Kibo Energy PLC (Incorporated in Ireland)
(Registration Number: 451931)
(External registration number: 2011/007371/10)
Share code on the JSE Limited: KBO
Share code on the AIM: KIBO
ISIN: IE00B97C0C31
("Kibo" or "the Company")

Dated: 23 September 2020

Kibo Energy PLC ('Kibo' or the 'Company')

Results for the Year Ended 31 December 2019

Kibo Energy PLC ("Kibo" or the "Company"), the multi-asset, Africa focused energy company, is pleased to release its annual financial results for the year ended 31 December 2019. These can be found as part of its 2019 Annual Report on its website www.kibo.energy at the following link: http://kibo.energy/wp-content/uploads/KIBO-Annual-Report-2019-Final.pdf The Company's 2019 Annual Report, (containing the full financial statements)will be posted to shareholders who have elected to receive hard copies of Company documentation by post this week. Details of the date and venue for this year's AGM will be announced in due course.

A consolidated version of the annual financial results is included with this announcement below.

Overview (2019 and 2020)

- Renewed commitment to incorporating sustainable renewable energy generation and storage in its African coal to power projects through strong collaboration and partner agreements.

- Completion of a positive definitive feasibility study, base case financial model and off-take term sheets for the Benga Project in Mozambique.

- Restructuring of interest in the Mabesekwa Project in Botswana.

- Commissioning of first gas fired reserve generation plant, Bordersley Power Ltd, at advanced stage and pipeline of additional reserve generation plants undergoing evaluation in collaboration with key industry partners

- Funding of £1.5 million through placing completed in late 2019 which has enabled the Company to continue with our project development plans and ongoing working capital requirements during 2020

- Wimmer Financial LLP appointed as adviser for project funding arrangement - USD 900 million in debt financing for our African coal and power projects.

CHAIRMAN'S REPORT

2019 was a year of consolidation for the Company following key acquisitions during 2018 which included the Mabesekwa Coal Independent Power Project ("MCIPP" or "Mabesekwa Project") in Botswana, the Benga Power Plant Project ("BPPP" or "Benga Project") in Mozambique, and a 60% equity interest in Mast Energy Developments Limited ("MED") in the UK. These projects together with our legacy Mbeya Coal to Power Project in Tanzania have positioned the Company to be a global energy developer with a pipeline of projects which have seen steady development progress during 2019 and early 2020. A key focus of our strategy during 2019 was to aggressively pursue options to incorporate sustainable technologies and climate change mitigation measures in all our project development plans. We believe that coal fired power plants that incorporate clean coal burning technologies and other greenhouse gas emission containment measures will play a significant role in addressing Africa's and the World's increasing demand for reliable, sustainable and affordable electricity in the transition away from fossil fuels. However, we do not underestimate the urgency to transition from fossil fuels and in this context the Company is embarking on an innovative strategy with its partners in Africa to co-locate solar generation plants and long term battery storage capacity with its coal fired power plants in order to balance base load power output and begin the transition. Our ultimate aim is to phase out coal fired electricity generation over the long term at our projects commensurate with technology advances in renewable generation and energy storage.

In addition to our existing strong collaboration and partner agreements with SEPCOIII, GE and ABSA who share our vision for the development of our coal projects with integrated sustainable technologies, we signed two further critical collaboration agreement during 2019. The first of these is with US energy storage technology company, ESS Tech Inc., a leading innovator in the development of high capacity long life batteries to facilitate renewable power storage. As a preferred technology partner, ESS will support and advise Kibo on the installation of renewable power at its African project sites which will enhance the Company's ability to secure funding and negotiate power purchase agreements as well as generating new project opportunities. ESS is already partnering with USAID division, Power Africa, which is implementing an ambitious programme to expand access to grid connectivity throughout sub-Saharan Africa. The second collaboration agreement is with the German company, STEAG Energy Services, a major international operator with 80 years' experience in engineering, construction, and operation of power plants. Significantly, STEAG's proprietary technologies are not just focussed on coal but span renewable energy sources such as solar, wind and battery storage. This is a significant partnership for Kibo as it puts STEAG's proven experience in power plant development and management at our disposal but most significantly enables the Company, in conjunction with ESS's battery technology, to implement sustainable energy solutions at its coal projects in line with its corporate strategy.

I will give a brief overview and assessment of Company activities during 2019 below and further details on individual projects and corporate activity including recent developments (2020 to date) can be found in the Review of Activities section below.

Operations

On the operations front, we are making good progress on our African project portfolio but understandably, patience is required as we navigate the challenge of operating in three different countries with individual governments, local and international JV partners and various collaborators. Highlights of 2019 include the securing of mining rights in Tanzania for the coal deposit (Rukwa deposit) that underpins our Mbeya Coal to Power Project ("MCPP"), completion of a positive definitive feasibility study, base case financial model and off-take term sheets for the Benga Project in Mozambique and restructuring of our interest in the Mabesekwa Project in Botswana.

Our strategy in the UK for the acquisition and development of gas fired reserve generation plants, managed through our 60% owned subsidiary Mast Energy Developments Ltd ("MED") has progressed rapidly during 2019 with the first of these, Bordersley Power, in development. The commissioning of Bordersley will mark Kibo's first revenue stream and we are confident that it represents the first of a number of other reserve power plants in the Mast pipeline which are being developed in collaboration with key partners to come on-stream over the next 18 months. In fast-tracking the development of Bordersley, MED has secured critical operational and collaboration agreements with Statkraft Markets, A.B. Energy and Balance Power Projects which in addition to providing for the successful commissioning and long term operation of Bordersley, also provide a foundation for the expedient delivery and fast track commissioning of a pipeline of reserve power plants to achieve our target of 100 MW of reserve power in the short to medium term. We are confident that the market model, business collaborations and experience of successfully developing these plants in the UK can provide a template for the future introduction to the African continent to and complement our existing coal to power projects in due course.

Corporate

On the corporate front we have continued to seek opportunities for funding and restructuring our asset portfolios to ensure we have laid the financial groundwork to enable project funding of our near term development projects and to generate a pipeline of other revenue generating opportunities. As you are no doubt acutely aware, the non-qualification of our Tanzanian project, the MCPP, as a preferred participant in a tender process for supply of thermal coal power in Tanzania in early 2019, was a major disappointment and the knock on effect on our share price has made funding challenging during 2019 and into 2020. We completed an underwritten placing with warrants attached in October 2019 that included the settlement of certain creditor invoices for a total placing subscription amount of £1.99 million, comprising the issue of 442,222,280 shares at a price of £0.0045 each. The placing proceeds have enabled us to continue with our project development plans and ongoing working capital requirements to date. A total of 663,333,420 placing warrants exercisable at 0.8p and 1p were attached to the shares which we believe are attractively priced. The warrants have exercise periods of 18 months and 36 months (date of warrant instruments is 3 December 2019) and, if exercised over these periods, can contribute to our medium term funding requirements. In addition we issued an additional 175,022,729 shares during 2019 at prices ranging from 0.45p to 5.25p. These comprised share issues to contractors & suppliers in lieu of payments, to Sanderson Capital Partners for buy out of their residual interest in the MCPP and to the minority shareholder in MED as acquisition costs for 100% equity and economic interest in Bordersley.

Thinking longer term, we signed an engagement letter with Wimmer Financial LLP for the provision and structuring of up to USD 900 million in debt financing for our African coal and power projects in April. Discussions with Wimmer are ongoing towards the negotiation of a definitive agreement. I am pleased to commend management on the re-organisation of our coal assets and joint venture structure in Botswana announced in September 2019 which is a very positive development for the Company. This is a major transaction which when fully implemented will give us exposure to revenues from a large coal resource and from two coal to power thermal projects. This transaction is further discussed in the review of activities section below.

We continued our investment in Katoro Gold PLC during 2019 and supported our majority holding by subscribing to its October 2019 placing for 1.8 million shares issued at a price of 1p (£18,000) and subsequently exercising the warrants attached to these shares in at their exercise price of 1.5p and receiving an additional 1.8 million shares in February 2020. Our current equity interest in Katoro at the date of this report is 29.70%. We believe our investment in Katoro is well judged considering its announcement of entering a strategic gold production agreement in South Africa in January 2020 and the successful arrangement of a convertible loan note for £397,000 to fund the initial cost of the project financing. We believe that this opportunity, which is focussed on the re-processing of a 1.34 million ounce (JORC-Compliant) tailings resource, demonstrates strong economic fundamentals and are confident that it can create considerable value for both Katoro and Kibo shareholders together, as can Katoro's other projects in Tanzania. (Refer to Katoro's website www.katorogold.com for further details on all Katoro's projects and resource statements).

The result for the reporting period amounted to a loss of £3,903,116 for the year ended 31 December 2019 (31 December 2018: £4,036,713) as detailed further in the Statement of Profit or Loss and Other Comprehensive Income.

Covid 19 Update

I am writing this Chairman's Statement in the middle of the unprecedented COVID-19 pandemic which in addition to the ongoing health concerns is having a major negative impact on the global economy. Kibo's primary concern at the moment is for the health and welfare its employees, contractors and their families across the various countries in which it operates in this difficult period and is endeavouring to support them as much as possible at this difficult time. Like most businesses Kibo is not immune from the economic and business disruption impact of the pandemic and has in place a business continuity programme to ensure essential business processes and its obligations as a publicly listed company continue to be met. Inevitably, there is disruption to normal operations and we have experienced delays in meeting some of our anticipated project development targets, as I have outlined earlier, and this will be further discussed in the Review of Activities section below.

I am glad to report that in recent months, lockdown restrictions and other COVID-19 related measures are slowly being lifted and Kibo has begun to resume operations on all fronts. The Company is sensitive to the continued volatility with respect to COVID-19 and will continue to closely monitor it in the various countries in which it operates to enable it to prioritise the health and well-being of all its stakeholders. I believe our project portfolio remains robust and we look forward to increasing our operations to normal levels over the remainder of 2020 and during 2021 when the COVID pandemic abates.

I would like to thank our Board and especially our management under the leadership of our CEO Louis Coetzee, particularly for their efforts in guiding the Company through this challenging period. I know that they will continue to provide the skill and dedication to realise our strategy of becoming a successful global developer of sustainable energy projects in this transitional phase from fossil fuels to renewable energy generation.

Christian Schaffalitzky
Chairman
22 September 2020

REVIEW OF ACTIVITIES

Introduction

During 2019 Kibo Energy PLC ("Kibo" or the "Company") continued to advance its African energy projects in Mozambique, Botswana and Tanzania. In the UK, the Company's first small scale gas fired generator is shortly to come on stream following fast-track development work and the securing of key partner agreements during 2019. MED is now poised to build significantly on this first near-term production asset with the signing of an agreement with Balance Power Limited to source and evaluate a portfolio of additional sites for reserve power generation.

Mozambique – Benga Power Plant Project ("BPPP" or "Benga Project")

Kibo continued to make good progress on the Benga Project during 2019 by completing some key project studies and advancing commercial documents critical to the success of the project. The Company holds a 65% interest in the project (35% held by local company Termoeléctrica de Benga) which is located in the Tete province of Mozambique. A definitive feasibility study ("DFS") for the project was announced by the Company in March and presented to the Mozambique state-owned electric utility operator EDM in May where it was well received and formed the basis for further negotiation on power purchase agreements with both EDM and other parties. This was followed in June with the announcement of completion of a base case financial model for the project which demonstrated its economic viability under the Base Case DFS. The Environmental Impact Study (EIS) is currently underway.

The positive outcomes from the DFS and the base case financial model gave renewed impetus to negotiations with potential feedstock suppliers and power off-takers for the Benga Project and this resulted in two key term sheets being agreed with major local operator Vale Mozambique in September 2019. The first was a Power Purchase Term Sheet for Vale to purchase 37% of the power from the phase 1 generation at the BPPP and the second comprised a Coal Supply Term Sheet for Vale to supply 100% of the coal feedstock to the BPPP over its modelled 25 year life cycle. These term sheets, which are non-binding, pave the way for the signing of definitive power purchase and coal supply agreements between Kibo and Vale as well as for closer cooperation between the companies to optimise operational synergies from their respective mining and power generation activities in Mozambique.

