



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(EXPRESSED IN US DOLLARS)  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

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### Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established for a review of condensed interim financial statements by an entity's auditor.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| ALPHAMIN RESOURCE CORP.<br>Consolidated Statements of Financial Position<br>As at<br>(Expressed in US dollars) |         | June 30,<br>2022 | December 31,<br>2021 |
|----------------------------------------------------------------------------------------------------------------|---------|------------------|----------------------|
|                                                                                                                | Notes   | \$               | \$                   |
| <b>ASSETS</b>                                                                                                  |         |                  |                      |
| Current assets                                                                                                 |         |                  |                      |
| Inventory                                                                                                      | 3       | 21,982,148       | 20,673,990           |
| Accounts receivable                                                                                            | 4       | 35,307,875       | 47,625,872           |
| Prepays and other receivables                                                                                  | 5       | 12,331,016       | 7,401,802            |
| Cash and cash equivalents                                                                                      | 6       | 147,148,282      | 90,640,001           |
| Total current assets                                                                                           |         | 216,769,321      | 166,341,665          |
| Non-current assets                                                                                             |         |                  |                      |
| Plant and equipment                                                                                            | 7       | 224,590,083      | 227,720,458          |
| Prepays and other receivables                                                                                  | 5       | 15,498,006       | 13,528,568           |
| Exploration and evaluation assets                                                                              | 10      | 21,992,838       | 13,559,217           |
| Total non-current assets                                                                                       |         | 262,080,927      | 254,808,243          |
| Total assets                                                                                                   |         | 478,850,248      | 421,149,908          |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                    |         |                  |                      |
| Current liabilities                                                                                            |         |                  |                      |
| Accounts payable and accrued liabilities                                                                       | 11      | 74,307,200       | 55,381,332           |
| Lease agreements due within one year                                                                           | 12      | 1,843,889        | 2,167,399            |
| Accounts payable and accrued liabilities - related parties                                                     | 13      | 54,525           | -                    |
| Debt due to related parties                                                                                    | 13 & 14 | 2,937,616        | 3,328,941            |
| Debt - external                                                                                                | 14      | 2,005,457        | 13,705,801           |
| Warrants                                                                                                       | 15      | -                | 4,574,743            |
| Total current liabilities                                                                                      |         | 81,148,687       | 79,158,216           |
| Non-current liabilities                                                                                        |         |                  |                      |
| Provision for closure and reclamation                                                                          | 16      | 7,724,824        | 7,610,664            |
| Lease agreements due in greater than one year                                                                  | 12      | 1,556,747        | 2,029,164            |
| Deferred tax liability                                                                                         | 9       | 19,440,088       | 21,618,104           |
| Total non-current liabilities                                                                                  |         | 28,721,659       | 31,257,932           |
| Stockholders' Equity                                                                                           |         |                  |                      |
| Capital stock                                                                                                  | 17      | 272,862,229      | 265,635,723          |
| Reserves                                                                                                       |         | 11,567,817       | 11,054,485           |
| Foreign Currency Translation Reserve                                                                           |         | (1,537,693)      | (1,529,740)          |
| Retained earnings/(Accumulated deficit)                                                                        |         | 39,671,668       | (433,332)            |
| Stockholders' equity                                                                                           |         | 322,564,021      | 274,727,136          |
| Non-controlling interest                                                                                       | 18      | 46,415,881       | 36,006,624           |
| Total equity                                                                                                   |         | 368,979,902      | 310,733,760          |
| Total liabilities and equity                                                                                   |         | 478,850,248      | 421,149,908          |

The accompanying notes are an integral part of these consolidated financial statements.

Approved and authorised by the Board of Directors on July 26, 2022.

(Signed)

MARITZ SMITH, DIRECTOR

(Signed)

EOIN O'DRISCOLL, DIRECTOR

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

## CONSOLIDATED STATEMENTS OF PROFIT AND COMPREHENSIVE PROFIT

| ALPHAMIN RESOURCES CORP.<br>Consolidated Statements of Profit/(Loss)<br>For the periods ended<br>(Expressed in US dollars)                   |       | For the six<br>months ended<br>June 30,<br>2022<br>US\$ | For the six<br>months ended<br>June 30,<br>2021<br>US\$ | For the three<br>months ended<br>June 30,<br>2022<br>US\$ | For the three<br>months ended<br>June 30,<br>2021<br>US\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
|                                                                                                                                              | Notes |                                                         |                                                         |                                                           |                                                           |
| <b>REVENUE</b>                                                                                                                               | 19    | 257,701,764                                             | 144,085,621                                             | 111,471,216                                               | 68,053,576                                                |
| <b>COST OF SALES</b>                                                                                                                         | 20    | (95,470,088)                                            | (79,630,322)                                            | (45,861,777)                                              | (36,096,373)                                              |
| <b>GROSS PROFIT</b>                                                                                                                          |       | 162,231,676                                             | 64,455,299                                              | 65,609,439                                                | 31,957,203                                                |
| <b>General and administrative</b>                                                                                                            | 21    | (12,259,574)                                            | (9,489,364)                                             | (6,075,405)                                               | (4,836,717)                                               |
| <b>Operating Profit</b>                                                                                                                      |       | 149,972,102                                             | 54,965,935                                              | 59,534,034                                                | 27,120,486                                                |
| <b>OTHER</b>                                                                                                                                 |       |                                                         |                                                         |                                                           |                                                           |
| Warrants                                                                                                                                     | 15    | (482,351)                                               | (15,930,369)                                            | -                                                         | (10,293,542)                                              |
| (Loss)/Profit on foreign exchange                                                                                                            | 22    | (60,258)                                                | (29,058)                                                | 49,179                                                    | (45,653)                                                  |
| Finance cost                                                                                                                                 | 23    | (2,665,614)                                             | (4,929,074)                                             | (1,248,550)                                               | (2,280,673)                                               |
| Interest income                                                                                                                              |       | 1,088                                                   | 309                                                     | 511                                                       | 298                                                       |
| <b>Profit before taxes</b>                                                                                                                   |       | 146,764,967                                             | 34,077,743                                              | 58,335,174                                                | 14,500,916                                                |
| Current income tax expense                                                                                                                   | 8     | (62,290,163)                                            | (22,612)                                                | (24,027,938)                                              | (11,499)                                                  |
| Deferred tax movement                                                                                                                        | 9     | 2,178,016                                               | (18,301,972)                                            | 1,608,162                                                 | (9,588,773)                                               |
| <b>NET INCOME</b>                                                                                                                            |       | 86,652,820                                              | 15,753,159                                              | 35,915,398                                                | 4,900,644                                                 |
| <b>Other Comprehensive income (net of tax)</b>                                                                                               |       |                                                         |                                                         |                                                           |                                                           |
| <i>Items that may be reclassified to profit or loss</i>                                                                                      |       |                                                         |                                                         |                                                           |                                                           |
| Exchange differences on translation of foreign operations                                                                                    |       | (7,953)                                                 | 9,040                                                   | (36,144)                                                  | 7,237                                                     |
| Total comprehensive profit for the period                                                                                                    |       | 86,644,867                                              | 15,762,199                                              | 35,879,254                                                | 4,907,881                                                 |
| Profit attributable to ;                                                                                                                     |       |                                                         |                                                         |                                                           |                                                           |
| Equity holders                                                                                                                               |       | 72,254,927                                              | 10,271,645                                              | 29,947,839                                                | 2,269,455                                                 |
| Non-controlling interests                                                                                                                    | 18    | 14,397,893                                              | 5,481,514                                               | 5,967,559                                                 | 2,631,189                                                 |
|                                                                                                                                              |       | 86,652,820                                              | 15,753,159                                              | 35,915,398                                                | 4,900,644                                                 |
| Total comprehensive profit attributable to ;                                                                                                 |       |                                                         |                                                         |                                                           |                                                           |
| Equity holders                                                                                                                               |       | 72,246,974                                              | 10,280,685                                              | 29,911,695                                                | 2,276,692                                                 |
| Non-controlling interests                                                                                                                    | 18    | 14,397,893                                              | 5,481,514                                               | 5,967,559                                                 | 2,631,189                                                 |
|                                                                                                                                              |       | 86,644,867                                              | 15,762,199                                              | 35,879,254                                                | 4,907,881                                                 |
| Earnings per share for profit attributable to the ordinary equity holders of the company (Note 26) (expressed in US cents per share)         |       | 5.69                                                    | 0.87                                                    | 2.35                                                      | 0.18                                                      |
| Diluted Earnings per share for profit attributable to the ordinary equity holders of the company (Note 26) (expressed in US cents per share) |       | 5.60                                                    | 0.79                                                    | 2.32                                                      | 0.18                                                      |

The accompanying notes are an integral part of these consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

## CONSOLIDATED STATEMENTS OF CASH FLOWS

ALPHAMIN RESOURCES CORP.

Consolidated Statements of Cash Flows

For the period ended

(Expressed in US dollars)

|                                                           | For the six<br>months ended<br>June 30,<br>2022 | For the six<br>months ended<br>June 30,<br>2021 | For the three<br>months ended<br>June 30,<br>2022 | For the three<br>months ended<br>June 30,<br>2021 |
|-----------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>Cash Flows From Operating Activities</b>               |                                                 |                                                 |                                                   |                                                   |
| Net profit/(loss) for the period before tax               | 146,764,967                                     | 34,077,743                                      | 58,335,174                                        | 14,500,916                                        |
| <i>Adjustments for items not involving cash;</i>          |                                                 |                                                 |                                                   |                                                   |
| Share-based payments                                      | 513,332                                         | 332,922                                         | 235,473                                           | 84,557                                            |
| Warrants                                                  | 482,351                                         | 15,930,369                                      | -                                                 | 10,293,542                                        |
| Depreciation                                              | 13,615,307                                      | 14,434,299                                      | 6,888,472                                         | 8,017,408                                         |
| Interest expense                                          | 2,665,614                                       | 4,962,344                                       | 1,248,550                                         | 2,330,578                                         |
| Unwind of environmental discount                          | 114,160                                         | 33,270                                          | 57,080                                            | 16,635                                            |
| Cash generated from operations                            | 164,155,731                                     | 69,770,947                                      | 66,764,749                                        | 35,243,636                                        |
| Income tax paid                                           | (44,998,627)                                    | (1,390,507)                                     | (44,998,627)                                      | (1,390,507)                                       |
| Interest paid                                             | (2,216,117)                                     | (5,135,143)                                     | (1,559,204)                                       | (2,624,357)                                       |
| <b>Change in working capital items:</b>                   |                                                 |                                                 |                                                   |                                                   |
| Accounts receivable                                       | 12,317,997                                      | (20,037,624)                                    | 6,502,903                                         | 1,305,322                                         |
| Trader advances                                           | -                                               | -                                               | -                                                 | -                                                 |
| Prepays and other receivables - current                   | (4,937,167)                                     | (4,364,236)                                     | (2,558,442)                                       | (1,418,132)                                       |
| Change in inventory                                       | (1,308,158)                                     | 2,711,280                                       | (1,727,571)                                       | (2,547,014)                                       |
| Accounts payable and accrued liabilities                  | 1,701,201                                       | (344,218)                                       | 2,108,754                                         | (1,944,407)                                       |
| Due to related parties                                    | 54,525                                          | 4,086                                           | 51,900                                            | 22,401                                            |
| Net Cash generated in Operating Activities                | 124,769,385                                     | 41,214,585                                      | 24,584,462                                        | 26,646,942                                        |
| <b>Cash Flows From Investing Activities</b>               |                                                 |                                                 |                                                   |                                                   |
| Purchase of equipment                                     | (9,945,182)                                     | (6,115,786)                                     | (5,564,730)                                       | (3,991,315)                                       |
| Investing in exploration and evaluation assets            | (8,433,621)                                     | (4,795,682)                                     | (4,190,072)                                       | (3,081,824)                                       |
| Prepays and other receivables - non current               | (1,969,438)                                     | (1,586,124)                                     | (630,460)                                         | (880,688)                                         |
| Net Cash Used in Investing Activities                     | (20,348,241)                                    | (12,497,592)                                    | (10,385,262)                                      | (7,953,827)                                       |
| <b>Cash Flows From Financing Activities</b>               |                                                 |                                                 |                                                   |                                                   |
| Exercise of stock options and warrants                    | 2,169,412                                       | 3,280,206                                       | -                                                 | 1,701,966                                         |
| Dividends paid                                            | (29,990,722)                                    | -                                               | -                                                 | -                                                 |
| Dividends paid by subsidiary company to 3rd parties       | (6,147,841)                                     | -                                               | (6,147,841)                                       | -                                                 |
| Lease payments - capital (Note 12)                        | (1,335,677)                                     | (600,119)                                       | (589,430)                                         | (241,464)                                         |
| Debt repayments - capital (Note 14)                       | (12,608,035)                                    | (14,497,897)                                    | (951,532)                                         | (8,045,275)                                       |
| Net Cash Consumed by Financing Activities                 | (47,912,863)                                    | (11,817,810)                                    | (7,688,803)                                       | (6,584,773)                                       |
| Increase in cash and cash equivalents                     | 56,508,281                                      | 16,899,183                                      | 6,510,397                                         | 12,108,342                                        |
| Cash and cash equivalents at beginning of the year/period | 90,640,001                                      | 6,558,518                                       | 140,637,885                                       | 11,349,359                                        |
| Cash and cash equivalents at end of the period            | 147,148,282                                     | 23,457,701                                      | 147,148,282                                       | 23,457,701                                        |

