

Annual Report 2022



We envision to seek-out and enhance national mineral endowment through sustainable exploration and development.



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1.0 Letter to the Minister of Mines & Mining Development

16 August 2023

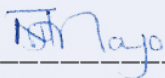
The Honourable Minister
Ministry of Mines and Mining Development
7th Floor, Zimre Centre
Harare

Attention: Honourable Minister W. Chitando,

RE: ANNUAL REPORT ON AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

As required by Section 49 of the Public Finance Management Act (Chapter 22:19) and as read with Section 52 of the Mining Promotion Corporation Memorandum and Articles of Association, I, on behalf of the MPC Board, have the pleasure of presenting the Annual Report and Financial statements of the Mining Promotion Corporation for the year ended 31 December 2022.

Yours faithfully,



Dr. N. J. MOYO
BOARD CHAIRPERSON

2.0 Company Profile

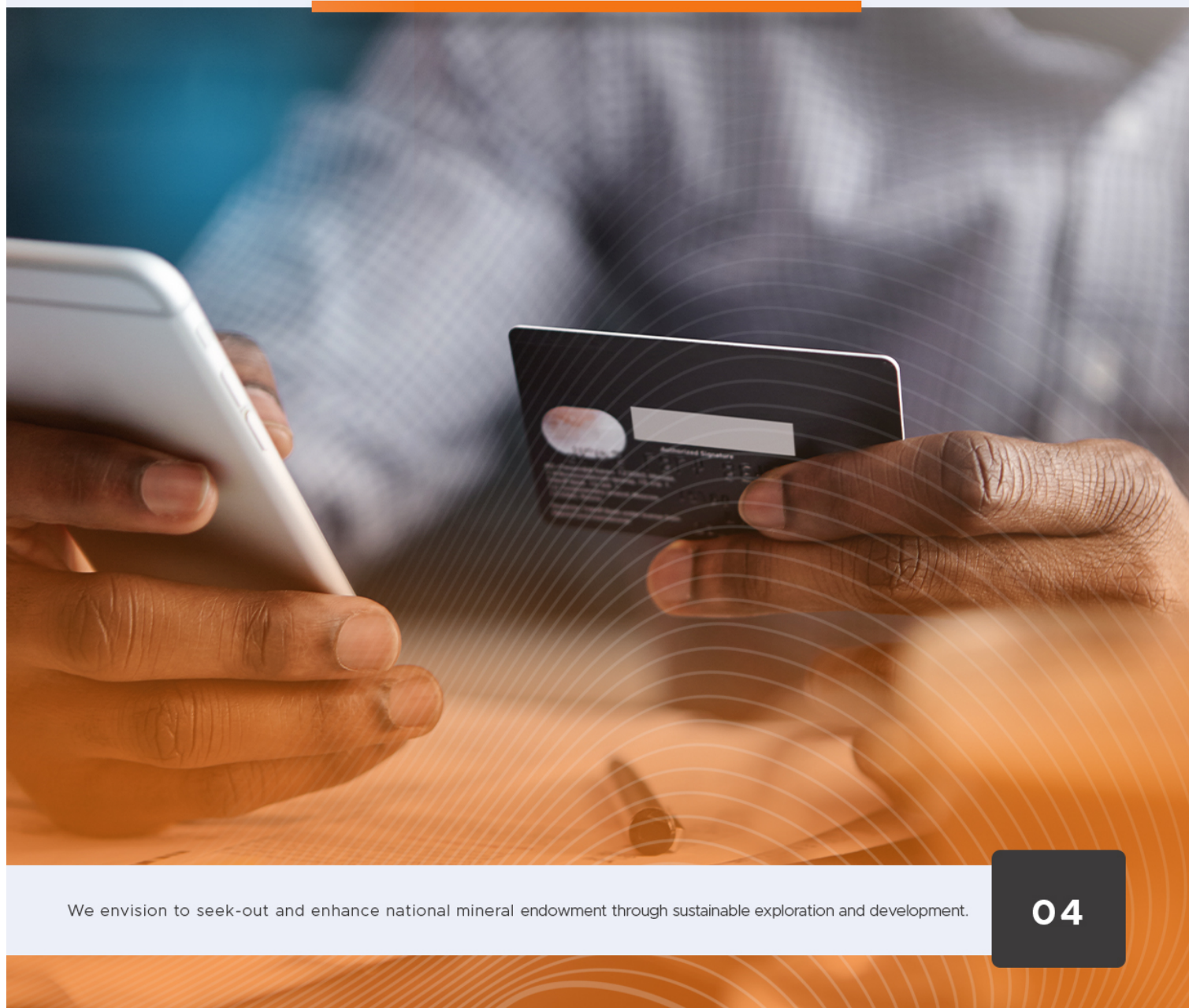
Mining Promotion Corporation PVT (LTD) (MPC)

REGISTERED OFFICE ADDRESS

90 Mutare Road
MMCZ Building
Msasa
Harare

BANKERS

CBZ Bank
62 Mutare Road
Destiny Electronics Building
Msasa
Harare



We envision to seek-out and enhance national mineral endowment through sustainable exploration and development.

2.1 Background

The Mining Promotion Corporation private limited (MPC) is a state-owned enterprise that was first incorporated in 1967 and is registered under the Companies and Other Business Entities Act (Chapter 24:31). The resuscitation of the exploration company in year 2012, emanated from the need by the State to quantify and unlock the mineral value base of the nation. The information collected from the exploration work would be used to generate and upgrade the national exploration database.

The data would make a huge contribution to the development of the mining industry in Zimbabwe. The Company was established to carry out exploration and development for national strategic minerals. In the mid-1980s to early 1990s, MPC carried out exploration work on the Zimbabwe Mining Development Corporation (ZMDC) properties such as Jena, Sabi and Elvington gold mines as well as the Mhangura, Shackleton, Alaska, Cedric and Sanyati Copper mines.

2.2 Mandate

The MPC is mandated to assist in the development of the mineral resources of the country by undertaking: -

- Prospecting, exploration and development work
- Obtaining, analyzing and making available information concerning mineral properties and markets for minerals.
- Carrying out research into new or improved processes for the production, extraction or processing of minerals and mineral substances.
- Promoting or participating in mining operations (exploitation) of deposits or occurrences of minerals, mineral oils or natural gases and processing of the products of such operations.
- To acquire and deal with grants, licenses, concessions, leases options and rights of all kinds in respect of land supposed to contain minerals, mineral oils or natural gases.
- To carry out any or all of the businesses of prospecting for mining, treating, refining, processing, or dealing in base minerals, precious metals, precious stones, and mineral substances of all kinds.



2.3 Vision, Mission, Values

VISION

To seek-out and enhance national mineral endowment through sustainable exploration and development.

MISSION

To unlock and quantify the mineral wealth of the Country to result in the sustainable development of deposits to their full economic potential through diligent planning and consistent execution of strategies that benefit the Nation.

Corporation's Values



We envision to seek-out and enhance national mineral endowment through sustainable exploration and development.

3.0 Directors & Executive Management Profiles

3.1 Non-Executive Directors' Profiles



DR. Nomusa Jane Moyo

CHAIRPERSON

Dr Nomusa Moyo is the current Board Chairman for Mining Promotion Corporation. She is a holder of Doctorate degree in Laws (specialising in corporate governance), Master in Laws, Bachelor of Laws degree, Chartered Institute of Secretaries (CIS), Bsc Honours in Economics. She was the winner of the 2016 Unisa Doctorate Thesis Publication Award.

Dr Moyo joined the Department of Taxes as a Tax officer and rose through the ranks to the position of Principal Tax Officer before joining the Zimbabwe Revenue Authority at its inception in 2001. At ZIMRA she held the positions of Investigation Specialist, Chief Legal Officer and Head Legal Drafting before leaving for GMB in 2009. She briefly worked as Company Secretary at GMB and joined MMCZ in December 2009 as a Company Secretary. Dr Moyo is a registered member of the Law Society of Zimbabwe and an Associate Member of the Chartered Governance and Accountancy Institute of Zimbabwe. She worked as a Member of the Chamber of Mines Human Resources Committee from 2016 to 2017.

She is a part time lecturer at Midlands State University for Ethics and corporate Governance.



Mr Forbes Mugumbate

DIRECTOR

Mr Forbes Mugumbate joined the Geological Survey in 1988, working in various sections, which gave him the experience that saw him rise through the ranks to become Regional Geologist in 1995; Deputy Director in 2003; Provincial Mining Director in 2015; and Director of the Geological Survey in 2019.

The nature his job has enabled him to acquire vast knowledge about the country's economic geology and mineral potential. This has culminated in compilation of several published and unpublished papers and notes, and has mentored several geologists. Mr Mugumbate has recently developed a new passion for geo-heritage which has seen him contributing several papers on this new field.

Mr Mugumbate is an honorary member, and past Chairman, of the Geological Society of Zimbabwe. He is also an associate member of the International Commission on the History of Geological Sciences (INHIGEO).

Mr Mugumbate has previously been seconded to important government assignments including to the Board of the Pan African Minerals Development Company (PAMDC), a mining company jointly owned by the Governments of Zimbabwe, Zambia, and South Africa; Board Member of the Zimbabwe Investment Authority; member of the Natural Sciences Standing Committee for UNESCO in Zimbabwe; Committee Member of the Research Council of Zimbabwe; Board Member of the Institute of Mining Research; and Assistant Administrator of the Shabani Mashava Mines (SSM) Pvt Ltd. under reconstruction.

Mr Mugumbate holds BSc (General), BSc (Honours) Geology (UZ), MSc in Applied Structural Geology and Rock Mechanics (Imperial College of Science, Technology and Medicine, University of London).

A portrait of Mr Godsave Sibanda, a man with short dark hair and a beard, wearing a white polo shirt and grey trousers. He is standing with his hands clasped in front of him, looking slightly to the side. The background is a faded image of a large-scale mining operation with terraced hills.