Kibo enjoys a strong relationship with Electricidade de Moçambique ("EDM"), the state-owned electricity generation and transmission Company, formalised through a Memorandum of Understanding ("MoA"). This records EDM's support for the BPPP and commitment to collaborate on the project with Kibo as it progresses towards financial close. Both parties' objectives are aligned in recognising the urgency to address Mozambique's electricity generation overdependence on hydro power; the solution being to use its abundant coal resources in a sustainable manner to generate base load power using the latest clean coal burning technology and modern plant design, augmented by renewable generation capacity. In support of this the MoA provides for the negotiation of a power purchase agreement ("PPA") with Kibo whereby EDM would become the anchor off-taker for the power, assist in finalising project financing and in negotiating related commercial contracts. All of these aspects of the proposed BPPP development were further advanced in co-operation with EDM during 2019.

The momentum behind the Benga Project has been maintained during 2020 to date with the acquisition of additional land increasing the project site by 345 hectares, the signing of a new MoU with EDM and entering binding term sheet to negotiate a PPA with Baobab Resources Ltd ("Baobab") to supply c.200 MW energy to its Tete Steel and Vanadium Project in Mozambique. The increased Benga site footprint will accommodate the planned co-located renewable energy generation and storage infrastructure planned for the site. The new MoU with EDM reflects the progress that Kibo has made to date with the Benga project and the deepening relationship with EDM, who see the project as a key part of its mandate to accelerate the development of electricity infrastructure in Mozambique. The Baobab term sheet provides for exclusive negotiation with Kibo on the PPA and as these negotiations are at an advanced stage, the Company anticipates signing of a final PPA before the end of Q3 2020. Contingent on finalisation of this PPA, Baobab is expected to be the second electricity off-taker (with EDM) from the Benga Project.

The Company's strategy of sustainable energy development received a major boost in July 2019 with the announcement of a Collaboration Agreement with STEAG Energy Services ("STEAG"), a global independent power producer with 80 years of experience in engineering, construction and operation of power plants. STEAG's advanced proprietary generation technologies covers not just fossil fuels; it also extends across renewables such as solar, wind and biomass, as well as encompassing battery storage solutions. This expertise should prove invaluable to Kibo particularly in its strategy of developing sustainable energy solutions by incorporating co-located renewable energy generation and storage with base load coal fired generation.

The Company is actively working on incorporating renewable energy technologies, in particular around solar generation, at the Benga Project initially, as proof of concept before extending them to other projects. It is working closely with STEAG and its other partners to see how this can be best achieved to create an integrated fossil fuel-solar power generation plant using the latest developments in clean coal burning technology, solar generation and battery storage; transitioning to 100% renewable generation in the long term.

Botswana - Mabesekwa Project ("MCIPP" or "Mabesekwa Project")

Kibo negotiated a major re-structuring and expansion of its Botswana energy asset holdings during September 2019 in collaboration with Shumba Energy Limited, of which its joint venture partner Sechaba Natural Resources is a wholly owned subsidiary. The binding Heads of Agreement ("the Agreement") sees Kibo re-arrange its interest in the 761 Mt Mabesekwa Coal Resource from an 85% interest in a 303 Mt subset of the Resource to a 35% interest in the total resource, maintain its 85% interests in the existing MCIPP project (referred to as KP 2) for the development of a 300 MW coal to power plant and participate as a 35%-40% partner with Shumba for the development of a second 300 MW power plant (referred to as KP 1)with electricity output directed solely to a petrochemical plant being developed by Shumba and other parties. The Agreement requires various shareholder, joint development, power purchase and coal sale agreements to be signed between Kibo, Shumba and their participating subsidiaries to finalise the arrangement. The first of these, a shareholder agreement between Shumba and Kibo was signed in December 2019 and completes the first step in re-arranging both parties interest in joint venture company, Kibo Energy Botswana (Pty) Limited as 65% and 35% respectively. As Kibo Energy Botswana (Pty) Ltd ("KEB") holds the 761 Mt Mabesekwa Coal Resource* both parties attributive interest in the resource is correspondingly split according to these percentages also.

This restructuring of its Botswana interests provides Kibo with the opportunity to participate in three separate revenue streams from coal sales from the Mabesekwa Coal Resource as follows:

- Coal sales to the KP 1 power plant estimated at 1.5 million tonnes per year
- Coal sales to the KP 2 power plant estimated at 1.5 million tonnes per year
- Coal sales to the petrochemical plant which will require 4.5 million tonnes per year

In additional to participating in coal stream revenues Kibo will also participate in electricity sale revenues pro rata to its 35%-40% interest in KP1 (exact interest yet to be agreed) and 85% interest in KP2.

The electricity generated from the KP1 plant will be solely dedicated towards powering a planned petrochemical plant while electricity from the KP 2 plant (MCIPP) is anticipated for sale into the Botswana national grid and onward sale to South Africa under power purchase agreements yet to be negotiated. The petrochemical plant which is being developed by Shumba (80% beneficial interest) and other parties will process raw coal for the production of energy fuels and speciality chemicals for local and international sale. Significantly, Kibo's development cost exposure to these power plant developments is confined to its existing commitments with regard to KP 2. Shumba will be responsible for the full funding of a definitive feasibility study for the KP 1 plant.

Unfortunately the COVID-19 pandemic is impacting on the finalisation of the outstanding shareholder, coal sale and power purchase agreements pertaining to the finalisation of the restructuring of Kibo's Botswana energy assets. This was anticipated to be completed by 20 March 2019 under the terms of the binding Heads of Agreement signed between the Company, Shumba and their relevant subsidiaries in September 2019. By mutual consent, this long-stop date has been extended and all parties are working diligently to complete the process.

KEB's mining licence application over the Mabesekwa Coal Resource was submitted to the Botswana Department of Mines in late 2018 and is still going through due process. The recent structuring has necessitated some additional modifications to the application but the Company is working closely with the Botswana authorities and its joint venture partner to ensure the application is progressing smoothly and in step with its overall project development schedule.

A pre-feasibility study on the coal mining element together with a scoping study for the construction of the power plant has already been completed by Sechaba. Water and land use permits and environmental certification are also already in place at the site.

*The Company confirms that there has been no material change to the Mabesekwa Coal Resource since the Coal Resource estimate was first published as part of the announcement dated 21 June 2018 which is available on its website www.kibo.energy

Tanzania – Mbeya Project ("MCPP" or "Mbeya Project")

Following the disappointing news in February 2019 that the MCPP had not pre-qualified from a TANESCO (Tanzanian state electrical utility) tender round to compete further for selection as an independent coal to power producer to the domestic market, the company has quickly moved to consolidate and further explore other options for the commercialisation of its coal asset. This asset comprises a 120 mt Coal Resource** for which a positive feasibility study for the supply of coal to a co-located thermal power plant was completed in 2017. In March it assumed a 100% interest in the MCPP by buying out the residual 2.5% interest held by Sanderson Capital Partners subject to retention by Sanderson of a small royalty of 0.3% of future operating profits of any coal mine development. This royalty is capped at a maximum of GBP 2 million and an annual coal production of 1.5 million tonnes per annum over a mine life of 25 years. This consolidation of the project was followed In April with the announcement that TANESCO had formally advised the company that it could develop the MCPP for the export power market to coincide with the implementation of power connectors through Zambia, Tanzania and Kenya enabling power trade within the Eastern African Power Pool and Southern African Power Pool member countries.

The commitment of the Tanzania authorities to the development of the MCPP was further enhanced in August when the Company was granted seven mining rights over the coal resource that will provide feedstock to the proposed MCPP thermal power plant and this was followed in September with the renewal of water rights thus ensuring that the MCPP Environmental Impact Assessment certification continues to remain valid.

The Company remains committed to the development of the MCPP and will continue to work closely with the Tanzanian Government, partners and other stakeholders to identify and investigate new commercial opportunities both within Tanzania and regionally. Opportunities already identified include the export power market identified above, sale of coal to local and export markets and coal to gas conversion. The Company is keeping political developments and evolving energy policy in Tanzania under review and believes other opportunities may arise for the MCPP to be developed to serve the domestic power market, either supplying electricity to the national grid or to private off-takers.

**Kibo confirms that there has been no material change to the Mbeya Coal Resource since the Coal Resource estimate was first published as part of the RNS dated 11 April 2016 which is available on its website www.kibo.energy.

United Kingdom - Mast Energy Developments Limited ("MED")

Kibo's 60% UK subsidiary, MED made significant progress during 2019 in the UK Reserve Power generation market the highlight of which was the acquisition and development of the Bordersley power plant located near Birmingham. Originally, scheduled for commissioning by the end of Q2 2020, progress has been delayed by the impact of the COVID-19 pandemic and we now anticipate that it will come into production before the end of 2020. Kibo acquired a 100% interest in Bordersley from MED in a corporate transaction completed in June 2019 and is now set to receive all revenues from the plant when it comes into production (MED continues to manage the development of Bordersley on behalf of Kibo). Bordersley comprises a 5 MW gas fired power plant supported by a five year power purchase agreement between MED and Statkraft Markets GmbH to manage the gas input to the plant and the electricity generated. Statkraft is a major player in the European energy trading exchanges as well as being Europe's largest producer of renewable energy.

Bordersley marks Kibo and MED's first production asset in this rapidly growing segment of the UK energy market which has emerged in recent years to help balance base load power on the UK grid due to the increasing contribution of renewables, particularly wind, to total output power. In anticipation of increasing demand for flexible power output from small power plants like Bordersley, MED has concluded a number of option and collaboration agreements with various parties during 2019 towards developing a pipeline of projects similar to Bordersley's.

A notable achievement in this regard was a Joint Development Agreement signed between MED and A.B. Impianti S.R.L ("Impianti") in October 2019 which gives MED access to Impianti's EPC competencies, proprietary power generation equipment and funding solutions for Impianti approved projects. AB is a subsidiary of the AB Group, a global leader in engineering, manufacture, and after sales service of Combined Heat and Power generation solutions, which is present in 19 countries and has installed over 1,600 MW in over 1,250 plants.

Working with Impianti, good progress towards de-risking Bordersley is being made with an agreed site work scope, advanced Engineering, Procurement, and Construction ('EPC') and an associated financing agreement for Bordersley's construction and commissioning all at an advanced stage. The project received a welcome boost in October 2019 where it conditionally prequalified to participate in the recently introduced electricity Capacity Market scheme by the UK Government. The CM scheme plans for security of UK electricity supply by providing a payment for reliable sources of capacity, such as Bordersley, alongside their electricity revenues, to ensure they deliver energy when needed. Should Bordersley qualify and participate in the auction phase it could be in line to win a 15-year capacity market contract which if successful, could significantly improve the financial returns of the project.

MED's strategy to develop a pipeline of reserve power projects towards meeting its 100 MW target received a considerable boost in December 2019 with the signing of an agreement with Balance Power Projects Development Limited ("Balance Power"), a UK based developer of gas-based peak power plants from whom MED already acquired Bordersley. Balance have agreed under a site development agreement with MED to identify on its behalf suitable sites, carry out feasibility analysis and contingent on MED's agreement, prepare the sites for plant development. Each site so identified for development will be placed in a Special Purpose Vehicle ("SPV") i.e. a dedicated project company which will be held 100% by MED.

As noted earlier, the on-set of the COVID-19 pandemic in early 2020 has impacted on-site operations at Bordersley and delayed MED's anticipated commissioning date for the plant by the end of Q1 2020. Operations recommenced at Bordersley as of May 2020 albeit at a slower pace consistent with the implementation of required safety measures and in line with the latest UK Government guidelines. During 2020 to date, notwithstanding the delay to the Bordersley, MED has advanced discussions with a number of funding entities for multi-million investment to advance its long term strategy to simultaneously develop in excess of 20 reserve power plants with up to 300 MW generating capacity from its prospective "shovel ready" portfolio.