The accompanying notes are an integral part of these consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

| ALPHAMIN RESOURCES CORP.                                                                | Capital Stock |             | Reserves           |                     |                        | Retained         | Total       | Non-Controlling |    |
|-----------------------------------------------------------------------------------------|---------------|-------------|--------------------|---------------------|------------------------|------------------|-------------|-----------------|----|
|                                                                                         | Shares        | Amount      | Share-based        | Foreign Currency    | earnings/              | Stockholders'    | Interests   | Total Equity    |    |
| Consolidated Statements of Changes in Stockholders' Equity<br>(Expressed in US dollars) | #             | \$          | Payment<br>Reserve | Translation Reserve | Accumulated<br>deficit | Equity (Deficit) | \$          | \$              | \$ |
| Balance, December 31, 2020                                                              | 1,180,367,816 | 211,505,428 | 10,373,522         | (1,505,906)         | (48,638,422)           | 171,734,622      | 26,195,648  | 197,930,270     |    |
| Profit for the period                                                                   |               |             |                    | (1,803)             | 8,002,190              | 8,000,387        | 2,850,325   | 10,850,712      |    |
| Exercise of warrants on January 22, 2021                                                | 4,966,444     | 1,943,673   |                    |                     |                        | 1,943,673        |             | 1,943,673       |    |
| Exercise of warrants on March 17, 2021                                                  | 97,090        | 49,710      |                    |                     |                        | 49,710           |             | 49,710          |    |
| Share based payment                                                                     |               |             | 248,365            |                     |                        | 248,365          |             | 248,365         |    |
| Balance, March 31, 2021                                                                 | 1,185,431,350 | 213,498,811 | 10,621,887         | (1,507,709)         | (40,636,232)           | 181,976,757      | 29,045,973  | 211,022,730     |    |
| Profit for the period                                                                   |               |             |                    | 7,237               | 2,269,455              | 2,276,692        | 2,631,189   | 4,907,881       |    |
| Exercise of warrants during the period                                                  | 3,172,050     | 1,893,763   |                    |                     |                        | 1,893,763        |             | 1,893,763       |    |
| Exercise of options during the period                                                   | 3,663,657     | 934,224     |                    |                     |                        | 934,224          |             | 934,224         |    |
| Share based payment                                                                     |               |             | 84,557             |                     |                        | 84,557           |             | 84,557          |    |
| Balance, June 30, 2021                                                                  | 1,192,267,057 | 216,326,798 | 10,706,444         | (1,500,472)         | (38,366,777)           | 187,165,993      | 31,677,162  | 218,843,155     |    |
| Profit for the period                                                                   |               |             |                    | (14,035)            | 20,911,936             | 20,897,901       | 4,998,000   | 25,895,901      |    |
| Exercise of options during the period                                                   | 1,678,367     | 357,421     |                    |                     |                        | 357,421          |             | 357,421         |    |
| Share based payment                                                                     |               |             | 130,963            |                     |                        | 130,963          |             | 130,963         |    |
| Balance, September 30, 2021                                                             | 1,193,945,424 | 216,684,219 | 10,837,407         | (1,514,507)         | (17,454,841)           | 208,552,278      | 36,675,162  | 245,227,440     |    |
| Profit for the period                                                                   |               |             |                    | (15,233)            | 17,021,509             | 17,006,276       | 4,882,977   | 21,889,253      |    |
| Capital reduction                                                                       |               |             |                    |                     |                        | -                | (5,551,515) | (5,551,515)     |    |
| Exercise of options during the period                                                   | 1,383,286     | 281,006     |                    |                     |                        | 281,006          |             | 281,006         |    |
| Exercise of warrants during the period                                                  | 67,327,260    | 48,670,498  |                    |                     |                        | 48,670,498       |             | 48,670,498      |    |
| Share based payment                                                                     |               |             | 217,078            |                     |                        | 217,078          |             | 217,078         |    |
| Balance, December 31, 2021                                                              | 1,262,655,970 | 265,635,723 | 11,054,485         | (1,529,740)         | (433,332)              | 274,727,136      | 36,006,624  | 310,733,760     |    |
| Profit for the period                                                                   |               |             |                    | 28,191              | 42,307,088             | 42,335,279       | 8,430,334   | 50,765,613      |    |
| Dividends declared                                                                      |               |             |                    |                     | (29,990,722)           | (29,990,722)     |             | (29,990,722)    |    |
| Exercise of warrants during the period                                                  | 9,203,600     | 7,226,506   |                    |                     |                        | 7,226,506        |             | 7,226,506       |    |
| Share based payment                                                                     |               |             | 277,859            |                     |                        | 277,859          |             | 277,859         |    |
| Balance, March 31, 2022                                                                 | 1,271,859,570 | 272,862,229 | 11,332,344         | (1,501,549)         | 11,883,034             | 294,576,058      | 44,436,958  | 339,013,016     |    |
| Profit for the period                                                                   |               |             |                    | (36,144)            | 29,947,839             | 29,911,695       | 5,967,559   | 35,879,254      |    |
| Dividends declared by subsidiary company                                                |               |             |                    |                     | (2,159,205)            | (2,159,205)      | (3,988,636) | (6,147,841)     |    |
| Share based payment                                                                     |               |             | 235,473            |                     |                        | 235,473          |             | 235,473         |    |
| Balance, June 30, 2022                                                                  | 1,271,859,570 | 272,862,229 | 11,567,817         | (1,537,693)         | 39,671,668             | 322,564,021      | 46,415,881  | 368,979,902     |    |

The accompanying notes are an integral part of these consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. NATURE AND CONTINUANCE OF OPERATIONS

Alphamin Resources Corp. (the “Company”) is governed by the laws of Mauritius. The Company’s primary business is the production and sale of tin concentrate from the Bisie Tin mine in the Democratic Republic of the Congo (“DRC”). The registered office is located at C/o ADANSONIA MANAGEMENT SERVICES LIMITED, Suite 1, PERRIERI OFFICE SUITES, C2-302, Level 3, Office Block C, La Croisette, Grand Baie 30517, Mauritius. The Company was previously incorporated under the laws of British Colombia, Canada, however it was continued in Mauritius effective on September 30, 2014. The Company’s shares are listed on the Toronto Stock Exchange’s TSX Venture Exchange (primary listing) and the Johannesburg Stock Exchange’s Alternative Exchange (Alt.X) (secondary listing). In these consolidated financial statements, unless the context otherwise dictates, a reference to the Company refers to Alphamin Resources Corp. and its subsidiaries. These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realisation of assets and satisfaction of liabilities in the normal course of business.

#### A. DEVELOPMENTS IN THE CURRENT PERIOD

##### *COVID-19 update*

The Company continued uninterrupted throughout the Covid-19 pandemic. Management considers it possible but unlikely that Covid-19 will cause significant interruption to the business going forward.

Exploration efforts have yielded strong results with a maiden resource being announced at Mpama South on March 7, 2022. This was subsequently updated on two occasions by end May 2022. A decision to commence with the development of the Mpama South project was announced on March 29, 2022.

During Q1, 2022 the Company announced and paid a maiden dividend of CAD 03 cents per share. On July 5, 2022 the Company announced a further dividend of CAD 03 cents per share.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with *International Financial Reporting Standards (IFRS)* as issued by the *International Accounting Standards Board (IASB)* and Interpretations issued by the *International Financial Reporting Interpretations Committee (IFRIC)*. These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for share-based payments and certain financial assets, which have been measured at fair value. In addition, the unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

##### **Application of new and revised standards**

The following standards became effective for annual periods beginning on or after January 1, 2022. The Company adopted these standards in the current period and they did not have a material impact on its unaudited condensed consolidated interim financial statements unless specifically mentioned below.

| International Financial Reporting Standards and amendments effective for the first time for <i>December</i><br>2022 year-end |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number                                                                                                                       | Effective date                                                                                               | Executive summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment (Covid-19 related rent concessions extended to 30 June 2022)   | Annual periods beginning on or after 1 June 2020 (early adoption is permitted)<br><br>(Published March 2021) | <p>The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.</p> <p>Further detailed information is available at the following link: <a href="#">In depth INT2020-05</a></p>                                                                                                                                                         |
| Annual improvements cycle 2018 -2020                                                                                         | Annual periods beginning on or after 1 January 2022<br><br>(Published May 2020)                              | <p>These amendments include minor changes to:</p> <ul style="list-style-type: none"> <li>IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.</li> <li>IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.</li> <li>IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.</li> <li>IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with</li> </ul> |

|                                                                                                                   |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                                                                                                                   |                                                                                                | those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Amendments to IAS 37<br>Onerous Contracts—Cost<br>of Fulfilling a Contract                                        | Annual<br>periods<br>beginning on<br>or after 1<br>January 2022<br><br>(Published<br>May 2020) | The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of ‘costs to fulfil a contract’. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.                                                                                                                                                                                                                                                         |
| Amendments to IAS 16<br>Property, Plant and<br>Equipment: Proceeds<br>before Intended Use                         | Annual<br>periods<br>beginning on<br>or after 1<br>January 2022<br><br>(Published<br>May 2020) | The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.                                                                                                                                                                                                                                                                                                               |
| Amendment to IFRS 3,<br>‘Business combinations’<br><br>Asset or liability in a<br>business combination<br>clarity | Annual<br>periods<br>beginning on<br>or after 1<br>January 2022<br><br>(Published<br>May 2020) | <p>The Board has updated IFRS 3, ‘Business combinations’, to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.</p> <p>In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’, or IFRIC 21, ‘Levies’, rather than the 2018 Conceptual Framework.</p> <p>The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.</p> |