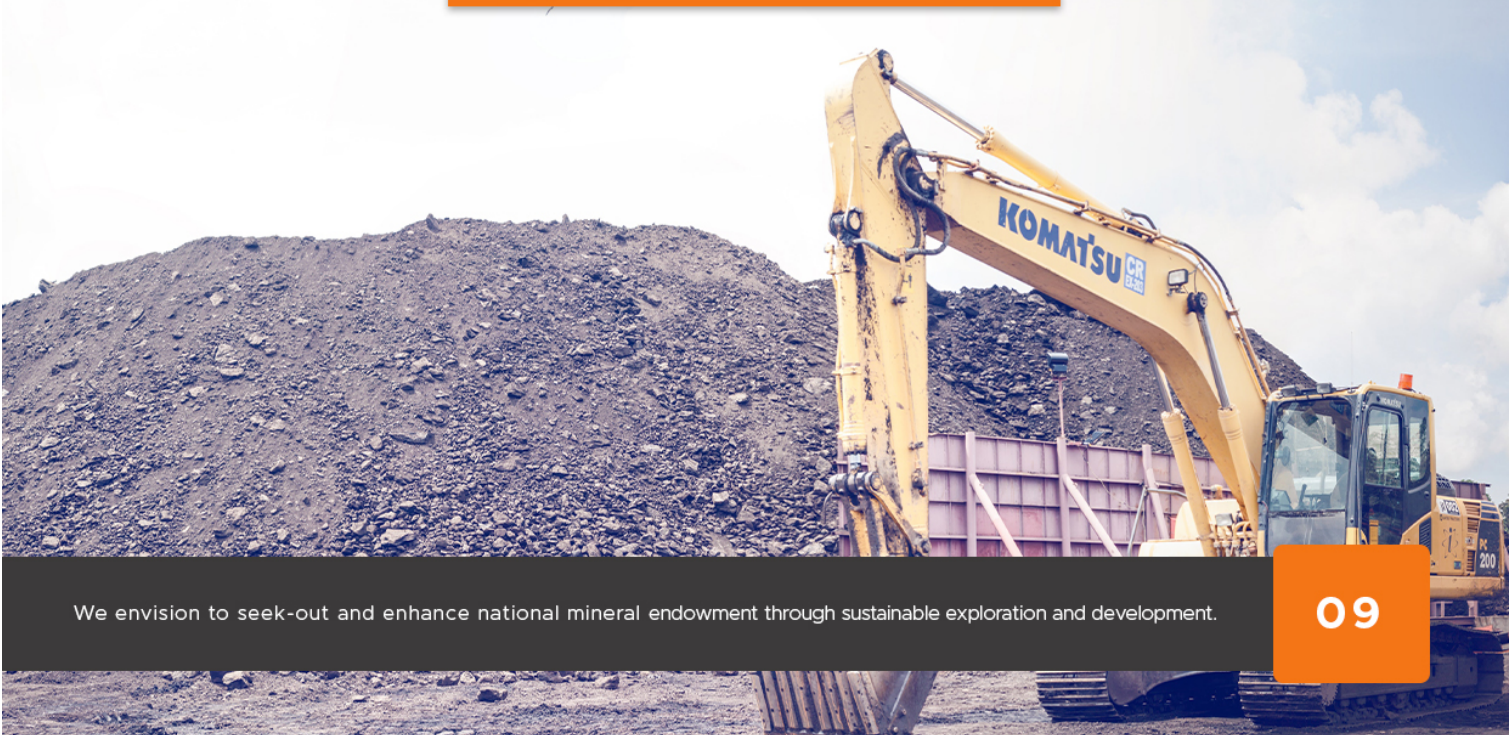
Mr Godsave Sibanda

DIRECTOR

Mr Godsave Sibanda is a seasoned Geoscientist who is currently the Principal Consultant for DeGlosol Zimbabwe (Pvt) Ltd. He holds a Masters of Science degree in Exploration Geophysics (NUST), BSc double major in Geology and Physics degree (UZ). In his current position he has conducted work on several projects in Zimbabwe and the DRC.

He previously worked as Corporate Planning Manager Geology at Mbada Diamonds (Pvt) Ltd and was employed as Projects Managing Geologist at Skyview (Pvt) Ltd. Godsave also worked as Geological Superintendant at Casmyn Mining Zimbabwe (Pvt) Ltd and also worked for a year in Zambia as Projects Managing Geologist at Caracle Creek International Consulting Inc.

In his earlier career days he worked for Wachaz Design tech as an Exploration Geologist before Moving to Rio Zim (Pvt) Ltd where he was a Project Geologist.



3.2 Executive Management's Profiles



Tapiwa Allen Nyamutukwa

ACTING CHIEF EXECUTIVE OFFICER

Mr. Tapiwa Allen Nyamutukwa is an experienced Geoscientist with over 18 years of experience in the mining industry covering both mineral exploration and mine production. His experience covers strategic leadership, projects development and appraisals, and human capital management. He is currently the Acting Chief Executive Officer for the MPC.

He started his career as a graduate trainee with DeBeers Zimbabwe exploration in 2003, where he was exposed to diamonds exploration processes in Zimbabwe and diamonds mining in South Africa. Tapiwa left DeBeers in 2005 and joined RioZim's Renco Gold Mine as a Sectional Geologist (2006-2007). He left Renco Gold Mine in 2007 to pursue an expatriate opportunity in Zambia, where he worked as a Production Geologist for the largest copper producer in Zambia at that time, Konkola Copper Mines (KCM) (2007-2011).

Tapiwa moved to Rhodes University in South Africa (2012-2013) to pursue a fulltime Master of Science in Exploration Geology degree. Whilst he was waiting to graduate, he was employed by the ZMDC as a Senior Exploration Geologist MPC (2013) where he joined a team that was responsible for resuscitating company.

He was appointed acting Chief Executive Officer for the MPC (2015 -current) and under this role, Tapiwa, managed to secure prospective ground for the MPC under reserved areas, commenced exploration activities, secured funding and recruitment of critical skills for the MPC. He is a member of the Geological Society of Zimbabwe (GSZ) and Geological Society of South Africa (GSSA). Tapiwa obtained his Bachelor of Science degree in geology and geography from the University of Zimbabwe 2003 and has undertaken various professional development courses throughout his career.



Munyaradzi Artwell Mukandi

PROJECT GEOLOGIST

Mr Mukandi is a geologist with more than 25 years of experience as a geoscientist. He is a holder of a Bsc. Honours in Geology degree, and over the years has also acquired training in GIS and Remote Sensing, OSHEMAC, Ore reserve evaluation, and Sampling and Grade Control.

Mr Mukandi is currently working as a Project Geologist for Mining Promotion Corporation (Pvt) Ltd (MPC), a company he joined in 2017. At MPC, his main task has been gold exploration in the Shangani Greenstone Belt through target generation, geological mapping, geochemical sampling, trenching and directing geophysical surveys on generated targets. He has also performed evaluations for Ministry of Mines and Mining Development sister departments like MMCZ for chrome and Deford for manganese.

Before joining MPC, he worked for Makomo Resources, a coal mine in Hwange as Chief Geologist and Technical Services Manager from 2011 to 2017 overseeing geological, planning, laboratory and surveying services. At Makomo resources he also carried out assessment of the company's gold and base metal prospects locally, and in Chunya (Tanzania) and Rehoboth EPL 1877 (Namibia). Prior to working for Makomo, he had worked as a geologist for Zimbabwe Geological Survey Department, where he was initially seconded to the mining and field geology sections.

He was later promoted to Chief Geologist heading the Data Management Section, where his duties involved digitalization of the Department's geological products, geological and mineral database designing and maintenance. These functions were intended to make geoscientific data easily accessible and retrievable to the investors, thus readily marketing the mineral potential of the country. The work involved extensive application of GIS and Remote Sensing of which he became proficient in software applications like Arcgis, Mapinfo, Erdas Imagine, Rockworks etc.



Westbury Nyahasha

CARTOGRAPHER

A cartographer by profession with over 30 years' experience in topographical & geological map production/reproduction. Started his career with Surveyor-General's Department in 1989 and then moved on to join the Geological Survey Department in 1995 for 10 years. He joined the private sector in 2006 where he worked for African Consolidated Resources PLC and then later moved on to join MPC in 2012 to the present moment.

Westbury is a holder of National Diploma in Cartography from Harare Polytechnic (1993) and a Certificate in Digital Cartography (Scientific, Industrial and Research Development Centre (SIRDC), Harare, 2001.

Some of his notable works include:

- » Drafted several diagrams and maps which accompanied Mining in **Zimbabwe from the 6th to the 21st Century**” book which was launched in April 2019.
- » Drafted diagrams and maps which accompanied **The Nickeliferous Archean Madziwa Igneous Complex, Northern Zimbabwe** paper by M. D. Prendergast and A. H. Wilson (©2015 Society of Economic Geologists, Inc. Economic Geology, v. 110, pp. 1295–1312)
- » Drafted diagrams and maps which accompanied **Landscape Evolution, Regolith Formation & Nickel Latelite Development in The Northern Part Of The Great Dyke, Zimbabwe** by M.D. Prendergast (©2013 December Geological Society of South Africa)
- » Drafted plans and diagrams to accompany Zimbabwe Geological Survey Bulletins and Technical Reports
- » Drafted diagrams and maps which accompanied **EPO 1487 Final Report** by Mimic Mining (Pvt) Ltd, July 2003
- » Results-oriented leader: Mentored several college & university students on industrial attachments.



Dickson Run'anga

FINANCE & ADMIN MANAGER

Mr. Dickson Run'anga is an Accountant by profession. He started his career with M & L Manufacturers in Harare working as Accounts Clerk in 1996. He was appointed Accountant by Border Timbers Limited in 2002 as Estate and Sawmill Accountant until September 2003. In October 2003 he was appointed Director of Studies and worked there until January 2009. He acquired vast experience in Administration.

In February 2009 he moved to South Africa where he was employed by Freshstop Pty Ltd until January 2010 when he moved back to Zimbabwe. On his return he was appointed Finance Manager for Telecontract Pvt Ltd in February 2010. He acquired vast experience and skills for 11 and a half years until August 2021.

He then moved to Mining Promotion Corporation where he was appointed Finance and Administration Manager. Mr. Run'anga is a holder of Southern Africa Association of Accountants Diploma (SAAA) (2000) and Institute of Chartered Secretaries and Administrators Diploma (ICSAZ) (2008).



4.0 Chairperson's Statement

4.1 Overview

It gives me pleasure to present Mining Promotion Corporation of Zimbabwe's audited financial statements for the year ending 31 December 2022.

The Corporation continued to operate under difficult circumstances emanating from a low funding base which resulted in the Corporation failing to procure key exploration equipment and losing two of its key personnel due to poor remuneration.

In spite of the challenging environment, the Corporation continued with the drive for exploration partnerships and joint ventures. The Corporation also implemented dynamic cost controlling measures to sustain the organization

4.3 Operations Overview

The Corporation was unable to effectively conduct scheduled field exploration work due to delayed budgetary approvals. The budget could not be approved as the Corporation sought waiver not to comply with section 20 of the Public Entities Corporate Governance Act (Chapter 10:31). The matter was however resolved end of year 2022. Operations focused mainly on research work on exclusive prospecting orders (EPOs) which covered lithium assets. Reports emanating from the research work resulted in a significant number of potential investors expressing interest in partnering with the MPC in exploration field work.