Corporate

During 2019, the Company continued its engagement with existing and potential new partners in evaluating project funding options in anticipation of financial close on all its projects. A Strategic Development Agreement with SEPCOIII first announced in 2018, which provided for equity investment in Kibo, was impacted by the announcement of the non-qualification of the Company's MCPP project to participate in a Tanzanian tender round for coal to power generation. Completion of the SDA has been deferred by mutual agreement, but discussions are continuing. The Company continues to have a close relationship with SEPCOIII who holds the contract for the construction of the MCPP power plant and discussions are continuing commensurate with the Company's efforts to develop alternative commercialisation options for the project.

In April 2019 the Company signed an engagement letter with UK based private investment bank, Wimmer Financial LLP, for the provision and structuring of an up to USD 900 million debt financing package for the development of all the Company's African coal projects save for the MCPP where Wimmer will not enjoy exclusivity on project funding.

Kibo undertook one underwriter sponsored placing during 2019 and raised £1.5 million through the issue of 333,333,333 shares at a price of £0.0045 per share. The placing was accompanied by a mutually agreed payment arrangement with certain service providers, suppliers and other creditors which comprised the issue of a further 108,888,947 shares at the placing price in payment of outstanding invoices for a total of £490,000. Each share issued in the Placing and the funding arrangement had two warrants attached; one warrant exercisable at 0.8p per share for the period of 18 months from the date of issue and half a warrant exercisable at 1p per share for the period of 36 months from the date of issue. In total 663,333,420 warrants were issued.

In addition to the Placing, the Company also issued an additional 175,062,729 shares in respect of payments to contractors (10,518,741), to Sanderson Capital Partners in respect of buy-back of its residual 2.5% interest in the MCPP (126,436,782) and to the minority shareholder in MED, St Anderton on Vaal, in respect of payments under the terms of the acquisition agreement for Bordersley (38,067,206). At its AGM in September 2019 resolutions were also passed to effect a subdivision of its share capital the net effect of which was to reduce the nominal value of its ordinary shares from €0.015 to €0.001 and create an additional class of Deferred Share (2019 Deferred Share) in the amount of 805,053,818. The number of ordinary shares (publicly listed on AIM & the JSE) was not affected by the subdivision save that the ceiling on the authorised share capital was raised from €1 million to €2 million.

During 2020, financing initiatives for the Kibo Group have, not surprisingly, been impacted and delayed by the on-going COVID 19 pandemic. In June we held an EGM where we laid proposals before shareholders for a share capital reorganisation to make the Company more attractive to funders, settle with creditors and enable funding options being considered at the time to be implemented. While we did not receive sufficient support at the EGM for key resolutions to allow us proceed with the proposals, we have since, following internal board discussion and discussions with advisors and some major shareholders, proceeded to secure a £1 million facility ("the Facility") from a consortium of lenders. The Facility, in the form of a convertible loan note issued by Kibo, will provide sufficient working capital to allow us proceed with reaching key development milestones, particularly for the Benga and MED projects over the next twelve months. I am glad to report that at an EGM held on 24 August 2020, shareholders have approved resolutions to increase the authorised share capital which we required in order to be able to fully avail of the Facility and meet all related funding costs.

During 2020 to date, we have issued an additional 135,526,399 shares comprising 29,214,110 to contractors & service providers for agreed invoice payments at share prices of 0.45p & 0.2p; 8,000,000 as final payment to MED with regard to acquisition costs for Bordersley, at a share price of 5.25p; and 98,312,289 shares in payment of first drawdown fees, legal fee, arrangement fee and issue of conversion shares with regard to the Facility at share prices ranging from 0.22p to 0.27p.

The Company appointed ETX Capital as its joint broker in November 2019 to replace SVS Securities who were placed in Special Administration in August 2019. Following termination of First Equity Limited's engagement with the Company in early 2020, ETX are now the Kibo's sole corporate broker under AIM Rule 35.

Louis Coetzee
Chief Executive Officer
22 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures are stated in Sterling		GROUP	
		31 December 2019	31 December 2018
		Audited	Audited
Continuing operations	**Note**	**£**	£
Revenue		-	-
Administrative expenses		(2,922,927)	(2,045,613)
Impairment of intangible assets		-	(912,892)
Listing and capital raising fees		(729,072)	(336,807)
Exploration expenditure		(897,039)	(779,443)
Operating loss		**(4,549,038)**	**(4,074,755)**
Investment and other income	2	645,922	38,042
Loss before tax	3	**(3,903,116)**	**(4,036,713)**
Taxation	6	-	-
Loss for the period		**(3,903,116)**	**(4,036,713)**
Other comprehensive loss:			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		86,098	(401,751)
Other Comprehensive loss for the period net of tax		86,098	(401,751)
Total comprehensive loss for the period		**(3,817,018)**	**(4,438,464)**
Loss for the period		**(3,903,116)**	**(4,036,713)**
Attributable to the owners of the parent		(3,500,004)	(3,388,778)
Attributable to the non-controlling interest		(403,112)	(647,935)
Total comprehensive loss for the period		**(3,817,018)**	**(4,438,464)**
Attributable to the owners of the parent		(3,415,682)	(3,776,894)
Attributable to the non-controlling interest		(401,366)	(661,570)
Loss Per Share			
Basic loss per share	8	(0.004)	(0.006)
Diluted loss per share	8	(0.004)	(0.006)

All activities derive from continuing operations.

The Group has no recognised gains or losses other than those dealt with in the Statement of Profit or Loss and Other Comprehensive Income.

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling		GROUP	
		31 December 2019	31 December 2018
		Audited	Audited
	Note	**£**	£
Assets			
Non-Current Assets			
Property, plant and equipment	9	64,405	20,240
Intangible assets	10	18,491,105	26,059,525
Investments in associates	11	9,696,683	-
Other financial assets	12	37,661	-
Goodwill	14	300,000	300,000
Total non-current assets		**28,589,854**	**26,379,765**
Current Assets			
Trade and other receivables	15	380,693	89,349
Cash	16	91,634	654,158
Total current assets		**472,327**	**743,507**
Assets classified as held for sale	17	**794,074**	**-**
Total Assets		**29,856,255**	**27,123,272**
Equity and Liabilities			
Equity			
Called up share capital	18	19,532,350	17,240,017
Share premium account	18	42,750,436	39,205,318
Control reserve	19	(18,329)	(18,329)
Share based payment reserve	20	1,504,513	41,807
Translation reserve	21	(872,942)	(656,622)
Retained deficit		(34,625,954)	(29,399,788)
Attributable to equity holders of the parent		**28,270,074**	**26,412,403**
Non-controlling interest	22	27,073	409,171
Total Equity		**28,297,147**	**26,821,574**
Liabilities			
Current Liabilities			
Trade and other payables	23	1,024,126	301,698
Borrowings	24	523,725	-
Total Current Liabilities		**1,547,851**	**301,698**
Liabilities directly associated with assets held for sale	17	**11,257**	**-**
Total Equity and Liabilities		**29,856,255**	**27,123,272**

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF FINANCIAL POSITION

All figures are stated in Sterling		Company	
		31 December 2019	31 December 2018
		Audited	Audited
		£	£
Non-Current Assets			
Investments in group undertakings	25	43,318,643	37,890,651
Trade and other receivables	15	-	333,495
Total Non- current assets		**43,318,643**	**38,224,146**
Current Assets			
Trade and other receivables	15	361,467	282
Cash	16	31,389	38,974
Total Current assets		**392,856**	**39,256**
Total Assets		**43,711,499**	**38,263,402**
Equity and Liabilities			
Equity			
Called up share capital	18	19,532,350	17,240,017
Share premium	18	42,750,436	39,205,318
Share based payment reserves	20	977,575	-
Retained deficit		(20,109,544)	(18,277,005)
Total Equity		**43,150,817**	**38,168,330**
Liabilities			
Current Liabilities			
Trade and other payables	23	265,727	95,072
Borrowings	24	294,955	-
Total liabilities		**560,682**	**95,072**
Total Equity and Liabilities		**43,711,499**	**38,263,402**

Equity includes a loss for the year of the parent company of £1,832,539 (2018: £2,356,473).

The accompanying notes on pages 49-75 form integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Share Capital	Share premium	Share based payment reserve	Control reserve	Foreign currency translation reserve	Retained deficit	Non-controlling interest	Total equity
All figures are stated in Sterling	£	£	£		£	£	£	£
Balance as at 1 January 2018	**14,015,670**	**28,469,750**	**556,086**	**(213,053)**	**(268,506)**	**(26,534,653)**	**927,107**	**16,952,401**
Loss for the year	-	-	-	-	-	(3,388,778)	(647,935)	(4,036,713)
Adjustment arising from change in non-controlling interest	-	-	-	194,724	-	9,364	143,634	347,722
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	(388,116)	-	(13,635)	(401,751)
Proceeds of share issue of share capital	3,224,347	10,735,568	-	-	-	-	-	13,959,915
Reclassification of share based payment reserve on expired share options	-	-	(514,279)	-	-	514,279	-	-
	3,224,347	**10,735,568**	(514,279)	194,724	(388,116)	**(2,865,135)**	**(517,936)**	**9,869,173**
Balance as at 31 December 2018	**17,240,017**	**39,205,318**	**41,807**	**(18,329)**	**(656,622)**	**(29,399,788)**	**409,171**	**26,821,574**
Loss for the year	-	-	-	-	-	(3,500,004)	(403,112)	(3,903,116)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(1,726,162)	19,267	(1,706,895)
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	84,351	-	1,747	86,098
Disposal of subsidiary	-	-	-	-	(300,671)	-	-	(300,671)
Proceeds of share issue of share capital	2,292,333	3,545,118	-	-	-	-	-	5,837,451
Deferred vendor liability – equity settled	-	-	421,471	-	-	-	-	421,471
Share options and warrants issued during the year	-	-	1,041,235	-	-	-	-	1,041,235
	2,292,333	**3,545,118**	**1,462,706**	**-**	**(216,320)**	**(5,226,166)**	**(382,098)**	**1,475,573**
Balance as at 31 December 2019	**19,532,350**	**42,750,436**	**1,504,513**	**(18,329)**	**(872,942)**	**(34,625,954)**	**27,073**	**28,297,147**
Note	18	18	20	19	21		22	

The notes on pages 49-75 form part of the financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital	Share premium	Share based payment reserve	Foreign currency translation reserve	Retained deficit	Total equity
All figures are stated in Sterling	£	£	£	£	£	£
Balance at 1 January 2018	**14,015,670**	**28,469,750**	**514,279**	**14,723**	**(16,434,811)**	**26,579,611**
Loss for the year	-	-	-	-	(2,356,473)	(2,356,473)
Other comprehensive loss - exchange differences on translating foreign operations	-	-	-	(14,723)	-	(14,723)
Reclassification of share based payment reserve on expired share options	-	-	(514,279)	-	514,279	-
Proceeds of issue of share capital	3,224,347	10,735,568	-	-	-	13,959,915
	3,224,347	**10,735,568**	**(514,279)**	**(14,723)**	**(1,842,194)**	**11,588,719**
Balance at 31 December 2018	**17,240,017**	**39,205,318**	**-**	**-**	**(18,277,005)**	**38,168,330**
Loss for the year					(1,832,539)	(1,832,539)
Share options and warrants issued during the year	-	-	977,575	-	-	977,575
Proceeds of issue of share capital	2,292,333	3,545,118	-	-	-	5,837,451
	2,292,333	**3,545,118**	**977,575**	**-**	**(1,832,539)**	**4,982,477**
Balance at 31 December 2019	**19,532,350**	**42,750,436**	**977,575**	**-**	**(20,109,544)**	**43,150,807**
Note	17	17	19	20		

