by the shareholders;
- reviewing developments in governance and best practice;
- foster and improve open communication and contact with relevant stakeholders of the Group; and
- assessing the external auditor's independence and determining their remuneration.

DIRECTORS' REPORT

The Audit and Risk Committee further sets the principles for recommending the external auditors for non-audit services use.

The Audit and Risk Committee met twice during the current year to approve the Interim and Annual Report and recommend approval to the Board.

Remuneration Committee
The members of the Remuneration Committee are Tinus Maree as Chairman and Louis Scheepers.

The purpose of the Remuneration Committee is to discharge the responsibilities of the Board relating to all compensation, including equity compensation of the Company's Executives. The Remuneration Committee establishes and administers the Company's executive remuneration with the broad objective of aligning executive remuneration with Company performance and shareholder interests, setting remuneration standards aimed at attracting, retaining and motivating the executive team, linking individual pay with operational and Company performance in relation to strategic objectives; and evaluating compensation of executives including approval of salary, equity and incentive-based awards.

The committee is empowered by the Board to set short, medium and long-term remuneration for the Executive Directors. More generally, the committee is responsible for the assessment and approval of a Board remuneration strategy for the Group.

Nomination Committee
Due to the size and stage of development of the Company the responsibilities of the Nomination Committee falls under the Board, and a specific committee is not appointed.

The member are responsible for considering and making recommendations in respect of appointments to the Board. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations with regard to any changes necessary, as well as succession planning, taking into account the skills and expertise that will be needed on the Board in the future.

Disclosure and AIM Rules Compliance Committee
The members of the AIM Rules Compliance Committee are Louis Coetzee as Chairman and Louis Scheepers.

The role of the disclosure and AIM Rules compliance committee is to oversee the Company's compliance with the AIM Rules and the Disclosure Guidance and Transparency Rules which require the Company to disclose, in the prescribed manner, as soon as possible, any inside information directly concerning the Company, unless an exemption from disclosure is available. The Disclosure Committee is also, amongst other things, responsible for maintaining and monitoring the adequacy of procedures, systems and controls for the identification, treatment and disclosure of inside information and for complying with other disclosure obligations falling on the Company under the AIM Rules, the Market Abuse Regulation and Disclosure Guidance and Transparency Rules.

Internal Audit
The Company does not have an internal audit function. Currently the operations of the Group do not warrant an internal audit function, however the Board is assessing the need to establish an internal audit department considering future prospects as the Group's operations increase. During the period the Board has taken responsibility to ensure effective governance, risk management and that the internal control environment is maintained.

Health, Safety and Environmental Policy
The Group is committed to high standards of Health, Safety and Environmental performance across our business. Our goal is to protect people, minimize harm to the environment, integrate biodiversity considerations and reduce disruption to our neighbouring communities. We seek to achieve continuous improvement in our Health, Safety and Environmental performance.

Corporate Social Responsibility Policy
The Group's policy is to conduct all our business operations to best industry standards and to behave in a socially responsible manner. Our goal is to behave ethically and with integrity and to respect cultural, national and religious diversity.

DIRECTORS' REPORT

Governance of IT
The Board is responsible for IT governance as an integral part of the Group's governance as a whole. The IT function is not expected to significantly change in the foreseeable future. The Board has the required policies and procedures in place to ensure governance of IT is adhered to.

Integrated and Sustainability Reporting
Integrated Reporting is defined as a "holistic and integrated representation of the Group's performance in terms of both its finances and its sustainability". The Group currently does not have a separate integrated report. The Board and its sub-committees are in the process of assessing the principles and practices of integrated reporting and sustainability reporting to ensure that adequate information about the operations of the Group, the sustainability issues pertinent to its business, the financial results and the results of its operations and cash flows are disclosed in a single report.

Auditors
The auditors, Crowe U.K. LLP, were re-appointed as the Company's auditors at the last Annual General Meeting and have indicated their willingness to continue in office in accordance with section s475 of the Companies Act 2006.

Annual General Meeting
Notice of the forthcoming Annual General Meeting of the Company together with resolutions relating to the Company's ordinary and special business will be given to the members separately.

Provision of information to the auditor
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- So far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- That Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 30 May 2024 and signed on its behalf by:

Louis Coetzee
Executive Director

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with the UK adopted International Accounting standards.

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and parent Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- State whether the Group and Company financial statements 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 and parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Katoro Gold plc website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with UK adopted International Accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Louis Coetzee
Executive Director

INDEPENDENT AUDITORS REPORT

Independent Auditor's Report to the members of Katoro Gold Plc

Opinion

We have audited the financial statements of Katoro Gold plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- Consolidated statement of comprehensive income for the year ended 31 December 2023;
- Consolidated and parent company statements of financial position as at 31 December 2023;
- Consolidated and parent company statements of changes in equity for the year then ended;
- Consolidated and parent company statements of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK Adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK Adopted International Accounting Standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the Group and the parent company 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the section headed Going Concern on page 32 of the financial statements, which details the factors the directors have considered when assessing the going concern position. As detailed therein, the cash shortfall forecast to arise from January 2025 and the associated uncertainty surrounding the availability of funds to settle liabilities, finance day to day operations and commercial development of the Group and Company's projects through to cash generation without an additional cash injection indicates the existence of a material uncertainty 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 Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Discussions with management with regards to future funding requirements.
- Reviewing the directors' going concern assessment including the cash flow forecast that covers at least 12 months from the date of approval of the financial statements.
- Evaluating the reliability of the data underpinning the forecast cash flows including numerical accuracy of calculations.
- Assessing the cash flow requirements of the Group based on budgets and forecasts, including understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the liquidity of existing assets of the statement of financial position.
- Considering the options available to management for further fundraising and their likelihood, or additional sources of finance.
- Considering potential downside scenarios and the resultant impact on available funds.
- Making enquiries of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the Group's ability to continue as a going concern.

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

INDEPENDENT AUDITORS REPORT

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £32,000 (2022: £55,000), based on approximately 5% of the Group loss as this is the most appropriate measure of performance for the group. Materiality for the Parent Company financial statements as a whole was set at £20,000 (2022: £35,000), based on approximately 5% of the result for the year.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £22,400 (2022: £38,500) for the group and £14,000 (2022: £24,500) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £1,600 (2022: £2,750). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group operates in four jurisdictions: the UK, Cyprus, Tanzania, and South Africa. The full scope audit of Katoro Gold Plc was conducted from the UK. We conducted full scope audit of significant and material components of the Group from the UK and did not engage component auditors as the transactions in the year for all significant and material components are limited to administration and professional fees, exploration and development expenditure. The support for these was provided to us by management.

The audit approach and the key audit matters identified in the current year remained largely consistent with the prior year audit due to the consistent nature of business operations.

Key Audit Matters

The key audit matters identified in the current year are:

• Going concern (see material uncertainty related to going concern section above)

Key audit matters are those matters that, in our professional judgment, 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) 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.

We did not identify any key audit matters in addition to the matter described in the material uncertainty related to going concern section.

Our audit procedures in relation to this matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. 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.

INDEPENDENT AUDITORS REPORT

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic and the directors' reports for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report; or.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 20, 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 and 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.

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant legal and regulatory frameworks identified for the Group were the Companies Act 2006 and AIM Rules for Companies. Our work included reviewing board and committee minutes, relevant correspondence and direct enquiries of management and those charged with governance concerning whether they had knowledge of actual, suspected, or alleged fraud.
- We considered the nature of the industry in which Katoro operates, control environment and the design and implementation of the key controls and policies, including directors' remuneration.

INDEPENDENT AUDITORS REPORT

- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. We assessed that the risk was greater in areas that involve significant management estimate or judgement. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.
- To address the pervasive risk of management override of control, we considered the fraud risk related to any unusual transactions or unexpected relationships, including assessing the risk of undisclosed related party transactions. Our procedures to address this risk included testing a risk-based selection of journal transactions, both at the year end and throughout the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located 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 Chapter 3 of Part 16 of the Companies Act 2006. 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.