During the year under review, the Corporation signed a memorandum of understanding with an investor over an exploration area under the Arcturus EPO application

4.2 Corporate Strategy

The Board conducted a review of the company's strategy with management in the context of the operating environment and mining industry dynamics. The Board believes the renewed focus will enable MPC to capitalise on the exploration opportunities in the industry to drive long-term value for investors.

Early progress against the strategy has been encouraging and the Board is closely engaged with management on its delivery. The Corporation also embarked on a deliberate drive to enhance compliance with corporate governance statutes which has resulted in a significant improvement in the level compliance.

The Corporation will continue to produce technical reports aimed at attracting investment into large scale mineral exploration programs.

4.4 Outlook

The Corporation's performance is anticipated to improve significantly following implementation of its corporate strategy to engage in joint venture partnerships. This strategy is being supported by a boom in commodity prices and favourable Government policy driving the mining industry towards a USD 12 billion industry by year 2023. The reserved areas and exclusive prospecting orders present vast opportunities for exploration with potential to unlock large scale mining operations. The Board and management will continue to implement initiatives to improve the Corporation's financial position as well as looking at new opportunities in exploration under exclusive prospecting orders.

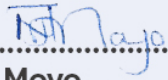


MINING PROMOTION CORPORATION

Mineral Exploration

4.6 Appreciation

On behalf of the Board, I would like to extend my gratitude to the Ministry of Mines and Mining Development for the direction and support. Similarly, I would also like to appreciate my colleagues in the MPC Board, Management and staff as well as our valued stakeholders for the overwhelming support. Together we made it during the challenging times.



Dr. N. J. Moyo

Board Chairperson



5.0 Chief Executive Officer's Report

5.1 Operating Environment

The economic environment moderated in 2022 due to largely exogenous and endogenous shocks. Floods and drought adversely affected agricultural output. Total output was further constrained by macroeconomic instability in 2022 arising from exchange rate depreciation and hyperinflation. Inflation returned to triple digits fuelled by broad money expansion and a surge in global prices. Annual inflation reached triple digits in May 2022 and reached 244% in December 2022. The GDP is estimated to have slowed to 3.4% in 2022 from 8.5% in 2021 on the back of hostile agriculture conditions.

Government effort to grow the mining sector yielded positive results as the sector's contribution to the Country's GDP increased from about 12 % in 2021 to 13.2% in 2022. Government's target for the mining industry for the period is to generate USD 12 billion annually by year 2023. In support of this vision, the Corporation introduced exploration joint venture in reserved areas and exclusive prospecting orders (EPOs). It is anticipated that interest in exploration projects will increase during the third quarter 2023.

5.2 Operations Overview

The MPC did not receive funding for field exploration work during the period under review. Operations ocused mainly on research work on exclusive prospecting orders (EPOs) which cover lithium assets.

Reports were produced on economic potential of Arcturus, Mutawatawa, Mazowe, Mt Darwin and Manyame EPOs. The produced report were considered by potential investors who expressed interest in partnering with the MPC in exploration field work.

5.3 Financial Performance Overview

5.3.1 Financial highlights

The Corporation's financial statements are presented in Zimbabwean dollars (ZWL) in compliance with the Statutory Instrument 33 of 2019 and then adjusted for inflation. The inflation adjusted operating surplus for the year was \$93,711,112 compared to prior year operating loss of \$13,405,987. We are grateful to be having our final accounts audited every year, compared to prior periods where we could go for more than two years without audit.

5.3.2 Income

The corporation made an overall inflation adjusted loss before tax of \$93,711,112 for the year 2022, a 599% increase from the reported loss of \$13,405,987 for 2021.

5.3.3 Revenue

Total inflation adjusted revenue from operations stood at \$254,024,724 as at 31 December 2022; (2021: \$45,616,976) and total historical revenue from operations for the 2022 financial year stood at \$9,818,537 down from \$720 recorded in 2021. Historical revenue was mainly from donations from MMCZ which contributed \$254,024,724 in 2022.

5.3.4 Expenditure

The Group incurred inflation adjusted operating and administration expenditures of \$160,313,612 as at 2022; (2021; \$91,701,380) and historical total expenditure of \$106,463,107 up from \$19,911,453 incurred in 2021. The increase in the expenditure was mainly attributed to general price increases due to inflationary pressures and the weakening Zimbabwean Dollar.

5.3.4 Expenditure

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5.3.5 Statement of Profit or Loss

The Corporation had an inflation adjusted surplus after tax of \$93,711,112 as at 31 December 2022; (2021: Loss \$46,084,404). This was largely attributed to foreign exchange loss. The Corporation had a historical surplus after tax of \$63,833,084 as at December 2022; (2021: Loss (\$10,092,916)).

5.3.6 Statement of Financial Position

The Corporation's inflation adjusted financial position was \$136 877 350 as at December 2022; (2021: \$72,750,411) and historical financial position at year end was \$70,188,151 an increase compared to 2021 figure of \$64,060,788. The increase was as a result of equipment that was donated by MMCZ to add to the assets.

5.3.7 Statement of Cash Flow

The Corporation's inflation adjusted cash inflow from operating activities after changes in operating working capital was \$52,059,613 as at 2022; (2021: -\$12,071,247) and historical inflow from operating activities was \$46,693,388 which was an increase compared to 2021 cash flow figure of -\$1,685,490.

Inflation adjusted cash flow from investing activities generated a net outflow of \$38,815,989 in the period under review.

In the financial period under review the Corporation's inflation adjusted cash and cash equivalents was \$17,803,187; (2021: \$4,559,563) and historical cash and cash equivalents was \$17,803,187 as at 31 December 2022 compared to the opening cash and cash equivalents of \$1,326,380 in 2021.

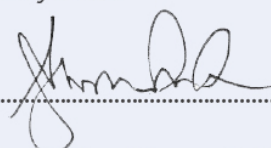
5.4 Outlook

The Corporation's outlook remains positive supported by the increase in demand for mineral commodities especially lithium, copper and gold. The Corporation's lithium exclusive prospecting orders (Arcturus, Mutawatawa, Mazowe and Beatrice) have been targeted by several investors buoyed by the increased lithium commodity prices. Demand for copper and gold areas within the Corporation's special grants is also on the rise. The Corporation is turning the corner and is forecasting increased exploration activities supported not only by increased commodity prices, but also by Government's vision to promote mineral exploration through capacitating the MPC under NDS 1. This deliberate thrust for exploration growth will certainly encourage other players in the industry to embark on large scale exploration projects that will contribute to the USD 12 Billion mining industry milestone by year 2023.

5.5 Appreciation

I would like to thank my colleagues in management and our staff for their unwavering support during the year. I would also like to acknowledge my great indebtedness to the Mining Promotion Corporation Board, the Ministry of Mines and Mining Development and all stakeholders in the Government for their guidance and support.

Thank you all.



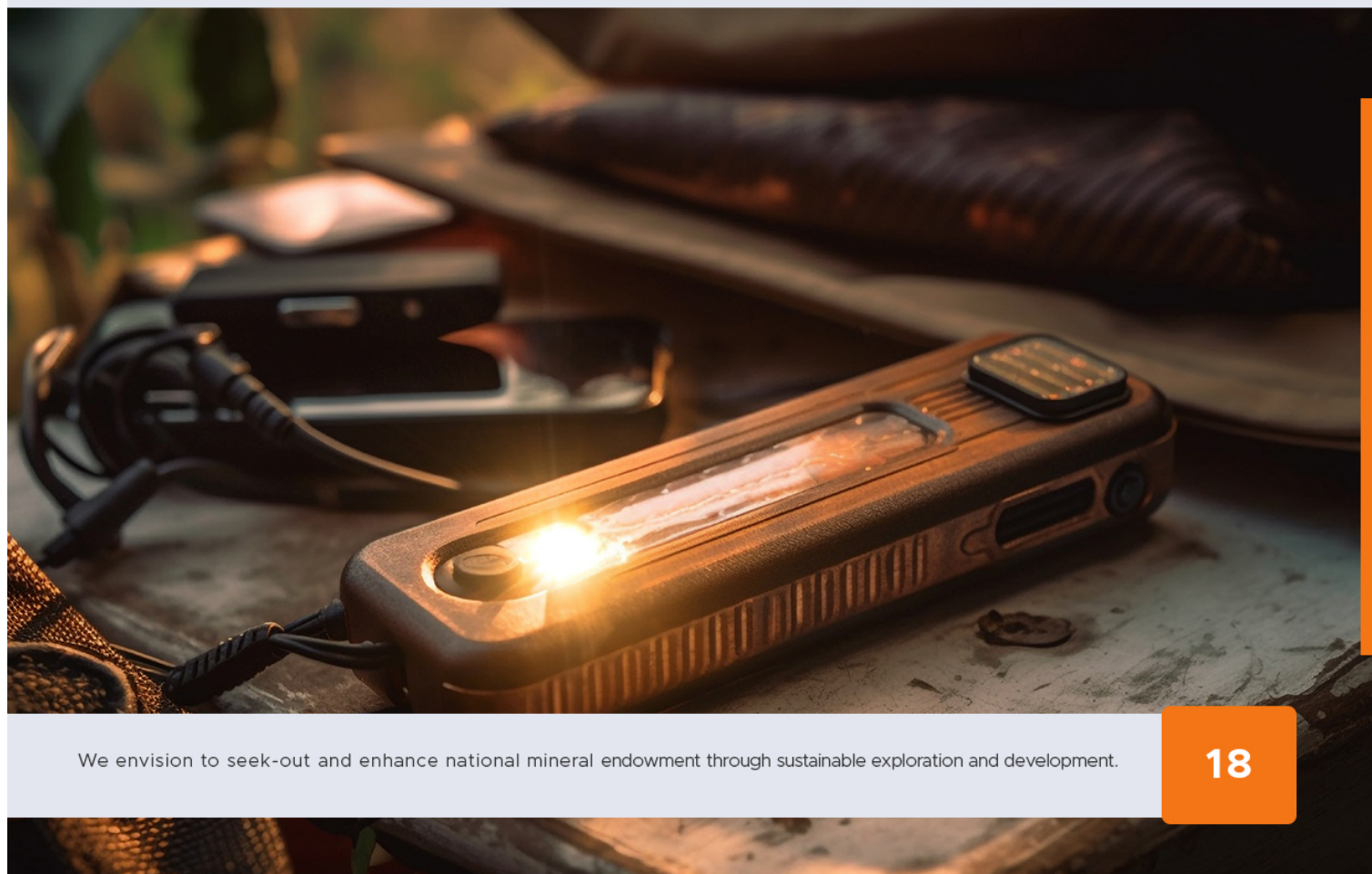
Tapiwa Allen Nyamutukwa
Acting Chief Executive Officer