The accompanying notes on pages 49-75 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2020 and signed on its behalf by:

On behalf of the Board

Christian Schaffalitzky **Noel O'Keeffe**

CONSOLIDATED STATEMENT OF CASH FLOWS

All figures are stated in Sterling

	Notes	GROUP **31 December 2019** **Audited** **£**	 31 December 2018 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(3,903,116)	(4,036,713)
Adjustments for:			
Impairment of intangible assets		-	912,892
Foreign exchange(gain)/loss		-	(270,881)
Profit from the loss of control of subsidiary		(320,349)	-
Profit from the disposal of subsidiary		(270,639)	-
Investments acquired not for cash	12	(37,661)	-
Warrants and Options issued	20	1,041,235	-
Depreciation on property, plant and equipment	9	20,596	6,805
Cost settled through the issue of shares		721,555	126,966
		(2,748,379)	**(3,260,931)**
Movement in working capital			
Increase in debtors	15	(402,661)	(30,303)
Increase in creditors	23	758,545	35,480
		355,884	**5,177**
Net cash outflows from operating activities		**(2,392,495)**	**(3,255,754)**
Cash flows from financing activities			
Proceeds of issue of share capital	18	981,708	3,100,000
Repayment of borrowings	24	-	(200,000)
Proceeds from borrowings	24	952,465	251,565
Net cash proceeds from financing activities		**1,934,173**	**3,151,565**
Cash flows from investing activities			
Cash forgone on disposal of subsidiary		(8,329)	-
Purchase of property, plant and equipment	9	-	(21,494)
Net cash flows investing activities		**(8,329)**	**(21,494)**
Net decrease in cash		**(466,651)**	**(125,683)**
Cash at beginning of period		654,158	766,586
Exchange movement		(88,907)	13,255
Cash at end of the period	16	**98,600**	**654,158**
Continuing operations		91,634	654,158
Assets classified as held for sale		6,966	-

The accompanying notes on pages 49-75 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

All figures are stated in Sterling

	Notes	COMPANY 31 December 2019 Audited £	31 December 2018 Audited £
Cash flows from operating activities			
Loss for the period before taxation		(1,832,539)	(2,356,473)
Adjusted for:			
Foreign exchange movement		-	12,437
Share based payments		977,575	104,302
Expenses settled in shares		211,788	
Impairment of investment in subsidiary		-	1,633,628
		(633,175)	**(606,106)**
Movement in working capital			
(Increase) / Decrease in debtors	15	(27,690)	131
Increase in creditors	23	170,655	8,336
		142,965	**8,467**
Net cash outflows from operating activities		**(490,210)**	**(597,639)**
Cash flows from financing activities			
Proceeds of issue of share capital	18	981,708	2,750,000
Repayment of borrowings	24	-	(200,000)
Proceeds from borrowings	24	544,955	251,565
Net cash proceeds from financing activities		**1,526,663**	**2,801,565**
Cash flows from investing activities			
Net cash flow from acquisition of subsidiaries		-	(75,000)
Cash advances to Group Companies	25	(1,044,038)	(2,095,642)
Net cash used in investing activities		**(1,044,038)**	**(2,170,642)**
Net (decrease)/increase in cash		**(7,585)**	**33,284**
Cash at beginning of period		**38,974**	**5,690**
Cash at end of the period	16	**31,389**	**38,974**

The accompanying notes on pages 49-75 form an integral part of these financial statements.

1. Segment analysis

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

Management currently identifies individual projects as operating segments. These operating segments are monitored and strategic decisions are made based upon their individual nature, together with other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows:

2019 Group	**Benga Power**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Mast Energy Development**	**Haneti**	**Lake Victoria Gold**	**Corporate**	**31 December 2019 (£) Group**
Administrative cost	(88,396)	(37,384)	(272,399)	(32,467)	(8,670)	(228,770)	(2,683,616)	(3,351,703)
Listing and Capital raising fees	-	-	-	-	-	-	(300,297)	(300,297)
Exploration expenditure	(16,252)	(17,393)	(456,205)	(306,000)	(46,799)	(54,390)	-	(897,039)
Investment and other income	-	-	4,179	9	-	1,649	640,085	645,922
Loss after tax	**(104,648)**	**(54,777)**	**(724,425)**	**(338,458)**	**(55,469)**	**(281,511)**	**(2,343,829)**	**(3,903,116)**

2018 Group	**Benga Power**	**Mabesekwa Independent Power**	**Mbeya Coal to Power**	**Mast Energy Development**	**Haneti**	**Lake Victoria Gold**	**Corporate**	**31 December 2018 (£) Group**
Administrative cost	(18,247)	(21,612)	(231,919)	(20,000)	(12,202)	(308,082)	(1,433,551)	(2,045,612)
Impairment of intangible assets	-	-	-	-	-	-	(912,892)	(912,892)
Listing and Capital raising fees	-	-	-	-	-	-	(336,807)	(336,807)
Exploration expenditure	(1,347)	-	(700,356)	-	(10,163)	(67,577)	-	(779,443)
Investment and other income	-	-	18,678	-	18,671		693	38,042
Profit/ (Loss) after tax	**(19,594)**	**(21,612)**	**(913,597)**	**(20,000)**	**(3,694)**	**(375,659)**	**(2,682,557)**	**(4,036,714)**

2019 Group

	Benga Power	Mabesekwa Independent Power	Mbeya Coal to Power	Mast Energy Development	Haneti	Lake Victoria Gold	Corporate	31 December 2019 (£) Group
Assets								
Segment assets	835	9,697,694	15,965,122	3,129,305	3,938	23,745	1,035,616	29,856,255
Liabilities								
Segment liabilities	36,195	8,940	206,421	234,175	-	35,093	1,459,755	1,980,579
Other Significant items								
Depreciation	655	-	19,941	-	-	-	-	20,596

2018 Group

	Benga Power	Mabesekwa Independent Power	Mbeya Coal to Power	Mast Energy Development	Haneti	Lake Victoria Gold	Corporate	31 December 2018 (£) Group
Assets								
Segment assets	1,378	9,364,008	16,110,495	300,100	355	98,521	1,248,415	27,123,272
Liabilities								
Segment liabilities	9,559	6,411	104,730	8,000	8,378	123,869	40,751	301,698
Other Significant items								
Depreciation	681	-	6,124	-	-	-	-	6,805

Geographical segments

The Group operates in six principal geographical areas – Corporate (Ireland, Cyprus, South Africa & United Kingdom) and Mining (Tanzania, and Botswana).

	Tanzania	Botswana	Cyprus	Ireland, United Kingdom, South Africa	31 December 2019 (£)
Carrying value of segmented assets	69,017	9,377,323	15,868	20,394,047	29,856,255
Loss after tax	(515,746)	(18,220)	(1,029,079)	(2,340,071)	(3,903,116)

	Tanzania	Botswana	Cyprus	Ireland, United Kingdom, South Africa	31 December 2018 (£)
Carrying value of segmented assets	260,448	-	9,365,454	17,497,370	27,123,272
Loss after tax	(664,948)	-	(88,294)	(3,283,471)	(4,036,713)

2. Investment and other Income

	31 December 2019 (£)	31 December 2018 (£)
Foreign exchange gains	-	13,948
Other income	54,862	24,094
Profit on disposal of subsidiaries	591,060	-
	645,922	**38,042**

Profit on disposal of subsidiaries in the amount of £591,060 comprises £320,371 on the disposal of 50% equity interest held in Kibo Energy Botswana (Pty) Ltd, which includes the impact associated with the de-recognition of the intangible assets relating to the Mabesekwa Coal to Power Project and subsequent recognition of the remaining equity interest in the Mabesekwa Coal to Power Project at its fair value, together with £270,689 on the disposal of 95% equity interest held in Mzuri Exploration Services Ltd (Tanzania).

3. Loss on ordinary activities before taxation

Operating loss is stated after the following key transactions:	**31 December 2019 (£) Group**	**31 December 2018 (£) Group**
Depreciation of property, plant and equipment of Group financial statements	20,596	6,805
Auditors' remuneration for audit of Group and Company financial statements	45,000	45,000
Auditors' remuneration audit of the financial statements of the company's subsidiaries	140,765	22,000

4. Staff costs (including Directors)

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2018 (£)
Wages and salaries	644,903	663,470	273,632	353,484
Share based remuneration	405,345	-	202,060	-
	1,050,248	**663,470**	**475,692**	**353,484**

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

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2018 (£)
Exploration activities	10	10	1	1
Administration	6	6	1	1
	16	**16**	**2**	**2**

5. Directors' emoluments

	Group 31 December 2019 (£)	Group 31 December 2018 (£)	Company 31 December 2019 (£)	Company 31 December 2087 (£)
Basic salary and fees – paid in cash	323,306	441,558	273,632	353,484
Share based payments	225,182	-	202,060	-
	548,488	**441,558**	**475,692**	**353,484**

The emoluments of the Chairman were £43,588 (2018: £15,963).
The emoluments of the highest paid director were £245,291 (2018: £198,552).

Directors received shares in the value of £151,003 during the year (2018: £ NIL) in lieu of settlement of salaries not settled in cash due to the cash flow constraints experienced during the reporting period.
Share warrants to the value of £74,179 (2018: £Nil) were issued to directors during the year.

Key management personnel consist only of the Directors. Details of share options and interests in the Company's shares of each director are shown in the Directors' report. The following table summarises the remuneration applicable to each of the individuals who held office as a director during the reporting period:

31 December 2019	**Salary and fees settled in cash £**	**Salary and fees settled in shares £**	**Warrants issued £**	**Total £**
Christian Schaffalitzky	17,517	17,483	8,588	43,588
Louis Coetzee	168,522	51,480	25,289	245,291
Noel O'Keeffe	49,674	15,505	7,616	72,796
Lukas Maree	57,626	20,185	9,915	87,727
Wenzel Kerremans	11,333	3,667	1,801	16,802
Andreas Lianos	18,634	42,683	20,970	82,284
Total	**323,306**	**151,003**	**74,179**	**548,488**

31 December 2018	**Salary and fees settled in cash £**	**Salary and fees settled in shares £**	**Warrants issued £**	**Total £**
Christian Schaffalitzky	15,963	-	-	15,963
Louis Coetzee	198,552	-	-	198,552
Noel O'Keeffe	88,039	-	-	88,039
Lukas Maree	54,947	-	-	54,947
Wenzel Kerremans	13,272	-	-	13,272
Andreas Lianos	70,785	-	-	70,785
Total	**441,558**	**-**	**-**	**441,558**

6. Taxation

Current tax

	31 December 2019 (£)	**31 December 2018 (£)**
Charge for the period in Ireland, Republic of South Africa, Cyprus, United Kingdom and Republic of Tanzania	-	-
Total tax charge	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 12.5% to the loss before tax is as follows:

	2019 (£)	**2018 (£)**
Loss on ordinary activities before tax	**(3,903,116)**	**(4,036,713)**
Income tax expense calculated at 12.5% (2018: 12.5%)	(487,890)	(504,589)
Income which is not taxable	(80,740)	-
Expenses which are not deductible	-	114,111
Losses available for carry forward	568,630	390,478
Income tax expense recognised in the Statement of Profit or Loss	-	-

The effective tax rate used for the December 2019 and December 2018 reconciliations above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in that jurisdiction.

No provision has been made for the 2019 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain. At the Statement of Financial Position date, the Directors estimate that the Group has unused tax losses of £28,903,316 (2018: £25,000,200) available for potential offset against future profits which equates to an estimated potential deferred tax asset of £3,612,915 (2018: £3,125,024). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely in accordance with the applicable taxation regulations ruling within each of the above jurisdictions.