### Future accounting changes

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2022. The Company has not yet adopted these new and amended standards. The Company has considered the amendments and assessed that they will have no material impact on adoption.

| International Financial Reporting Standards, interpretations and amendments issued but not effective |                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number                                                                                               | Effective date                                                                                                                                                                                                                                                                                       | Executive summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| IFRS 17, 'Insurance contracts'                                                                       | <p>Annual periods beginning on or after 1 January 2023</p> <p>Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17.</p> <p>(Published May 2017)</p> | <p>The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.</p> <p>Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.</p> <p>Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.</p> <p>For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.</p> |
| IFRS 17, Insurance contracts Amendments                                                              | <p>Annual periods beginning on or after 1 January 2023</p> <p>(Published June 2020)</p>                                                                                                                                                                                                              | <p>In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                           |                                                                                                                         | Further detailed information is available at the following link: In Brief June 2020.                                                                                                                                                                                                                                                         |
| Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current                                                     | Annual periods beginning on or after 1 January 2023<br><br>(Published Jan 2020)                                         | The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.<br><br>Further detailed information is available at the following link: In Brief 2020-3 |
| Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction                                                      | Annual periods beginning on or after 1 January 2023. Earlier application is permitted.<br><br>(Published May 2021)      | The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.                                                                                                                                                          |
| Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' | Annual periods beginning on or after 1 January 2023. Earlier application is permitted.<br><br>(Published February 2021) | The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.                                                                                                                                                |

## B. BASIS OF CONSOLIDATION

These unaudited condensed consolidated interim financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when an investor (the Company) has power over an investee (the Subsidiaries) that give it the current ability to direct the relevant activities.

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries, as follows:

| NAME OF SUBSIDIARY                                                               | COUNTRY OF INCORPORATION         | PRINCIPAL ACTIVITY                                                 |
|----------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------|
| Alphamin Bisie Mining SA<br>(formerly called Mining and Processing, Congo, SARL) | Democratic Republic of the Congo | Mining (84.14% owned by Alphamin Resources (BVI) Ltd)              |
| Alphamin South Africa (Pty) Limited                                              | South Africa                     | Holding Company (100% wholly owned by Parent)                      |
| Alphamin Holdings (BVI) Ltd                                                      | British Virgin Islands           | Holding Company (100% wholly owned by Parent)                      |
| Alphamin Resources (BVI) Ltd                                                     | British Virgin Islands           | Holding Company (100% wholly owned by Alphamin Holdings (BVI) Ltd) |

All intercompany transactions and balances have been eliminated.

Following the receipt of mining license number PE13155 and in line with Article 71 of the Mining Code 2002, 5% of the shares of Alphamin Bisie Mining SA (ABM), were issued to the Government of the Democratic Republic of the Congo. The Industrial Development Corporation of South Africa Limited (IDC) has direct ownership of 10.86% of ABM. The Government of the Democratic Republic of the Congo owns a non-diluting 5% resulting in a Company ownership of ABM of 84.14%.

### C. MEASUREMENT UNCERTAINTY AND CRITICAL JUDGEMENTS

The preparation of financial statements in accordance with IFRS as issued by the *International Accounting Standards Board (IASB)* and interpretations of the *International Financial Reporting Interpretations Committee (IFRS IC)* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions, which by their nature are uncertain, affect the carrying value of assets. Other significant estimates made by the Company include factors affecting valuations of share-based compensation and income tax accounts. The Company regularly reviews its estimates and assumptions, however actual results could differ from these estimates and these differences could be material and would not be considered an error. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### ***Provision for closure and reclamation***

The Company's operations are subject to environmental regulations in the Democratic Republic of Congo. Upon establishment of commercial viability of the Bisie Tin Mine and subsequent commencement of development activity, the Company estimated the cost to restore the site following the completion of commercial activities and depletion of reserves.

These future obligations are estimated by taking into consideration closure plans, known environmental impacts, and internal and external studies, which estimate the activities and costs that will be carried out to meet the decommissioning and environmental rehabilitation obligations. The Company records a liability and a corresponding asset for the present value of the estimated costs of legal and constructive obligations for mine rehabilitation, based on environmental disturbances incurred up to the end of each

reporting period. During the mine rehabilitation process, there will be a probable outflow of resources required to settle the obligation and a reliable estimate can be made of those obligations. The present value is determined based on current market assessments using the risk-free rate of borrowing which is approximated by the yield of government bonds with a maturity similar to that of the mine life. The discounted liability is adjusted at the end of each reporting period with the passage of time and for the estimated rehabilitation cost related to any new environmental disturbances incurred during that period. The provision represents management's best estimate of the present value of the future mine rehabilitation costs, which may not be incurred for several years or decades, and, as such, actual expenditures may vary from the amount currently estimated. The decommissioning and environmental rehabilitation cost estimates could change due to amendments in laws and regulations in the Democratic Republic of Congo. Additionally, actual estimated costs may differ from those projected as a result of a change over time of actual remediation costs, a change in the timing for utilisation of reserves and the potential for increasingly stringent environmental regulatory requirements.

#### ***Exploration and Evaluation Assets and Mine under construction***

During December 2017, the Company assessed the technical feasibility and commercial viability of its Bisie Tin Mine Project, together with the availability of project funding and formally approved the commencement of full-scale development activities, resulting in the reclassification of the Exploration and Evaluation Asset to Mine under construction. New exploration following commercial production at Bisie is recorded as a new Exploration and Evaluation asset at cost and refers to the search for other mineral orebodies within the mining and exploration licenses that the Company owns the mineral rights for. Such exploration cost is carried at cost until such time as management determine that the area is economically viable, in which case it will be transferred into mine under construction or written off if not pursued further.

Assumptions are used in estimating the Company's reserves and resources that might be extracted from the Company's properties. Judgement is applied in determining when an Exploration and Evaluation Asset demonstrates technical feasibility and commercial viability and transitions to the development stage, requiring reclassification to mine under construction within non-current assets.

#### ***Share-based payments***

The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options, which requires inputs in calculating the fair value for share-based payments expense, included in profit or loss. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. The value of the share-based payment expense for the period along with the assumptions and model used for estimating fair value for share-based compensation are disclosed in Note 17.

#### ***Impairment***

Non-financial assets

An impairment review of property, plant and equipment is carried out by comparing the carrying amount thereof to its recoverable amount when there is an indication that these assets may be impaired. The recoverable amount of property, plant and equipment is determined as the higher of the fair value less cost to sell and its value in use. For mining assets this is determined based on the fair value which is the present value of the estimated future cash flows arising from the use of the asset. Where the recoverable amount is less than the carrying amount, the impairment charge will reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated over the remaining useful life of property, plant and equipment. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased

carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised directly in profit or loss.

Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted. Changes in such estimates could impact the recoverable amount of these assets.

Estimates are reviewed regularly by management.

### ***Useful lives of mineral properties, plant and equipment***

The depreciable amounts of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect to the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal. If an asset is expected to be abandoned the residual value is estimated at zero. Due to the remote location of the mine as well as the specialised nature of the property, plant and equipment, management has estimated the residual value of property, plant and equipment to be zero.

In determining the useful life of assets, management considers the expected usage of assets, expected physical wear and tear, legal or similar limits of assets such as mineral rights as well as obsolescence.

Estimated mineral resources are used in determining the depreciation of certain assets. This results in a depreciation expense proportional to the depletion of the anticipated remaining life-of-mine production. The estimate of the remaining life of the Company's mineral producing properties is based on a combination of quantitative and qualitative factors including historical production and financial results, mineral resources reported under National Instrument 43-101 reports, and management's intent to operate the property. The estimated remaining life of mineral producing properties are used to calculate amortisation and depletion expenses, assess impairment charges and the carrying value of assets, and for forecasting the timing of the payments of reclamation and remediation costs.

### **D. CASH AND CASH EQUIVALENTS**

Cash consists of cash on hand and of deposits in banks.

### **E. REVENUE**

The Company sells its product on Free-On-Truck (FOT) Incoterms. This means that the Company is not responsible for freight or insurance once control of the goods has passed. The FOT Incoterm consists of one performance obligation, being for the provision of tin concentrate at contractually agreed specifications. The table below illustrates at what point control passes for this performance obligation.

|                               |                                                                                     |
|-------------------------------|-------------------------------------------------------------------------------------|
| <b>Revenue type</b>           | Tin Concentrate                                                                     |
| <b>Inco terms</b>             | FOT                                                                                 |
| <b>Performance obligation</b> | Supply of tin concentrate at contractually agreed specifications at delivery point. |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Timing of when performance obligation is satisfied</b> | On delivery of the tin concentrate to the customer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Payment terms</b>                                      | <p>The payment terms are different depending on the delivery point chosen as below;</p> <ul style="list-style-type: none"> <li>• Delivery point Logu: Until February 2021, payment was 80% on delivery, 15% on crossing the DRC border and 5% following receipt of final smelter assays 90-150 days following delivery. Post February 2021 95% payment is made within three days of receipt of a holding certificate confirming the arrival of the goods at Kampala, Uganda and 5% following receipt of final smelter assays 90-150 days following delivery.</li> <li>• Delivery point Kampala: 95% within three days of a holding certificate confirming the arrival of the goods at Kampala, Uganda and 5% following receipt of final smelter assays 60-120 days following delivery.</li> <li>• Delivery point Goma: 95% within three business days of the goods crossing the DRC border and 5% following receipt of final smelter assays 90-150 days following delivery.</li> </ul> |

Control passes to the customer when product is delivered FOT. Delivery can take place at any of three agreed delivery points, being (1) Logu (mine site), (2) Goma, North Kivu, DRC or (3) Kampala, Uganda. The delivery point is agreed between the customer and the Company from time to time. In the case of the Logu and Goma delivery points title passes upon the lot leaving the DRC and entering into Uganda. For the Kampala delivery point title passes when the lot is delivered at the Kampala delivery point.

From May 2020 until May 2021, where the delivery point was Logu, the price of tin concentrate was fixed just prior to delivery based on the 4-month tin price. The date of invoice is the date when control passes to the customer. Since June 2021, for the Logu delivery point, pricing can be either the four-month price as agreed prior to departure from Logu, or the three-month price just prior to crossing the DRC border, at the election of the Company. A first provisional invoice is raised when the goods leave Logu. A second provisional invoice is raised on arrival at Kampala when the final price is known and title passes to the customer.

Commodity price adjustments during this period are separately disclosed in the revenue note as other revenue (note 19). Invoices are raised on FOT delivery date.

Final assay adjustments are recorded against revenue.

## F. INVENTORIES

Inventory consists of tin concentrate which has been produced to contracted specifications. Concentrate inventories are carried at the lower of cost (determined on the weighted average basis) or net realisable value. The Company does not currently value run of mine ore produced from underground due to the low levels and values of such stockpiles.

Net realisable value is the estimated selling price net of any estimated selling costs in the ordinary course of business. Write-downs of mineralized concentrate, resulting from net realizable value impairments, are reported as an expense within cost of sales in the period of write down.

Consumables stores are valued at the lower of cost (determined on the weighted average basis) and net realizable value. Replacement cost is used as the best available measure of net realizable value.

