

ANNUAL REPORT

Exploration is a promise:
to uncover, to uplift, and to
do so with accountability
and vision.

Beneath Zimbabwe's soil
lies mineral potential,
our mission is to unlock
it sustainably.

www.mpc.co.zw

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EDITION



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11 August 2024

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 2023

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 have the pleasure of presenting the Annual Report and Financial statements of the Mining Promotion Corporation for the year ended 31 December 2024.

Yours faithfully,



J. CHININGA
BOARD CHAIRPERSON

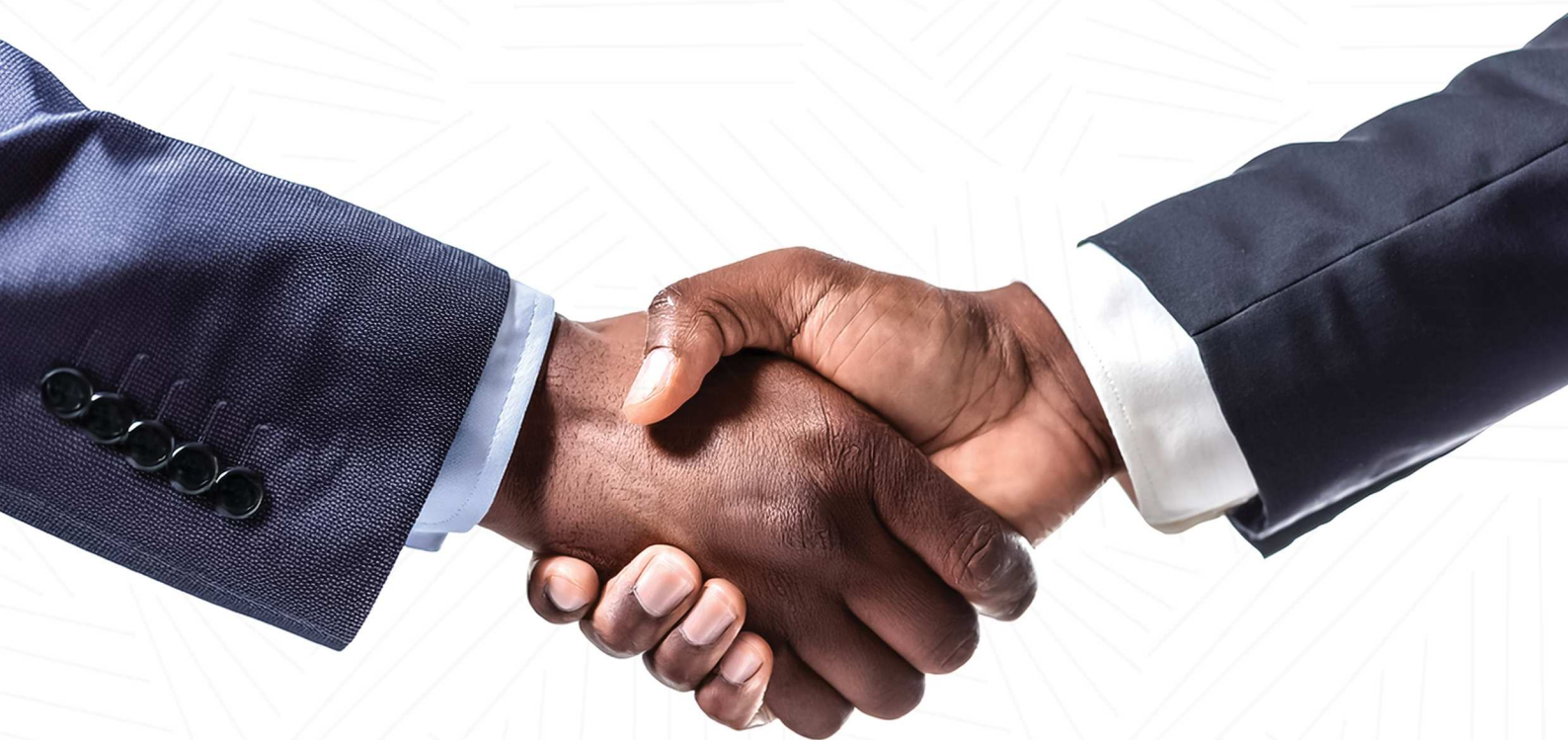
Mining Promotion Corporation Private Limited (MPC)

REGISTERED OFFICE ADDRESS

90 Mutare Road
MMCZ Building
Msasa
Harare

BANKERS

CBZ Bank
62 Mutare Road
Destiny Electronics Building
Msasa
Harare



2.1 BACKGROUND

The Mining Promotion Corporation (Pvt) Ltd (MPC) is a state-owned enterprise that was first incorporated in 1967 in terms of the Companies and Other Business Entities Act [Chapter 24:31]. The Company was established to carry out exploration and mine development for national strategic minerals. In the mid-1980s to early 1990s, MPC carried out exploration work on 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. The Corporation currently holds title to reserved areas and exclusive prospecting orders in various provinces of Zimbabwe covering multiple mineral commodities.