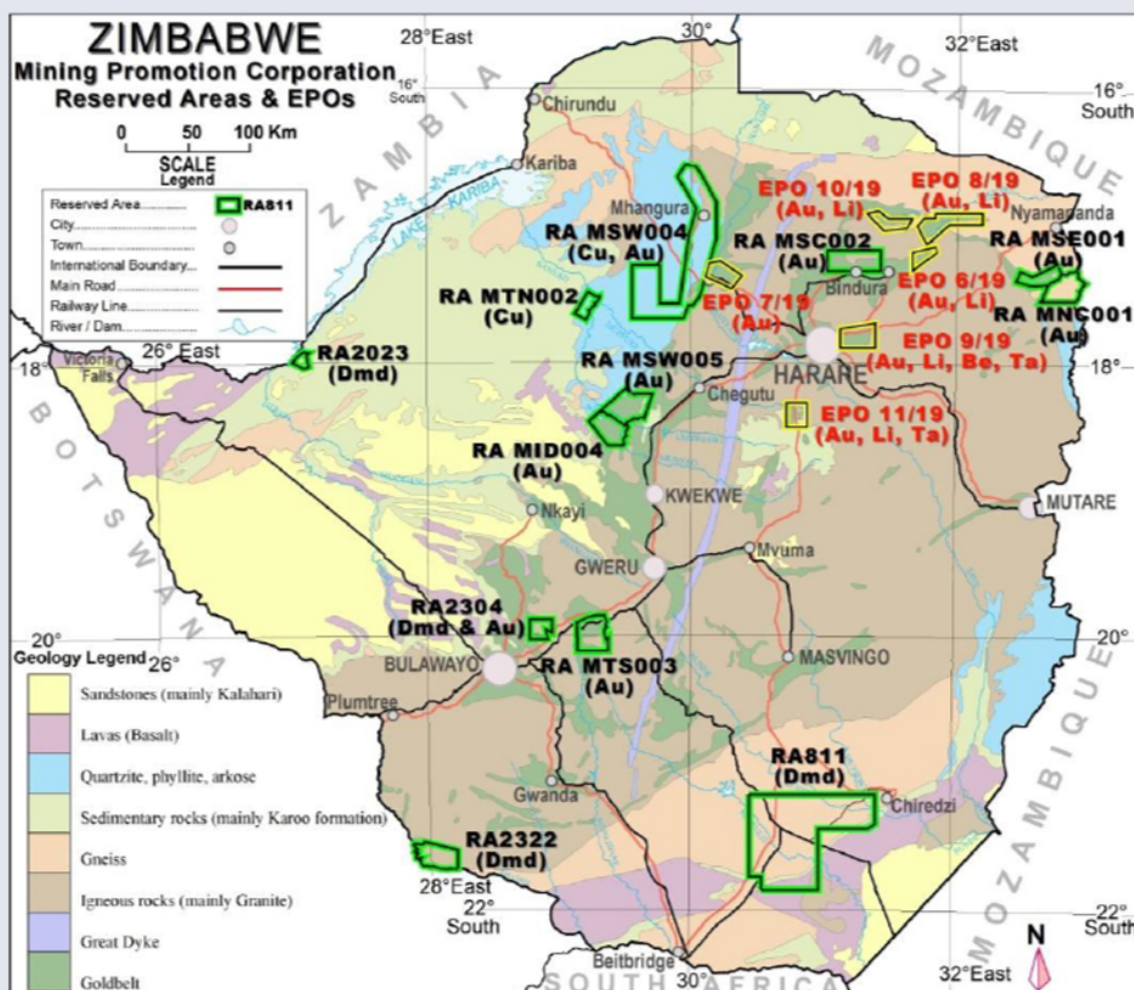
Reserved

The Corporation is custodian to prospective mineral exploration ground secured under exclusive prospecting orders (EPOs) and reserved areas. The reserved areas were selected as exploration targets based on geological setting, mineral occurrences, mining activities concentration and production history. Major mineral occurrences for gold, diamonds and copper-lead-zinc are covered within these areas.

Table 1. List of Gazetted Reserved Areas under the MPC

	Reserved Area	Mineral	Location	Area (Ha)
1	MTS 003	Gold	Matabeleland South (Fort Rixon area)	63,000
2	MSE 001	Gold	Mashonaland East (Makaha area)	34,050
3	MNC 001	Gold	Manicaland (Nyanga north area)	57,450
4	MSW 005	Gold	Mashonaland West (Munyati area)	65,900
5	MID 004	Gold	Midlands (Ngondoma area)	50,260
6	MSC 002	Gold	Mashonaland Central (Bindura area)	69,030
7	MTN 002	Diamond/Gold	Midlands (Queens mine area)	25,380
8	MSW 004	Copper-lead-zinc	Mashonaland West (Mhangura area)	324,600
9	MID 003	Copper	Midlands (Copper Queen area)	24,290





Exclusive Prospecting Order Areas

The Corporation is awaiting approval of six exclusive prospecting orders (EPOs) which cover mainly lithium and gold areas. The EPO applications were selected targeting the rise in demand for lithium and the projected contribution of the mineral towards achievement of a US\$12 billion dollar mining industry by 2023. The table contains information on the EPO applications

Table 2. List of Exclusive Prospecting Order applications under the MPC

EPO APP. No	Mineral	Name & Location	Area (Ha)
1	Gold & Lithium	Mashonaland East (Mtawatawa)	20,000
2	Gold & Base minerals	Mashonaland West (Manyame)	41,100
3	Gold & Lithium	Mashonaland Central (Mazowe)	64,800
4	Gold & Lithium	Mashonaland East (Arcturus)	52,600
5	Gold & Lithium	Mashonaland Central (Mt Darwin)	31,800
6	Gold & Lithium	Mashonaland East (Beatrice)	34,700

Corporate Strategy

The MPC continued to implement its Partial Privatization strategy in 2022 as enshrined in the National Development Strategy One (NDS1). This involves engaging in strategic exploration partnership agreements over targeted areas. This process is expected to be complete by end of 2025.

Operations Overview

6.0 Corporate Governance Statement

Mining Promotion Corporation is controlled by a Board established in terms of section 4 of the Articles and Memorandum of Understanding. The Board should be comprised of not less than three and not more than six Non-Executive Directors and ex-officio Chief Executive Officer. The Directors are drawn from a diverse spectrum of professions and backgrounds and bring to the Corporation a wide range of expertise.

The Board's functions are governed by, among other Acts, the Articles and Memorandum of Understanding, Public Entities Corporate Governance Act and a Board Charter which help the Board to ensure that the necessary authority and procedures are in place to oversee the work of management and independent evaluation of MPC's business operations.

The Board regularly reviews the Corporation's policies and procedures to ensure compliance and consistency with the principles enshrined in local and international corporate governance instruments.

In pursuing the Corporation's objectives, the Board and MPC staff have committed to the highest level of Corporate Governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity, and respect for others. For the better exercise of its functions and powers, the Board has established a technical committee (in line with section 12 of the Articles and Memorandum of Understanding) which deals with specific issues in line with their terms of reference as determined by the Board.

6.1 Main Board

1 January 2022 to 31 December 2022

The main mandate of the Board is to assist the Corporation in fulfilling its oversight responsibilities with respect to the operational performance and operating risks, particularly regarding those areas where technical understanding is required. This includes, inter alia, reviewing the Corporation's management of technical risks, annual budget as it relates to planned exploration, development and operation of the various mineral properties. It further receives regular updates from management on projects, area assessment and activities at the Corporation's mineral properties and evaluating the operational performance against budget.

The Board meets regularly, with a minimum of one scheduled meeting in every quarter of the year, to monitor and evaluate progress in the achievement of MPC's strategic objectives, strategy implementation and to assess overall performance of the Corporation. The following meetings were held during the year 2022: -

Date of Meeting	Dr. N.J. Moyo	Mr. F. Mugumbate	Mr. G. Sibanda
21/03/2022	Present	Present	Present
30/06/2022	Present	Present	Absent
22/09/2022	Present	Absent	Present
06/12/2022	Present	Present	Present



We envision to seek-out and enhance national mineral endowment through sustainable exploration and development.

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

General information

Nature of business	<p>The Mining Promotion Corporation (Private) Limited (the Company, or the Corporation), registration number 160/67, was established in Zimbabwe in the year 1967.</p> <p>The main business of the Mining Promotion Corporation (Private) Limited as set out in its Memorandum and Articles of Association is to assist in the development of the mineral resources of the country by undertaking prospecting, exploration and development work. The operations of the entity are funded by government through grants. On completion of its exploration programs, the results/information is given to government and forms part of mineral resource database.</p>	
Board of directors	Nomusa Jane Moyo Forbes Mugumbate Godsave Sibanda Tapiwa Allen Nyamutukwa	[Chairperson] [Board Member] [Board Member] [Acting Chief Executive Officer]
Registered office	Mining Promotion Corporation (Private) Limited 90 Mutare Road MMCZ Building Msasa Harare	
Financial statements	These financial statements were prepared under the direction and supervision of the Accountant Mr. Dickson Run'anga	
External auditors	Rockstone Chartered Accountants 11 Edinburgh Borrowdale Harare Email: info@rockstone.co.zw Website: www.rockstone.co.zw	
Bankers	CBZ Bank Msasa Branch Harare	

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Directors' responsibility statement and approval

The Directors are responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The external auditors are engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. The Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Company and the Company Administrator is required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

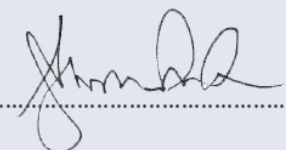
The Directors are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future. Financial Statements are prepared with the aim of complying with International Financial Reporting Standards (IFRS). The Directors assessed the ability of the Company to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate.

The external auditors are responsible for independently reviewing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 5 to 8. The financial statements set out on pages 9 to 29, which have been prepared on the going concern basis, were approved by the Directors and were signed on their behalf by:

.....


DIRECTOR

Date of Approval: 01 June 2023

.....