#### **G. FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. Following the change in functional currency of the Company from the Canadian dollar to United States dollar on January 1, 2015, the functional currency of the Company is the United States dollar. The change in functional currency resulted in a permanent foreign currency translation reserve amount of \$1,511,737.

Transactions and balances in currencies other than the United States dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period-end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of profit/(loss) and comprehensive profit/(loss).

The financial results and position of foreign operations, whose functional currency is different from the reporting currency are translated as follows:

- I. assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- II. income and expenses are translated at average exchange rates for the period; and
- III. equity items are translated at historical rates.

Exchange gains and losses are included as part of the foreign currency translation reserve on the statement of financial position.

#### **H. LEASES LIABILITIES AND RIGHT-OF USE ASSETS**

The Group leases various mining machines and a fuel farm at its operation in DRC. Rental contracts are typically made for fixed periods of 3 to 5 years. The Company's lease Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis, using the incremental borrowing rate as the discount rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments payable over the term of the lease and are discounted at the incremental borrowing rate. Lease payments are determined in accordance with contracts.

## I. EXPLORATION AND EVALUATION ASSETS

### *Recognition and measurement*

Exploration and Evaluation Costs are those costs required to find a mineral property and determine technical feasibility and commercial viability. Exploration and Evaluation costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources are commercially viable. Costs incurred before the Company has obtained the legal right to explore an area are recognised in the consolidated statement of profit/(loss) and comprehensive profit/(loss).

Exploration and Evaluation Costs relating to the acquisition of, exploration for and development of mineral properties are capitalised and include, but are not restricted to: drilling, trenching, sampling, surveying and gathering exploration data; tunnelling and development, calculation and definition of mineral resource; test work on geology, metallurgy, mining, geotechnical and geophysical; and conducting geological, geophysical, engineering, environmental, marketing and financial studies.

Administration costs that do not relate directly to specific exploration and evaluation activity for capitalised projects are expensed as incurred.

### *Impairment*

All capitalised Exploration and Evaluation Expenditures are monitored for indications of impairment. Indicators of impairment include, but are not limited to:

- I. the period for which the right to explore is less than one year;
- II. further exploration expenditures are not anticipated;
- III. a decision to discontinue activities in a specific area; and
- IV. the existence of enough data indicating that the carrying amount of an Exploration and Evaluation Asset is unlikely to be recovered from the development or sale of the asset.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that Exploration and Evaluation Assets are not expected to be recovered, they are charged to the consolidated statement of profit/(loss) and comprehensive profit/(loss).

## J. PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and assets under construction are stated at cost and are not depreciated. Buildings, including certain non-mining residential buildings, and all other items of property, plant and equipment are reflected at cost less accumulated depreciation and accumulated impairment losses.

Capitalised mine development and infrastructure costs (shown as mining property) are depreciated on a unit-of-production basis. Depreciation is charged on mining assets from the date on which the assets are available for use as intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual values of the assets. Useful life is either the period of time over which the

asset is expected to be used or the number of production or similar units expected to be obtained from the use of the asset.

The estimated useful lives of items of property, plant and equipment are:

|                     |                     |
|---------------------|---------------------|
| Mining property     | Units of production |
| Plant and equipment | 2 - 12.5 years      |
| Land                | Not depreciated     |
| Buildings           | 12.5 years          |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### **K. SHARE-BASED PAYMENTS**

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognised as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock.

The fair value is measured at grant date and each tranche is recognised over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

At each financial position reporting date, the amount recognised as an expense is adjusted to reflect the number of stock options that are expected to vest. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognised in the statement of profit/(loss) over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of profit/(loss). Amounts related to the issuance of shares are recorded as a reduction of capital stock. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the shares or equity instruments issued is used.

#### **L. INCOME TAXES**

##### Current tax

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company reconciles the tax charge for the year to the parent Company's tax rate, which in Mauritius is an effective rate of 3%. The Companies earnings are derived from the DRC where the corporate tax rate

under the mining code is 30%. An additional “superprofit tax” could raise the effective tax rate depending on a number of factors including the average tin price achieved during any given year.

#### Deferred tax

The estimation of income taxes, includes evaluating the recognition of deferred tax assets based on an assessment of the Company’s ability to utilise the underlying future tax deductions against future taxable income, prior to expiry of those deductions. Management assesses whether it is probable that some, or all of the recognised or unrecognised deferred income tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialisation of mineral reserves. To the extent that management’s assessment of the Company’s ability to utilise future tax deductions changes, the Company would be required to recognise more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Management believes that future profits will allow realization of the deferred tax asset. Please see note 9.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### **M. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE**

The basic earnings/(loss) per share is computed by dividing the net earnings/(loss) attributable to ordinary shareholders of the parent company by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. For this purpose, the “treasury stock method” is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period.

#### **N. PROVISION FOR ENVIRONMENTAL REHABILITATION**

The Company recognises liabilities for legal or constructive obligations associated with the retirement of Exploration and Evaluation Assets and plant and equipment. The net present value of future rehabilitation costs is capitalised to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. Changes in the rehabilitation liability will be added to or deducted

from the cost of the related asset and in the event the amount to be deducted exceeds the carrying amount of the asset the excess shall be recognised immediately in profit or loss.

#### **O. CAPITAL STOCK**

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognised as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The Company first values the warrants at their fair value using option pricing methodologies. The balance is allocated to the common shares.

#### **P. FINANCIAL INSTRUMENTS**

##### ***Financial assets***

##### Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortized cost.

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

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

##### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

*Amortized cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statements of comprehensive profit/(loss).

*FVTPL:* Assets that do not meet the criteria for amortized cost or fair value through Other Comprehensive Income (FVOCI) are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss.

### Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Accounts receivable since June 2021, with a provisional tin pricing arrangement, were accounted for as fair value through profit or loss.

From January to May 2021 the Company was fixing tin prices prior to delivery, resulting in recognition of trade receivables at amortized cost as laid out above, when material. From June 2021 provisional pricing was applied and therefore accounted for as fair value through profit or loss. Provisional pricing receivable is recognised when the Company has satisfied its performance obligation relating to delivery of the product and has unconditional right to consideration that is due. All fair value adjustment relating to the movements in this balance are recognised within revenue from fair value adjustments.

The designation determined the method by which the financial assets were measured on the statement of financial position subsequent to inception and how changes in value were recorded.

### ***Financial liabilities***

The Company classifies its financial liabilities into one of the following categories:

*Fair value through profit or loss* – this category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognised in profit or loss.

*Other financial liabilities* – this category consists of liabilities carried at amortised cost using the effective interest method.

### **Q. DEBT AND BORROWING COSTS**

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

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

### **R. IMPAIRMENT OF NON-FINANCIAL ASSETS**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell (FVLCS) is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in profit or loss for

the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. INVENTORY

|                   | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|-------------------|------------------------|----------------------------|
| Tin concentrate   | 2,673,472              | 4,914,909                  |
| Consumable stores | 19,308,676             | 15,759,081                 |
|                   | 21,982,148             | 20,673,990                 |

Tin concentrate consists of final product at the Company's premises. There were no write downs of tin concentrate during the period. An amount of \$2,241,437 (H1 2021: \$5,523,645) was debited to the cost of sales during the six month period relating to tin concentrate inventory movement.

Consumable stores consist of items such as inventories of diesel, explosives, cement, mine construction materials, fleet maintenance materials, personal protective equipment and other mining and process plant consumables and spares. An amount of \$11,846,540 (H1 2021: \$9,701,962) was debited to cost of sales from consumable stores during the period. No inventory is carried at net realisable value.

Inventory is pledged as security under the Company's credit facility.

### 4. ACCOUNTS RECEIVABLE

|                   | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|-------------------|------------------------|----------------------------|
| Trade receivables | 35,307,875             | 47,625,872                 |

Accounts receivable are amounts due from the customer for tin concentrate sold in the ordinary course of business. They are generally due for settlement within 30 – 180 days and are therefore classified as current. Since mid February 2021 the payment terms for goods delivered FOT Logu changed from 80% on delivery to 95% on arrival in Kampala, Uganda. This results in an approximately 25-30 day delay in receiving said 80%.

Accounts receivable are measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payments of principal and interest.

The fair value changes due to non-market variability (that is changes based on quantity and quality of the tin concentrate) is considered to be variable consideration within the scope of IFRS 15 as Alphamin's right to consideration is contingent upon the physical attributes of the tin concentrate.

The fair value changes due to market variability (that is changes in the commodity prices and exchange rates) are not in the scope of IFRS 15 and are therefore not presented as revenue from contracts with customers. The changes in commodity prices are accounted for as other revenue and disclosed separately from revenue from contracts with customers in note 19. Amounts received in advance for tin concentrate deliveries during the quotation period results in a contract liability. Any negative movement in the tin price subsequent to payments being received will result in a payable to the customer. Subsequent to the quotational price, the selling price is finalised and any amounts that are required to be refunded are accounted for as provisional pricing payable.

## 5. PREPAIDS AND OTHER RECEIVABLES

|                                           | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|-------------------------------------------|------------------------|----------------------------|
| <b>Current</b>                            |                        |                            |
| Supplier prepayments <sup>1</sup>         | 6,313,204              | 631,254                    |
| VAT receivable <sup>2</sup>               | 4,977,088              | 4,320,608                  |
| Tax prepayment <sup>3</sup>               | 469,205                | 469,205                    |
| Deferred expenses <sup>4</sup>            | 571,519                | 1,980,735                  |
|                                           | 12,331,016             | 7,401,802                  |
| <b>Non-current</b>                        |                        |                            |
| Environmental deposit in DRC <sup>5</sup> | 566,744                | 566,744                    |
| VAT receivable <sup>2</sup>               | 14,931,262             | 12,961,824                 |
|                                           | 15,498,006             | 13,528,568                 |

<sup>1</sup> Supplier prepayments primarily relate to consumables and equipment ordered for the mine.

<sup>2</sup> VAT receivable was reclassified from mine under construction in 2019 due to increased confidence in recovery resulting from VAT refunds being received in 2019 and the option to off-set against future taxes subject to regulatory approval. Due to slow repayment of the VAT receivable, 75% of the outstanding balance at December 31, 2021 and June 30, 2022 has been assessed as receivable in greater than one year.

<sup>3</sup> The tax prepayment relates to costs incurred by the Company's subsidiary in the DRC on upgrading a public road in the DRC. It has been agreed that this expenditure can be offset against future provincial taxes due by the Company's subsidiary in the DRC.

<sup>4</sup> Deferred expenses relate to royalty and export tax invoices received relating to product not yet recognised as revenue.

<sup>5</sup> The environmental deposit in the DRC relates to funds deposited with the central bank in the DRC. These funds will be utilised towards any future environmental rehabilitation activities. The deposit will be returned to the Company in the event that the funds are not utilised.

## 6. CASH AND CASH EQUIVALENTS

|              | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|--------------|------------------------|----------------------------|
| Cash at bank | 147,145,378            | 90,631,753                 |
| Cash on hand | 2,904                  | 8,248                      |
|              | 147,148,282            | 90,640,001                 |

Under the terms of the credit facility (see Note 14) all bank accounts of the Company are pledged as security.