7. Loss of parent Company

As permitted by Section 293 of the Companies Act 2014, the Statement of Profit or Loss of the parent Company has not been separately disclosed in these financial statements. The parent Company's loss for the financial period was £1,832,539 (2018: £2,356,473).

8. Loss per share

Basic loss per share

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

Basic Loss per share	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to equity holders of the parent	(3,500,004)	(3,388,778)
Weighted average number of ordinary shares for the purposes of basic loss per share	849,795,672	565,932,121
Basic loss per ordinary share (GBP)	**(0.004)**	**(0.006)**

As there are no instruments in issue which have a dilutive impact, the dilutive loss per share is equal to the basic loss per share, and thus not disclosed separately.

9. Property, plant and equipment

GROUP	Furniture and Fittings	Motor Vehicles	Office Equipment	I.T Equipment	Plant & Machinery	Right of use assets	Total
Cost	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Opening Cost as at 1 January 2018	115,792	199,966	38,408	26,694	7,417	-	388,277
Disposals	-	(114,927)	-	-	-	-	(114,927)
Additions	1,354	16,396	1,118	2,164	462	-	21,494
Exchange movements	5,837	5,340	1,419	1,658	942	-	15,196
Closing Cost as at 31 December 2018	**122,983**	**106,775**	**40,945**	**30,516**	**8,821**	**-**	**310,040**
Opening cost at 1 January 2019	-	-	-	-	-	11,011	11,011
Disposals	(112,286)	(82,615)	(34,255)	(24,514)	-	-	(253,669)
Additions	-	-	-	-	-	56,930	56,930
Exchange movements	(8,162)	924	(1,619)	(1,005)	2,441	-	(7,422)
Closing Cost as at 31 December 2019	**2,535**	**25,084**	**5,071**	**4,997**	**11,262**	**67,941**	**116,890**

	Furniture and Fittings	Motor Vehicles	Office Equipment	I.T Equipment	Plant & Machinery	Right of use assets	Total
Accumulated Depreciation ("Acc Depr")	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**	**(£)**
Acc Depr as at 1 January 2018	114,798	199,966	34,232	24,214	7,417	-	380,627
Disposals	-	(114,927)	-	-	-	-	(114,927)
Depreciation	314	3,712	1,254	1,063	462	-	6,805
Exchange Movements	7,075	5,341	2,032	1,905	942	-	17,295
Acc Depr as at 31 December 2018	**122,187**	**94,092**	**37,518**	**27,182**	**8,821**	**-**	**289,800**
Disposals	(111,482)	(82,615)	(31,851)	(22,552)	(116)	-	(248,616)
Depreciation	99	5,553	1,119	605	481	12,739	20,596
Exchange movements	(8,269)	1,172	(2,395)	(1,880)	2,077	-	(9,295)
Acc Depr as at 31 December 2019	**2,535**	**18,202**	**4,391**	**3,355**	**11,263**	**12,739**	**52,485**

	Furniture and Fittings	Motor Vehicles	Office Equipment	I.T Equipment	Plant & Machinery	Right of use assets	Total

Carrying Value	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Carrying value as at 31 December 2018	**796**	**12,683**	**3,427**	**3,334**	**-**	**-**	**20,240**
Carrying value as at 31 December 2019	**-**	**6,882**	**680**	**1,641**	**-**	**55,202**	**64,405**

The Group leases various offices in the United Kingdom, Cyprus, South Africa and Tanzania. Lease contracts vary between 3 years and 4 years. Leases are re-negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants on the Group.

Leased assets may not be used as security for borrowing purposes.

The financial impact associated with the adoption of IFRS 16: Leases on the Statement of Profit or Loss in the current financial period is as follows:	**Group 31 December 2019 (£)**	**Company 31 December 2019 (£)**
Depreciation	12,739	-
Interest expense	858	-
Lease expenses	(7,818)	-
	5,779	-

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10. Intangible assets

Intangible assets consist of separately identifiable prospecting and exploration assets or intellectual property (Bordersley Power) acquired either through business combinations or through separate asset acquisitions. These intangible assets are recognised at the respective fair values of the underlying asset acquired, or where the fair value of the underlying asset acquired is not readily available, the fair value of the consideration.

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

	Mabesekwa Coal to Power Project (£)	**Mbeya Coal to Power Project (£)**	**Lake Victoria Project (£)**	**Bordersely Power (£)**	**Total (£)**
Valuation as at 1 January 2018	**-**	**15,896,105**	**1,700,000**	**-**	**17,596,105**
Acquisition of the Mabesekwa Coal Project	9,376,312	-	-	-	9,376,312
Impairment of prospecting asset	-	-	(912,892)	-	(912,892)
Carrying value as at 1 January 2019	**9,376,312**	**15,896,105**	**787,108**	**-**	**26,059,525**
Disposals of the Mabesekwa Coal Project	(9,376,312)	-	-	-	(9,376,312)
Acquisition of Bordersley Power Ltd	-	-	-	2,595,000	2,595,000
Assets classified as held for sale	-	-	(787,108)		(787,108)
Carrying value as at 31 December 2019	**-**	**15,896,105**	**-**	**2,595,000**	**18,491,105**

Intangible assets are not amortised, due to the indefinite useful life which is attached to the underlying prospecting rights and/ or intellectual property acquired, until such time that active mining operations/ power generation commence, which will result in the intangible asset being amortised over the useful life of the relevant project.

Intangible assets with an indefinite useful life are assessed for impairment on an annual basis, against the prospective fair value of the intangible asset. The valuation of intangible assets with an indefinite useful life is reassessed on an annual basis through valuation techniques applicable to the nature of the intangible assets.

One or more of the following facts or circumstances indicate that an entity should test an intangible asset for impairment:

- the period for which the entity has the right to explore or develop the asset has expired during the period or will expire in the foreseeable future;
- substantial expenditure on the asset in future is neither planned nor budgeted;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the development asset is unlikely to be recovered in full from successful development or by sale.

In assessing whether a write-down is required in the carrying value of a potentially impaired intangible asset, the asset's carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The valuation techniques applicable to the valuation of the abovementioned intangible assets comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

The following key assumptions influence the measurement of the intangible assets' recoverable amounts, through utilising the value in use calculation performed:
currency fluctuations and exchange movements applicable to model;

- commodity prices related to ore reserve and forward looking statements;
- expected growth rates in respect of production capacity;
- cost of capital related to funding requirements;
- applicable discounts rates, inflation and taxation implications;
- future operating expenditure for extraction and mining of measured mineral resources; and
- co-operation of key project partners going forward.

Through review of the project specific financial, operational, market and economic indicators applicable to the above intangible assets, as well as consideration of the various elements which contribute toward the indication of impairment of exploration and evaluation assets, it was concluded no impairment was necessary in the 2019 financial period. A summary of the assessment performed for each of the intangible assets are detailed below.

Mbeya Coal to Power Project
The Mbeya Coal to Power Project situated in the Mbeya region of Tanzania, which comprises the Mbeya Coal Mine, a potential 1.5Mt p/a mining operation, and the Mbeya Power Plant, a planned 300MW mine-mouth thermal power station. The Mbeya Coal Mine has a defined 120.8 Mt NI 43-101 thermal coal resource.

A Definitive Feasibility Study has been conducted on the project which underpinned its value and confirmed an initial rate of return of 69.2%. The 300MW mouth-of-mine thermal power station has long term scalability with the potential to become a 1000MW plant. The completed full Power Feasibility Study highlighted an annual power output target of 1.8GW based on annual average coal consumption of 1.5Mt.

An Integrated Bankable Feasibility Study report for the entire project indicated total potential revenues of US$ 7.5-8.5 billion over an initial 25-year mine life, post-tax equity IRR between 21-22%, debt pay-back period of 11-12 years and a construction period of 36 months.

Subsequent to the completion of a compulsory tender process through TANESCO on the development of the Mbeya Coal to Power Project, the Group was informed that its bid to secure a Power-Purchase Agreement was unsuccessful in February 2019.

Further engagement with TANESCO has subsequently culminated in the receipt of a formal notice from TANESCO inviting the Group it to develop the Mbeya Coal to Power Project for the export market and thereby enabling the Company to engage with the African Power Pools regarding potential off-take agreements.

As at year end, taking into account the various aspects listed above, the Group concluded that none of the impairment indicators had been met in relation to the Mbeya Coal assets.

Lake Victoria Project
The Group entered into an agreement during August 2019 with Lake Victoria Gold Limited ("LVG") covering the proposed disposal of 100% of the equity interest held by Katoro in its wholly owned subsidiary, Reef Miners Limited ("Reef"), which owns the Imweru gold project and the Lubando gold project in northern Tanzania.

As at year end, the conditions precedent relating to the disposal had not been completed, and the project has thus been classified as assets classified as held for sale (refer also Note 17).

Mabesekwa Coal Independent Power Project
On 3 April 2018, the Group completed the acquisition of an 85% interest in the Mabesekwa Coal Independent Power Project, located in Botswana. This acquisition was in line with the Group's strategy of positioning itself as a strategic regional electricity supplier in Southern Africa and creates many synergies with the MCPP in Tanzania.

As a result of the acquisition, 153,710,030 ordinary shares in Kibo were issued to Sechaba Natural Resources Limited ("Sechaba"). Sechaba retained a 15% interest in the Mabesekwa Coal Independent Power Project. The intangible asset was recognised at the fair value of the consideration paid, which emanates from the fair value of the equity instruments issued as at transaction date, being £9,376,312.

The Mabesekwa Coal Independent Power Project ("MCIPP") is located approximately 40km east of the village of Tonata and approximately 50km southeast of Francistown, Botswana's second largest city. Certain aspects of the Project have been advanced previously by Sechaba Natural Resources Limited ("Sechaba"), including water and land use permits and environmental certification. Mabesekwa consists of a 300Mt subset of the current insitu 777Mt Coal Resource.

A pre-feasibility study on a coal mine and a scoping study on a coal fired thermal power plant has been completed. Kibo is in possession of a Competent Persons Report on the project, which includes a SAMREC-compliant Maiden Resource Statement on the excised 300 Mt portion of the Mabesekwa coal deposit.

In September 2019, Kibo and Shumba Energy Limited ("Shumba") signed a binding Heads of Agreement to reorganise the arrangements for the MCIPP and its associated coal asset in Botswana.

Under the reorganisation the MCIPP retained assets will be consolidated back into KEB and Kibo's interest in KEB will be reduced to 35% to maintain Kibo's look-through interest in the MCIPP resource and make sundry adjustments to recognise Kibo's project expenditure. A variety of shareholders' and joint development agreements govern the management of the various entities, including minority interest protections, with details of Kibo's final interests in these entities and the MCIPP resource to be advised upon completion of the reorganisation.

In exchange for the increase in the equity interest held by Shumba, Shumba would forego the previous claim it had against a portion of the MCIPP coal resources, thereby increasing the value of the interest held by KEB.

The transaction became effective on 5 December 2019 when Kibo concluded a shareholders agreement with KEB and Shumba whereby Kibo, through its wholly owned subsidiaries, Kibo Mining Cyprus Limited and Kibo Energy Botswana Limited would decrease their equity interest in KEB from 85% to 35%, effectively halving their interest in the MCIPP project.

As a result of the reorganisation, Kibo lost control of KEB and therefore derecognised the intangible asset previously recorded and simultaneously recognised an investment in associate equal to the fair value of the remaining interest retained in KEB (refer Note 11).

Bordersley Power Ltd
Kibo Energy PLC initially acquired an indirect 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Kibo acquired all of St' Anderton's direct and indirect interests (Royalty Agreements) in the Bordersley power project described above giving it a 100% economic and 100% equity interest in Bordersley (the 'Acquisition'). Consideration for the Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo to St' Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

The issue price of the Consideration Shares and the associated number to be issued to St' Anderton was determined by using the methodology set out in the original MED vendor agreement as guidance, and was calculated as c. £2,420,000 comprising:

- 100% of the net present value of the Project Royalties (being the royalty equal to 5% of the gross revenue less gas and trading costs) amounting to c. £370,000; and

- 40% of the net present value of the Project Revenue (being net profit before tax) flowing to St' Anderton from Bordersley through MED amounting to c. £2,050,000.