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



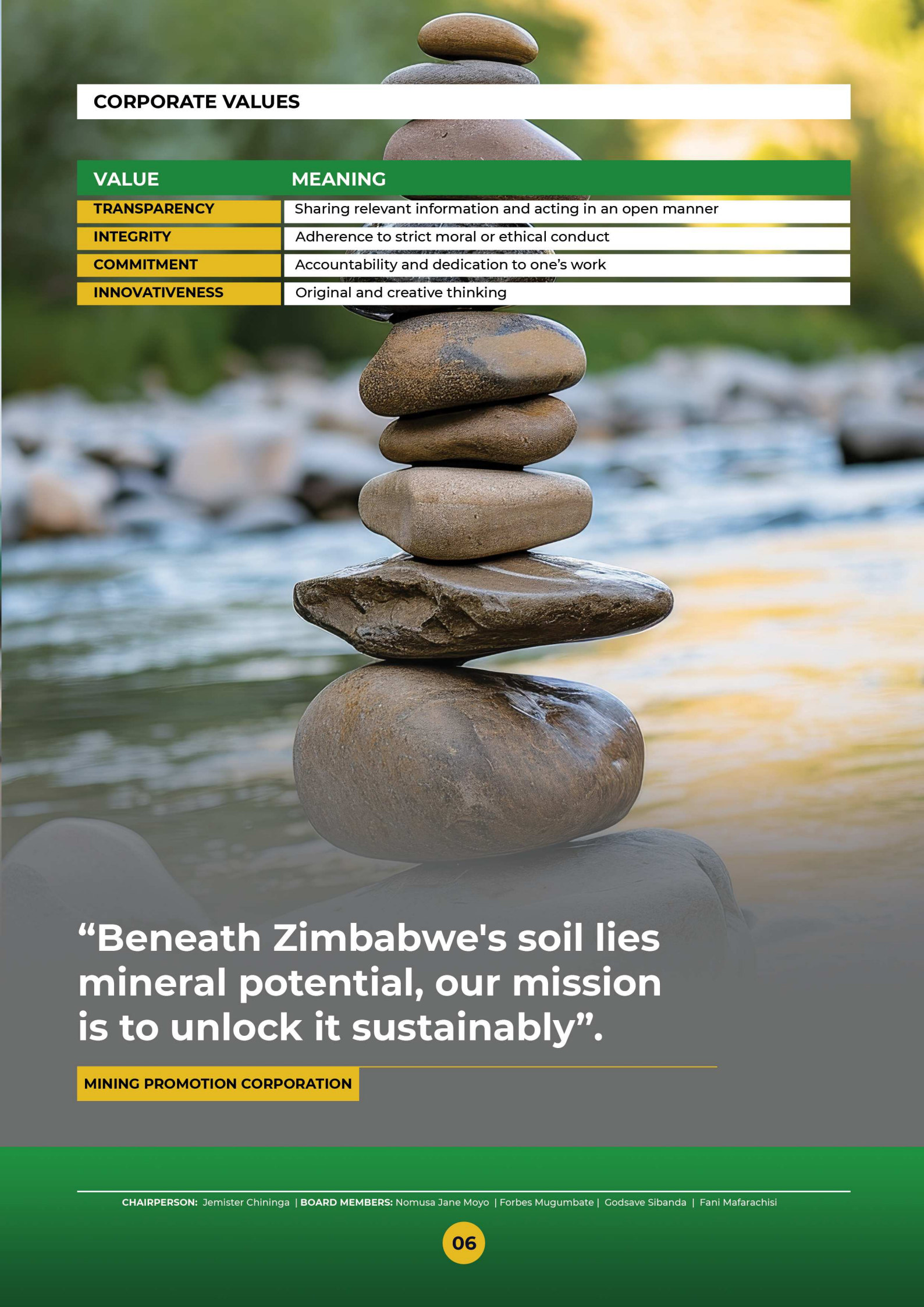
VISION

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.



CORPORATE VALUES

VALUE	MEANING
TRANSPARENCY	Sharing relevant information and acting in an open manner
INTEGRITY	Adherence to strict moral or ethical conduct
COMMITMENT	Accountability and dedication to one's work
INNOVATIVENESS	Original and creative thinking

“Beneath Zimbabwe's soil lies mineral potential, our mission is to unlock it sustainably”.

MINING PROMOTION CORPORATION

3.0 DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES

3.1 NON-EXECUTIVE DIRECTORS' PROFILES



MR. JEMISTER CHININGA

MPC. BOARD CHAIRMAN

Mr. Jemister Chininga is the Board Chairman of MPC. He is a holder of a B.Sc. in Business Administration from the United States International University, California. He is a business strategy consultant, a commercial farmer and miner. He has held several board positions in both private and public sector companies.

"Every mineral unearthed is a step towards sustainable development and a stronger Zimbabwe."

MINING PROMOTION CORPORATION

3.0 DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES Cont...

3.1 NON-EXECUTIVE DIRECTORS' PROFILES



DR. NOMSA MOYO

DIRECTOR

Dr Nomsa Moyo is the General Manager for MMCZ. She is a holder of a Doctorate degree in Laws, Masters in Laws, Bachelor of Laws degree with the Chartered Institute of Secretaries (CIS), BSc Honors in Economics. She is also a registered member of the Law Society of Zimbabwe.



MR. FORBES MUGUMBATE

DIRECTOR

Mr. Forbes Mugumbate is a member and past chairman of the Geological Society of Zimbabwe. He holds a BSc (General) and BSc (Honours) Geology (UZ), MSc in Applied Structural Geology and Rock Mechanics (University of London). He is an associate member of the International Commission on the History of Geological Sciences.

“We dig deep—not just into the earth, but into our commitment to transparency and national progress.”

MINING PROMOTION CORPORATION

3.0 DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES Cont...

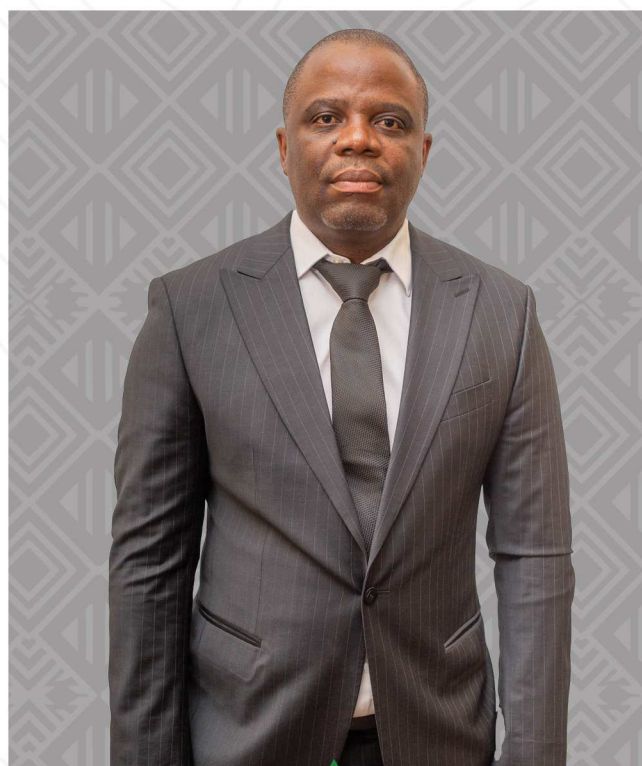
3.1 NON-EXECUTIVE DIRECTORS' PROFILES



MR. GODSAVE SIBANDA

DIRECTOR

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



MR. FANI MAFACHARISI

DIRECTOR

Mr. Fani Mafarachisi is the General Manager of FC Platinum. He is a Financial and Business management expert with over 12 years experience. He holds a Bachelor of Accounting Sciences degree, a postgraduate Diploma in Applied Accounting Sciences (ZCTA) and is a member of the Institute of Chartered Accountants of Zimbabwe.

"Zimbabwe's mineral endowment is vast; our mission is to explore it responsibly and transparently."

MINING PROMOTION CORPORATION

3.2 EXECUTIVE MANAGEMENT PROFILES



TAPIWA ALLEN NYAMUTUKWA

CHIEF EXECUTIVE OFFICER

Mr. T.A. Nyamutukwa is the current CEO for the MPC and holds an MSc Exploration Geology degree (Rhodes), BSc double major Geology and Geography (UZ). He has over 22 years experience in the mining industry covering Zimbabwe, South Africa and Zambia.



DICKSON RUN'ANGA

FINANCE MANAGER

Mr. Dickson Run'anga is the Finance Manager at MPC. He is a holder of Southern Africa Association of Accountants Diploma (SAAA) (2000) and Institute of Chartered Secretaries and Administrators Diploma (ICSAZ) (2008). He has 28 years experience in the industry, covering manufacturing, retail and mining.

“Let every drill be guided by ethics, every discovery by purpose, and every development by the dream of a thriving Zimbabwe.”

MINING PROMOTION CORPORATION

3.2 EXECUTIVE MANAGEMENT PROFILES Cont...



WESTBURY NYAHASHA

CARTOGRAPHER

A Cartographer by profession with over 34 years' experience in topographical & geological map production and reproduction. 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)). He has extensive experience in both Government and the Private sector. Westbury has contributed to several international geological publications.



MUNYARADZI ARTWELL MUKANDI

SENIOR EXPLORATION GEOLOGIST

Mr. Munyaradzi Artwell Mukandi is the Senior Exploration Geologist at MPC. He is a holder of a BSc. Honours in Geology degree with more than 26 years of experience as a geoscientist. He has extensive field experience in Zimbabwean geology covering multiple mineral commodities.

"True wealth lies in knowledge - quantifying our resources with diligence is the first step to prosperity."