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## 7. PLANT AND EQUIPMENT

| Description                            | Mining Property costs<br>\$ | Construction in progress<br>\$ | Right of use assets<br>\$ | Land & buildings<br>\$ | Buildings plant & Equipment<br>\$ | Total<br>\$  |
|----------------------------------------|-----------------------------|--------------------------------|---------------------------|------------------------|-----------------------------------|--------------|
| <b>Cost</b>                            |                             |                                |                           |                        |                                   |              |
| Closing balance December 31, 2020      | 160,381,967                 | -                              | 8,037,166                 | 1,034,193              | 105,007,154                       | 274,460,480  |
| Additions during the year              | 4,268,237                   | -                              | 2,543,913                 | -                      | 8,437,402                         | 15,249,552   |
| Closing balance December 31, 2021      | 164,650,204                 | -                              | 10,581,079                | 1,034,193              | 113,444,556                       | 289,710,032  |
| Additions during the period            | -                           | -                              | 639,048                   | 15,000                 | 4,517,284                         | 5,171,332    |
| Closing balance March 31, 2022         | 164,650,204                 | -                              | 11,220,127                | 1,049,193              | 117,961,840                       | 294,881,364  |
| Additions during the period            | -                           | 800,394                        | -                         | 2,093,668              | 2,923,668                         | 5,817,730    |
| Closing balance June 30, 2022          | 164,650,204                 | 800,394                        | 11,220,127                | 3,142,861              | 120,885,508                       | 300,699,094  |
| <b>Accumulated Depreciation</b>        |                             |                                |                           |                        |                                   |              |
| Closing balance December 31, 2020      | (18,683,060)                | -                              | (1,865,996)               | (110,313)              | (14,697,740)                      | (35,357,109) |
| Depreciation expense during the year   | (14,343,721)                | -                              | (1,770,206)               | (82,736)               | (10,435,802)                      | (26,632,465) |
| Closing balance December 31, 2021      | (33,026,781)                | -                              | (3,636,202)               | (193,049)              | (25,133,542)                      | (61,989,574) |
| Depreciation expense during the period | (3,607,361)                 | -                              | (458,958)                 | (20,508)               | (2,891,138)                       | (6,977,965)  |
| Closing balance March 31, 2022         | (36,634,142)                | -                              | (4,095,160)               | (213,557)              | (28,024,680)                      | (68,967,539) |
| Depreciation expense during the period | (3,691,889)                 | -                              | (469,712)                 | (20,989)               | (2,958,882)                       | (7,141,472)  |
| Closing balance June 30, 2022          | (40,326,031)                | -                              | (4,564,872)               | (234,546)              | (30,983,562)                      | (76,109,011) |
| <b>Net closing value</b>               |                             |                                |                           |                        |                                   |              |
| December 31, 2021                      | 131,623,423                 | -                              | 6,944,877                 | 841,144                | 88,311,014                        | 227,720,458  |
| March 31, 2022                         | 128,016,062                 | -                              | 7,124,967                 | 835,636                | 89,937,160                        | 225,913,825  |
| June 30, 2022                          | 124,324,173                 | 800,394                        | 6,655,255                 | 2,908,315              | 89,901,946                        | 224,590,083  |

All of the Company's assets are secured by the lenders of the Company's credit facility. From 2015, the Company focussed exclusively on the development of the Bisie Tin Mine, its principal project in the Democratic Republic of Congo (DRC). Construction was completed at Bisie in H1 2019.

Right of use assets relate to underground mining equipment and a fuel storage facility.

### A. IMPAIRMENT ASSESSMENT

International Financial Reporting Standards (IFRS) require long-lived assets to be assessed for impairment when there is an indication of impairment. The Company considered a combination of factors such as the headroom between the Company's net asset value and its market capitalization, various tin price scenarios in a volatile market and the impact of COVID-19. During the period ended June 30, 2022, there were no indicators of impairment.

## 8. INCOME TAX

The income tax expense differs from the amount that would result from applying the Mauritian income tax rates to earnings before income taxes. These differences result from the following items;

|                                      | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|--------------------------------------|-------------------------|-----------------------------|
| Profit/(Loss) before income tax      | 146,764,967             | 132,125,567                 |
| Mauritian statutory rate             | 3%                      | 3%                          |
| Expected income tax (expense)/credit | (4,402,949)             | (3,963,767)                 |
| (Increase)/decrease due to:          |                         |                             |
| Non-deductible expenses              | (3,225,542)             | (5,370,912)                 |
| Taxation rate differential           | (40,756,915)            | (44,693,398)                |

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|                                                        |                     |                     |
|--------------------------------------------------------|---------------------|---------------------|
| Deferred tax not recognized                            | (47,718)            | 328,683             |
| Impact of superprofit tax in DRC                       | (11,679,023)        | (14,858,592)        |
| <b>Tax (expense)/credit</b>                            | <b>(60,112,147)</b> | <b>(68,557,986)</b> |
| Income tax (expense)/credit consists of the following: |                     |                     |
| Current income tax                                     | (62,290,163)        | (44,626,758)        |
| Deferred income tax                                    | 2,178,016           | (23,931,228)        |

Non-deductible expenses relate to various Income Statement expenses which are not allowable for income tax purposes in the various jurisdictions in which the Company operates and include warrant expenses (at parent company level) and various operating expenditures which are not allowable in terms of DRC tax law such as transport of concentrate.

Superprofit taxes (SPT) in DRC are triggered where the average sales price for the year exceeds the tin price used in the DRC feasibility study by more than 25%. In the case of superprofit tax applying a calculation using ABM's "Excédent Brut d'Exploitation (EBT)", an Ohada or Francophone Africa accounting term that is loosely equivalent to EBITDA for the year. Where the EBT is greater than 25% higher than that stipulated in the feasibility study then a superprofit tax of an additional 20% applies, taking the effective tax rate on that incremental portion of profit from 30% to 50%.

The incremental effect of SPT has been estimated at \$11,679,023 for the current period (FY2021: \$14,858,592). The Company will continue to assess the position during the year. Due to the tax deductibility of superprofit tax from corporate income tax there will be a reduction in 2022 provisional tax payments due meaning the Company will be cashflow tax neutral in 2022, with a cashflow impact likely in 2023, when FY2022 provisional payments of 80% of the corporate income tax and the final FY2022 tax amount will be due.

## 9. DEFERRED TAX

The net deferred tax liabilities as at June 30, 2022 and net deferred tax assets as at December 31, 2021 are presented as follows;

| Movement in deferred tax                    | Balance as at<br>December 31<br>2020 | Recognised in<br>profit or loss | Balance as at<br>December 31<br>2021 | Recognised in<br>profit or loss | Balance as at<br>March 31<br>2022 | Recognised in<br>profit or loss | Balance as at<br>June 30<br>2022 |
|---------------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|-----------------------------------|---------------------------------|----------------------------------|
| Plant and equipment                         | (15,511,634)                         | 1,442,873                       | (14,068,761)                         | 360,000                         | (13,708,761)                      | 360,000                         | (13,348,761)                     |
| Assessed losses                             | 21,378,167                           | (21,378,167)                    | 0                                    | 0                               | 0                                 | 0                               | 0                                |
| Inventory                                   | 3,186,718                            | (1,390,673)                     | 1,796,045                            | (304,612)                       | 1,491,433                         | 487,379                         | 1,978,812                        |
| Accounts receivable                         | (6,046,358)                          | (1,800,591)                     | (7,846,949)                          | (4,117,378)                     | (11,964,327)                      | (3,353,442)                     | (15,317,769)                     |
| Accounts payable and accrued liabilities    | (693,769)                            | (804,670)                       | (1,498,439)                          | 4,631,845                       | 3,133,406                         | 4,114,224                       | 7,247,630                        |
| Net deferred tax assets/liabilities         | 2,313,124                            | (23,931,228)                    | (21,618,104)                         | 569,855                         | (21,048,249)                      | 1,608,161                       | (19,440,088)                     |
| <b>Offsetting of assets and liabilities</b> |                                      |                                 |                                      |                                 |                                   |                                 |                                  |
| Deferred tax assets                         | 24,564,885                           | (22,768,840)                    | 1,796,045                            | (4,421,990)                     | 1,491,433                         | 487,379                         | 1,978,812                        |
| Deferred tax liabilities                    | (22,251,761)                         | (1,162,388)                     | (23,414,149)                         | 4,991,845                       | (22,539,682)                      | 1,120,782                       | (21,418,900)                     |
| Net deferred tax asset/liability            | 2,313,124                            | (23,931,228)                    | (21,618,104)                         | 569,855                         | (21,048,249)                      | 1,608,161                       | (19,440,088)                     |

Deferred tax assets and liabilities are only offset when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets are expected to realise

through profits. Deferred tax is recognised only in respect of the DRC operating subsidiary. Deferred tax assets relating to tax loss carry forwards were fully recovered in 2021.

## 10. EXPLORATION AND EVALUATION ASSETS

|                   | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|-------------------|------------------------|----------------------------|
| Exploration costs | 21,992,838             | 13,559,217                 |

Exploration costs incurred year to date relate to the Mpama South, Mpama North extension drilling and regional exploration. An extensive drilling campaign at Mpama South, which deposit lies adjacent to the Company's flagship Mpama North asset, has yielded very positive results to date and is being extended. Further drilling has been performed at Mpama North and significant road building activity and soil samples have been taken further along the Bisie ridge. Drilling started at the Ma Rouge target in Q1, 2022.

## 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|                                     | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|-------------------------------------|-------------------------|-----------------------------|
| <b>Current</b>                      |                         |                             |
| Accounts payable                    | 3,593,096               | 2,991,466                   |
| Accrued liabilities                 | 6,620,146               | 6,029,287                   |
| Payroll accruals                    | 1,174,667               | 1,060                       |
| Payroll tax liabilities             | 1,001,726               | 1,560,613                   |
| Corporate and other tax liabilities | 61,917,565              | 44,798,906                  |
|                                     | 74,307,200              | 55,381,332                  |

Accounts payable and accrued liabilities is mainly comprised of corporate income tax accruals, the majority of which will be due in April 2023. Other amounts payable relate to mine consumables and other operating expenses. The credit term for purchases typically ranges from 30 to 60 days. Other tax liabilities include government royalties and withholding taxes.

## 12. LEASE LIABILITIES

|                                                      | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|------------------------------------------------------|-------------------------|-----------------------------|
| Current                                              | 1,843,889               | 2,167,399                   |
| Non-current                                          | 1,556,747               | 2,029,164                   |
|                                                      | 3,400,636               | 4,196,563                   |
| Summary of lease liabilities by period of redemption |                         |                             |
| Less than one year                                   | 1,843,889               | 2,167,399                   |
| Between one and two years                            | 1,289,699               | 1,142,262                   |
| Between two and three years                          | 267,048                 | 886,902                     |
| Total lease liabilities                              | 3,400,636               | 4,196,563                   |

#### Analysis of movement in lease liabilities

|                               |             |             |
|-------------------------------|-------------|-------------|
| At the beginning of the year  | 4,196,563   | 3,401,141   |
| New leases                    | 539,750     | 2,480,460   |
| Capital repayments            | (1,335,677) | (1,685,038) |
| - Lease payments              | (1,524,715) | (2,029,031) |
| - Interest charged            | 189,038     | 343,993     |
| At the end of the period/year | 3,400,636   | 4,196,563   |

The lease liabilities relate to the right-of-use assets disclosed in note 7. Interest is based on incremental borrowing rates between 8.95% and 10%.