Stephen Bullock (Senior Statutory Auditor)
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW, UK

30 May 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	31 December 2023 Audited £	31 December 2022 Audited £
Administrative expenses		(450,540)	(664,682)
Foreign exchange (losses) / gains		(311)	(407)
Impairments	6 & 15	(7,053)	(224,966)
Share of net profit/loss of associates accounted for using the equity method	15	7,480	(4,408)
Loss on disposal of subsidiary		-	(75,922)
Exploration expenditure		(163,448)	(285,374)
Operating loss		**(613,872)**	**(1,255,759)**
Finance income		12	5,260
Loss on ordinary activities before tax		**(613,860)**	**(1,250,499)**
Taxation	4	-	**(61)**
Loss for the period		**(613,860)**	**(1,250,560)**
Other comprehensive income:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		6,495	97,226
Other comprehensive loss for the period net of tax		**6,495**	**97,226**
Total comprehensive loss for the period		**(607,365)**	**(1,153,334)**
Loss for the period		**(613,860)**	**(1,250,560)**
Attributable to the owners of the parent		(576,141)	(1,054,079)
Attributable to non-controlling interest		(37,719)	(196,481)
Total comprehensive loss for the period		**(607,365)**	**(1,153,334)**
Attributable to the owners of the parent		(608,062)	(994,101)
Attributable to non-controlling interest		697	(159,233)
Loss per share			
Basic loss per share (pence)	5	(0.09)	(0.23)
Diluted loss per share (pence)	5	(0.09)	(0.23)

All activities derive from continuing operations.

The accompanying notes on pages 40 to 59 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 Audited £	31 December 2022 Audited £
Assets			
Non-current assets			
Exploration and evaluation assets	6	-	-
Total non-current assets		**-**	**-**
Current assets			
Other receivables	8	15,916	16,340
Cash and cash equivalents	9	414	49,596
Total current assets		**16,330**	**65,936**
Total assets		**16,330**	**65,936**
Equity and liabilities			
Equity			
Called up share capital	10	669,497	4,604,125
Share premium account	10 & 12	2,962,582	2,962,582
Deferred shares	10	4,143,713	-
Merger reserve	12	1,271,715	1,271,715
Capital contribution	12	10,528	10,528
Warrant and share based payment reserve	11	451,556	828,223
Translation reserve	12	(328,858)	(296,937)
Retained deficit		(9,527,078)	(9,318,504)
Equity attributable to owners of the parent		**(346,345)**	**61,732**
Non-controlling interest		(291,943)	(292,640)
Total equity		**(638,288)**	**(230,908)**
Liabilities			
Current liabilities			
Trade and other payables	13	460,578	106,615
Other financial liabilities	16	194,040	190,229
Total current liabilities		**654,618**	**296,844**
Total equity and liabilities		**16,330**	**65,936**

The accompanying notes on pages 40 to 59 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2024 and signed on its behalf by:

Louis Coetzee

COMPANY STATEMENT OF FINANCIAL POSITION

		31 December 2023	31 December 2022
		Audited	Audited
		£	£
Non-current assets			
Investments in group undertakings	14	-	-
Total non-current assets		-	-
Current assets			
Other receivables	8	15,916	16,340
Cash and cash equivalents	9	-	43,494
Total current assets		**15,916**	**59,834**
Total assets		**15,916**	**59,834**
Equity and liabilities			
Equity			
Called up share capital	10	669,497	4,604,125
Share premium	10 & 12	2,962,582	2,962,582
Deferred shares	10	4,143,713	-
Warrant and share based payment reserve	11	451,556	828,223
Retained deficit		(8,515,636)	(8,412,748)
Total equity		**(288,288)**	**(17,818)**
Liabilities			
Current liabilities			
Trade and other payables	13	304,064	77,652
Bank overdraft	9	140	-
Total liabilities		**304,204**	**77,652**
Total equity and liabilities		**15,916**	**59,834**

Equity includes a loss for the period of the parent Company of £470,455 (2022: £952,533).

The accompanying notes on pages 40 to 59 form integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2024 and signed on its behalf by:

Louis Coetzee

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Deferred shares	Merger reserve	Capital contribution	Warrant and share based payment reserve	Foreign currency translation reserve	Retained deficit	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£	£
Balance as at 1 January 2023	**4,604,125**	**2,962,582**	**-**	**1,271,715**	**10,528**	**828,223**	**(296,937)**	**(9,318,504)**	**(292,640)**	**(230,908)**
Loss for the year	-	-	-	-	-	-	-	(576,141)	(37,719)	(613,860)
Other comprehensive loss	-	-	-	-	-	-	(31,921)	-	38,416	6,495
Restructuring of shares	(4,143,713)	-	4,143,713	-	-	-	-	-	-	-
Shares issued	209,085	-	-	-	-	-	-	-	-	209,085
Share issue costs	-	-	-	-	-	-	-	(9,100)	-	(9,100)
Warrants expired	-	-	-	-	-	(376,667)	-	376,667	-	-
Balance as at 31 December 2023	**669,497**	**2,962,582**	**4,143,713**	**1,271,715**	**10,528**	**451,556**	**(328,858)**	**(9,527,078)**	**(291,943)**	**(638,288)**
Balance as at 1 January 2022	**4,604,125**	**2,962,582**	**-**	**1,271,715**	**10,528**	**946,153**	**(356,915)**	**(8,382,355)**	**(133,407)**	**922,426**
Loss for the year	-	-	-	-	-	-	-	(1,054,079)	(196,481)	(1,250,560)
Other comprehensive loss	-	-	-	-	-	-	59,978	-	37,248	97,226
Expiry of share warrants and options	-	-	-	-	-	(117,930)	-	117,930	-	-
Balance as at 31 December 2022	**4,604,125**	**2,962,582**	**-**	**1,271,715**	**10,528**	**828,223**	**(296,937)**	**(9,318,504)**	**(292,640)**	**(230,908)**
Note	10	10 & 12	10	12	12	11	12			

The accompanying notes on pages 40 to 59 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Deferred shares	Warrant and share based payment reserve	Retained deficit	Total equity
	£	£	£	£	£	£
Balance at 1 January 2023	**4,604,125**	**2,962,582**	**-**	**828,223**	**(8,412,748)**	**(17,818)**
Loss for the year	-	-	-	-	(470,455)	(470,455)
Restructuring of shares	(4,143,713)	-	4,143,713	-	-	-
Shares issued	209,085	-	-	-	-	209,085
Share issue costs	-	-	-	-	(9,100)	(9,100)
Warrants expired	-	-	-	(376,667)	376,667	-
Balance at 31 December 2023	**669,497**	**2,962,582**	**4,143,713**	**451,556**	**(8,515,636)**	**(288,288)**
Balance at 1 January 2022	**4,604,125**	**2,962,582**	**-**	**946,153**	**(7,578,145)**	**934,715**
Loss for the year	-	-	-	-	(952,533)	(952,533)
Issue of share warrants and options	-	-	-	(117,930)	117,930	-
Balance at 31 December 2022	**4,604,125**	**2,962,582**	**-**	**828,223**	**(8,412,748)**	**(17,818)**
Note	10	10 & 12	10 & 12	11		

The accompanying notes on pages 40 to 59 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	31 December 2023 Audited £	31 December 2022 Audited £
Cash flows from operating activities			
Loss for the period before taxation		**(613,860)**	**(1,250,499)**
Adjusted for:			
Foreign exchange loss		311	407
Impairment of associates		7,053	15,466
Impairments of intangible assets		-	209,500
Loss on disposal of subsidiary		-	75,922
Other non-cash items		116	961
Share of (profit) / loss in associate		(7,480)	4,408
Trade payables settled in shares		59,085	-
Movement in working capital:			
Decrease in other receivables		424	32,362
Increase in trade and other payables		353,963	18,163
Net cash flows from operating activities		**(200,388)**	**(893,310)**
Cash flows from financing activities			
Issue of shares (net of share issue cost)		140,900	-
Proceeds from other financial liabilities		3,811	114,950
Net cash proceeds from financing activities		**144,711**	**114,950**
Net (decrease) / increase in cash		**(55,677)**	**(778,360)**
Movement in foreign currency reserves		6,495	-
Cash and cash equivalents at the start of the financial period		49,596	827,956
Cash and cash equivalents at the end of the financial period	9	**414**	**49,596**

The accompanying notes on pages 40 to 59 form an integral part of these financial statement.