MINING PROMOTION CORPORATION



4.0 CHAIRPERSON'S STATEMENT



MR. JEMISTER CHININGA

MPC. BOARD CHAIRMAN

4.1 Overview

On behalf of the Board and management, I am pleased to report to you our valued stakeholders the Corporation's performance for the year ending 31 December 2024. The Corporation operated under favourable conditions bolstered by significant operational funding which was used to procure critical exploration equipment. The Corporation successfully concluded three joint venture agreements covering two exclusive prospecting orders and five special grants. This highlighted the success of the technical information generated by the exploration teams which generated renewed interests in current tenements. Additionally, memoranda of understanding were signed over targeted areas covering gold and copper.

The year under review was characterised by low economic growth which slipped down to 2.0% from 5.3% in 2023 mainly due to the El Nino induced drought. This decline was exacerbated by subdued performance of the mining sector as weak commodities prices weighed down on the industry. The gold sector however performed exceptionally well as international prices continued to soar. This heightened appetite from potential partners who conducted field assessments of the Corporation's gold tenements.

4.2 Corporate Strategy

The 2021-2025 Strategy based on the Integrated Results Based Management System, is aligned with the National Development Strategy 1 (NDS1) which is now in its final phase of our five-year strategic journey. Under NDS1 the Government undertook to capacitate the Corporation to a level where it can effectively conduct mineral exploration to bankable stages. In 2024, the Government provided funding which resulted in procurement of exploration equipment and field vehicles as planned. Additionally, the Corporation benefited from the Zimbabwe is open for business as foreign companies sought to engage the Corporation on its projects.

The Corporation's external audits were conducted on schedule, and all statutory reports were submitted on time, and new Board appointments were made during the period. Additionally, the Corporation regularised critical staffing positions in its structures.

4.3 Operations Overview

The Corporation increased its technical staff which resulted in an increase in projects under exploration. Lithium exploration work was conducted in EPO 1843, gold exploration was conducted in reserved area MSC 002 special grants 9495 and 9494. Work was also done in reserved area MSW 004, where copper targets were registered, and three projects were placed under memoranda of understanding by three companies. During the year under review the Corporation signed joint venture agreements with Prospect Brooke Resources (Pvt) Ltd for lithium exploration in EPO 1842, Green Mineral Investments for lithium, rare earth elements, uranium, gold and base metals exploration in EPO 1843, Rietz Investments for lithium, rare earth elements, uranium, gold and base metals exploration in special grants in reserved areas MSW 001, MSW 012, MSW 034 and MSW 035.

4.4 Financial highlights (Inflation adjusted)

The Corporation's financial statements are presented in Zimbabwean Gold (ZWG) in compliance with the Statutory Instrument 33 of 2019 and then adjusted for inflation. The inflation adjusted operating surplus for the year was **ZWG 62,540,077** compared to prior year operating surplus of **ZWG 77,375,543**. The inflation adjusted surplus before tax for the year was **ZWL 62,540,077**. Compared to **ZWG 77,375,543** recorded in 2023 when the Corporation's budget was not approved hence capital items were not purchased.

INFLATION ADJUSTED FIGURES (ZWG)

The Corporation's financial statements are presented in Zimbabwean Gold in compliance with Statutory Instrument 33 of 2019 and then adjusted for inflation.

OPERATING SURPLUS

ZWG 62,540,077

Prior year operating surplus of ZWG 77,375,543

SURPLUS BEFORE TAX

ZWL 62,540,077

Compared to ZWG 77,375,543 recorded in 2023 when the Corporation's budget was not approved hence capital items were not purchased.

4.5 Overview

On behalf of the Board and management, I am pleased to report to you our valued stakeholders the Corporation's performance for the year ending 31 December 2024. The Corporation operated under favourable conditions bolstered by significant operational funding which was used to procure critical exploration equipment. The Corporation successfully concluded three joint venture agreements covering two exclusive prospecting orders and five special grants. This highlighted the success of the technical information generated by the exploration teams which generated renewed interests in current tenements. Additionally, memoranda of understanding were signed over targeted areas covering gold and copper.

The year under review was characterised by low economic growth which slipped down to 2.0% from 5.3% in 2023 mainly due to the El Nino induced drought. This decline was exacerbated by subdued performance of the mining sector as weak commodities prices weighed down on the industry. The gold sector however performed exceptionally well as international prices continued to soar. This heightened appetite from potential partners who conducted field assessments of the Corporation's gold tenements.

The Board and management will continue to implement initiatives to improve the Corporation's financial position in the next coming years as well as looking at new opportunities in exploration under exclusive prospecting orders.

4.6 Appreciation

In closing, I wish to extend my profound appreciation to the Minister of Mines and Mining Development, Honourable W. Chitando, the Deputy Minister of Mines and Mining Development Honourable Dr. P. Kambamira, The Permanent Secretary Mr. P. Kunaka and the entire Ministry team for their support. I would like to express my indebtedness to my fellow Board Members for the support and dedication to the Corporation. I also thank management and staff for their commitments towards our shared values and vision.



Mr. J. Chininga
Board Chairman

5.0 CHIEF EXECUTIVE OFFICER'S REPORT



TAPIWA ALLEN NYAMUTUKWA

CHIEF EXECUTIVE OFFICER

5.1 Operating Environment

The mining sector remained resilient in the face of headwinds generating a record US\$5.9 billion in export earnings in 2024, an increase from US\$5.4 billion generated in 2023. The growth was largely driven by growth in the gold sector. Although the gold prices were firm during the year, PGM and lithium prices remained depressed, negatively impacting on the performance of the sector. The mining sector grew by 9.7% in 2024, up from 5.3% in 2023.

Despite the depressed world prices, most key minerals recorded increased production in 2024, with gold (19%), coal (18%) and chrome (128%). This reflects efforts by mining companies to increase production to counter revenue losses arising from depressed commodity prices. The mining sector accounted for 75% of national exports and contributed more than 18% to Government revenue.

5.2 Operations Overview

The Corporation procured critical exploration equipment which partly included a diamond drill rig, field exploration and administration vehicles, geophysics equipment including airborne (drone), backhoe (TLB), air compressors, hammermills and geology accessories. The equipment was dispatched to various projects where significant improvements were recorded in process efficiency. Three joint venture agreements were approved through ZIDA. The joint venture agreements were signed between the Corporation and the following companies: Prospect Brooke Resources (EPO1842), Green Mineral Investments (EPO1843) and Rietz Investments (over special grants in reserved areas MSW 001, 012, 034 and 035). Exploration area target generation and environmental impact assessment process were initiated towards end of 2024.

The Corporation also signed memoranda of understanding covering gold and copper areas with the following companies: Mutoko Resources targeting copper exploration in Mhangura reserved area MSW 004 (75,000 Ha block), TBEA Group targeting gold exploration in Zhombe-Gokwe reserved area MID 004, Mozambique China Gold company targeting copper in reserved area MSW 004 (20,000 Ha block).

The Corporation also received approval of EPO 06/19 covering Mutawatawa which was granted number EPO 1866. Reserved area MSC 007 covering Chitsanga area in Guruve was also gazetted in 2024.



5.3 Financial Performance Overview

5.3.1 Financial highlights

The Corporation's financial statements are presented in Zimbabwean Gold (ZWG) in compliance with the Statutory Instrument 33 of 2019 and then adjusted for inflation. The inflation adjusted operating surplus for the year was ZWG 62,540,077 compared to prior year operating surplus of ZWG 77,375,543. The inflation adjusted surplus before tax for the year was ZWL 62,540,077. Compared to ZWG 77,375,543 recorded in 2023 when the Corporation's budget was not approved hence capital items were not purchased.