DIRECTOR

Report of the independent auditors

To the board members of
Mining Promotion Corporation
(Pvt) Limited

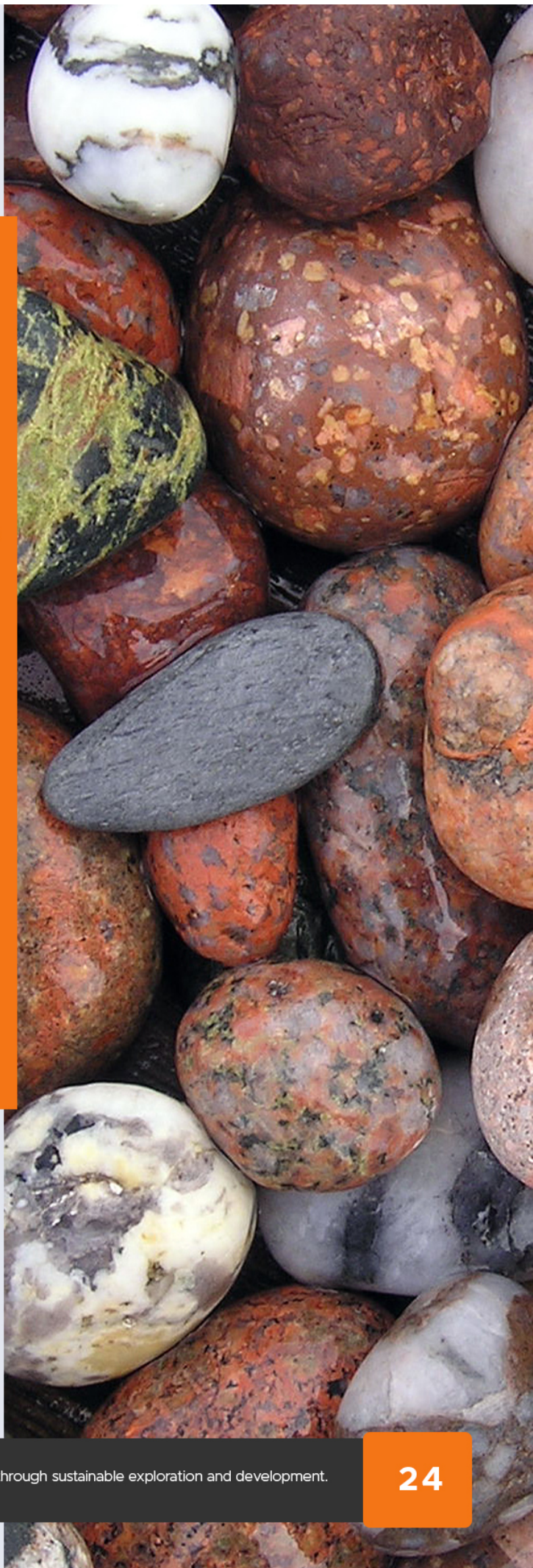
Opinion

We have audited the accompanying financial statements of Mining Promotion Corporation (Private) Limited, set out on pages 9 to 29, which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Mining Promotion Corporation (Private) Limited as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and relevant Statutory Instruments.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mining Promotion Corporation (Private) Limited in accordance with the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe and we have fulfilled our other ethical responsibilities under these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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. 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. The key audit matters noted below relate to the financial statements:

Revenue

The key audit matter	How we addressed the matter in our audit
<p>Revenue is a key performance measure for the Company.</p> <p>Due to the significant risk associated with the completeness of revenue recognition and the effort inputted by the audit team, the recognition of revenue is considered to be a key audit matter.</p>	<p>Our audit included considering the appropriateness of the company's accounting policies and assessing the company's compliance with those policies in accordance with the applicable financial reporting framework.</p> <p>Audit procedures performed by the audit team to reduce the significant risk include but not limited to:</p> <ul style="list-style-type: none">» Identifying the occurrence, completeness and cut-off of revenue» Testing a sample of transactions by reconciling them to external sources or supporting documentation» Identifying key controls and testing these controls to obtain satisfaction that they were operating effectively throughout the year under review» Carry out an income verification exercise with the Government of Zimbabwe and Minerals Marketing Corporation of Zimbabwe

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' statement. The other information does not include the financial statements and our auditor's opinion thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management & Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the requirements of Mining Promotion Corporation (Private) Limited rules, and for such internal control as management determines 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, management is responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing Mining Promotion Corporation (Private) Limited's financial reporting process.

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 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.

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

We also identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mining Promotion Corporation (Private) Limited's internal control. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mining Promotion Corporation (Private) Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Mining Promotion Corporation (Private) Limited to cease to continue as a going concern. We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient audit evidence regarding the financial information of Mining Promotion Corporation (Private) Limited or business activities of Mining Promotion Corporation (Private) Limited to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Mining Promotion Corporation (Private) Limited's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements
In our opinion the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Rockstone

Rockstone Chartered Accountants

Engagement Partner: Pearce Janga

PAAB Practicing Certificate Number: 0609

Harare

Date: 01 June 2023



Mining Promotion Corporation (Private) Limited

State of the Financial Position

As at 31 December 2022

		Inflation Adjusted		Historical Cost	
	Notes	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
ASSETS					
Non current assets					
Property plant and equipment	4	86 560 814	68 002 763	23 509 763	4 746 269
Intangible assets	5	9 580 286	- 0	8 907 786	-
		96 141 100	68 002 763	32 417 549	4 746 269
Current Assets					
Inventory		22 361 103	-	19 395 455	-
Trade and other receivables	6	571 960	161 567	571 960	47 000
Prepayments		-	26 518	-	7 714
Cash and cash equivalents	7	17 803 187	4 559 563	17 803 187	1 326 380
		40 736 250	4 747 648	37 770 602	1 381 094
TOTAL ASSETS					
		136 877 350	72 750 411	70 188 151	6 127 363
RESERVES AND LIABILITIES					
Reserves					
Share capital	8	60 539	60 539	249	249
Retained earnings		124 359 090	30 647 978	57 730 181	(6 102 903)
		124 419 629	30 708 517	57 730 430	(6 102 654)
Non current liabilities					
Deffered income	9	-	7 318 868	-	2 129 064
		-	7 318 868	-	2 129 064
Current liabilities					
Trade and other payables	10	3 373 146	26 968 288	3 373 146	7 845 093
Provisions	11	9 084 575	7 754 738	9 084 575	2 255 859
		12 457 721	34 723 026	12 457 721	10 100 952
TOTAL RESERVES AND LIABILITIES					
		136 877 350	72 750 411	70 188 151	6 127 363

.....
Director

.....
Director

01 June 2023

Mining Promotion Corporation (Private) Limited

Statement of Profit & Loss and Other Comprehensive Income

For the Year ended 31 December 2022

	Notes	Inflation Adjusted		Historical Cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Revenue					
Consultancy fees	12	-	-	-	-
Exploration Agreements fee	12	-	40 171 775	-	8 237 054
Revenue grant	13	216 766 196	4 410 439	141 326 305	1 283 000
Other income	14	37 258 528	1 034 762	28 969 886	298 483
		254 024 724	45 616 976	170 296 191	9 818 537
Expenditure					
Exploration expenses	15	(44 261 926)	(15 338 358)	(30 233 504)	(3 360 708)
Administration expenses	16	(62 367 516)	(34 066 681)	(39 358 498)	(4 561 918)
Employment expenses	17	(52 385 430)	(54 497 325)	(36 871 105)	(11 988 827)
Monetary gain/(loss)		(1 298 740)	12 200 984	-	-
		(160 313 612)	(91 701 380)	(106 463 107)	(19 911 453)
Surplus for the year		93 711 112	(46 084 404)	63 833 084	(10 092 916)
Other comprehensive income		-	-	-	-
Total comprehensive income		93 711 112	(46 084 404)	63 833 084	(10 092 916)

Mining Promotion Corporation (Private) Limited

Statement of Changes in Equity

For the Year ended 31 December 2022

Inflation Adjusted

	Share Capital ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2021	60 539	76 732 383	76 792 922
Total comprehensive income for the year		(46 084 405)	(46 084 405)
Balance at 31 December 2021	60 539	30 647 978	30 708 517
Total comprehensive income for the year		93 711 112	93 711 112
Balance at 31 December 2022	<u>60 539</u>	<u>124 359 090</u>	<u>124 419 629</u>

Historical Cost

	Share Capital ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2021	249	3 990 013	3 990 262
Total comprehensive income for the year		(10 092 916)	(10 092 916)
Balance at 31 December 2021	<u>249</u>	<u>(6 102 903)</u>	<u>(6 102 654)</u>
Balance at 1 January 2022	249	(6 102 903)	(6 102 654)
Total comprehensive income for the year		63 833 084	63 833 084
Balance at 31 December 2022	<u>249</u>	<u>57 730 181</u>	<u>57 730 430</u>



Mining Promotion Corporation (Private) Limited

Statement of Cash Flows

For the Year ended 31 December 2022

	Notes	Inflation Adjusted		Historical Cost	
		2022	2021	2022	2021
		ZWD	ZWD	ZWD	ZWD
Cashflows from operating activities					
Surplus for the year		93 711 112	(46 084 405)	63 833 084	(10 092 918)
Adjustment for non-cash items:					
Increase in provisions		1 329 837	5 483 343	6 828 716	1 844 784
Depreciation and amortisation		10 677 652	14 619 217	2 545 301	298 934
Interest income		-	(41 587)	-	(9 568)
Operating cash flow before changes in working capital		105 718 601	(26 023 432)	73 207 101	(7 958 769)
Working capital changes					
Decrease/(Increase) in trade and other receivables		(383 875)	(161 567)	(517 246)	(47 000)
Increase in inventories		(22 361 103)	-	(19 395 455)	-
Decrease in prepayments		-	(26 518)	-	(7 714)
Decrease/(increase) in trade and other payables		(30 914 010)	14 140 270	(6 601 012)	6 327 993
Net cashflow from operating activities		52 059 613	(12 071 247)	46 693 388	(1 685 490)
Cashflows from investing activities					
Acquisition of property, plant and equipment		(28 171 227)	-	(20 319 041)	-
Acquisition of intangible assets		(10 644 762)	-	(9 897 540)	-
Interest income		-	41 587	-	9 568
		(38 815 989)	41 587	(30 216 581)	9 568
Increase/(decrease) in cash and cash equivalents		13 243 624	(12 029 660)	16 476 807	(1 675 922)
Cash and cash equivalents at the beginning of the year		4 559 563	16 589 223	1 326 380	3 002 303
Cash and cash equivalents at the end of the year	7	17 803 187	4 559 563	17 803 187	1 326 380

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

1. Nature of business

The main business of the Mining Promotion Corporation (Private) Limited as set out in its Memorandum and Articles of Association is to assist in the development of the mineral resources of the country by undertaking prospecting, exploration and development work. The operations of the entity are funded by government through grants. On completion of its exploration programs, the results/information is given to government and forms part of mineral resource database.