COMPANY STATEMENT OF CASH FLOWS

	Notes	31 December 2023 Audited £	31 December 2022 Audited £
Cash flows from operating activities			
Loss for the period before taxation		**(470,455)**	**(952,533)**
Adjusted for:			
Impairment of investments		102,393	1,205,929
Profit on dilution of Kibo Gold subgroup equity		-	(656,283)
Trade payables settled in shares		59,085	-
Other non-cash items		-	(16,340)
Changes in working capital:			
Decrease in other receivables		424	32,362
Increase in trade and other payables		226,412	13,903
Net cash flows from operating activities		**(82,141)**	**(372,962)**
Cash flows from investing activities			
Increase in investments in subsidiaries		(102,393)	(323,806)
Net cash flows from investing activities		**(102,393)**	**(323,806)**
Cash flows from financing activities			
Issue of shares (net of share issue cost)		140,900	-
Net cash proceeds from financing activities		**140,900**	**-**
Net (decrease)/increase in cash		**(43,634)**	**(696,768)**
Cash and cash equivalents at the start of the financial period		43,494	740,262
Cash and cash equivalents at the end of the financial period	9	**(140)**	**43,494**

The accompanying notes on pages 40 to 59 form an integral part of these financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

General information

Katoro Gold PLC ("Katoro" or the "Company") is a Company incorporated and domiciled in England & Wales as a public limited Company. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Company's registered office is located at 60 Gracechurch Street, London EC3V 0HR.

The principal activities of the Group are related to the evaluation and exploration studies within a licenced portfolio area with a view to generating commercially viable mineral resources.

The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the Companies Act 2006 which permits a Company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 408 of the Companies Act 2006, from presenting to its members its Company Income Statement and related notes that form part of the approved Company financial statements.

Going concern

In the past the Group has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Group remains a going concern until such time that revenues are earned through the sale or development and mining of a mineral deposit. There can be no assurance that such funds will continue to be available on reasonable terms, or at all in future. The directors have not made any adjustments which could arise in the event that the Group is not a going concern.

The directors regularly review cash flow requirements to ensure the Group can meet financial obligations as and when they fall due. Due to funding constraints during the year, expenditure was managed and monitored with due care. The firm actions taken to address the current liability position that increased during the year under review are set out below. Actions include the fundraise that took place after year-end. The directors have evaluated the Group's liquidity risk and liquidity requirements to confirm whether the Group has adequate cash resources and working capital to continue as a going concern for the foreseeable future. The directors assessed available information about the future, possible outcomes of planned events, and the responses to such events and conditions that would be available to the Board.

There is a material uncertainty related to the events or conditions described below that may cast significant doubt on the entity's ability to continue as a going concern, and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group currently generates no revenue and had a net liability position of £638,288 as at 31 December 2023 (31 December 2022: net liabilities of £230,908). As at year end, the Group had liquid assets in the form of cash and cash equivalents of £414 and no other financial asset balances receivable (2022: £49,596 and £nil).

Considering the net current liability position of £638,288, the Directors have reviewed the cash flow forecasts, based on the existing budget, and evaluated to prior year actuals. The forecast includes estimates and assumptions regarding future costs and the timing of these. The financial forecast does not include non-committed cash inflows or expenditure.

The Group has limited funds available post financial year end following from the continued exploration activities undertaken throughout the Group. In response to the above an external advisor, Value Generation Ltd was engaged to assist the Company with a business recovery plan and support the Company in the areas of funding, strategy, operational planning, communications and business administration. As a result, the Katoro Board finalised and announced a Business Recovery Plan, along with a capital placing fundraise on 12 February 2024. The proceeds from the fundraise was £825 000 which provided for settlement of creditors as well as a solid foundation for the business recovery plan. The aim of Katoro now is to focus on a limited number of high impact exploration and development projects, rather than a diverse wide-ranging portfolio, enabling the allocation of working capital into a set of focused business interests. The cash flow forecast after the fundraise in February 2024 indicates a cash shortfall arising from January 2025. The fundraise provides a solid foundation for implementing the revitalisation plan and propelling the Company forward to a sustainable future. Based on the current forecast, the Group still does not have sufficient cash to meet its liabilities and finance day to day operations for the next 12 months after the issue of this report.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The directors continue to review the Group's options to secure additional funding for its general working capital requirements. The Group and Company will also require additional finance in order to progress work on its current assets and bring them to commercial development and cash generation. Such development is dependent on successful exploration activity and technical reports, and then on securing further funding. Additional capital raising will be required to finance potential acquisition targets and corporate development needs, as well as meeting its financial obligations as they become due.

The evaluation of the going concern considers that Katoro has a strong proven track record of being able to source funding on an ongoing basis, even in difficult market conditions, and it expects to be able to continue doing so. Various other sources of funding are being considered, most notably:

- Capital placing
- Credit loan notes
- Exercise of outstanding warrants

Katoro also enjoys strong support, with specific reference to funding, from its corporate broker, SI Capital Ltd, which also has a proven track record of being able to facilitate ongoing funding.

The Directors continue to monitor and manage the Company's cash and overheads carefully in the best interests of its shareholders. Whilst the Directors continue to consider it appropriate to prepare the financial statements on a going concern basis, the above constitutes a material uncertainty that the shareholders should be aware of.

Statement of preparation

The Group and Company's financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and UK adopted International Accounting Standards.

Statement of accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of preparation

The Group and Company financial statements are prepared on the historical cost basis. The accounting policies have been applied consistently throughout the Group entities and are consistent with those of the comparative period. The Group and Company financial statements have been prepared on a going concern basis as explained in the note above related to the going concern.

The individual financial information of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial information of the Group is presented in Pounds Sterling, which is the presentation currency for the Group. The functional currency of each of the Group entities is the local currency of each individual entity.

Use of estimates and judgements

The preparation of financial statements in conformity with UK adopted International Accounting Standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following areas:

- Exploration and evaluation expenditure;
- Credit loss allowance for other financial assets – Lake Victoria Gold.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Exploration and evaluation expenditure – significant judgement concerning the choice of accounting policy
In line with the Group's accounting policy, all the exploration and evaluation expenditure has been charged to profit or loss, as in the judgement of the Directors the commercial viability of the mineral deposits had not been established. Moreover, until such time that commercial viability of the Blyvoor Joint Venture is reached, and the recoverability of the other financial asset receivable, as disclosed below, is more certain all amounts contributed to the joint operation will be expensed to exploration and evaluation expenditure.

The exploration expenditure that has not been capitalised, having not met the conditions to do so, during the year amounted to £163,448 (2022: £75,874).

Credit loss allowance for other financial assets – Lake Victoria Gold
The credit loss allowance for the Lake Victoria Gold Receivable as disclosed in Note 8 was determined to be equal to a lifetime expected credit loss allowance following from the continued default of the counterparty. The continued default from the counterparty resulted in the credit risk increasing significantly during the period to lifetime expected credit losses for the financial asset receivable.

Credit loss allowance for other financial assets – Blyvoor Joint Venture
The Blyvoor joint operation agreement has been structured in such a way that all amounts contributed to the joint operations by Katoro is receivable from the Blyvoor joint operation once the project reaches commercial viability and starts generating positive cashflow to pay firstly the third-party creditors and thereafter Katoro capital contributed to the joint operations. The credit loss allowance for the Blyvoor Joint Venture Receivable as disclosed in Note 8 was determined to be equal to a lifetime expected credit loss allowance following from the uncertainty related to commercial viability of the underlying project as at reporting period end. The uncertainty around the successful achievement of commercial viability of the project as at this point in time results in the increased credit risk to lifetime expected credit losses for the financial asset receivable.

Joint arrangements – Blyvoor Joint Venture
Arrangements under which Katoro has contractually agreed to share control with another party or parties are joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations for the liabilities relating to the arrangement.

Exploration & evaluation assets

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

Exploration and evaluation activity includes:

- researching and analysing historical exploration data.
- gathering exploration data through topographical, geochemical, and geophysical studies.
- exploratory drilling, trenching and sampling.
- determining and examining the volume and grade of the resource.
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Exploration and evaluation expenditure is charged to the income statement as incurred except in the following circumstances, in which case the expenditure may be capitalised:

In respect of minerals activities:

- the exploration and evaluation activity are within an area of interest which was previously acquired as an asset acquisition or in a business combination and measured at fair value on acquisition; or
- the existence of a commercially viable mineral deposit has been established.

At each reporting period end the capitalisation criteria had not been met due to the existence of a commercially viable mineral deposit not being established and therefore no exploration and evaluation assets have been recognised.