11. Investment in associate

	Group (£)		Company (£)	
	2019	**2018**	**2019**	**2018**
Balance at the beginning of the year	-	-	-	-
Associate acquired during the period	9,696,683	-	-	-
Balance at the end of the year	**9,696,683**	**-**	**-**	**-**

The Group retained a 35% equity interest in Kibo Energy Botswana (Pty) Ltd as a result the reorganisation of its interests in the Mabesekwa Coal Independent Power Plant as disclosed in Note 10.

The value of the remaining equity interest in Kibo Energy Botswana (Pty) Ltd was determined based on the fair value of the proportionate equity interest retained in the in the enlarged resource following the restructuring.

Summarised financial information of the associate is set out below:

	Group (£)	Group (£)
	2019	**2018**
Non-Current assets	9,376,312	-
Current assets	1,011	-

Loss for the year	(18,220)	-

Kibo Energy Botswana (Pty) Ltd's principal place of business is Plot 2780, Extension 9, Gaborone, Botswana.

12. Other financial assets

At fair value through other comprehensive income

	Group (£)		Company (£)	
	2019	**2018**	**2019**	**2018**
Lake Victoria Gold Limited	37,661	-	-	-
	37,661	**-**	**-**	**-**

The investment represents 700,000 ordinary shares in Lake Victoria Gold Limited, incorporated in Australia, with a value of AUS$70,000. The shares were issued to subsidiary Katoro Gold Plc in recognition of the company granting the extension to receipt of the first tranche of monies due under the term sheet. The shares were issued on 15 October 2019 and recorded using the spot rate between the British pound and Australian dollar at that date.

As the shares were received for no consideration, other income of £37,661 was recognised when accounting for this transaction.

13. Acquisition and Disposal of interests in other entities

Mabesekwa Coal Independent Power Project
In September 2019, Kibo and Shumba Energy Limited ("Shumba") signed a binding Heads of Agreement to reorganise the arrangements for the MCIPP and its associated coal asset in Botswana.

Under the reorganisation the MCIPP retained assets will be consolidated back into Kibo Energy Botswana (Pty) Ltd ("KEB") and Kibo's interest in KEB will be reduced to 35% to maintain Kibo's look-through interest in the MCIPP resource and make sundry adjustments to recognise Kibo's project expenditure. A variety of shareholders' and joint development agreements govern the management of the various entities, including minority interest protections, with details of Kibo's final interests in these entities and the MCIPP resource to be advised upon completion of the reorganisation.

In exchange for the increase in the equity interest held by Shumba, Shumba would forego the previous claim it had against a portion of the MCIPP coal resources, thereby increasing the value of the interest held by KEB.

The transaction became effective on 5 December 2019 when Kibo concluded a shareholders agreement with KEB and Shumba whereby Kibo, through its wholly owned subsidiaries, Kibo Mining Cyprus Limited and Kibo Energy Botswana Limited would decrease their equity interest in KEB from 85% to 35%, effectively halving their interest in the MCIPP project.

As a result of the reorganisation, Kibo lost control of KEB and therefore derecognised the intangible asset previously recorded and simultaneously recognised an investment in associate equal to the fair value of the remaining interest retained in KEB (refer Note 11).

The financial impact associated with the disposal of Mabesekwa Coal Independent Power Project ("MCIPP"):

	Group (£)	
	2019	**2018**
Opening balance as at January	9,376,312	-
Acquisition of 85% interest in MCIPP	-	9,376,312
Fair value re-measurement of remaining equity interest held in MCIPP recognised as part of profit on disposal of subsidiary	320,371	-
Closing balance as at December	**9,696,683**	**9,376,312**

Benga Power Plant Project
Kibo entered into a Joint Venture Agreement with Mozambique energy company Termoeléctrica de Benga S.A. to participate in the further assessment and potential development of the Benga Independent Power Project ('BIPP'). The assets associated with the acquisition were transferred into a newly incorporated entity in which Kibo and Termoeléctrica hold initial participation interests of 65% and 35% respectively, which Kibo obtained for no consideration on commencement. As disclosed in the significant judgement section of the financial results, Kibo is not able to exercise control over the operations of the newly incorporated entity, therefore the investment is recognised as a Joint Venture for financial reporting purposes, which requires the recognition of the participants' interest in the net revenue of the Joint Venture's operations.

In order to maintain its initial participation interest Kibo is required to ensure funding of a maximum amount of £1 million towards the completion of a Definitive Feasibility Study.

Bordersley Power Ltd
Kibo Energy PLC initially acquired an indirect 100% equity interest in shovel-ready reserve power generation project, Bordersley, which will comprise a 5MW gas-fuelled power generation plant for the consideration of £175,000 settled through the issue of shares.

Thereafter, Kibo acquired all of St' Anderton's direct and indirect interests (Royalty Agreements) in the Bordersley power project described above giving it a 100% economic and 100% equity interest in Bordersley (the 'Acquisition'). Consideration for the Acquisition consists of the allotment and issue of 46,067,206 ordinary shares in the capital of Kibo to St' Anderton at an issue price of £0.0525 per share and payable in five tranches ('Consideration Shares') such that the full consideration is only payable in the event that Bordersley is progressively derisked.

As there were no separately identifiable assets and/or liabilities acquired, the purchase price was allocated toward the Intellectual Property acquired, in the amount of £2,595,000, as disclosed in Note 10.

Mzuri Exploration Services Ltd (Tanzania)
Kibo entered into a sale of share agreement whereby Kibo disposed of 95% of its equity interest in Mzuri Exploration Services Limited ("MXS") and its subsidiary Protocol Mining & Exploration Limited ("Protocol") to the current senior management of Mzuri Exploration Services Limited for no consideration.

The financial impact associated with the disposal of Mzuri Exploration Services Ltd:

	2019
Property, plant and equipment	3,187
Trade and other receivables	111,317
Cash and cash equivalents	8,329
Foreign currency translation reserve	(300,671)
Trade and other payables	(68,352)
Taxation payable	(24,499)
Net equity on date of disposal	**(270,689)**
Net proceeds on disposal	-
Profit on disposal of subsidiary	**(270,689)**

14. Goodwill

MAST Energy Development Limited
In the previous financial period the Group acquired a 60% equity interest in MAST Energy Development Limited for £300,000, settled through the issue of 5,714,286 ordinary shares in Kibo effective on 19 October 2018. The acquisition of MAST Energy Development Limited falls within the ambit of IFRS 3: Business Combinations. The net assets acquired were valued at Nil, with the resultant purchase price being allocated to Goodwill on date of acquisition.

Various "shovel ready" sites have already been identified in the UK, capable of sustaining gas fired power generators and ancillary structures from 20MW upwards. Financial modelling indicates projected IRRs of 13-16% and NPVs of GBP16-19 million for the initial assets.

Goodwill is assessed for impairment on an annual basis, against the recoverable amount of underlying Cash Generating Unit ("CGU"). The recoverable amount of the CGU, is the higher of its fair value less cost to sell and its value in use. The valuation techniques applicable to the valuation of the abovementioned CGU comprise a combination of fair market values, discounted cash flow projections and historic transaction prices.

Through review of the project specific financial, operational, market and economic indicators applicable to the above CGU, as well as consideration of the various elements which contribute toward the indication of impairment of similar projects, it was concluded no impairment was necessary in the 2019 financial period.

15. Trade and other receivables

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due over one year:				
Amounts owed by group undertakings	-	-	-	333,495
Amounts falling due within one year:				
Other debtors	380,693	89,349	361,467	282
	380,693	**89,349**	**361,467**	**333,777**

Included in other debtors is an amount of £354,688 relating to amounts not received by year end in connection with a share placing in October 2019. Subsequent to year end, this full amount outstanding has been received and settled.

The nature of amounts owed by Group undertakings is such that the expected recovery thereof is in excess of one year, and is thus classified as amounts falling due after one year.

The carrying value of current trade and other receivables approximates their fair value.

Amounts owed by Group undertakings represent inter-company loans between the Company and its subsidiaries. They have no fixed repayment terms, bear no interest and are unsecured, resulting in the recognition of the receivable as a non-current asset due to settlement being extended beyond 12 months.

During the period the Board resolved to capitalise inter-company loans and convert the respective loans owed by subsidiaries into share capital in order to adhere to international transfer pricing regulation and this resulted in a corresponding decrease in amounts owed by group undertakings.

Trade and other receivables pledged as security

None of the above stated trade and other receivables were pledged as security at period end. Credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical repayment trends of the individual debtors.

16. Cash

Cash consists of:	Group (£) 2019	Group (£) 2018	Company (£) 2019	Company (£) 2018
Short term convertible cash reserves	**91,634**	**654,158**	**31,389**	**38,974**
	91,634	**654,158**	**31,389**	**38,974**

Cash has not been ceded, or placed as encumbrance toward any liabilities as at year end.

17. Assets classified as held for sale

On 22 August 2019, the Group entered into a term sheet with Lake Victoria Gold Limited ("LVG") covering the disposal of 100% of the equity interest held by subsidiary Katoro Gold Plc in its wholly owned subsidiary, Reef Miners Limited ("Reef"), which owns the Imweru gold project and the Lubando gold project in northern Tanzania. Although the sale and purchase agreement with LVG has not been entered into to date, and LVG have requested extensions on the payment tranches to be made in accordance with the term sheet, the Board feels that the sale of Reef is in the best interest of the Company at this time and the directors are of the opinion that the sale is highly probable. The assets, together with the associated liabilities of Reef have therefore been classified as held for sale.

The proceeds of the disposal are expected to exceed the net carrying amount of the relevant assets and liabilities, and accordingly no impairment loss has been recognised on the assets classified as held for sale.

The major classes of assets and liabilities in the disposal group classified as held for sale are as follows:

Assets	
Intangible assets	787,108
Cash and cash equivalents	6,966
	794,074
Liabilities	
Trade and other payables	11,257

18. Share capital - Group and Company

	2019	2018
Authorised equity		
1,000,000,000 Ordinary shares of €0.015 each	-	€15,000,000
2,000,000,000 Ordinary shares of €0.001 each	€2,000,000	
1,000,000,000 deferred shares of €0.014 each	€14,000,000	-
3,000,000,000 deferred shares of €0.009 each	€27,000,000	€27,000,000
	€43,000,000	**€42,000,000**
Allotted, issued and fully paid shares		
(2019: 1,257,276,078 Ordinary shares of €0.001 each)	£326,468	-
(2018: 640,031,069 Ordinary shares of €0.015 each)	-	£7,982,942
1,291,394,535 Deferred shares of €0.009 each	£9,257,075	£9,257,075
805,053,798 Deferred shares of €0.014 each	£9,948,807	-
	£19,532,350	**£17,240,017**

	Number of Shares	Ordinary Share Capital (£)	Deferred Share Capital (£)	Share Premium (£)	Treasury shares (£)
Balance at 31 December 2018	**640,031,069**	**7,982,942**	**9,257,075**	**39,205,318**	**-**
Shares issued during the period	617,245,009	2,292,333	-	3,545,118	-
Capital re-organisation	-	(9,948,807)	9,948,807	-	-
Balance at 31 December 2019	**1,257,276,078**	**326,468**	**19,205,882**	**42,750,436**	**-**

All ordinary shares issued have the right to vote, right to receive dividends, a copy of the annual report, and the right to transfer ownership of their shares.

During the year, the Company resolved to reduce the nominal value of the ordinary shares in issue from €0.015 to €0.001, whilst retaining the same number of shares. Under the capital re-organisation, each ordinary share was converted into one new deferred share of €0.014 each and one new ordinary share of €0.001 each.
The Deferred Shares will not entitle holders to receive notice of, or attend or vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid following a substantial distribution to the holders of the Ordinary Shares in the Company. Accordingly, for all practical purposes the Deferred Shares will be valueless, and it is the board's intention at the appropriate time, to purchase the Deferred Shares at an aggregate consideration of €1.