2. Basis of preparation

2.1 Basis of measurement

The financial statements of the Corporation are prepared under the historical cost convention except for the financial assets which are measured at fair value and are shown at revalued amounts

2.2 Statement of compliance

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reports Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective at the time of preparing these financial statements and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Statutory Instruments SI 33/99 and SI 62/96., except for the non-compliance with International Accounting Standards (IAS 21),

The effect of Changes in Foreign Exchange Rates explained on note 2.3. Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the functional currency).

The financial statements are presented in Zimbabwean Dollars (ZWL), which is the Company’s functional and presentation currency.

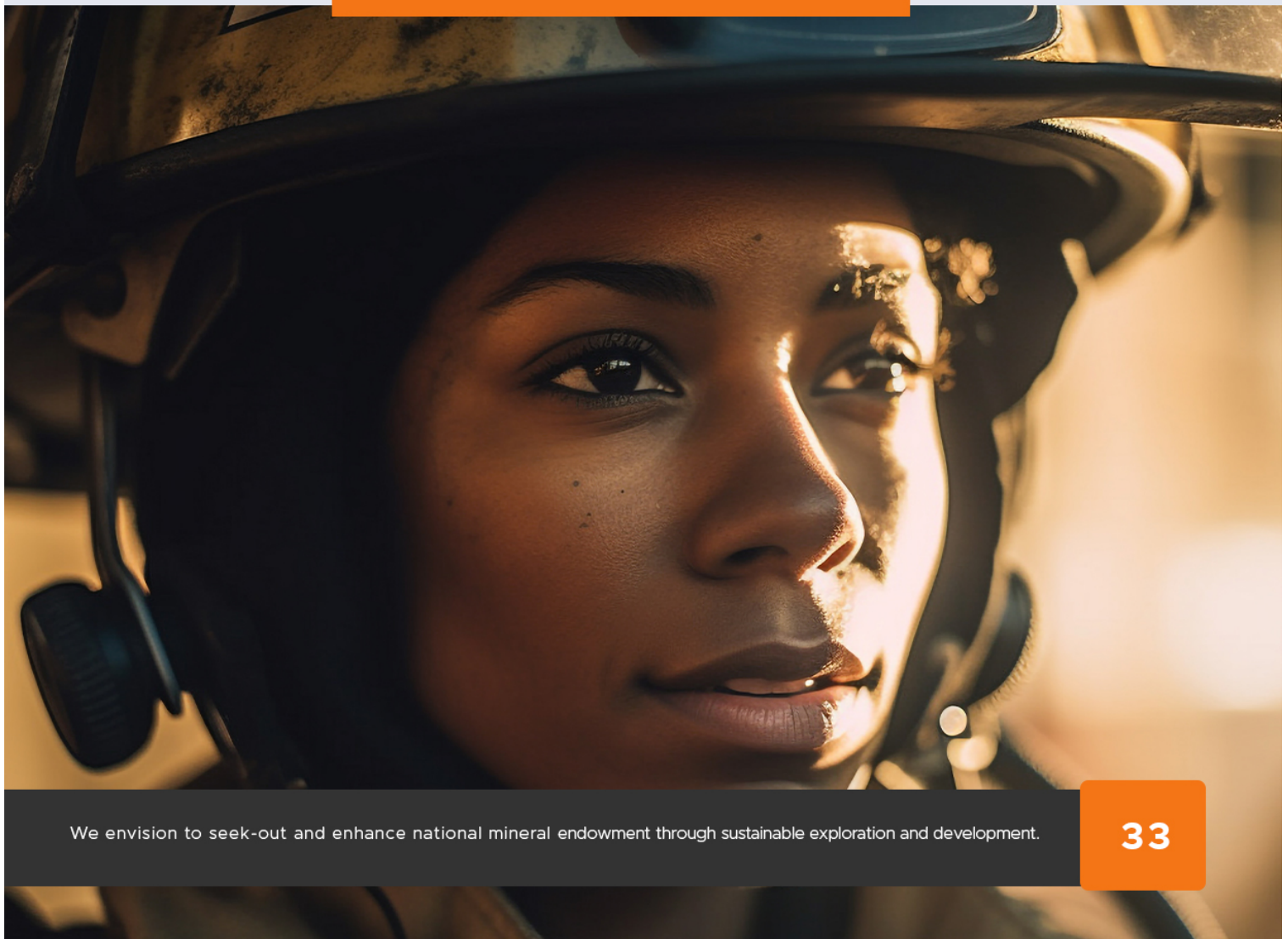
During the period October 2018 to February 2019, the Company operated in a multi-currency environment, the main currencies being the United States Dollars (USD) and quasi-currency instruments in form of electronic balances and bond notes which were officially pegged to the USD at an official exchange rate of 1:1.

Multi-tier pricing in the market depending on the mode of payment (USD, bond note, mobile money or RTGS) and persistent shortages of foreign currency resulting in delays in settling foreign obligations at the official exchange rate, particularly subsequently to monetary policy changes in October 2018, triggered deliberations on whether the USD remained the functional currency for companies operating in Zimbabwe.

Given the environment that the Company operated in, the directors assessed in terms on IAS 21, if there has been any change in the functional currency being used by the Company. In their assessment the Directors included those considerations of whether the various modes of settlement may represent different forms of currency.

The following was considered:

- | | |
|-----|---|
| (a) | On the 1st October 2018 the Reserve bank of Zimbabwe (RBZ) through Exchange control Directive RT120/2018, directed all banks to ring-fence Nostro Foreign Currency (FCAs) by separating them into two categories, namely Real Time Gross Settlement (RTGS) FCAs for local RTGS transactions and Nostro FCAS for foreign currency transactions at a parity rate of 1:1. |
| (b) | On the 22nd of February 2019 statutory Instrument 33 of 2019 (SI 33) was issued as an amendment to the Reserve Bank of Zimbabwe Act and it introduced a new currency named the RTGS Dollar at a base rate of USD1:ZWL\$2.5. Another Exchange Control Directive RU 28 of 2019 was issued at the time which introduced an interbank market for trading US\$ as well as other currencies in the multi-currency regime. |
| (c) | On the June 24 2019 the Government gazetted Statutory Instrument 142 of 2019 which outlawed the use of multi-currencies and compelled that all transactions be made in local currency (RTGS Dollar/ZWL). |



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

2. Basis of preparation (continued)

2.3 Functional and presentation currency (continued)

(d) The Reserve Bank of Zimbabwe announced various interventions in response to the financial vulnerabilities caused by the Covid-19 pandemic. One the measures announced therein was the authorization of the use of free funds in paying for goods and services, in terms of Statutory Instrument 185 of 2020. The government of Zimbabwe issued Statutory Instruments 185 of 2020 which granted permission to display, quote or offer prices of all goods and services in both the Zimbabwean dollars and foreign currency at the interbank exchange rate.

As a result of these currency changes announced by the monetary authorities, the directors concluded that the Company's functional currency remains the Zimbabwean Dollar (ZWL) following its change from the United States Dollar (USD) with effect from 22 February 2019.

2.4 IAS 29 Hyperinflationary economies

The Public Accountant and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Financial Reporting Standards (IFRSs) on the application of Financial Reporting in Hyperinflationary Economies Standard (IAS29) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply requirements of IAS29 "Financial Reporting in Hyperinflationary Economies".

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgment was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS29 compliant.

Sources of price index

Indices used were obtained from the Zimbabwe Statistical Office for the period February 2020 to December 2022.

Year	Indices	Conversion factor
December 2020	2,474.51	5.53
December 2021	3,977.50	3.44
December 2022	13,672.91	1.00

2.5 Accounting judgements, assumptions and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates are underlying assumptions reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant Judgements include the following:

2.5.1 Useful lives and residual values of property, plant and equipment

The Corporation also assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.1.2 and no changes to these useful lives have been considered necessary during the year. Management has set residual values for all classes for property, plant and equipment at zero.



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

2. Basis of preparation (continued)

2.5 Accounting judgements, assumptions and estimates

2.5.2 Impairment and provisioning policies

At the reporting date, the Corporation reviews the carrying amounts of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment is treated as a revaluation decrease.

In the event that in subsequent periods – an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.6 New Standards, amendments and Interpretations

Applicable new and revised standards and interpretations effective for annual periods beginning at the start of the current year:

None

New Standards, amendments and interpretations issued but not effective

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

IFRS 17 Insurance Contracts – effective 1 January 2023

IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The Company is not an insurance company and does not issue insurance contracts. Therefore, the standard is not expected to have a major impact on the group financial statements.

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in prior years and are set out below.

3.1 Property, plant and equipment

Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, or depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

3.1.2 Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each class of property, plant and equipment. Management views this method as the likely basis that closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Property, plant and equipment are stated at revalued amounts less accumulated depreciation. The residual values and useful lives of all assets are assessed at the end of each year and if the residual value as determined at year end is greater than the carrying amount as at that date no depreciation will be charged to the asset. If the residual value is less, then the carrying amount should be depreciated over the revised remaining life of the asset on a straight-line basis. The estimated useful lives for the current and comparative period are as follows:

• Computer Equipment	3 Years
• Office Equipment	3 Years
• Furniture and Fittings	10 Years
• Plant and Equipment	10 Years

No changes to the useful lives have been considered necessary during the year. Management has set residual values of all classes of property, plant and equipment at zero.

3.1.3 Revaluation

There was no revaluation carried out on items of property, plant and equipment for the period.

3.2 Intangible assets

3.2.1 Recognition and measurement

Externally acquired intangible assets are initially recognised at cost and subsequently at cost less accumulated amortization and any accumulated impairment losses. The Corporation has a Geological Software (ArcGIS) and Sage Pastel software which is amortized over the period in which benefits are expected to be obtained but not exceeding 10 years. The estimated useful lives of intangible assets with finite lives are as follows:

- **Software** **3 Years.**

3.3 Provisions

Provisions are recognised when the Corporation has a present obligation (legal and constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies

3.4 Financial Instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available on equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial Assets which are debt instruments:

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortized cost at fair value through other comprehensive income); or
- Designated at fair value through profit and loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit and loss.