Capitalised exploration and evaluation expenditure considered to be tangible is recorded as a component of property, plant and equipment at cost less impairment charges. Otherwise, it is recorded as an intangible.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Intangible assets all relate to exploration and evaluation expenditure which are carried at cost with an indefinite useful life and therefore are reviewed for impairment when there are indicators of impairment. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. Exploration areas at which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is under way or planned.

Consolidation

The consolidated financial statements comprise the financial statements of Katoro Gold PLC and its subsidiaries for the year ended 31 December 2023, over which the Company has control.

Control is achieved when the Company:
- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control listed above.

In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.
Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent they provide evidence of impairment.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Upon the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, such interest is measured at fair value at the date that control is lost.

Any gain from the acquisition of a subsidiary or gain/loss from the disposal of subsidiary will be recognised through profit and loss in the current financial period.

Investments in associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost where the equity interest in the associate is acquired, however where control is lost over a subsidiary the remaining equity interest is recognised at fair value on date which control is lost and the fair value is deemed to be the cost of the investment in associate going forward and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate

SUMMARY OF MATERIAL ACCOUNTING POLICIES

equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of comprehensive income

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. These deferred tax assets or liabilities are not recognised if, at the time of initial recognition, those assets give rise to equal taxable and deductible temporary differences (IAS 12 para 15(b)(ii)).

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonuses or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Foreign currencies

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Pound Sterling, which is the Group's presentation currency. This is also the functional currency of the Company and is considered by the Board also to be appropriate for the purposes of preparing the Group 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

- Monetary and non-monetary assets and liabilities for each Statement of Financial Position presented are presented at the closing rate at the date of that Statement of Financial Position;
- Income and expenses for each income statement are translated at average exchange rates (unless this 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 dates of the transaction); and
- All resulting exchange differences are recognised in other comprehensive income as a separate component of equity. On consolidation, exchange differences arising from the translation of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders equity.
- When a foreign operation is sold, such exchange differences are recognised in the statement of other comprehensive income as an exchange difference reclassified to profit or loss on disposal.

Financial instruments

Recognition
Financial instruments comprise other financial assets, trade and other receivables, cash and cash equivalents, trade and other payables and other financial liabilities.

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Classification
The Group classifies financial assets on initial recognition as measured at amortised cost as the Group's business model and objective is to hold the financial asset in order to collect the contractual cash flow and the contractual terms allows for cash flows on specified dates for the payment of the principal amounts outstanding.

Financial liabilities are classified at amortised cost.

Financial assets	**Classification**
Other financial assets	Financial assets at amortised cost
Trade and other receivables	Financial assets at amortised cost
Cash and Cash Equivalents	Financial assets at amortised cost

Financial liabilities	**Classification**
Trade and other payables	Financial liabilities at amortised cost
Other financial liabilities	Financial liabilities at amortised cost

Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

Measurement on initial recognition
All financial assets and liabilities are initially measured at fair value, including transaction costs.

Subsequent measurement
Financial assets held at amortised cost are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

De-recognition
Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.
Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire.

On de-recognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Impairment of Financial Assets not carried at Fair value – IFRS 9
Under IFRS 9 the Group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses.

To calculate ECLs on the Groups other receivables and loans to Group companies by customer type and ageing. This results in calculating lifetime expected credit losses for other receivables and loans to Group companies.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

Share based payment reserves

For such grants of share options or warrants qualifying as equity-settled share-based payments, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options or warrants were granted.

The amount recognised as an expense is adjusted to reflect the actual number of share options or warrants that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting.

Share capital

Share capital is determined using the nominal value of the shares that have been issued. The share premium account includes any premium on the initial issuing of share capital.

Issue expenses and share premium account

Issue expenses directly attributable to the issuance of new ordinary shares are written off against the premium arising on the issue of share capital where ordinary shares are issued at a premium. Where the ordinary shares are issued at their nominal value, the issue expenses directly attributable to the issuance of new ordinary shares is set off against the accumulated loss reserve.

Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Executive director, who is the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the reporting business units.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Joint arrangements

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control. Judgement is required in determining this classification through an evaluation of the facts and circumstances arising from each individual arrangement. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement. Joint arrangements that are not structured through a separate vehicle are always joint operations. Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures depending on the substance of the arrangement.

In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. The Group accounts for joint operations by recognising the assets, liabilities, revenue, and expenses for which it has rights or obligations, including its share of such items held or incurred jointly.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

NEW STANDARDS AND INTERPRETATIONS

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	**Effective date, annual period beginning on or after**
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss. *Expected impact: As at date of the financial statements there is no expectation that the implementation would result in a material adjustment to the financial statements as no such transactions are currently taking place.*	To be determined by the IASB.
Supplier finance arrangements – amendments to IAS 7 and IFRS 7 The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk. *Expected impact: As at date of the financial statements there is no expectation that the implementation would result in a material adjustment to the financial statements and only additional disclosure is expected.*	1 January 2024
Non-current liabilities with covenants – amendments to IAS 1 The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. *Expected impact: As at date of the financial statements there is no expectation that the implementation would result in a material adjustment to the financial statements as no such transactions are currently taking place.*	1 January 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The Group expects to adopt all relevant standards and interpretations as and when they become effective.

Standards and interpretations which are effective in the current period

Standard	**Impact**
Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	No material impact, required additional disclosure in accounting policies.
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	No material impact, management performed a review of accounting policies and it resulted in similar disclosure
Definition of accounting estimates: Amendments to IAS 8	No material impact
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	No material impact
Annual Improvements to IFRS Standards 2018–2021	No material impact.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Segment analysis

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker. The Chief Executive Officer is the chief operating decision maker of the Group.

Management currently identifies two divisions as operating segments – Mining (Sub-holding Company and operating entities) and Corporate (Ultimate Holding Company). These operating segments are monitored, and strategic decisions are made based upon them together with other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows:

2023 Group	Mining and Exploration (£) Group	Corporate (£) Group	31 December 2023 (£) Group
Administrative cost	(219,532)	(231,008)	(450,540)
Exploration expenditure	(163,448)	-	(163,448)
Foreign exchange loss	(311)	-	(311)
Finance income	12	-	12
Impairments	(7,053)	-	(7,053)
Share in profit/loss in associates	7,480	-	7,480
Loss before tax	**(382,852)**	**(231,008)**	**(613,860)**

2022 Group	Mining and Exploration (£) Group	Corporate (£) Group	31 December 2022 (£) Group
Administrative cost	(261,794)	(627,854)	(889,648)
Exploration expenditure	(285,374)	-	(285,374)
Foreign exchange loss	(407)	-	(407)
Loss on disposal of subsidiary	-	(75,922)	(75,922)
Finance income	5,260	-	5,260
Share in loss in associates	(4,408)	-	(4,408)
Loss before tax	**(546,723)**	**(703,776)**	**(1,250,499)**

2023 Group	Mining and Exploration (£) Group	Corporate (£) Group	31 December 2023 (£) Group
Assets			
Segment assets	553	15,777	16,330
Liabilities			
Segment liabilities	(350,554)	(304,064)	(654,618)

2022 Group	Mining and Exploration (£) Group	Corporate (£) Group	31 December 2022 (£) Group
Assets			
Segment assets	6,103	59,833	65,936
Liabilities			
Segment liabilities	219,192	77,652	296,844

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Geographical segments
The Group operates in three principal geographical areas – United Kingdom, Cyprus and Tanzania.

	Tanzania (£)	Cyprus (£)	United Kingdom (£)	Total 31 December (£)
2023				
Major Operational indicators				
Carrying value of segmented assets	483	71	15,776	16,330
Loss before tax	(45,332)	(224,962)	(343,566)	(613,860)

	Tanzania (£)	Cyprus (£)	United Kingdom (£)	Total 31 December (£)
2022				
Major Operational indicators				
Carrying value of segmented assets	4,732	3,420	57,784	65,936
Loss before tax	(300,438)	(220,366)	(729,695)	(1,250,499)

2. Directors' remuneration information

	Group 31 December 2023 (£)	Group 31 December 2022 (£)	Company 31 December 2023 (£)	Company 31 December 2022 (£)
Salaries paid	140,492	170,402	140,492	26,402
Social security costs		13,441		13,441

The average monthly number of employees (including executive Directors) during the period was as follows:

	Group 31 December 2023	Group 31 December 2022	Company 31 December 2023	Company 31 December 2022
Directors	4	5	4	5
	4	**5**	**4**	**5**

Total remuneration of key management personnel (Directors) is £140,492 (2021: £188 466).