### 13. RELATED PARTY TRANSACTIONS

#### KEY MANAGEMENT PERSONNEL

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that the key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Remuneration attributed to key management personnel can be summarized as follows:

| Item                                | Relationship        | June 30<br>2022<br>USD | December 31<br>2021<br>USD |
|-------------------------------------|---------------------|------------------------|----------------------------|
| Director and Officer fees           | Directors, officers | 521,191                | 1,667,925                  |
| Secretarial and administrative fees | Corporate Secretary | 18,000                 | 36,000                     |
| Management fees                     | Directors           | 69,450                 | 138,900                    |
| Share based payments                | Directors, officers | 139,605                | 273,923                    |

Debt finance due to related parties of \$3,005,948 (December 31, 2021 – \$3,558,637) are due to Tremont Master Holdings. Tremont Master Holdings is the majority shareholder of the Company. See Note 14 for further details relating to the related party debt owed to Tremont Master Holdings. All related party transactions are carried out on an arms'-length basis.

Accounts payable due to related parties of \$54,525 (December 31, 2021: \$Nil) relates primarily to management fees due to directors and to Pangea Exploration PTY Ltd, a management company of which director Maritz Smith is also a director.

In line with the DRC mining code, the Company's subsidiary Alphamin Bisie Mining SA (ABM) granted 5% of its share capital to the Government of the DRC during the 2015 financial year. To facilitate this, ABM divided their share capital into two classes, "A" shares and "B" shares. The "B" shares are intended to be held solely by the Government of the DRC and are non-dilutable at 5% of total share capital ("A" plus "B") in issue. "B" class shares have normal voting rights on a pro rata basis and the DRC Government has a right to appoint one director to the ABM board. The 5% is a free carry under the terms of the DRC mining code, hence the DRC Government is not required to contribute on granting of their initial holding or further issues to maintain their stake at 5%.

In November 2015, the Company entered into an agreement with the Industrial Development Corporation of South Africa Limited (IDC) pursuant to which the IDC could invest up to \$10,000,000 directly into ABM, in three tranches, subject to the completion of certain milestones. As at the 2016 financial year end the Company had received all tranches, resulting in an ownership in ABM of 14.25% by the IDC. Under the

terms of the shareholders' agreement the IDC were granted an "offtake option". Under the offtake option the IDC is entitled, as long as it owns 11% or more of ABM's "A" class shares, to an option to purchase from ABM a portion of its tin concentrate production. The percentage of production that the IDC may acquire under this option, cannot exceed their percentage holding in the "A" class shares of ABM at the date of exercise. The IDC shall only be able to benefit from the "offtake option" if the relevant percentage of the Company's production is not already committed to other buyers in respect to the relevant period. The offtake acquired can only be for a minimum of six months and a maximum of twelve months and must be purchased at the same average price and other terms as ABM is able to, and would otherwise intend to, sell its product to other third-party purchasers. The "offtake option" is not transferrable. The IDC waived this right to allow ABM to enter into an arm's-length offtake agreement with the Gerald Metals group in Q1 2018.

Under the terms of the IDC shareholders' agreement, a qualifying "seller", defined as a shareholder, or two or more shareholders acting together, holding more than 50% of the "A" class shares of ABM, has drag along and tag along rights that are normal in transactions of this nature. The IDC has also granted pre-emption rights to the other "A" class shareholders, entitling them to a right of first refusal on any partial or full sale of their shares. The IDC may propose (but is not obliged) at any time during the "Exit Period" that Alphamin Resources acquire all, but not less than all of its shares in exchange for shares in Alphamin Resources (the Share Swap), which shall be based on the then fair market value of the "A" class shares, and on terms to be mutually agreed to by Alphamin Resources and the IDC. The "Exit Period" originally referred to the earlier of five years from the date of signature, or one year from the date the Bisie Tin Mine Project reached 90% of its intended maximum production, having been fully funded and fully implemented. This was amended to expire on February 12, 2023.

The debt reduction in May 2020 resulted in a new intercompany loan being created between Alphamin Resources Corp. and ABM. This was due to parent Company settling the subsidiary's debt in exchange for an intercompany loan. In Q4, 2020 the parent Company indirectly converted into equity its shareholder loan resulting in an increase in its ownership of ABM from 80.75% to 84.14% (and a consequential dilution in the IDC's proportional shareholding). See note 17 for further disclosures with respect to non-controlling interests.

## 14. DEBT

| Debt                              | Related party debt<br>USD | Non-related party debt<br>USD | Total<br>USD      |
|-----------------------------------|---------------------------|-------------------------------|-------------------|
| <b>Balance, December 31, 2020</b> | <b>11,496,726</b>         | <b>49,134,703</b>             | <b>60,631,429</b> |
| Capital repayment                 | (8,793,878)               | (36,403,711)                  | (45,197,589)      |
| Interest accrued                  | 818,593                   | 4,492,251                     | 5,310,844         |
| Interest repaid                   | (723,598)                 | (4,245,497)                   | (4,969,095)       |
| Amortisation of capitalised fees  | 531,098                   | 728,055                       | 1,259,153         |
| <b>Balance, December 31, 2021</b> | <b>3,328,941</b>          | <b>13,705,801</b>             | <b>17,034,742</b> |
| Repayments                        | -                         | (11,656,503)                  | (11,656,503)      |
| Interest accrued                  | 98,762                    | 220,101                       | 318,864           |
| Amortisation of capitalised fees  | 80,682                    | 177,501                       | 258,183           |
| <b>Balance, March 31, 2022</b>    | <b>3,508,385</b>          | <b>2,446,901</b>              | <b>5,955,286</b>  |
| Repayments                        | (757,201)                 | (711,906)                     | (1,469,107)       |
| Interest accrued                  | 105,750                   | 92,961                        | 198,711           |
| Amortisation of capitalised fees  | 80,682                    | 177,501                       | 258,183           |

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| <b>Balance, June 30, 2022</b> | <b>2,937,616</b> | <b>2,005,457</b> | <b>4,943,073</b> |
|-------------------------------|------------------|------------------|------------------|
| Due within one year           | 3,005,948        | 2,596,141        | 5,602,089        |
| Unamortised fees              | (68,332)         | (590,684)        | (659,016)        |
|                               | <b>2,937,616</b> | <b>2,005,457</b> | <b>4,943,073</b> |

In Q1, 2022 the Company commenced negotiations with the lenders regarding modified terms including a lower interest rate, relaxing of certain covenants and insurance requirements, and a prolonged repayment period. Negotiations are expected to conclude in Q3, 2022.

On November 9, 2017 the Company entered into a credit facility of up to \$80 million from a syndicate of lenders for the construction of the Bisie Tin Mine. As at December 31, 2021 the Company owed \$18,210,125 to the lenders. A payment of \$8.5m was made in January 2022.

On May 15, 2020 the Company concluded a private placement of \$31m which was applied to reduce the debt balance. Concurrently with the debt reduction the Company signed an amended and restated credit agreement with improved terms. The restructure was accounted for as a modification on the basis that there was not a substantial modification of the loan in terms of IFRS.

The key terms of the credit facility (after completion of the 2020 debt restructure) are:

- Senior secured, non-revolving term credit facility.
- Capital repayments commence on July 31, 2020 for an amount of \$845k, going to \$2.1m per month from January 2021. The debt contractually matures on June 30, 2023 but is expected to be settled sooner due to the 50% cash sweep of free cash flow per quarter.
- Effective Coupon of 10.56% (down from 14% pre 2020 debt restructure) plus the greater of US dollar 3-month LIBOR and 1 percent per annum until December 31, 2021, reverting back to the original 14% plus LIBOR thereafter.
- Partial interest holiday from May 2020 to December 2020.
- Cash sweep of 50 percent of excess cash flow with effect from July 31, 2020.
- A security package typical for a transaction of this nature including a mortgage over the Company's shares in each subsidiary, cash balances, moveable assets, consumable stores and the mining license PE1355 covering the Mpama North Tin Project.
- Material adverse change clauses typical of transactions of this nature.
- Covenants including but not limited to the below effective from commencement of capital repayments:
  - (i) From January 2021, net working capital excluding credit facility amounts due and warrant liabilities, is in excess of \$10,000,000 and the amount of its Unrestricted Cash is greater than \$5,000,000;
  - (ii) the Debt Service Cover Ratio is greater than or equal to 1.5 to 1.00 from July 2021;
  - (iii) the Total Debt to Equity Ratio is less than 60 to 40;
  - (iv) Loan Life Cover Ratio is greater than 2.00 to 1.00; and
  - (v) the Reserve Tail Ratio is greater than 30%.

The Company monitors overall debt levels and proximity to breaching of covenants on a monthly basis. This is formally confirmed with the lenders on a quarterly basis. As a result of the significant reduction in debt, improvement in financial condition, commodity prices and production and sales in 2021 the Company is satisfied that the risk of breach of covenants is low and overall debt levels are appropriate.

## NET CASH/(DEBT) RECONCILIATION

|                                          | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|------------------------------------------|-------------------------|-----------------------------|
| Current portion of lease liabilities     | (1,843,889)             | (2,167,399)                 |
| Current portion of debt                  | (5,602,089)             | (18,210,125)                |
| Non-current portion of lease liabilities | (1,556,747)             | (2,029,164)                 |
| Total debt                               | (9,002,725)             | (22,406,688)                |
| Less: cash and cash equivalents          | 147,148,282             | 90,640,001                  |
| Net cash/(debt)                          | 138,145,557             | 68,233,313                  |

## 15. WARRANTS

The Company issues warrants from time to time as part of Units offered in private placements. In line with IAS 32, as a result of the currency of the warrants (CAD\$) being different to that of the Company's functional and presentation currency (USD), coupled with the fact that warrants have been issued as part of private placements, rather than rights issues, the warrants are accounted for as a financial liability with fair value through profit and loss.

The Company valued the warrants using the Black-Scholes pricing model with the assumptions below:

| As at December 31, 2020           | April 8,<br>2019 | January 22,<br>2018 |
|-----------------------------------|------------------|---------------------|
| Strike price                      | CAD\$0.30        | CAD\$0.40           |
| Risk free interest rate           | 1.593%           | 1.24%               |
| Expected life of options in years | 3.00             | 3.00                |
| Annualised volatility             | 75%              | 75%                 |
| Dividend rate                     | 0.00%            | 0.00%               |

All remaining warrants in issue as at December 31, 2022, were exercised in Q1, 2022.

The table below sets out the movement in warrants during the period:

### Warrant liability

|                                             | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|---------------------------------------------|-------------------------|-----------------------------|
| Opening balance                             | 4,574,743               | 11,934,734                  |
| Warrants expired during the period/year     | -                       | (1,488,821)                 |
| Warrant revaluations during the period/year | 482,351                 | 3,380,655                   |
| Warrant exercises during the period/year    | -                       | 25,030,581                  |
| Warrant amounts transferred to equity       | (5,057,904)             | (34,282,406)                |
| Closing balance                             | -                       | 4,574,743                   |

## 16. PROVISION FOR CLOSURE AND RECLAMATION

The Company recognises a provision related to its constructive and legal obligations in the Democratic Republic of Congo to restore its properties. The cost of this obligation is determined based on the expected future level of activity and costs related to decommissioning the mines and restoring the properties.