Financial liabilities:

- Amortized cost; or
- Mandatorily at fair value through profit and loss. (this applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit and loss. (this classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit and loss).

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented as below:

Trade and other receivable Classification

Trade and other receivables, excluding, when subsequently measured at amortized cost. Applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortized cost. They have been classified in this manner because their contractual terms gives rise, on specified date to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognized when the Company becomes a part to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transactional costs, if any.

They are subsequently measured at amortized cost. The amortized cost is the amount recognized on the receivable initially, minus principal repayments, plus cumulative amortization (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies (continued)

3.4 Financial Instruments (continued)

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income. The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortized cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-impaired, then the effective interest rate is applied to the amortized cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortized cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the US\$ equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains and losses are recognizes in the profit or loss in other operating gains (losses)

Impairment

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime losses on trade and other receivables. The provision matrix is based on historic credit loss. experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other payables in totality.

An impairment gain or loss is recognized in the profit or loss with the corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

The impairment loss is included in other operation expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The Company writes off a receivable when there is information indicating the counterparty in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

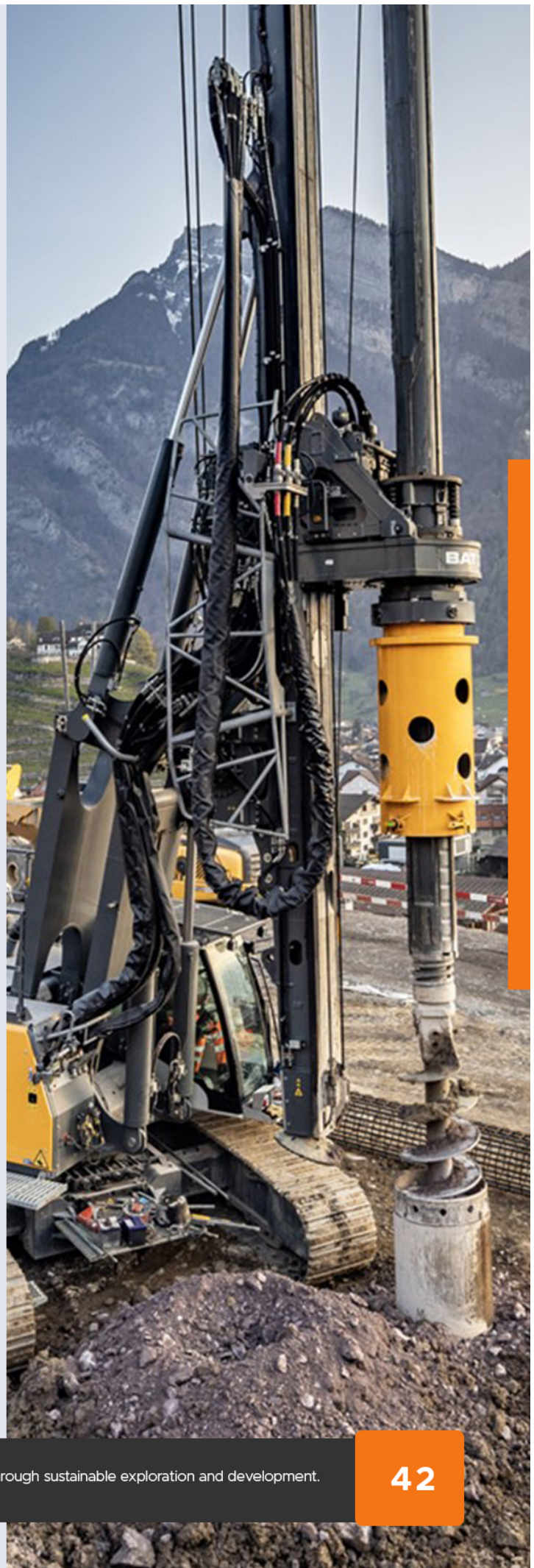
Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note.

De-recognition

Refer to the de-recognition section of the accounting policy for the policies related to de-recognition. Any gains or losses arising on the de-recognition of trade and other receivables is included in profit or loss in the de-recognition gains (losses) on financial assets at amortized cost line item.



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies (continued)

3.4 Financial Instruments (continued)

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortized cost.

Recognition and measurement

They are recognized when the Company becomes a party to the contractual provisions and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future value cash payments (including all fees and points paid or received that form an integral part of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest methods results in the recognition of interest expense, then it is included in the profit or loss on finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk.

Trade and other payables denominated in foreign currency

When trade payables are denominated in foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the US Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains (losses).

De-recognition

Refer to the “de-recognition” section of the accounting policy for the policies and processes related to de-recognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Money market instruments

Money market instruments are generally fixed rate and are measured at amortised cost using the effective interest rate method.

Quoted Investments

Quoted investments are investments in shares trading on the stock Exchange for trading purposes. These investments are recognized at fair value through profit and loss. The share values are determined in line with IFRS 13 level 1 Fair value measurement. Details of the fair valuation are on specific notes.

Unquoted Investments

Unquoted investments are investments in shares that are not trading on Stock Exchange for trading purposes. The shares are recognized at fair value through profit and loss. The share values are determined in line with the IFRS 13 Level 2 Fair value measurement. Details of the fair valuation are on specific notes.



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies (continued)

3.4 Financial Instruments (continued)

De-recognition

Financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Reclassification

Financial assets

The Company only reclassifies affected financial assets if there is any change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not stated.

The reclassification date is at the beginning of the first reporting period following the change in business models which necessitates a reclassification.



Financial Liabilities

Financial Liabilities are not reclassified

3.5 Revenue

The Company recognises revenue by following the principles of the five-step model in terms of the IFRS 15 – Revenue from contracts with customers and the model is illustrated below:

Step 1 Identification of the contract (s) with customers

Step 2 Identification of separate performance obligations in the contract

Step 3 Determination of the transaction price

Step 4 Allocation of the transaction price to separate performance obligation in the contract

Step 5 Recognition of the revenue when (or as) the Company satisfies a performance obligation

Revenue mainly comprises the fair value of the consideration received or receivable from the rendering of services in the ordinary course of the Company's activities. The Company recognises revenue when it transfers control over a good or service to a customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount.



Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3. Significant Accounting policies (continued)

3.6 Grants

Government grants are not recognised until there is a reasonable assurance that the grants will be received. Government grants are recognised in the revenue and expenditure statement on a systematic basis over the periods in which the Corporation recognizes as expenses and the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to the revenue and expenditure statement on systematic and rational basis over the useful lives of the related assets.

Government grants that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in the revenue and expenditure statement in the period in which they become receivable.

3.7 Exploration and evaluation costs

All pre-license and exploration costs, including geological and geographical costs, labour, Mineral Resource and exploratory drilling cost, are expensed as incurred, until it is concluded that a future economic benefit will more likely than not be realised. In evaluating if expenditures meet this criterion to be capitalized, several different sources of information are used depending on the level of exploration. While the criterion for concluding that expenditure should be capitalized is always probable, the information used to make that determination depends on the level of exploration:

- Costs of Greenfields sites, being those where the Corporation does not have any mineral deposits which are already being mined or developed under the planned method of extraction, are expensed as incurred until the Corporation is able to demonstrate that future economic benefits are probable, which generally will be the establishment of proved and probable Ore Reserve at this location;
- Costs on brownfield sites, being those adjacent to mineral deposits which are already being mined or developed under the planned method of extraction, are expensed as incurred until the Corporation is able to demonstrate that future economic benefits are probable, which generally will be the establishment of increased inclusive proved and probable Ore Reserve after which the expenditure is capitalized as mine development cost; and
- Costs relating to extensions of mineral deposits, which are already being mined or developed including expenditure on the definition of mineralization of such mineral deposits, are capitalized as a mine development cost.

Exploration and evaluation activities include:

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

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2022

Accounting Policies

3 Significant Accounting policies (continued)

3.8 Foreign currencies

The functional and presentation currency is the Zimbabwean Dollars (ZWL). In preparing the financial statements, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each period, monetary items carried at fair value are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the revenue and expenditure statement in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which are recognised initially in other comprehensive income and reclassified from equity to the revenue and expenditure statement on repayment of the monetary items.

3.9 Corporate tax

In terms of paragraph 2(a) of the Third Schedule of the Income Tax Act [Chapter 23:06] the Corporation's receipts and accruals are exempt from the Income Tax. However, the Corporation is not exempted from capital gains and withholding tax.

3.10 Employee benefits

Employee benefits are the consideration given by the Corporation in exchange for services rendered by employees. Benefits earned by employees under normal employment terms including salaries, bonuses and leave pay are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay.

3.11 Post – employment benefits

The Corporation makes defined contributions to National Social Security (NSSA) and the Mining Industry Pension Fund (MIPF). These are charged to the profit and loss in the year to which they relate.

3.12 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. The Company has related party relationships with its key management, the company directors, Ministry of Mines and Mineral Development, Minerals Marketing Corporation of Zimbabwe and Zimbabwe Mining Development Corporation.

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

Inflation Adjusted

4 Property, plant and equipment

	Plant & machinery ZWL	Exploration Equipment ZWL	Solar Equipment ZWL	Computer Equipment ZWL	Furniture & fittings ZWL	Cellphone & Accessories ZWL	Motor Vehicles ZWL	Total 2022 ZWL	Total 2021 ZWL	
Opening carrying amount 01.01.2022	39 231 652	38 211	341 287	-	0.00	4 834 316	0.00	23 557 297	68 002 763	82 590 408
Gross carrying amount	51 439 550	44 954	819 089	11 673 393	8 372 416	1 925 863	41 571 700	115 846 965	115 846 965	
Accumulated depreciation	(12 207 898)	(6 743)	(477 802)	(11 673 393)	(3 538 100)	(1 925 863)	(18 014 403)	(47 844 202)	(33 256 557)	
Additions	13 091 733	-	-	10 823 742	-	4 255 752	-	28 171 227	-	
Depreciation charge for the year	(13 904)	(4 495)	(162 208)	(3 675 998)	(828 891)	(812 083)	(4 115 597)	(9 613 176)	(14 587 645)	
Closing carrying amount 31.12.2022	52 309 481	33 716	179 079	7 147 744	4 005 425	3,443,669.00	19 441 700	86 560 814	68 002 763	
Gross carrying amount	64 531 283	44 954	819 089	22 497 135	8 372 416	6 181 615	41 571 700	144 018 192	115 846 965	
Accumulated depreciation	(12 221 802)	(11 238)	(640 010)	(15 349 391)	(4 366 991)	(2 737 946)	(22 130 000)	(57 457 378)	(47 844 202)	

*There are no assets currently pledged as security by the Company.