	Group 31 December 2023 (£)	Group 31 December 2022 (£)	Company 31 December 2023 (£)	Company 31 December 2022 (£)
Short-term benefits	140,492	183,843	140,492	39,843
Share options issued	-	-	-	-
	140,492	**183,843**	**140,492**	**39,843**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Auditors' remuneration

	31 December 2023 (£)	31 December 2022 (£)
Audit fees for the audit of the Company's annual accounts	37,500	37,500
Fees payable to the Company's auditor and its associates for:		
Audit fees for audit of Company's subsidiaries required by legislation	12,043	15,455
Audit fees to the Company's auditors	**49,543**	**52,955**
Fees payable to the Company's auditor and its associates for other services:		
Tax compliance services	3,600	4,080
Total auditors' remuneration	**53,143**	**57,035**

4. Taxation

Current tax

	31 December 2023 (£)	31 December 2022 (£)
UK corporation tax based on the results for the period at 25% (2022: 19%)	-	-
Foreign corporate tax paid	-	61
	-	**61**

	2023 (£)	2022 (£)
Loss on ordinary activities before tax	(613,860)	(1,250,499)
UK Corporation tax at 25% (2022: 19%) and blended tax at 20.9% (2022: 18.4%)	(127,908)	(229,867)
Effects of:		
Non-taxable income	(1,920)	-
Expenses which are not deductible	36,742	189,735
Current tax recognised for previous periods	-	61
Adjustments for final tax assessments for prior periods	(159,600)	
Deferred tax not recognised	252,686	40,132
Income tax expense recognised in the Statement of Comprehensive Income	**-**	**61**

No provision has been made for the 2023 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain.

At the reporting date, the Directors estimate that the Group has unused tax losses of £2,320,332 (2022: £2,067,645) and unused capital assessed losses of £6,132 (2022: £3,321) available for potential offset against future profits.

Losses may be carried forward indefinitely in accordance with the applicable taxation regulations ruling within each of the above jurisdictions.

The above tax rate reconciliation is prepared utilising a blended rate as permitted in accordance with IAS 12.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Loss per share

Basic loss per share

The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic loss per share	**31 December 2023 (£)**	**31 December 2022 (£)**
Loss for the period attributable to equity holders of the parent	(576,141)	(1,054,079)
Weighted average number of ordinary shares for the purposes of basic loss per share	615,980,994	460,412,593
Basic loss per ordinary share (pence)	(0.09)	(0.23)

The Company had warrants in issue as at 31 December 2023 and 2022 though the inclusion of such warrants in the weighted average number of shares as possible dilutive instruments in issue during 2023 and 2022 would be anti-dilutive and therefore they have not been included for the purpose of calculating the loss per share.

During the year 209,085,100 shares were issued.

The Company performed a share capital subdivision during the year, whereby each existing ordinary share was split into one ordinary share of £0.001 and one deferred share of £0.009. The issued ordinary shares did not change as a result of this transaction and there was no effect on the weighted average number of ordinary shares.

Loss of parent

As permitted by Section 408 of the Companies Act 2006, the Statement of Profit or Loss of the parent Company has not been separately disclosed in these financial statements. The parent Company's loss for the financial period was £470,455 (2022: £952,534).

Furthermore, in terms of the Section 414(1) of the Companies Act 2006, the Statement of Profit or Loss of the parent Company has been approved by the Directors.

6. Exploration and evaluation assets

Exploration and evaluation assets consist solely of separately identifiable prospecting assets held by Kibo Nickel and its subsidiaries.

The following reconciliation serves to summarise the composition of intangible prospecting assets as at period end:

Reconciliation of exploration and evaluation assets	**Haneti (£)**
Carrying value as at 1 January 2022	**209,500**
Acquisition of prospecting licences	-
Impairment of licences	(209,500)
Carrying value as at 1 January 2023	**-**
Carrying value as at 31 December 2023	**-**

Exploration and evaluation assets are not amortised, due to the indefinite useful life, which is attached to the underlying prospecting rights, until such time that active mining operations commence, which will result in the exploration and evaluation asset being amortised over the useful life of the relevant mining licences.
Exploration and evaluation assets with an indefinite useful life are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Group measures, presents and discloses any resulting impairment loss in accordance with IAS 36.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

One or more of the following facts and circumstances indicate that the Group must test exploration and evaluation assets for impairment (the list is not exhaustive):

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

Management have considered indicators of impairment in relation to the exploration and evaluation assets and have identified potential indicators as at period end. The following factors were considered by management:
- The period for which the entity has the right to explore in the specific area;
- Substantive expenditure required on further exploration for and evaluation of mineral resources in the specific area which is neither budgeted nor planned;
- Whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management has performed an assessment of the projects and has maintained its view that the carrying value is £Nil (2022: £Nil) as there has been insignificant changes to the status of the projects since the prior year. Subsequent to year end, management has implemented a full review of all projects as part of a restructuring process it is currently undertaking (refer note 19).

Refer to the accounting policy relating to the use of estimates and judgements for exploration and evaluation assets for further detail relating to the determination of the key estimates and judgements.

7. Other financial assets

	Group (£)		Company (£)	
	2023	**2022**	**2023**	**2022**
Other financial assets comprise:				
Lake Victoria Gold receivable	656,283	656,283	-	656,283
Blyvoor Joint Venture receivable	1,136,661	1,287,686	-	-
	1,792,944	**1,943,969**	**-**	**656,283**
Impairment of other financial assets receivable:				
Lake Victoria Gold receivable	(656,283)	(656,283)	-	(656,283)
Blyvoor Joint Venture receivable	(1,136,661)	(1,287,686)	-	-
	(1,792,944)	**(1,943,969)**	**-**	**-**
Movements in other financial assets comprise of:				
Opening balance as at 1 January 2023	1,943,969	1,880,556	656,283	
Additions	-	7,560	-	
Cancellation of Reef Miner Disposal	-	(656,283)	-	
Disposal of Kibo Gold	-	656,283	-	656,283
Foreign currency translation	(151,025)	55,853	-	
Closing balance as at 31 December 2023	**1,792,944**	**1,943,969**	**656,283**	**656,283**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group (£)		Company (£)	
	2023	**2022**	**2023**	**2022**
Movements in impairments of other financial assets receivable consist of:				
Opening balance as at 1 January 2023	(1,943,969)	(1,880,556)	(656,283)	
Impairments	-	(7,560)	-	
Cancellation of Reef Miner disposal	-	656,283	-	
Disposal of Kibo Gold	-	(656,283)	-	(656,283)
Foreign currency translation	151,025	(55,853)	-	
Closing balance as at 31 December 2023	**(1,792,944)**	**(1,943,969)**	**(656,283)**	**(656,283)**

Lake Victoria Gold Receivable

Following various administrative difficulties in transferring ownership of Reef Miners Limited from Kibo Gold Limited to Lake Victoria Gold Limited, both parties concluded on 07 March 2022 to cancel the previous Sale of Share Agreement by mutual consent.

As per the cancellation agreement, the Reef Transaction was cancelled by mutual agreement between the parties, with neither party having any claim against another party following specifically from the cancellation agreement.

On the same day Katoro Gold plc and Lake Victoria Gold Limited entered into a "Joint Venture Agreement". Under the terms and conditions of the "Joint Venture Agreement", Lake Victoria Gold Limited became the 80% shareholder of Kibo Gold Limited, (Cypriot subsidiary of Katoro Gold plc, on the date of the Agreement) with Katoro Gold plc owning the remaining 20%.

Prior to the implementation of the above "Joint Venture Agreement", Katoro Gold plc held 200 ordinary shares in the equity of Kibo Gold Limited, constituting 100% of the issued share capital in the company.

On the effective date, Lake Victoria Gold Limited subscribed for 800 new shares in Kibo Gold Limited, equal to 80% of the total issued share capital of the company on conclusion of the "Joint Venture Agreement", for the subscription amount of €88,000.