19. Control reserve

The transaction with Opera Investments PLC in 2017 represented a disposal without loss of control. Under IFRS this constitutes a transaction with equity holders and as such is recognised through equity as opposed to recognising goodwill. The control reserve represents the difference between the purchase consideration and the book value of the net assets and liabilities acquired in the transaction with Opera Investments.

20. Share based payments reserve

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

	Group (£)	
	2019	**2018**
Opening balance of share based payment reserve	**41,807**	**556,086**
Issue of share options and warrants	1,041,235	-
Deferred vendor liability settled through the issue of shares	421,471	
Reclassification of share based payment reserve on expired share options	-	(514,279)
	1,504,513	**41,807**

	Company (£)	
	2019	**2018**
Opening balance of share based payment reserve	**-**	**514,279**
Issue of share options and warrants	977,575	-
Reclassification of share based payment reserve on expired share options	-	(514,279)
	977,575	**-**

Share options and Warrants

Share Options
During the current year, Katoro Gold Plc, a subsidiary of Kibo, implemented a share option plan whereby the Board and Management of the Company were issued 14,944,783 Ordinary shares, being 10% of the Company's issued share capital on 8 February 2019, at 1.3 pence per share. The options have an expiry date of the seventh anniversary date of the date of grant, with 50% vesting on issue and the remaining 50% vesting in one year.

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

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

Description of key input	**Key Assumptions**
Share Options granted	14,944,783
Stock price	1.3p
Exercise price	1.3p
Risk free rate	0.4%
Volatility	82%
Expiry Date	7 years
Weighted average remaining contractual life	6 years

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 years.

Warrants
The Group has the following warrants over its Ordinary Shares:

- 1,208,333 warrants to Beaufort's (Beaufort Securities Limited, the former broker to the Group) in respect of the placing fees. Each warrant shall entitle Beaufort to subscribe for one new Ordinary Share and shall be exercisable at 6 pence per share for up to five years;
- 10,000,000 warrants to African Battery Metals Plc in respect of the Nickel project facilitation fees. The warrants were issued over 2 tranches. The first tranche of 2,500,000 warrants were issued upon signature of the Option Agreement between the parties on 15 March 2019, with the remaining 7,500,000 issued on 15 May 2019. These warrants are exercisable within 3 years of issue date at a price of 1.25 pence per share.
- 663,333,420 warrants were issued with the share placing completed on 21 October 2019. Each share issued for this placing includes one warrant exercisable at 0.8 pence per share for the period of 18 months and half a warrant exercisable at 1.0 pence per share for the period of 36 months from the date of issue.

The fair value of the warrants issued have been determined using the Black-Scholes option pricing model.
The inputs to the Black-Scholes model were as follows:

Description of key input	**Key Assumptions** ***Beaufort***	**Key Assumptions** ***African Battery Metals Plc***	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***	**Key Assumptions** ***Kibo Energy Plc October 2019 placing***
Date issued	April 2017	May 2019	October 2019	October 2019
Warrants granted	1,208,333	10,000,000	442,222,280	221,111,140
Stock price	6p	1.3p	0.45p	0.5p
Exercise price	6p	1.25p	0.8p	1p
Risk free rate	0.1%	0.4%	0.4%	0.4%
Volatility	70%	82%	99%	99%
Expiry Date	5 years	3 years	18 months	3 years
Weighted average remaining contractual life	2.3 years	2.3 years	1.25 years	2.75 years

Expected volatility was determined using the historic average volatility in the company's share price over the past 2 years.

Expenses settled through the issue of shares

The Group recognised the following expense related to equity settled share based payment transactions:

	2019 (£)	2018 (£)
Geological expenditure settled	100,559	22,616
Listing and capital raising fees	252,854	104,302
Statutory fees	144,013	-
Shares and warrants issued to directors and staff	405,345	-
	902,771	**126,918**

At 31 December 2019 the Group had 14,944,783 share options and 663,333,420 warrants outstanding.

	Date of Grant	Exercise start date	Expiry date	Exercise Price	Number Granted	Exercisable as at 31 December 2019
Options	8 Feb 2019	8 Feb 2019 (50%) 8 Feb 2020 (50%)	7 Feb 2026	1.3p	14,944,783	7,472,392
Warrants	04 Nov 2019	04 Nov 2019	03 May 2021	0.8p	442,222,280	442,222,280
	04 Nov 2019	04 Nov 2019	03 Nov 2022	1.0p	221,111,140	221,111,140
Total Contingently Issuable shares					**663,333,420**	**663,333,420**

Reconciliation of the quantity of share options in issue:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Opening balance	-	**14,399,333**	-	**14,399,333**
New share options issued	14,944,781	-	-	-
Expiration of share options	-	(14,399,333)	-	(14,399,333)
	14,944,781	-	-	-

Reconciliation of the quantity of warrants in issue:

	Group		Company	
	2019	**2018**	**2019**	**2018**
Opening balance		**10,000,000**	-	**10,000,000**
New warrants issued	663,333,420	-	663,333,420	-
Warrants lapsed	-	(10,000,000)	-	(10,000,000)
	663,333,420	-	**663,333,420**	-

Deferred vendor liability

The amount due to vendors represents the balance of the purchase consideration owing in respect of the acquisition of Bordersley Power Limited from St' Anderton on Vaal Limited. The liability will be settled through the issue of ordinary shares in the Company, in four equal tranches of 6,000,000 at an issue price of £0.0525 each, as the project is progressively derisked, as detailed below:

- Upon receiving confirmation from Mast Energy Development that a preliminary notice to proceed with construction of the Bordersley power site has been issued by the Owners Engineer for the construction and commissioning of the Bordersley site;
- Upon receiving confirmation from Mast Energy Development that a final notice to proceed with construction of the Bordersley power site has been issued by the Owners Engineer for the construction and commissioning of the Bordersley site;
- Upon receiving confirmation from Mast Energy Development that the Owners Engineer for the construction and commissioning of the Bordersley site has commenced with commissioning of the Bordersley power plant; and
- Upon receiving confirmation from Mast Energy Development that the Owners Engineer for the construction and commissioning of the Bordersley site has confirmed steady state production at the Bordersley power plant.

The fair value of the deferred vendor liability is calculated in accordance with the anticipated purchase consideration payable, at the fair value of the shares on the date of the transaction.

The amount payable has been settled subsequent to year end.

21. Translation reserves

The foreign exchange reserve relates to the foreign exchange effect of the retranslation of the Group's overseas subsidiaries on consolidation into the Group's financial statements, taking into account the financing provided to subsidiary operations is seen as part of the Group's net investment in subsidiaries.

	Group		Company	
	2019 (£)	**2018 (£)**	**2019 (£)**	**2018 (£)**
Opening balance	**(656,622)**	**(268,506)**	**-**	**14,723**
Movement during the period	(216,320)	(388,116)	-	(14,723)
Closing balance	**(872,942)**	**(656,622)**	**-**	**-**

22. Non-controlling interest

The non-controlling interest carried forward relates to the minority equity attributable to Katoro Gold PLC and its subsidiaries.

	Group	
	2019 (£)	**2018 (£)**
Opening balance	**409,171**	**927,107**
Change of interest in subsidiary without loss of control	19,267	(9,364)
Additional capital raised	-	152,998
Loss for the year allocated to non-controlling interest	(401,365)	(661,570)
Closing balance of non-controlling interest	**27,073**	**409,171**

The summarised financial information for significant subsidiaries in which the non-controlling interest has an influence, namely Katoro Gold PLC as at ended 31 December 2019, is presented below:

	Katoro plc Group 2019 (£)	**Katoro plc Group 2018 (£)**
Statement of Financial position		
Total assets	295,116	622,231
Total liabilities	(117,402)	(175,499)
Statement of Profit and Loss		
Revenue for the period	-	-
Loss for the period	(668,659)	(479,205)
Statement of Cash Flow		
Cash flows from operating activities	(580,727)	(465,669)
Cash flows from investing activities	-	-

Cash flows from financing activities	202,934	313,560

In March 2019 the Company entered into an agreement, whereby it would reacquire the residual 2.5% interest held by Sanderson Capital Partners for the amount of £1,706,895. As the transaction was a change in the Group's ownership interest in a subsidiary that did not result in the Group losing control of the subsidiary, the impact of the transaction was recognised directly in equity.

23. Trade and other payables

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due within one year:				
Trade payables	1,024,126	301,698	265,727	95,072
	1,024,126	**301,698**	**265,727**	**95,072**

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

24. Borrowings

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Amounts falling due within one year:				
Short term loans	523,725	-	294,955	-
	523,725	**-**	**294,955**	**-**

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Reconciliation of borrowings:				
Opening balance	-	1,210,768	-	1,210,768
Raised during the year	1,613,715	251,565	544,955	251,565
Repaid during the year	-	(200,000)	-	(200,000)
Settled through the issue of shares	(1,090,000)	(1,262,333)	(250,000)	(1,262,333)
Closing balance	**523,725**	**-**	**294,955**	**-**

Short term loans

Short term loans relate to the unsecured interest free loan facility from Sanderson Capital Partners Limited which is repayable either through the issue of ordinary shares of payment of cash in the Company.

25. Investment in group undertakings

Breakdown of investments at 31 December 2019

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	40,048,442
Sloane Developments Limited	2,643,558
Katoro Gold Plc	626,643
Total cost of investments	**43,318,643**

Breakdown of investments at 31 December 2018

	Subsidiary undertakings (£)
Kibo Mining (Cyprus) Limited	37,406,177
Sloane Developments Limited	-
Katoro Gold Plc	484,474
Total cost of investments	**37,890,651**

	Subsidiary undertakings (£)
Investments at Cost	
At 1 January 2018	3,468,224
Additions in Kibo Mining (Cyprus) Limited	35,706,177
Additions in Katoro Gold PLC	349,878
Provision for impairment	(1,633,628)
At 31 December 2018 (£)	**37,890,651**
Additions in Kibo Mining Cyprus Limited	2,642,265
Additions in Sloane Developments Limited	2,643,558
Additions in Katoro Gold PLC	142,169
Provision for impairment	-
At 31 December 2019 (£) *	**43,318,643**

At 31 December 2019 the Company had the following undertakings:

Description	Subsidiary, associate or Joint Venture	Activity	Incorporated in	Interest held (2019)	Interest held (2018)
Directly held Investments					
Sloane Developments Limited	Subsidiary	Holding Company	United Kingdom	100%	100%
Kibo Mining (Cyprus) Limited	Subsidiary	Treasury Function	Cyprus	100%	100%
Katoro Gold Plc	Subsidiary	Mineral Exploration	United Kingdom	55.53%	57%
Indirectly held Investments					
MAST Energy Development Limited	Subsidiary	Power Generation	United Kingdom	60%	60%
Bordersley Power Limited	Subsidiary	Power Generation	United Kingdom	100%	-
Kibo Gold Limited	Subsidiary	Holding Company	Cyprus	55.53%	57%
Savannah Mining Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	57%
Reef Miners Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	57%
Kibo Nickel Limited	Subsidiary	Holding Company	Cyprus	55.53%	100%
Eagle Exploration Limited	Subsidiary	Mineral Exploration	Tanzania	55.53%	100%
Mbeya Holdings Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Development Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Mining Company Limited	Subsidiary	Holding Company	Cyprus	100%	97,5%
Mbeya Coal Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Mzuri Power Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Mbeya Power Tanzania Limited	Subsidiary	Power Generation	Tanzania	100%	97,5%
Kibo Mining South Africa (Pty) Ltd	Subsidiary	Treasury Function	South Africa	100%	100%
Kibo Exploration Limited	Subsidiary	Treasury Function	Tanzania	100%	100%
Kibo MXS Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Tourlou Limited	Subsidiary	Holding Company	Cyprus	0%	100%
Mzuri Exploration Services Limited	Investment	Exploration Services	Tanzania	4.78%	100%
Protocol Mining Limited	Investment	Exploration Services	Tanzania	4.78%	100%
Jubilee Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Kibo Energy Botswana Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Kibo Energy Botswana (Pty) Ltd	Associate	Mineral Exploration	Botswana	35%	100%

Kibo Energy Mozambique Limited	Subsidiary	Holding Company	Cyprus	100%	100%
Pinewood Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%
Makambako Resources Limited	Subsidiary	Mineral Exploration	Tanzania	100%	100%

The Group has applied the approach whereby loans to Group undertakings and trade receivables from Group undertakings were capitalised to the cost of the underlying investments. The capitalisation results in a decrease in the exchange fluctuations between Group companies operating from various locations.