5.3.2 Income

The group made an overall inflation adjusted surplus before tax of ZWG 62,540,077 for the year 2024, a decrease from the reported surplus of ZWG 77,375,543 for 2023 when the Corporation's budget was not approved hence capital items were not purchased.

5.3.3 Revenue

Total inflation adjusted revenue from operations stood at ZWG117,832,664 as at 31 December 2024; (2023: ZWG119,821,815) and total historical revenue from operations for the 2024 financial year stood at ZWG98,275,517 up from ZWG51,353,037 recorded in 2023 due to increased donation from Minerals Marketing Corporation of Zimbabwe.

5.3.4 Expenditure

The Corporation incurred inflation adjusted operating and administration expenditures of ZWG55,216,431 as at 2024; (2023: ZWG42,446,272) and historical total expenditure of ZWG21,891,158 up from ZWG4,940,304 incurred in 2023. The increase in the expenditure was mainly attributed to the procurement of critical exploration equipment and vehicles.

5.3.5 Statement Of Profit Or Loss

The Corporation had an inflation adjusted surplus after tax of ZWG62,540,077 as at 31 December 2024; (2023: ZWG77,375,543). This was largely attributed to no budget approval and non-acquisition of capital items during the year 2023. The Corporation had a historical surplus after tax of ZWG76,338,564 as at December 2024; (2023: (ZWG46,412,733)).

5.3.6 Statement Of Financial Position

The Corporation's inflation adjusted financial position was ZWG125,834,460 as at December 2024; (2023: ZWG81,821,899) and historical financial position at year end was ZWG112,907,542 an increase compared to 2023 figure of ZWG47,122,395. The increase was as a result of funding from Minerals Marketing Corporation.

5.3.7 Statement Of Cash Flow

The Corporation's inflation adjusted cash inflow from operating activities after changes in operating working capital was \$19,855,393 as at 2024; (2023: \$77,355,664) and historical inflow from operating activities was \$80,139,994 which was an increase compared to 2023 cash flow inflow figure of \$5,139,098.

Inflation adjusted cash flow from investing activities generated a net outflow of \$57,558,932 in the period under review.

Cash outflow from financing activities was \$0 for the year under review.

In the financial period under review the Corporation's inflation adjusted cash and cash equivalents was ZWG39,730,379; (2023: ZWG77,433,918) and historical cash and cash equivalents was ZWG39,730,379 as at 31 December 2024 compared to the opening cash and cash equivalents of ZWG46,562,789 in 2023.

5.4 Outlook

The Corporation is on a positive trajectory buoyed by significant acquisition of exploration equipment and tools. It is anticipated that exploration will mostly focus on gold whose is expected to hit a high of US\$3,300 an ounce in 2025. The World Bank Commodity price index anticipated a slowdown of approximately 5% in 2025, however, this is expected not to have significant effect in exploration activities. The Corporation anticipates investment in exploration activities and companies take advantage of the slowdown to acquire assets.

Copper prices are expected to take a 10% decline during 2025, however, the forecasted average prices of US\$8,300 per metric ton are favourable. Thus, the Corporation expects its MOUs for copper projects to be concluded with joint venture agreements. Exploration in current tenements will continue with some of the areas being set aside for reconnaissance and technical reports to attract investors for exploration.

5.5 Appreciation

I would like to extend my sincere gratitude to the Minister of Mines and Mining Development, Honourable W. Chitando, the Deputy Minister of Mines and Mining Development Honourable Dr. P. Kambamura, The Permanent Secretary Mr. P. Kunaka and the entire Ministry team for their support and guidance. I also acknowledge the very import role played by my colleagues in the management and our staff for their unwavering support and commitment rendered during the year.

Thank you all.



Tapiwa Allen Nyamutukwa
Chief Executive Officer





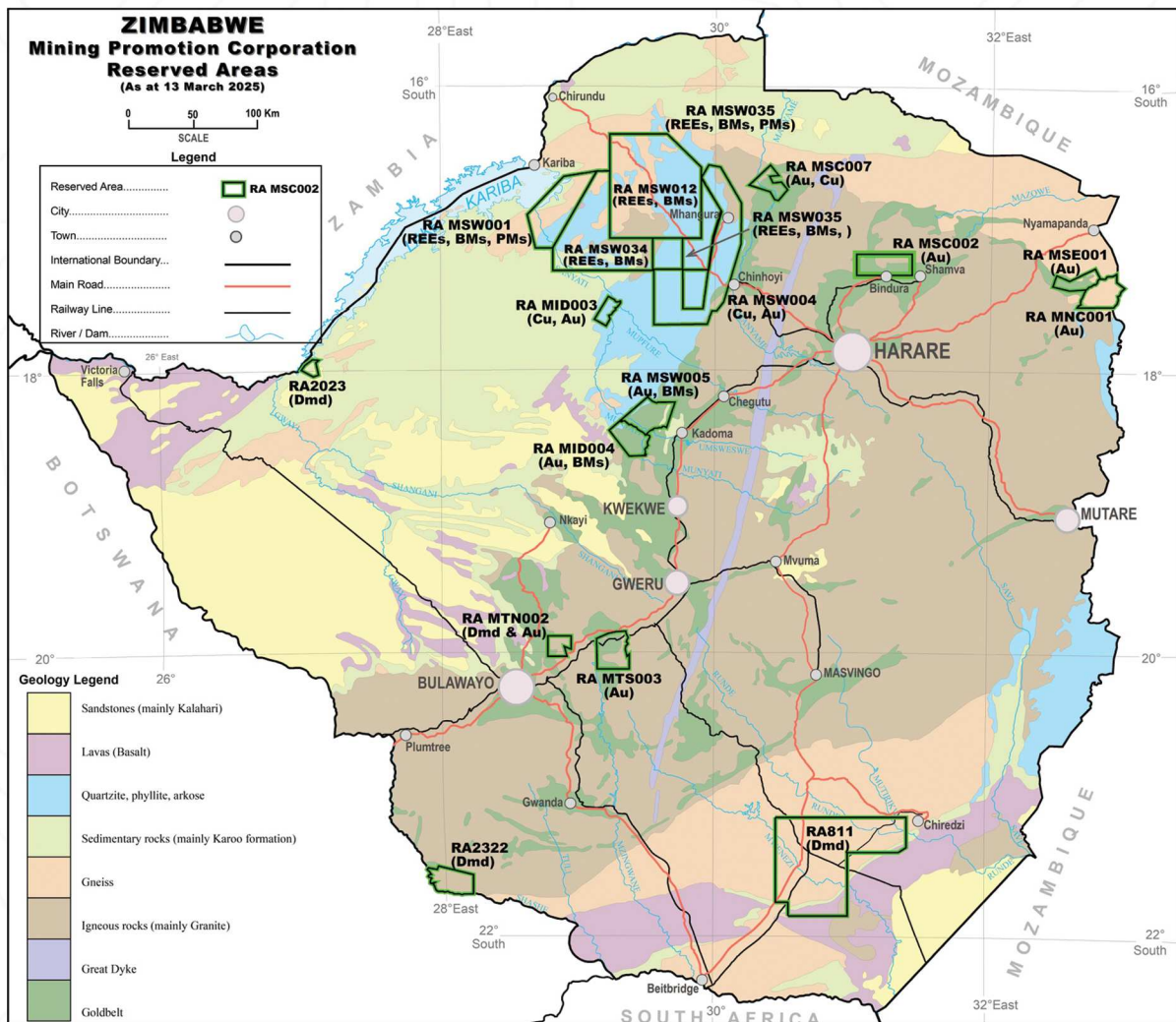
CHAIRPERSON: Jemister Chirinda | BOARD MEMBERS: Nomusa Jane Moyo | Forbes Mugumbate | Godsave Sibanda | Fani Mafarachisi

RESERVED AREAS

The Corporation holds title to approximately 689,670 hectares of land that is partly available for exploration and mining under reservations. Major mineral occurrences hosted within the reserved areas are gold, copper, lead, manganese, graphite and dolomite. Within each RA, special grants will be issued to block out areas of mutual interest for both exploration and mining purposes.