Katoro Gold plc indemnifies Lake Victoria Gold Limited against any claims resulting from the cancellation of the Sale of Share Agreement. The position of ownership of Reef Mining Limited was completely returned to Katoro Gold plc, and no contingent amounts are due and payable by Lake Victoria Gold Limited in this regard.

As per the "Joint Venture Agreement", the Conditions Precedent for the conclusion of the Share Issue have been met on the 7th of March 2022 and that the "effective date" of transfer of ownership of 80% of the shareholding is on the 7th of March 2022, as the issued shares to Lake Victoria Gold Limited rank Pari-Passu with the issued shares.

The "Joint Venture Agreement" furthermore details the following requirements:

- Lake Victoria Gold Limited will contribute capital to Kibo Gold plc in the form of a shareholder's loan amounting to €792,000;
- Lake Victoria Gold Limited will be obliged to declare a preference dividend to Katoro Gold Plc in the amount of €792,000 which is payable in any number of instalments by the earlier of 31 December 2023 and the date it ceases to be a shareholder in the company; and
- In the event that the preference dividend has not been declared and paid by Kibo Gold Limited to Katoro Gold plc by 31 December 2023, the outstanding balance owing will be paid by Lake Victoria Gold Limited to Katoro Gold plc directly.

The investment in Kibo Gold plc was as of 7 March 2022 recognised as an associate to reflect the terms of the "Joint Venture Agreement".

The receivable in Lake Victoria Gold has been fully impaired at 31 December 2023 (2022: £Nil) due to the credit risk of LVG, which is as a result of previous payments not being received as they became due.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Blyvoor Joint Operations

On 30 January 2020, the Group entered into a Joint Venture Agreement with Blyvoor Gold Mines (Pty) Ltd, whereby Katoro Gold plc and Blyvoor Gold Mines (Pty) Ltd would become 50/50 participants in an unincorporated Joint Venture.

In accordance with the requirements of the Joint Venture Agreement, the Katoro Group was to provide a ZAR15.0 million loan (approximately £790,000) to the JV ('the Katoro Loan Facility'), which will fund ongoing development work on the Project.

As at year end, the Group has advanced funding in the amount of £1,136,661 (2022: £1,287,686) of which 100% relate to expenditure allocated to the Joint Venture operations, carried by the Katoro Gold plc Group. The funding advanced during the year amounted to £Nil (2022: £7,560) and the remainder of the balance of £151,025 relates to change in translation rate during the year.

The Katoro Loan Facility would have formed part of the development capital project financing that Katoro was required to procure in accordance with its obligations contained in the Acquisition Agreement, provided that:

- the balance of the Katoro Loan Facility then outstanding shall be subordinated to third party creditors participating in the development capital project financing.
- the Katoro Loan Facility will bear interest at the 12-month London Inter Bank Offered Rate, or its successor; and
- the Katoro Loan Facility will be repayable within 12 months after:
    - the last third-party creditor participating in the project financing shall have been paid; or
    - any earlier date on which the Parties may agree.

As at reporting period end, the counterparty to the Acquisition Agreement had failed to deliver all the required documentation to satisfy the last condition precedent, therefore the Group is considering its position and options in this matter.

8. Other receivables

	Group (£)		Company (£)	
	2023	**2022**	**2023**	**2022**
Consists of:				
Prepaid expenditure	15,916	16,340	15,916	16,340
	15,916	**16,340**	**15,916**	**16,340**

9. Cash and cash equivalents

	Group (£)		Company (£)	
	2023	**2022**	**2023**	**2022**
Cash consists of:				
Cash / (Overdraft) at bank and in hand	414	49,596	(140)	43,494
	414	**49,596**	**(140)**	**43,494**

Cash and cash equivalents have not been ceded or placed as encumbrance toward any liabilities as at year end.

10. Share capital – Group and Company

The called-up and fully paid share capital of the Company is as follows:

	2023	2022
Allotted, issued and fully paid shares		
669,497,693 Ordinary shares of £0.001 each	£669,497	-
460,412,593 Ordinary shares of £0.01 each	-	£4,604,125
	£669,497	**£4,604,125**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Number of shares	Ordinary share capital (£)	Share premium (£)	Deferred shares (£)
Balance at 31 December 2021	**460,412,593**	**4,604,125**	**2,962,582**	**-**
Balance at 31 December 2022	**460,412,593**	**4,604,125**	**2,962,582**	**-**
Restructuring of shares through subdivision	-	(4,143,713)	-	4,143,713
Directors' fees settlement	11,085,100	11,085	-	-
Cash placing shares	130,000,000	130,000	-	-
Directors' subscriptions	20,000,000	20,000	-	-
Directors fees settlement	48,000,000	48,000	-	-
Balance at 31 December 2023	**669,497,693**	**669,497**	**2,962,582**	**4,143,713**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.
The following share transactions took place during the period 1 January 2023 to 31 December 2023:

- On 16 March 2023 Katoro underwent a capital reorganisation whereby each ordinary share of £0.01 was subdivided into an ordinary share of £0.001 and a deferred share of £0.009.
- On 3 April 2023 130,000,000 shares in Katoro were issued at par value of £0.001 as part of a cash placement.
- On 3 April 2023 20,000,000 shares in Katoro were issued at par value of £0.001 as part of directors subscriptions'.
- On 3 April 2023 48,000,000 shares in Katoro were issued at par value of £0.001 in lieu of payment for Director's fees due.
- On 11 April 2023 11,085,100 shares in Katoro were issued at par value of £0.001 in lieu of payment for Director's fees due.

11. Warrant and share based payment reserve

Warrants
The Company has the following warrants over its Ordinary Shares in issue as at year end. The fair value of the warrants in issue were determined using the Black Scholes option pricing model. New warrants were issued during the year.

The inputs to the Black-Scholes model were as follows:

Description of key input for warrants issued during 2023	**Key Assumptions** ***Fund raising warrants***	**Key Assumptions** ***Directors subscriptions***	**Key Assumptions** ***Directors fees settlement***	**Key Assumptions** ***Outgoing directors fees settlement***
Date issued	3 April 2023	3 April 2023	3 April 2023	11 April 2023
Shares issued	130,000,000	20,000,000	48,000,000	11,085,100
Warrants granted	130,000,000	20,000,000	48,000,000	11,085,100
Stock price	0.1p	0.1p	0.1p	0.1p
Exercise price	0.2p	0.2p	0.2p	0.2p
Risk free rate	3.41%	3.41%	3.41%	3.41%
Volatility	117%	117%	117%	117%
Time to maturity	3 years	3 years	3 years	3 years

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 to 3 years. The fair value of the warrants does not give rise to a material effect on the loss for the year or the net assets.

The following reconciliation serves to summarise the composition of the warrant reserve as at period end:

	Group (£)	
	2023	**2022**
Opening balance of warrant reserve	367,667	494,597
Issue of warrants	-	-
Expiry of warrants	(376,667)	(117,930)
Closing balance of warrant reserve	**-**	**376,667**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of warrants expired during the year:

	2023	
	Number of Warrants	**£**
Financing shares issued 25 June 2020	36,666,666	376,667
Financing shares issued 8 November 2021	81,500,000	-
	118,166,666	**376,667**

Reconciliation of the quantity of warrants in issue:

	Group		Company	
	2023	**2022**	**2023**	**2022**
Opening balance	**166,166,666**	**194,574,999**	**166,166,666**	**194,574,999**
Warrants exercised				
Warrants expired	(118,166,666)	(28,408,333)	(118,166,666)	(28,408,333)
Warrants issued	209,085,100		209,085,100	
	257,085,100	**166,166,666**	**257,085,100**	**166,166,666**

Share Options

The company issued the following share options:

- a share option plan whereby the Board and Management of the Company were issued 14,944,783 Ordinary shares, being 10% of the Company's issued share capital on 8 February 2019, at 1.3 pence per share. The options have an expiry date of the seventh anniversary date of the date of grant, with 50% vesting on issue and the remaining 50% vesting in one year; and
- a share option plan whereby the Board and Management of the Company were granted options ("Options") over a total of 17,300,000 new ordinary shares of £0.01each in the capital of the Company ("Ordinary Shares") The Options are exercisable at 2.6 pence per Ordinary Share, constituting a c. 10% premium to the Company's closing share price on 28 August 2020. The Options have an expiry date of the seventh anniversary from the date of grant of 28 August 2020, with 50% vesting on issue and the remaining 50% vesting one year after the anniversary of the grant.