26. Related party transactions

Related parties of the Group comprise subsidiaries, joint ventures, significant shareholders, the Board of Directors and related parties in terms of the listing requirements.

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

Board of Directors/ Key Management

Name	Relationship (Directors of:)
A. Lianos	River Group, Boudica Group and Namaqua Management Limited

Other entities over which directors/key management or their close family have control or significant influence:

River Group	River Group provide corporate advisory services and is the Company's Designated Advisor.
Boudica Group	Boudica Group provides secretarial services to the Group.
St Anderton on Vaal Limited	St Anderton on Vaal Limited provides consulting services to the Group. The directors of St Anderton on Vaal Limited are also directors of Mast Energy Developments Limited.

Kibo Mining Plc is a shareholder of the following companies and as such are considered related parties:

Directly held subsidiaries:	Sloane Developments Limited Kibo Mining (Cyprus) Limited Katoro Gold Plc
Indirectly held subsidiaries:	Kibo Gold Limited Kibo Mining South Africa Limited Savannah Mining Limited Reef Mining Limited Kibo Nickel Limited Eagle Exploration Mining Limited Mzuri Energy Limited Rukwa Holdings Limited Mbeya Development Company Limited Mbeya Mining Company Limited Mbeya Coal Limited Mzuri Power Limited Kibo Exploration Limited Mbeya Power Tanzania Limited Kibo MXS Limited Kibo Energy Mozambique Limited Pinewood Resources Limited Makambako Resources Limited Jubilee Resources Limited Kibo Energy Botswana Limited MAST Energy Developments Limited Bordersley Power Limited

The transactions during the period between the Company and its subsidiaries included the settlement of expenditure to/from subsidiaries, working capital funding, and settlement of the Company's liabilities through the issue of equity in subsidiaries. The loans to/ from group companies do not have fixed repayment terms and are unsecured.

The following transactions have been entered into with related entities, by way of common directorship, throughout the financial period.

River Group was paid £35,384 (2018: £46,145) for designated advisor services, corporate advisor services and corporate financer fees during the year settled through cash. No fees are payable to River Group as at year end. The expenditure was recognised in the Company as part of administrative expenditure.

St Anderton on Vaal Limited was paid £297,000 (2018: £nil) during the year for consulting services rendered to Mast Energy Developments Limited.

During the year, Namaqua Management Limited or its nominees, was paid £472,153 (2018: £629,293) for the provision of administrative and management services. £247,836 was payable at the year-end (2018: £NIL).

The Boudica Group was paid £32,400 (2018: £38,038) for corporate services during the current financial period. No fees are payable to Boudica Group at year end.

27. Financial Instruments and Financial Risk Management

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

It is, and has been throughout the 2019 and 2018 financial period, the Group and Company's policy not to undertake trading in derivatives.

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

	2019 (£)		**2018 (£)**	
Financial instruments of the Group are:	**Loans and receivables**	**Financial liabilities**	**Loans and receivables**	**Financial liabilities**
Financial assets at amortised cost				
Trade and other receivables	380,693	-	89,349	-
Cash	91,634	-	654,158	-
Financial liabilities at amortised cost				
Trade payables	-	1,024,126	-	301,698
Borrowings	-	523,725	-	-
	472,327	**1,547,851**	**743,507**	**301,698**

Financial instruments of the Company are:	2019 (£) Loans and receivables	Financial liabilities	2018 (£) Loans and receivables	Financial liabilities
Financial assets at amortised cost				
Trade and other receivables – non current	-	-	333,495	-
Trade and other receivables – current	361,467	-	282	-
Cash	31,389	-	38,975	-
Financial liabilities at amortised cost				
Trade payables – current	-	227,237	-	95,072
Borrowings	-	294,955	-	-
	392,856	**522,192**	**372,752**	**95,072**

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currencies and exposures to exchange rate fluctuations therefore may arise. Exchange rate exposures are managed by continuously reviewing exchange rate movements in the relevant foreign currencies. The exposure to exchange rate fluctuations for the Group/Company is limited to foreign currency translation of subsidiaries, which is not material, as the Group/Company does not hold any significant foreign denominated monetary assets or liabilities.

At the period ended 31 December 2019, the Group had no outstanding forward exchange contracts.

Exchange rates used for conversion of foreign subsidiaries undertakings were:

	2019	2018
ZAR to GBP (Spot)	0.0542	0.0545
ZAR to GBP (Average)	0.0543	0.0593
USD to GBP (Spot)	0.7623	0.7871
USD to GBP (Average)	0.7837	0.7499
EURO to GBP (Spot)	0.8537	0.0095
EURO to GBP (Average)	0.8772	0.8848

The executive management of the Group monitor the Group's exposure to the concentration of fair value estimation risk on a monthly basis.

Group Sensitivity Analysis
As the Group/Company has no material monetary assets denominated in foreign currencies, the impact associated with a change in the foreign exchange rates is not expected to be material to the Group/Company.

Credit risk
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position. Expected credit losses were not measured on a collective basis. The various financial assets owed from group undertakings were evaluated against the underlying asset value of the investee, taking into account the value of the various projects undertaken during the period, thus validating, as required the credit loss recognised in relation to amounts owed by group undertakings.

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

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

Financial instruments	Group (£) 2019	2018	Company (£) 2019	2018

Trade & other receivables	380,693	89,349	361,467	333,777
Cash	91,634	654,158	31,389	38,974

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

The Group and Company's financial liabilities as at 31 December 2019 were all payable on demand.

Group (£)	**Less than 1 year**	**Greater than 1 year**
At 31 December 2019		
Trade and other payables	1,024,126	-
Borrowings	523,725	-
At 31 December 2018		
Trade and other payables	301,698	-
Company (£)		
At 31 December 2019		
Trade and other payables	265,727	-
Borrowings	294,955	-
At 31 December 2018		
Trade and other payables	95,072	-

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

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

Group Sensitivity Analysis:
Currently no significant impact exists due to possible interest rate changes on the Company's interest bearing instruments.

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the period ended 31 December 2019. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

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

Hedging
At 31 December 2019, the Group had no outstanding contracts designated as hedges.

28. Post Statement of Financial Position events

Investment in Katoro Gold PLC

Following Kibo's investment in Katoro Gold PLC during 2019 by subscribing to its October 2019 placing for 1.8 million shares issued at a price of 1p (£18,000), the Company subsequently exercised the warrants attached to these shares at their exercise price of 1.5p and receiving an additional 1.8 million Katoro shares in February 2020. Kibo's equity interest in Katoro at the date of this report is 29.70%.

Issue of Convertible Loan Note

In July 2020, the Company secured a £1 million facility ("the Facility") from a consortium of lenders. The Facility, in the form of a convertible loan note issued by Kibo, will provide sufficient working capital to allow it proceed with reaching key development milestones, particularly for the Benga and Mast Energy Developments Limited projects over the next twelve months. At an EGM held on 24 August 2020, shareholders approved resolutions to increase the authorised share capital of the Company which was required to fully avail of the Facility and meet all related funding costs. The Company is now fully enabled to avail of the Facility. Refer to the Going Concern paragraph on page 24 for further details.

Share Issues

During 2020 to date, Kibo issued an additional 135,526,399 shares comprising 29,214,110 to contractors & service providers for agreed invoice payments at share prices of 0.45p & 0.2p; 8,000,000 as final payment to MED with regard to acquisition costs for Bordersley, at a share price 5.25p; and 98,312,289 shares in payment of first drawdown fee, legal fee, arrangement fee and issue of conversion shares with regard to the Facility at share prices ranging from 0.22p to 0.27p.

Increased Investment in Mast Energy Developments and Listing of Sloane on the LSE

In August 2020, Sloane Developments Limited, a 100% owned UK Kibo subsidiary, acquired from St Anderton on Vaal Limited ('St Anderton') the remaining 40% interest in Mast Energy Developments Ltd ('Mast Energy'), that it did not already hold, in exchange for 36,917,076 new Ordinary Shares in Sloane. Accordingly, Sloane (to be renamed Mast Energy Ltd) will at completion of the share exchange transaction own a 100% interest in Mast Energy alongside its 100% interest in Bordersley Power Ltd as it seeks to develop a portfolio of flexible power plants in the UK. St Anderton will at completion hold 26.11% of Sloane, with Kibo holding the remaining 73.89%. Sloane has made an application to the LSE for admission to the Standard List which will be accompanied by an IPO to raise funds to advance Mast Energy's energy portfolio in the UK.

Settlement and Termination of Convertible Loan Note and Placing

Kibo settled all outstanding amounts due under the Convertible Loan Note ("CLN"), announced on 25 June 2020 and reached agreement with the holders of the CLN to terminate the CLN with immediate effect. The Company has further undertaken a successful placing to raise GBP1,450,000 before costs through the Company's broker ETX Capital, at a placing price of 0.2p per placing share, with 1 warrant attached for every two placing shares, exercisable at 0.4p each over 36 months.

29. Commitments and Contingencies

Benga Power Project
Kibo entered into a Joint Venture Agreement (the ‘Benga Power Joint Venture’ or ‘JV’) with Mozambique energy company Termoeléctrica de Benga S.A. to participate in the further assessment and potential development of the Benga Independent Power Project (‘BIPP’). In order to maintain its initial participation interest Kibo is required to ensure funding of a maximum amount of £1 million towards the completion of a Definitive Feasibility Study, however this expenditure is still discretionary.

Other than the commitments and contingencies noted above, the Group does not have identifiable material commitments and contingencies as at the reporting date. Any contingent rental is expensed in the period in which it is incurred.

Accounting policy

Headline earnings per share (HEPS) is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2019 issued by the South African Institute of Chartered Accountants (SAICA).

Reconciliation of Headline earnings per share

Headline loss per share

Headline loss per share comprises the following:

Reconciliation of headline loss per share:	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to normal shareholders	**(3,500,004)**	**(3,388,778)**
Adjustments		
Impairment of the Intangible Assets	**-**	912,892
Profit on disposal of subsidiaries	(591,060)	-
Headline loss for the period attributable to normal shareholders	**(4,091,064)**	**(2,475,886)**
Headline loss per ordinary share	(0.005)	(0.004)
Weighted average number of shares in issue:	849,795,672	565,932,121

Headline loss per share, on a per-share basis:

Reconciliation of headline loss per share:	**31 December 2019 (£)**	**31 December 2018 (£)**
Loss for the period attributable to normal shareholders	**(0.0041)**	**(0.0059)**
Adjustments		
Impairment of the Intangible Assets	**-**	0.0016
Profit on disposal of subsidiaries	(0.0007)	-
Headline loss for the period attributable to normal shareholders	**(0.0048)**	**(0.0043)**
Headline loss per ordinary share	(0.005)	(0.004)

In order to accurately reflect the weighted average number of ordinary shares for the purposes of basic earnings, dilutive earnings and headline earnings per share as at year end, the weighted average number of ordinary shares was adjusted retrospectively.

Johannesburg
23 September 2020
Designated and Corporate Adviser
River Group