Historical Cost

4 Property, plant and equipment

	Plant & machinery ZWL	Exploration Equipment ZWL	Equipment ZWL	Computer Equipment ZWL	Furniture & fittings ZWL	Cellphone & Accessories ZWL	Motor Vehicles ZWL	Total 2022 ZWL	Total 2021 ZWL
Opening carrying amount 01.01.2022	3 856 858	601	3 437	-	21 991	0.00	863 382	4 746 269	5 045 051
Gross carrying amount	3 874 951	687	8 549	55 059	37 999	8 060	1 438 970	5 424 275	5 424 275
Accumulated depreciation	(18 093)	(86)	(5 112)	(55 059)	(16 008)	(8 060)	(575 588)	(678 006)	(379 224)
Additions	12 244 553	-	-	5 273 907	-	2 800 581	-	20 319 041	-
Depreciation charge for the year	(4 596)	(69)	(1 693)	(870 745)	(3 762)	(532 224)	(142 458)	(1 555 547)	(298 782)
Closing carrying amount 31.12.2022	16 096 815	532	1 744	4 403 162	18 229	2,268,357.00	720 924	23 509 763	4 746 269
Gross carrying amount	16 119 504	687	8 549	5 328 966	37 999	2 808 641	1 438 970	25 743 316	5 424 275
Accumulated depreciation	(22 689)	(155)	(6 805)	(925 804)	(19 770)	(540 284)	(718 046)	(2 233 553)	(678 006)

*There are no assets currently pledged as security by the Company.

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

Inflation Adjusted				
5 Intangible Assets	ArcGIS Software	Sage Evolution	Total 2022	Total 2021
	ZWL	ZWL	ZWL	ZWL
Opening carrying amount	0.00	0.00	0.00	31 572
Gross carrying amount	5 556 204	568 286	6 124 490	6 124 491
Accumulated amortisation	(5 556 204)	(568 286)	(6 124 490)	(6 092 919)
Additions	10 644 762	-	10 644 762	-
Amortisation charge for the year	(1 064 476)	-	(1 064 476)	(31 572)
Closing carrying amount	9 580 286	0.00	9 580 286	0.00
Gross carrying amount	16 200 966	568 286	16 769 252	6 124 491
Accumulated amortisation	(6 620 680)	(568 286)	(7 188 966)	(6 124 491)
Historical Cost				
5 Intangible Assets	ArcGIS Software	Sage Evolution	Total 2022	Total 2021
	ZWL	ZWL	ZWL	ZWL
Opening carrying amount	-	-	-	152
Gross carrying amount	24 700	2 601	27 301	27 301
Accumulated amortisation	(24 700)	(2 601)	(27 301)	(27 149)
Additions	9 897 540	-	9 897 540	-
Amortisation charge for the year	(989 754)	-	(989 754)	(152)
Closing carrying amount	8 907 786	-	8 907 786	-
Gross carrying amount	9 922 240	2 601	9 924 841	27 301
Accumulated amortisation	(1 014 454)	(2 601)	(1 017 055)	(27 301)
6 Trade and other receivables	Inflation Adjusted		Historical Cost	
	2 022	2 021	2 022	2 021
Amounts due from shareholders		-		-
Staff debtors	571 960	161 567	571 960	47 000
Total	571 960	161 567	571 960	47 000
7 Cash and cash equivalents	Inflation Adjusted		Historical Cost	
	2 022	2 021	2 022	2 021
Bank balances	17 803 187	4 559 532	17 803 187	1 326 371
Cash on hand	-	31	-	9
Total	17 803 187	4 559 563	17 803 187	1 326 380

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

	Inflation Adjusted		Historical Cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
8 Share Capital				
Authorised share capital				
20,000 "A" Ordinary shares and 480,000 "B" Ordinary shares of \$0.002 each	243 129	243 129	1 000	1 000
Issued share capital				
4,375 "A" Ordinary shares and 119,925 "B" Ordinary shares of \$0.002	60 539	60 539	249	249
9 Deferred Income				
Opening balance	7 318 868	7 318 868	2 129 064	2 129 064
Additions	-	-	-	-
Amortisation	(7 318 868)	-	(2 129 064)	-
	-	7 318 868	-	2 129 064
10 Trade and other payables				
Trade payables	-	7 074 430	-	2 057 957
PAYE	1 622 177	7 895 677	1 622 177	2 296 858
Medical aid	206 386	709 473	206 386	206 386
MIPF	685 567	3 320 403	685 567	965 908
NSSA	330 866	626 596	330 866	182 277
ZIMDEF	105 477	419 192	105 477	121 943
Net salaries	-	6 718 761	-	1 954 492
Standard levy	307 164	196 859	307 164	57 266
Director's fees	-	6 229	-	1 812
Withholding tax	115 509	668	115 509	194
	3 373 146	26 968 288	3 373 146	7 845 093
11 Provisions				
Leave pay provision	9 084 575	7 754 738	9 084 575	2 255 859
	9 084 575	7 754 738	9 084 575	2 255 859

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

		Inflation Adjusted		Historical Cost	
		2022	2021	2022	2021
		ZWL	ZWL	ZWL	ZWL
12	Revenue from operations				
	Consulancy fees		-		-
	Exploration Agreements fee		40 171 775		8 237 054
		-	40 171 775	-	8 237 054
13	Revenue - grant				
	Revenue grant - MMCZ	216 766 196	-	141 326 305	-
	Revenue grant - Government of Zimbabwe		4 410 439	-	1 283 000
		216 766 196	4 410 439	141 326 305	1 283 000
13.1	Grant				
	Revenue grant	216 766 196	4 410 439	141 326 305	1 283 000
	Capital grant	-	-	-	-
		216 766 196	4 410 439	141 326 305	1 283 000
14	Other income				
	Interest earned	-	41 587	-	9 568
	Amortisation of deferred income	7 318 868	-	2 129 064	-
	Other income	1 502 156	-	1 304 982	-
	Realised exchange gain	28 437 504	993 175	25 535 840	288 915
		37 258 528	1 034 762	28 969 886	298 483

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

	Inflation Adjusted		Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
15 Exploration expenses				
Exploration consumables	383 758	5 852	313 480	1 200
Electricity and water	13 500	-	12 500	-
Assay analysis	5 451	67 302	3 471	13 800
Casual labour	37 129 427	1 673 210	25 240 601	354 635
Tools and accessories	950 209	2 654 944	677 485	646 829
Sample Laboratory Testing	47 626	-	16 000	-
Field Accomodation	283 680	-	195 036	-
Tollgate Fees	135 218	-	102 638	-
Field Meals	973 664	-	557 725	-
Field Rent	211 682	-	79 430	-
Repairs and maintainance - field equipment	398 202	148 578	369 348	29 990
Repairs and maintainance - motor vehicles	1 588 755	1 840 347	1 159 778	426 816
Fuels and oils	1 766 361	8 948 125	1 157 900	1 887 438
Equipment and hire	374 393	-	348 112	-
	44 261 926	15 338 358	30 233 504	3 360 708
16 Adminstration expenses				
Audit fees	2 930 804	184 751	1 507 492	43 120
Bank charges	4 480 679	1 860 326	3 183 865	419 525
Board sitting allowances	4 226 429	2 304 620	3 168 433	499 192
Depreciation and ammortisation charge	10 677 652	14 619 217	2 545 301	298 934
Fines and penalties	393 569	-	362 652	-
Fuels and oils	6 902 514	50 120	5 081 610	14 580
Internet subscriptions	3 578 538	1 369 844	2 623 080	358 751
Legal fees	2 612 333	-	1 212 061	-
Marketing and promotion	3 173 636	-	1 889 550	-
Office cleaning and consumables	1 584 330	-	1 034 283	-
Other expenses	5 959 826	6 202 369	5 499 141	1 166 225
Printing and stationery	835 945	197 073	515 012	41 785
Protective clothing	151 054	-	60 841	-
Recruitment and advertising	-	720 109	-	171 450
Rentals and rates	5 454 588	4 561 632	4 165 128	1 036 688
Repairs and maintainance - computers	1 074 577	5 638	779 970	1 156
Repairs and maintainance - motor vehicles	3 692 992	-	2 713 370	-
Repairs and maintainance - other	10 328	-	3 600	-
Softwares and licenses	957 407	987 791	775 854	233 656
Training and conferences	85 144	173 254	79 468	44 225
Travel and subsistence	3 585 171	829 937	2 157 787	232 631
Vehicle hire	-	-	-	-
	62 367 516	34 066 681	39 358 498	4 561 918
17 Employment expenses				
Salaries	45 153 248	49 013 982	32 970 795	10 144 043
Increase in leave provision	7 208 965	5 483 343	3 887 968	1 844 784
Medical expenses	15 491	-	5 400	-
Funeral expenses	7 726	-	6 942	-
	52 385 430	54 497 325	36 871 105	11 988 827

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

18 Related parties

The following are related parties of the company

18.1 Related party

Ministry of Mines and Mining Development

Zimbabwe Mining Development Corporation

Minerals and Marketing Corporation of Zimbabwe

Nature of relationship

95% shareholder

5% shareholder

Common control

18.2 Related Party transactions

Revenue grants

MMCZ

Government of Zimbabwe

Rent and rates paid to ZMDC

Rent and rates

Inflation Adjusted		Historical	
2022	2021	2022	2021
ZWL	ZWL	ZWL	ZWL
216 766 196	-	141 326 305	-
-	4 410 439	-	1 283 000
216 766 196	4 410 439	141 326 305	1 283 000
5 454 588	4 561 632	4 165 128	1 036 688
5 454 588	4 561 632	4 165 128	1 036 688

Mining Promotion Corporation (Private) Limited

Notes to the Statements for the year ended 31 December 2022

19 Financial risk management overview

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Operational risk

19.1 Risk management framework

The board of directors has responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

19.2 Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

19.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and investment activities.

19.4 Operational risk

Mineral exploration requires high investment, sustained cash inflow, and considerable time with inherent high risk. The Company after massive investments might not find an economic deposit. The Company manages operational risk through procedure guidelines, staff training, segregation of duties and business continuity management.

20 Going concern

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

21 Subsequent events

There were no significant subsequent events after the reporting date that warranted disclosure.





JOINT VENTURE OPPORTUNITIES

All EPOs and targets within Reserved Areas are available for exploration joint venture partnerships on agreed terms. Preliminary geological data is available covering these tenements. For further information, kindly use the contacts below.

CONTACT US

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