The fair value of the share options issued have been determined using the Black-Scholes option pricing model.

The following reconciliation serves to summarise the composition of the share-based payment reserve as at period end:

	Group (£)	
	2023	**2022**
Opening balance of share-based payment reserve	**451,556**	**451,556**
Issue of share options	-	-
	451,556	**451,556**

Reconciliation of the quantity of share options in issue:

	Group		Company	
	2023	**2022**	**2023**	**2022**
Opening balance	32,244,781	32,244,781	32,244,781	32,244,781
	32,244,781	**32,244,781**	**32,244,781**	**32,244,781**

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12. Reserves

Share premium
The share premium account includes any premium on the initial issuing of share capital. Any transaction costs associated with the issue of shares are deducted from the share premium account.

Translation reserve
The translation reserve relates to the foreign exchange effect of the retranslation of the Group's overseas subsidiaries on consolidation into the Group Financial Information.

Capital contribution reserve
During the year ended 31 December 2014, Kibo Gold converted a balance of £7,226 owed to Kibo Energy PLC into equity as there were no repayment terms. During the year ended 31 December 2015 an additional amount of £3,302 was converted to equity.

Merger reserve
In 2017 the introduction of the new holding Company has been accounted for as a capital reorganisation using merger accounting principles. The use of merger accounting principles has resulted in a balance on Group capital and reserves that have been classified as a merger reserve and included in the Group's shareholders' funds.

13. Trade and other payables

	Group 2023 (£)	Group 2022 (£)	Company 2023 (£)	Company 2022(£)
Amounts falling due within one year:				
Trade payables	301,170	8,989	172,672	8,989
Accruals	159,408	97,626	131,392	68,663
	460,578	**106,615**	**304,064**	**77,652**

The carrying value of current trade and other payables equals their fair value due mainly to the short-term nature of these payables.

14. Investment in subsidiaries

Company	**Subsidiary undertakings (£)**
Investments at Cost	
At 1 January 2022	**209,500**
Advances to subsidiaries	340,146
Provision for impairment	(549,646)
At 31 December 2022	**-**
Additions	102,393
Impairment	(102,393)
At 31 December 2023	**-**
Breakdown of investments at 31 December 2023	
Katoro Cyprus Limited	1,580,896
Kibo Nickel	694,269
Accumulated Impairments	(2,275,166)
	-
Breakdown of investments at 31 December 2022	
Katoro Cyprus Limited	1,513,549
Kibo Nickel	658,797
Accumulated Impairments	(2,172,346)
	-

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The above investment in subsidiaries comprises the carrying value of the investments in Katoro (Cyprus) Limited and Kibo Nickel Ltd, as well as the capital contributions, net of impairment.

At 31 December 2023 the Company had the following undertakings:

Description	Subsidiary, associate or Joint Venture	Registered address	Activity	Incorporated in	Class of shares	Interest held (2023)	Interest held (2022)
Directly held investments:							
Kibo Gold Limited	Associate, (formerly subsidiary)	Kolonakiou,57 Ag. Athanasios 4103, Limassol Cyprus	Holding Company	Cyprus	Ordinary shares	20%	20%
Kibo Nickel Limited	Subsidiary	Kolonakiou,57 Ag. Athanasios 4103, Limassol Cyprus	Holding Company	Cyprus	Ordinary shares	65%	65%
Katoro (Cyprus) Limited	Subsidiary	Kolonakiou,57 Ag. Athanasios 4103, Limassol Cyprus	Holding Company	Cyprus	Ordinary shares	100%	100%
Indirectly held investments:							
Savannah Mining Limited	Associate (formerly subsidiary)	Amani Place 10th Floor, Wing A Ohio Street Dar es Salaam Tanzania	Mineral Exploration	Tanzania	Ordinary shares	20%	20%
Reef Miners Limited	Associate (formerly subsidiary)	Amani Place 10th Floor, Wing A Ohio Street Dar es Salaam Tanzania	Mineral Exploration	Tanzania	Ordinary shares	20%	20%
Eagle Exploration Limited	Subsidiary	Amani Place 10th Floor, Wing A Ohio Street Dar es Salaam Tanzania	Mineral Exploration	Tanzania	Ordinary shares	65%	65%
Katoro South Africa Proprietary Limited	Subsidiary	412 Pebble Beach Building Somerset Links Office Park Somerset West Western Cape 7130	Mineral Exploration	South Africa	Ordinary shares	100%	100%

Kibo Gold Limited
As a result of loss of control of the company due to a share dilution transaction with Lake Victoria Gold, this project is now recognised as an associate. Refer note 15.

Kibo Nickel Limited
Based on the results of the samples that have been tested at the Haneti project, it was revealed that additional work was required to focus on finding more of these sulphides.

Sampling and development of the evaluation and exploration asset has proved unsuccessful to date and the carrying value in the statement of financial position has been written off.

A cumulative impairment of £694,269 (2022: £658,797) has been provided against this investment, resulting in a carrying value of £Nil (2022: £Nil).

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Katoro (Cyprus) Limited
Following from the early-stage development nature of the Blyvoor Joint Venture, the Group has taken the decision to impair its investments and financial assets related to the underlying investment. During the current period, the Company impaired its investments in Katoro (Cyprus) Limited in the amount of £1,580,896 (2022: £1,513,549), which holds the investment in the Blyvoor Joint Venture, resulting in a carrying value of £Nil (2022: £Nil).

In the opinion of the Directors' the carrying value of the investments is appropriate.

15. Investments in associates

Investment in associates consists of equity investments where the Group has an equity interest between 20% and 50% and does not exercise control over the investee.

The following reconciliation serves to summarise the composition of investments in associates as at year end.

		Kibo Gold Limited (£)
Investments at Cost		
At 1 January 2022		-
Remaining equity interest following loss of control over investee		180,301
Additional contributions to the investee		19,783
Share of losses for the year		(4,408)
Share in other comprehensive loss for the year		(91)
Impairment loss recognised as part of remaining equity interest	8	(180,301)
Impairment loss attributable to associate		(15,466)
At 31 December 2022		-
Share of profits for the year		7,480
Return of contributions to the investee		(427)
Impairment loss attributable to associate		(7,053)
At 31 December 2023		-

During the 2022 financial year the Group entered into an agreement with Lake Victoria Gold Limited whereby LVG purchased Kibo Gold Limited for a total consideration of £729,203. This was pursuant to the restructuring of an agreement with LVG relating to the previous reported disposal of Reef Miners Limited.

The original disposal agreement of Reef Miners was cancelled and LVG purchased an 80% equity interest in Reef Miners' parent Kibo Gold by way of a share issue of Kibo Gold. The share issue resulted in a dilution of interest for Katoro Gold Plc in Kibo Gold and the subsequent loss of control.

On the date that control in Kibo Gold was lost, Katoro Gold raised a residual interest in Kibo Gold to the value of £180,301 which was impaired on the same day to reflect the position of the investment in Kibo Gold previously held. The residual value was calculated as Katoro Gold's proportionate share of the £729,203 (2022: £729,2023) transaction price payable by LVG for its 80% shareholding of the Kibo Gold Group. Refer note 7.

16. Other financial liabilities

	Group 2023 (£)	Group 2022 (£)	Company 2023 (£)	Company 2022(£)
Amounts due to:				
Power Metal Resources Plc	194,040	190,229	-	-
	194,040	**190,229**	-	-

The amounts due to Power Metal Resources Plc relate to shareholder's current account due by Kibo Nickel Ltd and is interest free and has no fixed terms of repayment.