A long-term inflation rate of 2% and a discount rate of 3% has been applied in calculating the present value of the future obligation. The period applied aligns to the estimated life of mine of 12.5 years, with most rehabilitation activities scheduled within the 3 years post completion of mining activities. The assumptions used are consistent with the prior year.

|                                       | BISIE     |
|---------------------------------------|-----------|
| Balance, December 31, 2020            | 6,786,933 |
| Unwind of provision during the year   | 66,540    |
| Provision raised during the year      | 757,191   |
| Balance, December 31, 2021            | 7,610,664 |
| Unwind of provision during the period | 57,080    |
| Balance, March 31, 2022               | 7,667,744 |
| Unwind of provision during the period | 57,080    |
| Balance, June 30, 2022                | 7,724,824 |

## 17. CAPITAL STOCK AND RESERVES

### A. CAPITAL STOCK

The authorised capital stock of the Company consists of an unlimited number of common shares without par value, of which 1,271,859,570 common shares were issued and outstanding as at June 30, 2022.

### B. CHANGES IN ISSUED CAPITAL STOCK AND RESERVES DURING THE PERIOD/YEAR ENDED JUNE 30, 2022 AND DECEMBER 31, 2021

The table below sets out the movement in capital stock during the period/year ended June 30, 2022 and December 31, 2021:

|                                          | Shares        | Price per share | CAD       | USD         | Warrants     | Share issue costs | Equity      |
|------------------------------------------|---------------|-----------------|-----------|-------------|--------------|-------------------|-------------|
| Balance as at December 31, 2020          | 1,180,367,816 |                 |           | 226,381,734 | (13,307,996) | (1,568,310)       | 211,505,421 |
| Exercise of warrants on January 22, 2021 | 4,966,444     | 0.40            | 1,986,578 | 1,554,939   | 388,735      | -                 | 1,943,673   |
| Exercise of warrants on March 17, 2021   | 97,090        | 0.30            | 29,127    | 23,301      | 26,408       | -                 | 49,701      |
| Balance as at March 31, 2021             | 1,185,431,350 |                 |           | 227,959,974 | (12,892,853) | (1,568,310)       | 213,498,811 |
| Option exercises during the period       | 3,663,657     | 0.31            | 1,147,801 | 934,224     | -            | -                 | 934,224     |
| Warrant exercises during the period      | 3,172,050     | 0.30            | 951,615   | 767,742     | 1,126,021    | -                 | 1,893,763   |
| Balance as at June 30, 2021              | 1,192,267,057 |                 |           | 281,006     | -            | -                 | 216,326,798 |
| Balance as at December 31, 2021          | 1,262,655,970 |                 |           | 246,229,623 | 20,974,410   | (1,568,310)       | 265,635,723 |
| Exercise of warrants during the period   | 9,203,600     | 0.30            | 2,761,080 | 2,169,412   | 5,057,094    | -                 | 7,226,501   |
| Balance as at March 31 and June 30, 2022 | 1,271,859,570 |                 |           | 248,399,035 | 26,031,504   | (1,568,310)       | 272,862,229 |

### Period ended June 30, 2022

During the six months ended June 30, 2022, 9,203,600 warrants were exercised at a strike price of CAD30 cents per shares.

***Year ended December 31, 2021***

During the year ended December 31, 2021, 82,288,154 shares were issued as a result of the warrant and option exercises listed below:

| <b>Share purchase warrants exercised during the year</b> | <b>Shares issued</b> | <b>Exercise price<br/>CAD</b> | <b>Proceeds<br/>CAD</b> | <b>Exercise price<br/>USD</b> | <b>Proceeds<br/>USD</b> |
|----------------------------------------------------------|----------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
| Warrants exercised January 22, 2021                      | 4,966,444            | 0.40                          | 1,986,578               | 0.31                          | 1,554,939               |
| Warrants exercised March 17, 2021                        | 97,090               | 0.30                          | 29,127                  | 0.24                          | 23,301                  |
| Warrant exercise June 02, 2021                           | 3,172,050            | 0.30                          | 951,615                 | 0.24                          | 767,742                 |
| Warrant exercise October 15, 2021                        | 3,172,050            | 0.30                          | 951,615                 | 0.24                          | 768,599                 |
| Warrants exercise October 22, 2021                       | 15,542,375           | 0.30                          | 4,662,713               | 0.24                          | 3,765,974               |
| Warrants exercise December 1, 2021                       | 764,085              | 0.30                          | 229,226                 | 0.23                          | 179,099                 |
| Warrants exercise December 10, 2021                      | 1,064,000            | 0.30                          | 319,200                 | 0.23                          | 249,398                 |
| Warrants exercise December 14, 2021                      | 6,650,000            | 0.30                          | 1,995,000               | 0.23                          | 1,558,737               |
| Warrants exercise December 21, 2021                      | 99,750               | 0.30                          | 29,925                  | 0.23                          | 23,381                  |
| Warrants exercise December 21, 2021                      | 135,000              | 0.30                          | 40,500                  | 0.23                          | 31,644                  |
| Warrants exercise December 23, 2021                      | 39,900,000           | 0.30                          | 11,970,000              | 0.23                          | 9,352,425               |
|                                                          | 75,562,844           | 0.31                          | 23,165,498              | 0.24                          | 18,275,239              |
|                                                          |                      |                               |                         |                               |                         |
| <b>Options exercised during the year</b>                 | <b>Shares issued</b> | <b>Exercise price<br/>CAD</b> | <b>Proceeds<br/>CAD</b> | <b>Exercise price<br/>USD</b> | <b>Proceeds<br/>USD</b> |
| Option exercise April 5, 2021                            | 400,000              | 0.35                          | 140,000                 | 0.28                          | 111,943                 |
| Option exercise April 20, 2021                           | 613,000              | 0.35                          | 214,550                 | 0.28                          | 171,552                 |
| Option exercise May 03, 2021                             | 167,000              | 0.35                          | 58,450                  | 0.29                          | 48,194                  |
| Option exercise May 06, 2021                             | 1,144,299            | 0.33                          | 378,752                 | 0.27                          | 312,291                 |
| Option exercise May 17, 2021                             | 195,401              | 0.30                          | 58,620                  | 0.25                          | 48,441                  |
| Options exercise June 28, 2021                           | 1,143,957            | 0.26                          | 297,429                 | 0.21                          | 241,805                 |
| Options exercise August 11, 2021                         | 334,000              | 0.35                          | 116,900                 | 0.28                          | 92,742                  |
| Options exercise August 16, 2021                         | 759,038              | 0.20                          | 151,808                 | 0.16                          | 120,436                 |
| Options exercise September 9, 2021                       | 585,329              | 0.31                          | 183,326                 | 0.25                          | 144,242                 |
| Options exercise December 14, 2021                       | 1,143,957            | 0.26                          | 297,429                 | 0.20                          | 232,388                 |
| Option exercise December 31, 2021                        | 239,329              | 0.26                          | 62,226                  | 0.20                          | 48,618                  |
| Total options exercised                                  | 6,725,310            |                               | 1,959,488               |                               | 1,572,651               |

**C. STOCK OPTIONS**

A summary of the stock option plan (the Plan) and principal terms is set out below. Post period end a number of changes to the Plan were approved the the Company's AGM. These will be implemented in Q3, 2022.

The Plan provides that the number of common shares that may be purchased under the Plan is a rolling maximum which shall not exceed 10% of the issued and outstanding shares of the Company at any time, with appropriate substitutions and/or adjustments in accordance with regulatory policies.

If there is a change in the number of issued and outstanding shares resulting from a share split, consolidation, or other capital or corporate reorganisation, the options in issue are adjusted accordingly. Per TSX Venture Exchange (TSX-V) policies, the total amount of shares reserved for issuance to any one optionee within a period of 12 months shall not exceed 5% of the outstanding common shares at the time of grant, the total amount of shares reserved for issuance to any one Consultant (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of grant, and the total amount of shares reserved for all persons conducting Investor Relations Activities (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of the grant.

The Plan provides that it is solely within the discretion of the Board of Directors (the “Board”) to determine which directors, employees and other service providers may be awarded options under the Plan, and under what terms they will be granted, as well as any amendments or variations to these terms in the event of an Accelerated Vesting Event (as defined by the Plan). Options granted under the Plan will be for a term not exceeding ten years from the day the option is granted, as in line with TSX-V policies. Subject to such other terms or conditions that may be attached to the particular option granted, an option shall only be exercisable so long as the optionee shall continue to hold office or provide services to the Company and shall, unless terminated earlier, or extended by the Board, terminate immediately if said optionee is terminated for cause, terminate at the close of business on the date which is no later than 90 calendar days after cessation of office or employment, or in the case of the optionee’s death, terminate at the close of business on the date which is no later than one year after the date of death, as the case may be. Subject to a minimum price of CAD\$0.10, the options will be exercisable at a price which is not less than the Market Price (as defined in the policies of the TSX-V) of the Company’s shares at the time the options are granted.

The options are non-assignable. Shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options. A summary of stock option activity and information concerning currently outstanding and exercisable options as at June 30, 2022 are as follows:

|                                              | Options outstanding |                  |                  |
|----------------------------------------------|---------------------|------------------|------------------|
|                                              | Number of           | Weighted         | Weighted         |
|                                              | options             | average exercise | average exercise |
|                                              | #                   | price            | price            |
|                                              |                     | CAD\$            | USD\$            |
| Balance, December 31, 2020                   | 22,304,716          | 0.24             | 0.19             |
| Options forfeited during the year            | (3,990,720)         | 0.20             | 0.16             |
| Options exercised during the year            | (6,725,311)         | 0.31             | 0.24             |
| Options issued during the year               | 6,000,000           | 0.76             | 0.60             |
| Options expired during the year              | (97,700)            | 0.76             | 0.60             |
| Balance, December 31, 2021 and June 30, 2022 | 17,490,985          | 0.39             | 0.31             |

The following table summarises information concerning outstanding and exercisable options at June 30, 2022:

| Number outstanding # | Number Exercisable # | Expiry Date       | Weighted average Exercise Price CAD\$ | Weighted average Exercise Price USD\$ | Remaining life (Years) |
|----------------------|----------------------|-------------------|---------------------------------------|---------------------------------------|------------------------|
| 3,422,909            | 1,318,485            | December 3, 2025  | 0.26                                  | 0.20                                  | 2.70                   |
| 6,550,000            | 4,366,666            | June 11, 2027     | 0.20                                  | 0.16                                  | 4.95                   |
| 1,518,076            | 379,519              | August 4, 2027    | 0.20                                  | 0.16                                  | 5.10                   |
| 2,000,000            | -                    | August 24, 2028   | 0.73                                  | 0.57                                  | 6.16                   |
| 4,000,000            | -                    | September 2, 2029 | 0.78                                  | 0.61                                  | 6.18                   |
| 17,490,985           | 6,064,670            |                   | 0.41                                  | 0.32                                  |                        |

All options issued prior to the 2018 financial year vest over a three-year period (15% after one year, 35% after two years and 50% after three years). These options expire five years after the date of issue.

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Options issued in the 2020 financial year originally vested over a four-year period (33% after two years, 33% after three years and 33% after four years). By resolution of the Board of Directors in March 2021, the vesting of 5,250,000 options issued on June 11, 2020 was changed to being 33% after one year, 33% after two years and 33% after three years. The 2,277,115 options issued on August 4, 2020 were changed to vest 50% after one year and 50% after two years. These options expire seven years after the date of issue.

2,500,000 options issued on September 3, 2021 vest 50% after 16 months and 50% after 22 months. The other options issued in Q3 2021 vest 33% after two years, 33% after three years and 33% after four years.