Table 1. List of Gazetted Reserved Areas under the MPC

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

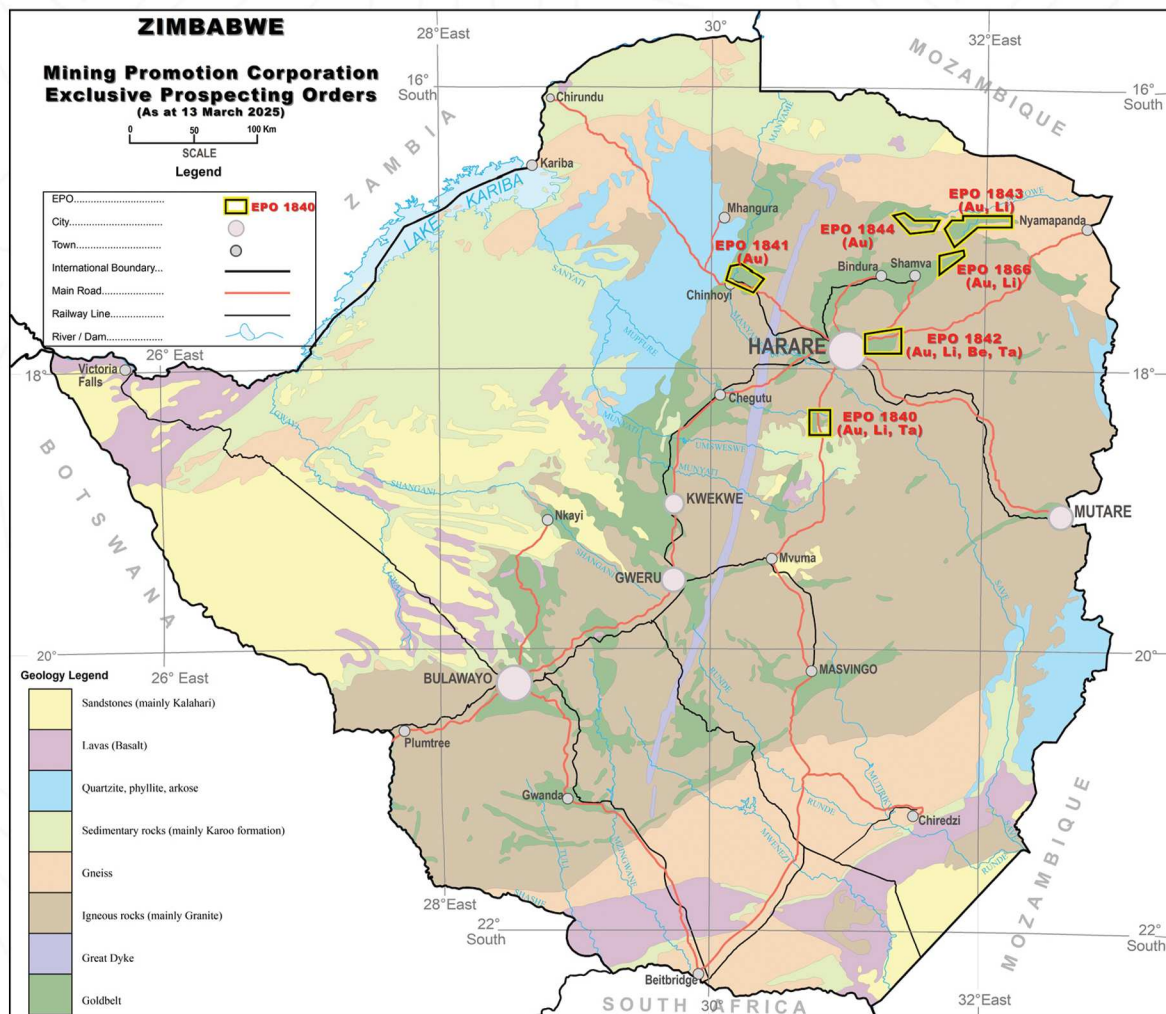


EXCLUSIVE PROSPECTING ORDER AREAS

The Corporation is mandated to carry out exploration and development of strategic minerals on behalf of the Government. The Corporation holds title to six EPOs namely Mazowe, Manyame, Beatrice, Mutawatawa, Mt Darwin and Arcturus. The EPOs cover gold and pegmatite minerals targets. It is anticipated that systematic exploration over these targets will result in discovery of economic deposits. Within each EPO, mining land titles are issued as claims. EPOs 1842 and 06/19 have already been committed under partnership arrangements. Below is a list of EPOs and their current status:

Table 2. List of Exclusive Prospecting Orders (EPOs) under the MPC

	Reserved Area	Mineral	Location	Area (Ha)	Status
1	1841	Au, Cu	Mashonaland West Province (Manyame)	41,100	Partly Committed
2	1843	Au, Li, Be, Ta	Mash Central & East Provinces (Mazowe)	64,800	Partly Committed
3	1842	Au, Li, Be, Ta	Mashonaland East Province (Arcturus)	52,600	Committed
4	1844	Au, Li, Be, Ta	Mashonaland Central Province (Mt Darwin)	31,800	Available
5	1840	Au, Li, Be, Ta	Mashonaland East Province (Beatrice)	34,700	Available
6	1866	Au, Li, Be, Ta	Mashonaland East Province (Mutawatawa)	20,000	Committed



CORPORATE STRATEGY

The Corporation continued to appraise exploration projects to attract investment into mineral exploration through partnership agreements. Geological research for areas with potential for economic discovery also continued targeting current and future mineral commodities world demand. Government's thrust to equip the Corporation to levels where it can conduct full exploration work to bankable resources stage will continue as evidenced by funding released so far to procure requested machinery. This is in line with provisions of the National Development Strategy One (NDSI).



6.0 OPERATIONS OVERVIEW

6.1 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 gives direction to the Corporation through the setting of the overall strategy and approval of budget. 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.

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. 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.

The Main Board meet quarterly every year and the following meetings were in place during the year 2024 currently under review: -

6.2 MAIN BOARD

1 January 2024 to 31 December 2024

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 was initially set to expire on 29 July 2024. However, a 3-month extension was granted pushing the tenure end date to 2 October 2024. Prior to the extensions end, the Board was reappointed on 24 October 2024 with an expanded membership. The reconstituted Board includes two new members: Mr J. Chininga, appointed as Board Chairman and Mr. F.T. Mafarachisi appointed as member. The reappointed Board will serve a 4-year term.