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17. Related parties

Relationships

Name	**Relationship**
Kibo Energy PLC	Significant shareholder
Kibo Gold Limited	Associate
Lake Victoria Gold Limited	Majority shareholder of Kibo Gold Limited
Tiaan Coetzee	Family member of the Executive Director

Board of Directors/Key Management

Name	**Position**
Louis Coetzee	Executive director
Louis Scheepers	Non-executive director
Myles Campion (resigned 14 June 2023)	Non-executive director
Paul Dudley (resigned 14 June 2023)	Non-executive director
Lukas Maree	Non-executive director
Sean Wade (appointed 29 February 2024)	Non-executive chairman

Other entities over which Directors/Key management or their close family have control or significant influence:

Name	
Lukas Maree	Dekka Capital Partners
Myles Campion	Virico (IOM) Limited

Balances and transactions

Balances	**Amount (£) 2023**	**Amount (£) 2022**
Consulting fees accrued – Louis Coetzee	(27,000)	(2,939)
Consulting fees accrued – Louis Scheepers	(27,000)	(2,939)
Consulting fees accrued – Dekka Capital Partners	(27,000)	(2,939)
Consulting fees accrued – Virico (IOM) Limited	(7,246)	(2,939)
Director's fees accrued – Paul Dudley	(7,246)	(3,436)
Recharge costs accrued – Kibo Energy PLC	(38,306)	(16,025)
Recharge costs accrued – MAST Energy Developments Plc	(21,140)	-
Transactions		
Consulting fees paid – Tiaan Coetzee	(1,878)	(2,852)
Recharge costs – Kibo Energy Plc	(30,403)	(49,453)
Recharge cost - MAST Energy Developments Plc	(21,140)	
Consideration receivable for disposal of investment in Kibo Gold Limited – Lake Victoria Gold	-	656,283
Impairment of receivable for Kibo Gold Limited disposal – Lake Victoria Gold	-	(656,283)

Related parties of the Group comprise subsidiaries, significant shareholders, majority shareholders of associates and the Directors.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

in subsidiaries. The capital contributions to/from Group companies do not have fixed repayment terms and are unsecured.

The amounts due to Directors for services rendered as directors are non-interest bearing and have no fixed terms of repayment. During February 2024 these amounts were settled by way of shares issued to the Directors in lieu of cash settlement. Refer Note 19.

18. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise trade payables and other financial liabilities. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

It is and has been throughout the 2023 and 2022 financial period, the Group and Company's policy not to undertake trading in derivatives.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

	2023 (£)		2022 (£)	
Financial instruments of the Group are:	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
Financial assets				
Cash and cash equivalents	414	-	49,596	-
Financial liabilities				
Trade and other payables	-	460,578	-	106,615
Other financial liabilities	-	194,040	-	190,229
	414	**654,618**	**49,596**	**296,844**

	2023 (£)		2022(£)	
Financial instruments of the Company are:	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial Liabilities at amortised cost
Financial assets				
Cash and cash equivalents	-	-	43,494	-
Financial liabilities				
Bank overdraft	-	140		
Trade and other payables	-	304,064	-	77,652
	-	**304,204**	**43,494**	**77,652**

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies and exposures to exchange rate fluctuations therefore arise. Exchange rate exposures are managed by continuously reviewing exchange rate movements in the relevant foreign currencies to ensure funding is advanced as and when the potential negative impact from currency fluctuations is minimal. The exposure to exchange rate fluctuations is limited as the Company's subsidiaries operate mainly with Pound Sterling, Euro, US Dollar and Tanzanian Shillings.

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At the period ended 31 December 2023, the Group had no outstanding forward exchange contracts.

There was no material exposure to foreign currencies at 31 December 2023.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2023	2022
USD to GBP (Spot)	0.78550	0.82660
USD to GBP (Average)	0.80605	0.85280
EURO to GBP (Spot)	0.86710	0.88660
EURO to GBP (Average)	0.87685	0.81150
ZAR to GBP (Spot)	0.04290	0.04860
ZAR to GBP (Average)	0.04575	0.04960

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.
However, during the prior year there was significant increase in the credit risk stemming from the Lake Victoria Gold Receivable due to the continued default on various payments which resulted in the financial asset being classified as a Stage 3 lifetime credit impaired receivable at year end.

Furthermore, all funds contributed to the Blyvoor Joint Operation is contractually receivable upon confirmation of the commercial viability of the project, which at year end has not yet been established, thus the receivable has been fully impaired as it is considered to be Stage 3 lifetime credit impaired.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Fitch rating for Barclays Bank UK as at July 2023for Long-Term Issuer Default Rating (IDR) is A+. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics other than banks. The Group defines counterparties as having similar characteristics if they are connected or related entities.

Financial assets exposed to credit risk at period end were as follows:

Financial instruments	Group (£)		Company (£)	
	2023	2022	2023	2022
Cash	414	49,596	(140)	43,494

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining current assets through cash or similar liquid instruments and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. As at 31 December 2023 the cash reserves at hand where not sufficient to settle short term liabilities. Refer note to the Group's assessment of Going Concern for further information.

The Group and Company's financial liabilities as at 31 December 2023 were all payable on demand, other than the trade payables to other Group undertakings.

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	Less than 1 year	Greater than 1 year
Group (£)		
At 31 December 2023		
Trade and other payables	460,578	-
Other financial liabilities	194,040	-
At 31 December 2022		
Trade and other payables	106,615	-
Other financial liabilities	190,229	-
Company (£)		
At 31 December 2023		
Bank overdraft	140	-
Trade and other payables	304,064	-
At 31 December 2022		
Trade and other payables	63,749	-

Interest rate risk
The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short-term deposits.

It is the Group and Company's policy as part of its management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Group Sensitivity Analysis:

Currently no significant impact exists due to possible interest rate changes as the Company has no interest-bearing instruments.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the period ended 31 December 2023. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

Fair values

The carrying amount of the Group and Company's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.
Hedging

At 31 December 2023, the Group had no outstanding contracts designated as hedges.

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19. Post Statement of Financial Position Events

The Company raised £825 000 through the issue of shares in February 2024.

Since 12 February 2024, the Company has appointed Sean Wade as Non-executive Chairman, and Louis Coetzee has moved from the role of Executive Chairman into the role of Executive Director to continue the management of business operations.

The appointment of a new Chief Executive Officer is expected in the near term and, as notified, on their appointment Mr Coetzee will step down from the Board of the Company into the role of business consultant until 31 July 2024 to again assist with transitional business operations.

As at the end of January 2024 the creditors of the Company included an amount of £91,000 in respect of outstanding Board fees from current Directors for the period April 2023 to January 2024, inclusive. This amount has been reduced with the agreement of the Board of directors to £63,617.88, which was settled through the issue of 63,617,880 Ordinary Shares as the issue price of 0.1p per share . Shares are subject to a "hard" lock-in.

The Company has settled invoices amounting to £38,305.00 due to Kibo Energy plc through the issue of 38,305,000 Ordinary Shares ("Service Shares") at the same issue price as the Financing Shares of 0.1p per share. Shares are subject to a "hard" lock-in.

Value Generation Limited has been appointed as an advisor to the Company to assist with business recovery and support the Company in the areas of strategy, operational planning, communications and business administration.

The latest position on each area of the existing business is as follows:

Haneti Project - Tanzania

A technical review is in process by the Haneti technical committee ("HTC") has been established to undertake a detailed review of the entirety of the historical project exploration data, project geology and to formulate a concise and cost-effective exploration plan to move the project forward. It includes reviewing a possible new approach targeting the potential for nickel ("Ni") and copper ("Cu") mineralisation within the gabbroic lithologies within the project licence boundries. The HTC includes team members from Katoro and Power Metal, and external specialists with requisite project knowledge.

Blyvoor Project - South Africa and Namibian Iron Ore

Following review of the Blyvoor and Namibian Iron Ore Projects, and given the new direction of Katoro and the need to focus on a clear pathway to high value business activities, the Company has decided to cease any further investment in these two projects with immediate effect. The Company reserves its right to pursue recovery of any amounts invested to date from third parties where it is appropriate to do so.

Lake Victoria Gold - Imweru Project

Under contract, the Company is due €792,000 from Australian private company Lake Victoria Gold ("LVG") following the transaction involving a joint venture agreement covering the Company's Lake Victoria Gold interests to LVG in March 2022. This liability was due to be settled by 31 December 2023 and is disputed by LVG and accordingly the Company is now taking legal advice in respect of this outstanding amount with a view to taking appropriate recovery action for the amount considered due.

New opportunities

Whilst the Company remains highly engaged with regard to the Haneti Project, as outlined above, the identification of additional, potentially high-value project opportunities is a clear route to further grow the interests of the Company and generate value for shareholders.

The strong African and global technical capabilities accessible by the Company are opening up a wide range of possibilities, to develop existing interests and in the potential acquisition of new opportunities. This includes an ability to stake new ground in strategic locations and, if relevant to consider acquisitions or earn-ins on existing project interests.

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20. Commitments and Contingencies

The Group does not have identifiable material contingencies or commitments as at the reporting date.