MAIN BOARD MEETINGS

Date of Meeting	Mr. J. Chininga	Dr. N.J. Moyo	Mr. F. Mugumbate	Mr. G. Sibanda	Mr. F. Mafarachisi
21/03/2024	-	Present	Present	Present	-
25/06/2024	-	Present	Present	Present	-
27/09/2024	-	Present	Absent	Present	-
12/12/2024	Present	Present	Present	Present	Absent

7.0 FINANCIAL STATEMENTS

Mining Promotion Corporation (Private) Limited

Financial Statements for the year ended 31 December 2024

General information

Nature of Business	The Mining Promotion Corporation (Private) Limited (the Company, or the Corporation), registration number 160/67, was established in Zimbabwe in the year 1967.	
	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 the government through grants. On completion of its exploration programs, the results/information is given to government and forms part of mineral resource database.	
Board of Directors	Jemister Chininga	[Chairperson]
	Nomusa Jane Moyo	[Board Member]
	Forbes Mugumbate	[Board member]
	Godsave Sibanda	[Board Member]
	Fani Mafarachisi	[Board member]
	Tapiwa Allen Nyamutukwa	[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 Finance Manager 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	

Financial Statements for the year ended 31 December 2024

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.

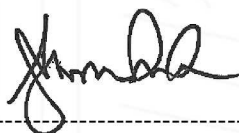
Financial Statements are prepared with the aim of complying with International Financial Reporting Standards (IFRS). The Directors assessed the ability of the Company to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still 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 7.

The financial statements set out on pages 8 to 27, which have been prepared on the going concern basis, were approved by the Directors and were signed on their behalf by:



DIRECTOR



DIRECTOR

Date of Approval: 23 April 2025

REPORT OF THE INDEPENDENT AUDITORS

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

Opinion

We have audited the accompanying financial statements of Mining Promotion Corporation (Private) Limited, set out on pages 8 to 27, which comprise the statement of financial position as at 31 December 2024, 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 2024 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).

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. There were no key audit matters that came to our attention during the audit.

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 and 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 Chartered Accountants

Engagement Partner: Pearce Janga

PAAB Practicing Certificate Number: 0609

Harare

Date: 23 April 2025



CHAIRPERSON: Jemister Chininga | **BOARD MEMBERS:** Nomusa Jane Moyo | Forbes Mugumbate | Godsave Sibanda | Fani Mafarachisi

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Mining Promotion Corporation (Private) Limited, set out on pages 8 to 27, which comprise the statement of financial position as at 31 December 2024, 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.

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MINING PROMOTION CORPORATION (PRIVATE) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Inflation Adjusted		Historical	
	Notes	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
ASSETS					
Non current assets					
Property plant and equipment	4	56 580 565	2 705 270	43 759 426	267 214
Intangible assets	5	122 363	216,514	17 976	25 192
		56 702 928	2 921 784	43 777 402	292 406
Current Assets					
Inventory		39 314	1 282 048	37 922	156 467
Trade and other receivables	6	29 361 839	184 149	29 361 839	110 733
Cash and cash equivalents	7	39 730 379	77 433 918	39 730 379	46 562 789
		69 131 532	78 900 115	69 130 140	46 829 989
TOTAL ASSETS					
		125 834 460	81 821 899	112 907 542	47 122 395
RESERVES AND LIABILITIES					
Reserves					
Share capital	8	1 759	1 759	1	1
Non distributable reserves		-	-	-	-
Retained earnings		124 358 821	80 989 055	111 433 661	46 622 644
		124 360 580	80 990 814	111 433 662	46 622 645
Non current liabilities					
Deffered income	9	-	-	-	-
		-	-	-	-
Current liabilities					
Trade and other payables	10	391 352	184 120	391 352	110 715
Provisions	11	1 082 528	646 965	1 082 528	389 035
		1 473 880	831 085	1 473 880	499 750
TOTAL RESERVES AND LIABILITIES					
		125 834 460	81 821 899	112 907 542	47 122 395

.....
Director

.....
Director

23 April 2025

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Inflation Adjusted		Historical	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Revenue					
Exploration Agreements fee	12	-	-	-	-
Commitment fees		39 302 709	-	33 622 848	-
Donations	13	61 054 526	108 849 577	47 180 141	46 238 202
Other income	14	17 475 429	10 972 238	17 472 528	5 114 835
		117 832 664	119 821 815	98 275 517	51 353 037
Expenditure					
Exploration expenses	15	(8 277 450)	(2 969 866)	(5 969 160)	(1 158 960)
Administration expenses	16	(18 006 946)	(6 008 413)	(12 163 186)	(2 093 039)
Employment expenses	17	(5 492 076)	(4 962 125)	(3 758 812)	(1 688 305)
Monetary loss		(23 439 959)	(28 505 868)		
		(55 216 431)	(42 446 272)	(21 891 158)	(4 940 304)
Surplus for the year		62 616 233	77 375 543	76 384 359	46 412 733
Taxation		(76 156)	-	(45 795)	-
Other comprehensive income		-	-	-	-
Total comprehensive income		62 540 077	77 375 543	76 338 564	46 412 733

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENED 31 DECEMBER 2024

Inflation Adjusted

	Share Capital ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 January 2023	1 759	3 613 512	3 615 271
Total comprehensive income for the year		77 375 543	77 375 543
Balance at 31 December 2023	1 759	80 989 055	80 990 814
Effects of currency change		(19 170 311)	(19 170 311)
Total comprehensive income for the year		62 540 077	62 540 077
Balance at 31 December 2024	1 759	124 358 821	124 360 580

Historical

	Share Capital ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 January 2023	1	209 911	209 912
Total comprehensive income for the year		46 412 733	46 412 733
Balance at 31 December 2023	1	46 622 644	46 622 645
Balance at 1 January 2024	1	46 622 644	46 622 645
Effects of currency change		(11 527 547)	(11 527 547)
Total comprehensive income for the year		76 338 564	76 338 564
Balance at 31 December 2024	1	111 433 661	111 433 662

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Inflation Adjusted		Historical	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Cashflows from operating activities					
Surplus for the year		62 540 077	77 375 543	76 338 564	46 412 733
Adjustment for non-cash items:					
Increase in provisions		435 563	382 994	693 493	356 003
Depreciation and amortisation	4 & 5	3 777 788	310 850	2 049 561	18 821
Effects of currency change		(19 170 311)	-	(11 527 547)	-
Operating cash flow before changes in working capital		47 583 117	78 069 387	67 554 071	46 787 557
Working capital changes					
Decrease/(Increase) in trade and other receivables		(29 177 691)	(167 530)	(29 251 106)	(108 653)
Increase in inventories		1 242 734	(632 299)	118 545	(85 946)
Decrease/(increase) in trade and other payables		207 233	86 106	280 637	98 450
Net cashflow from operating activities		19 855 393	77 355 664	38 702 147	46 691 408
Cashflows from investing activities					
Acquisition of property, plant and equipment		(57 558 932)	(439 055)	(45 534 557)	(193 353)
Acquisition of intangible assets		-	-	-	-
		(57 558 932)	(439 055)	(45 534 557)	(193 353)
Increase/(decrease) in cash and cash equivalents		(37 703 539)	76 916 609	(6 832 410)	46 498 055
Cash and cash equivalents at the beginning of the year		77 433 918	517 309	46 562 789	64 734
Cash and cash equivalents at the end of the year:	7	39 730 379	77 433 918	39 730 379	46 562 789

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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).

2.3 Functional and presentation currency

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency the Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG the entity changed its functional and presentation currency from ZWL to ZWG effective 5 April 2024. The financial statements are presented in Zimbabwe Gold (ZWG), which is the functional and presentation currency of the entity. The financial statements are prepared on an accrual basis.

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 (ZWG). Professional judgment was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS29

Sources of price index

Indices used were obtained from the Zimbabwe Statistical Office.

Period	Currency	Indices	Conversion factor
December 2024	ZWG	166.30	1.00
April 2024	ZWG	100.00	1.66
05 April 2024	ZWL	596,950.30	1.00
January 2024	ZWL	93,215.80	6.40

ACCOUNTING POLICIES

2. Basis of preparation (continued)

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 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.

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 and revised standards and interpretations

Applicable new and revised standards and interpretations effective for annual periods beginning on or after January 1, 2024

The standards and interpretations that are issued and effective for annual periods beginning on 1 January 2024 are as follows: n/a

New Standards, amendments and interpretations issued but not effective

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 – Presentation and Disclosure in Financial Statements IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

Key requirements – IFRS 18 sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year. It replaces IAS 1 – Presentation of Financial Statements

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 (ZWG). Professional judgment was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS29

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 are 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
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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.

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 give 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.

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.

ACCOUNTING POLICIES

3. Significant Accounting policies (continued)

3.4 Financial Instruments (continued)

Application of the effective interest method

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.

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.

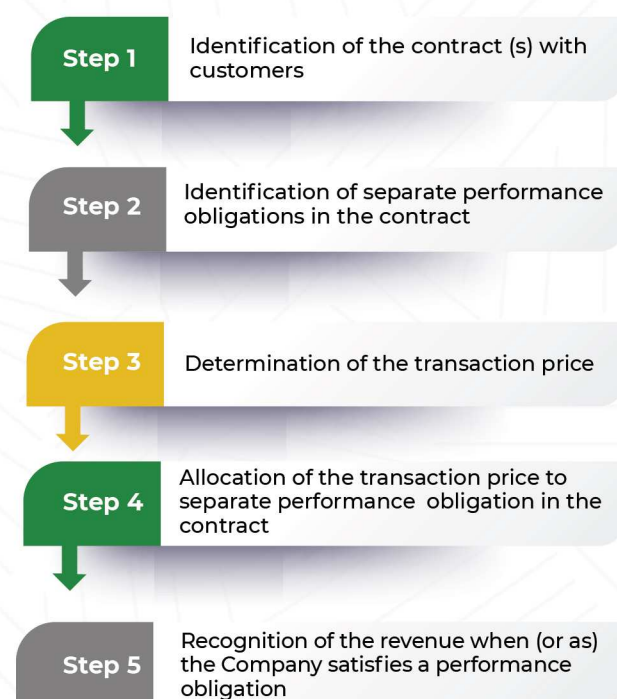
The reclassification date is at the beginning of the first reporting period following the change in business models which necessitates a reclassification.

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:



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.

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 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.

ACCOUNTING POLICIES

3. Significant Accounting policies (continued)

3.8 Foreign currencies

The functional and presentation currency is the Zimbabwean Gold (ZWG). 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:

- The functional and presentation currency is the Zimbabwean Gold (ZWG). 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:

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Property, plant and equipment

	Plant & machinery ZWG	Exploration Equipment ZWG	Solar Equipment ZWG	Computer Equipment ZWG	Furniture & fittings ZWG	Cellphone & Accessories ZWG	Motor Vehicles ZWG	Total 2024 ZWG	Total 2023 ZWG
Inflation Adjusted									
Opening carrying amount	1 728 996	952	187 051	110,661.00	101 815	130,464.00	445 331	2 705 270	2 515 204
Gross carrying amount	2 084 351	1 306	211 475	653 701	250 088	214 931	1 207 951	4 623 803	4 184 748
Accumulated depreciation	(355 355)	(354)	(24 424)	(543 040)	(148 273)	(84 467)	(762 620)	(1 918 533)	(1 669 544)
Additions	-	27 637 999	31 519	1 359 900	476 320	515 177	27 538 017	57 558 932	439 055
Depreciation charge for the year	(208 435)	(785 700)	(22 724)	(347 744)	(39 331)	(202 245)	(2 077 458)	(3 683 637)	(248 989)
Closing carrying amount	1 520 561	26 853 251	195 846	1 122 817	538 804	443,396.00	25 905 890	56 580 565	2 705 270
Gross carrying amount	2 084 351	27 639 305	242 994	2 013 601	726 408	730 108	28 745 968	62 182 735	4 623 803
Accumulated depreciation	(563 790)	(786 054)	(47 148)	(890 784)	(187 604)	(286 712)	(2 840 078)	(5 602 170)	(1 918 533)

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

Historical

Opening carrying amount	140 214	1	93 086	13 135	844	17,831.00	2 103	267 214	85 484
Gross carrying amount	140 313	2	95 749	19 377	1 001	25 283	5 232	286 957	93 605
Accumulated depreciation	(99)	(1)	(2 663)	(6 242)	(157)	(7 452)	(3 129)	(19 743)	(8 121)
Additions		26 306 799	27 214	1 037 809	372 712	465 746	17 324 277	45 534 557	193 353
Depreciation charge for the year	(14 031)	(719 009)	(10 936)	(99 155)	(10 853)	(32 363)	(1 155 998)	(2 042 345)	(11 623)
Closing carrying amount	126 183	25 587 791	109 364	951 789	362 703	451 214	16 170 382	43 759 426	267 214
Gross carrying amount	140 313	26 306 801	122 963	1 057 186	373 713	491 029	17 329 509	45 821 514	286 958
Accumulated depreciation	(14 130)	(719 010)	(13 599)	(105 397)	(11 010)	(39 815)	(1 159 127)	(2 062 088)	(19 744)

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

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Inflation Adjusted

5 Intangible Assets	ArcGIS Software	Sage Evolution	Total 2024	Total 2023
	ZWG	ZWG	ZWG	ZWG
Opening carrying amount	216 514	-	216 514	278 375
Gross carrying amount	470 753	16 513	487 266	487 265
Accumulated ammortisation	(254 239)	(16 513)	(270 752)	(208 890)
Additions	-	-	-	-
Ammortisation charge for the year	(94 151)	-	(94 151)	(61 861)
Closing carrying amount	122 363	-	122 363	216 514
Gross carrying amount	470 753	16 513	487 266	487 265
Accumulated ammortisation	(348 390)	(16 513)	(364 903)	(270 751)

Historical

5 Intangible Assets	ArcGIS Software	Sage Evolution	Total 2024	Total 2023
	ZWG	ZWG	ZWG	ZWG
Opening carrying amount	25 192	-	25 192	32 390
Gross carrying amount	36 078	9	36 087	36 088
Accumulated ammortisation	(10 886)	(9)	(10 895)	(3 698)
Additions	-	-	-	-
Ammortisation charge for the year	(7 216)	-	(7 216)	(7 198)
Closing carrying amount	17 976	-	17 976	25 192
Gross carrying amount	36 078	9	36 087	36 088
Accumulated ammortisation	(18 102)	(9)	(18 111)	(10 896)

	Inflation Adjusted		Historical	
	2 024	2 023	2 024	2 023
	ZWG	ZWG	ZWG	ZWG
6 Trade and other receivables				
Trade receivables	29 361 839	111 103	29 361 839	66 809
Staff debtors	-	73 046	-	43 924
Total	29 361 839	184 149	29 361 839	110 733
7 Cash and cash equivalents				
Bank balances	39 656 002	76 779 876	39 656 002	46 169 499
Cash on hand	74 377	654 042	74 377	393 290
Total	39 730 379	77 433 918	39 730 379	46 562 789

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
8 Share Capital				
Authorised share capital				
20,000 "A" Ordinary shares and 480,000 "B" Ordinary shares of \$0.002 each	7 065	7 065	4	4
Issued share capital				
4,375 "A" Ordinary shares and 119,925 "B" Ordinary shares of \$0.002	1 759	1 759	1	1
9 Deffered Income				
Opening balance	-	-	-	-
Additions	-	-	-	-
Amortisation	-	-	-	-
	-	-	-	-
10 Trade and other payables				
Trade payables	-	-	-	-
PAYE	245 820	25 873	245 820	15 558
MIPF	76 619	42 206	76 619	25 379
NSSA	32 779	16 668	32 779	10 023
ZIMDEF	9 186	4 790	9 186	2 880
Standard levy	10 315	5 656	10 315	3 401
Withholding tax	10 797	8 113	10 797	4 878
Accruals	-	80 814	-	48 596
	391 352	184 120	391 352	110 715
11 Provisions				
Leave pay provision	1 082 528	646 965	1 082 528	389 035
	1 082 528	646 965	1 082 528	389 035

MINING PROMOTION CORPORATION (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
15 Exploration expenses				
Exploration consumables	161 115	-	134 391	-
Geological mapping and survey	69 218	-	43 545	-
Electricity and water	14 662	-	9 135	-
EIA Permits	228 520	-	218 398	-
Tenements permits	185 337	-	158 092	-
Casual labour/Staff costs	4 451 074	2 034 532	3 295 282	744 947
Tools and accessories	1 138 988	67 467	694 542	34 249
Sample Laboratory Testing	151 125	16 848	123 713	7 047
Field Accomodation	552 401	477 168	386 157	232 980
Tollgate Fees	12 611	12 508	7 911	3 670
Field Meals	-	45 665	-	14 072
Repairs and maintainance - field equipment	452 739	23 654	299 323	14 199
Repairs and maintainance - motor vehicles	106 109	147 982	90 698	70 680
Training and development	1 163	-	1 004	-
Security	3 648	-	2 194	-
Fuels and oils	677 264	134 571	458 625	34 799
Equipment and hire	71 476	9 471	46 150	2 317
	8 277 450	2 969 866	5 969 160	1 158 960
16 Adminstration expenses				
Audit fees	90 160	92 285	90 160	55 493
Bank charges	1 522 397	293 947	1 185 943	103 099
Board expenses	12 914	-	8 619	-
Board sitting allowances	396 772	522 460	277 387	188 837
Consultancy	180 325	30 031	168 174	18 059
Depreciation and ammortisation charge	3 777 788	310 850	2 049 561	18 821
Fuels and oils - Administration	928 247	343 828	612 870	95 139
Internet subscriptions	582 469	327 511	433 617	97 874
Legal fees	601 305	-	497 138	-
Marketing and promotion	675 552	419 786	423 851	133 935
Office cleaning and consumables	322 665	461 008	210 398	233 860
Other expenses	3 979 834	183 202	2 449 309	69 778
Printing and stationery	315 733	549 535	223 709	196 509
Protective clothing	565 963	75 982	355 945	31 099
Recruitment costs	68 062	-	42 804	-
Rentals and rates	358 905	388 131	243 783	139 825
Repairs and maintainance - computers	-	20 822	-	8 346
Repairs and maintainance - vehicles	474 207	514 262	401 103	192 513
Repairs and maintainance - other	37 512	13 028	22 681	2 231
Softwares and licenses	110 264	774 191	92 896	304 551
Subscriptions	422 232	281 040	258 168	57 980
Training and conferences	11 348	53 529	6 659	21 808
Travel and subsistence	2 572 292	352 985	2 108 411	123 282
	18 006 946	6 008 413	12 163 186	2 093 039
17 Employment expenses				
Salaries and allowances	5 481 299	4 126 771	3 752 348	1 433 143
Increase in leave provision	-	794 687	-	234 517
Medical expenses	10 777	40 667	6 464	20 645
	5 492 076	4 962 125	3 758 812	1 688 305

18 Related parties

The following are related parties of the company

18.1 Related party	Nature of relationship
Ministry of Mines and Mining Development	95% shareholder
Zimbabwe Mining Development Corporation	5% shareholder
Minerals and Marketing Corporation of Zimbabwe	Common control

18.2 Related Party transactions

Donations/Grants

MMCZ donations
Government of Zimbabwe grants

Inflation Adjusted		Historical	
2024	2023	2024	2023
ZWG	ZWG	ZWG	ZWG
60 447 225	108 849 577	46 818 974	46 238 202
607 301	-	361 167	-
61 054 526	108 849 577	47 180 141	46 238 202
Rent and rates paid to ZMDC			
Rent and rates			
358 905	388 131	243 783	139 825
358 905	388 131	243 783	139 825

MINING PROMOTION CORPORATION
Mineral Exploration



CHAIRPERSON: Jemister Chihinga | **BOARD MEMBERS:** Nomusa Jane Moyo | Forbes Mugumbate | Godsave Sibanda | Fani Mafarachisi

NOTES TO THE FINANCIAL STATEMENTS

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

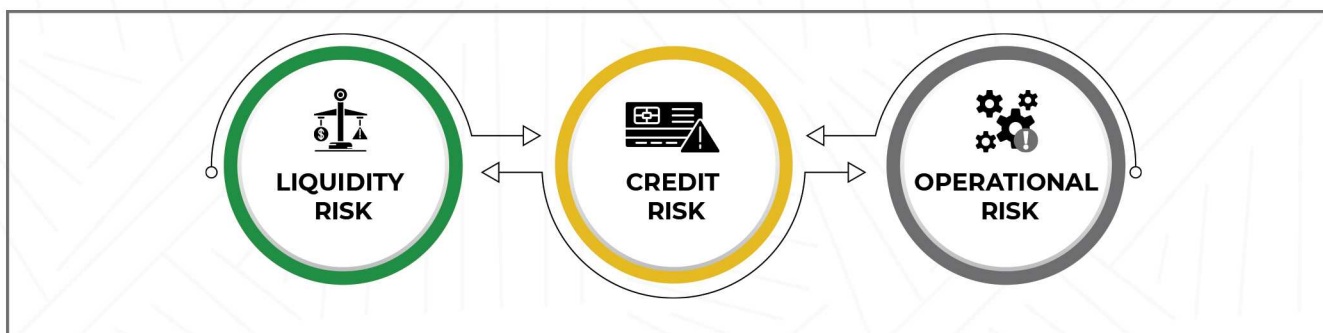
Mineral exploration requires high investment, sustained cash inflow, and considerable time with inherent high risk. The Company after massive investments might not find an economic deposit. The Company manages operational risk through procedure guidelines, staff training, segregation of duties and business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





CHAIRPERSON: Jemister Chininga | BOARD MEMBERS: Nomusa Jane Moyó | Forbes Mugumbate | Godsave Sibanda | Fani Mafarachisi



Contact Us

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.

Mining Promotion Corporation (MPC)

MMCZ Building

90 Mutare Road

Msasa

Harare

Contact number: +263 8677 009923

email: info@mpc.co.zw

website: www.mpc.co.zw