The Company recorded a share-based payment expense to the statement of profit/(loss) and comprehensive profit/(loss) of \$513,332 for the six months ended June 30, 2022 (\$332,922 for the six months ended June 30, 2021). The share-based payments expense related to options granted was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

|                                      | September<br>2021 | August<br>2021 | August<br>2020 | June<br>2020 | December<br>2018 |
|--------------------------------------|-------------------|----------------|----------------|--------------|------------------|
| Forfeiture rate                      | -                 | -              | -              | -            | -                |
| Risk free interest rate              | 0.32%             | 0.32%          | 0.32%          | 0.32%        | 2.07%            |
| Expected life of options in<br>years | 16 months<br>- 4  | 2 - 4          | 2 - 4          | 3 - 4        | 4.00             |
| Volatility                           | 70%               | 70%            | 70%            | 70%          | 70%              |
| Dividend rate                        | 0.00%             | 0.00%          | 0.00%          | 0.00%        | 0.00%            |

*\*Calculated as standard deviation of the Company's historical share price. From June 2020 the Company applied a cap of 70% on volatility. As the Company enters a more stable phase of its life cycle being that of an operating producer rather than an explorer or developer, management believe that historic volatility is a less suitable indicator for likely volatility going forward.*

#### D. SHARE PURCHASE WARRANTS

A summary of warrants activity and information concerning outstanding warrants as at June 30, 2022 are as follows:

|                                         | Number of<br>warrants<br># | Weighted average<br>exercise price<br>CAD\$ | Weighted average<br>exercise price<br>USD\$ |
|-----------------------------------------|----------------------------|---------------------------------------------|---------------------------------------------|
| Balance, December 31, 2020              | 164,696,692                | 0.35                                        | 0.28                                        |
| Warrants exercised during the year      | (75,562,844)               | 0.398                                       | 0.31                                        |
| Warrants expired during the year        | (79,930,248)               | 0.40                                        | 0.31                                        |
| Balance, December 31, 2021              | 9,203,600                  | 0.30                                        | 0.30                                        |
| Warrants exercised during the<br>period | (9,203,600)                | 0.30                                        | 0.31                                        |
| Balance, June 30, 2022                  | -                          | -                                           | -                                           |

All warrants issued in private placements were accounted for as a financial liability. See Note 15 for further details.

## E. TRANSACTIONS WITH NON-CONTROLLING INTEREST

On December 12, 2020 the Company increased its ownership of ABM from 80.75% to 84.14% through a capital raise in ABM in which the minority shareholders did not participate. The transaction was accounted for as a shareholder transaction resulting in a decrease of the non-controlling interest in an amount of \$4,144,121. The full amount was taken to equity in line with IFRS 10. Following the transaction, the IDC and the DRC government own 10.86% (2019: 14.25%) and 5% (2019: 5%) of ABM respectively.

## 18. SIGNIFICANT OPERATING SUBSIDIARIES WITH NON-CONTROLLING INTEREST

The table below shows details of the non-wholly owned subsidiary of the Company that had material non-controlling interests:

| Company                  | Proportion of ownership and voting rights held by non-controlling interests |                          | Profit allocated to non-controlling interests |                          | Accumulated non-controlling interests |                          |
|--------------------------|-----------------------------------------------------------------------------|--------------------------|-----------------------------------------------|--------------------------|---------------------------------------|--------------------------|
|                          | June 30, 2022<br>USD                                                        | December 31, 2021<br>USD | June 30, 2022<br>USD                          | December 31, 2021<br>USD | June 30, 2022<br>USD                  | December 31, 2022<br>USD |
| Alphamin Bisie Mining SA | 15.86%                                                                      | 15.86%                   | 14,397,893                                    | 15,362,491               | 46,415,881                            | 36,006,624               |

Summarised financial information in respect of the above subsidiaries is set out below. The summarised financial information below presents amounts before intra-group elimination.

|                                          | June 30, 2022      | December 31, 2021  |
|------------------------------------------|--------------------|--------------------|
| Current assets                           | 191,856,262        | 130,517,612        |
| Non-current assets                       | 191,343,798        | 181,691,784        |
| <b>Total assets</b>                      | <b>383,200,060</b> | <b>312,260,690</b> |
| Current liabilities                      | 81,433,836         | 75,730,841         |
| Non-current liabilities                  | 9,281,571          | 9,639,828          |
| Equity                                   | 292,484,653        | 241,221,877        |
| <b>Total liabilities and equity</b>      | <b>383,200,060</b> | <b>312,260,690</b> |
| Revenue                                  | 257,701,764        | 352,883,220        |
| Operating expenses                       | (106,823,531)      | (187,498,925)      |
| Income tax (expense)/credit              | (60,089,981)       | (68,513,612)       |
| <b>Net profit for the year</b>           | <b>90,788,252</b>  | <b>96,870,683</b>  |
| Attributable to owners of the Company    | 76,390,359         | 81,508,192         |
| Attributable to non-controlling interest | 14,397,893         | 15,362,491         |

## 19. REVENUE

|                                       | Six months<br>ended June<br>30, 2022<br>US\$ | Six months<br>ended June<br>30, 2021<br>US\$ | Three months<br>ended June<br>30, 2022<br>US\$ | Three months<br>ended June<br>30, 2021<br>US\$ |
|---------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>REVENUE</b>                        |                                              |                                              |                                                |                                                |
| Revenue from contracts with customers | 254,987,754                                  | 144,085,621                                  | 111,471,216                                    | 68,053,576                                     |
| Other revenue                         | 2,714,010                                    | -                                            | -                                              | -                                              |
| Total Revenue                         | 257,701,764                                  | 144,085,621                                  | 111,471,216                                    | 68,053,576                                     |

Other revenue refers to price movements between provisional and final invoices which applied up until May 2020 and again since June 2021 (refer to note 4 for additional background).

## 20. COST OF SALES

|                                          | Six months<br>ended June<br>30, 2022<br>US\$ | Six months<br>ended June<br>30, 2021<br>US\$ | Three months<br>ended June<br>30, 2022<br>US\$ | Three months<br>ended June<br>30, 2021<br>US\$ |
|------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>COST OF SALES</b>                     |                                              |                                              |                                                |                                                |
| Treatment costs                          | (14,158,198)                                 | (9,810,965)                                  | (6,724,984)                                    | (4,402,716)                                    |
| Transport and selling costs              | (28,836,178)                                 | (20,265,946)                                 | (13,492,864)                                   | (9,644,675)                                    |
| Mine operating costs                     | (29,621,747)                                 | (27,143,183)                                 | (15,031,975)                                   | (13,748,524)                                   |
| Inventory movement                       | (2,241,437)                                  | (5,523,645)                                  | (346,919)                                      | 138,184                                        |
| Royalties                                | (6,745,156)                                  | (4,189,937)                                  | (3,250,063)                                    | (2,019,839)                                    |
| Depreciation, depletion and amortization | (13,867,372)                                 | (12,696,646)                                 | (7,014,972)                                    | (6,418,803)                                    |
| Cost of Sales total                      | (95,470,088)                                 | (79,630,322)                                 | (45,861,777)                                   | (36,096,373)                                   |

Royalties are payable to various branches of the DRC government in line with the DRC mining code and calculated on 3.5% of revenue, as determined by the DRC government agency's assays results and tin price tables which are published on a weekly basis.

Mine operating costs include the costs of mining and processing material from underground, maintaining the mining fleet and process plant in good order, labour incurred directly related to the production process and storing of tailings from the mine, and are broken down below:

|                              | Six months<br>ended June<br>30, 2022<br>US\$ | Six months<br>ended June<br>30, 2021<br>US\$ | Three months<br>ended June<br>30, 2022<br>US\$ | Three months<br>ended June<br>30, 2021<br>US\$ |
|------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Mine operating costs</b>  |                                              |                                              |                                                |                                                |
| Wages and salaries           | (12,785,384)                                 | (11,451,857)                                 | (6,486,942)                                    | (5,936,643)                                    |
| Mining consumables           | (4,219,350)                                  | (4,388,251)                                  | (2,083,807)                                    | (2,347,237)                                    |
| Transport and Import duties  | (2,913,155)                                  | (2,656,535)                                  | (1,493,618)                                    | (1,336,815)                                    |
| Fuel & Lubricants            | (5,116,363)                                  | (3,620,749)                                  | (2,633,309)                                    | (1,929,277)                                    |
| Mineral resources management | (777,844)                                    | (689,774)                                    | (383,294)                                      | (313,724)                                      |
| Processing and tsf costs     | (837,133)                                    | (1,367,040)                                  | (427,603)                                      | (295,133)                                      |
| Site infrastructure          | (2,972,518)                                  | (2,968,977)                                  | (1,523,402)                                    | (1,589,695)                                    |
| Mine operating costs total   | (29,621,747)                                 | (27,143,183)                                 | (15,031,975)                                   | (13,748,524)                                   |

## 21. GENERAL AND ADMINISTRATIVE

|                                                 | Six months<br>ended June<br>30, 2022<br>US\$ | Six months<br>ended June<br>30, 2021<br>US\$ | Three months<br>ended June<br>30, 2022<br>US\$ | Three months<br>ended June<br>30, 2021<br>US\$ |
|-------------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>GENERAL AND ADMINISTRATIVE</b>               |                                              |                                              |                                                |                                                |
| Accounting, audit and legal                     | 301,082                                      | 257,128                                      | 171,722                                        | 127,591                                        |
| Political risk insurance                        | 32,300                                       | 833,228                                      | 19,990                                         | 382,955                                        |
| Administrative                                  | 349,864                                      | 310,769                                      | 185,241                                        | 123,184                                        |
| Bank charges and interest                       | 1,163,902                                    | 609,778                                      | 481,098                                        | 329,524                                        |
| Consulting fees                                 | 973,990                                      | 602,300                                      | 441,045                                        | 380,891                                        |
| Fines and penalties                             | 300,000                                      | 284,899                                      | 150,000                                        | 172,175                                        |
| Taxes and duties                                | 464,214                                      | 227,740                                      | 227,364                                        | 136,376                                        |
| Directors fees                                  | 154,298                                      | 140,882                                      | 74,149                                         | 68,676                                         |
| Depreciation (Note 3)                           | 252,065                                      | 209,984                                      | 126,500                                        | 107,221                                        |
| Management fees and salaries                    | 825,356                                      | 689,646                                      | 412,328                                        | 340,576                                        |
| Share-based payments (Note 6)                   | 513,332                                      | 332,922                                      | 235,473                                        | 84,557                                         |
| Telecommunication costs                         | 419,516                                      | 275,798                                      | 213,997                                        | 145,820                                        |
| Insurance                                       | 877,033                                      | 603,487                                      | 439,216                                        | 301,604                                        |
| Investor relations, filing and transfer fees    | 228,225                                      | 153,865                                      | 114,104                                        | 83,451                                         |
| Safety, Security & Environment                  | 491,759                                      | 568,784                                      | 248,907                                        | 291,271                                        |
| Medical expenses                                | 1,791,852                                    | 888,525                                      | 1,011,883                                      | 450,849                                        |
| Community development                           | 1,742,545                                    | 1,365,724                                    | 822,286                                        | 727,739                                        |
| Travel and accommodation                        | 1,378,241                                    | 1,133,905                                    | 700,102                                        | 582,257                                        |
| <b>Total General &amp; Administrative costs</b> | <b>12,259,574</b>                            | <b>9,489,364</b>                             | <b>6,075,405</b>                               | <b>4,836,717</b>                               |

General and administrative expenses consist of costs that do not relate directly to production activities such as head office costs, community development expenditures, security and travel costs.

## 22. FOREIGN EXCHANGE (LOSS)/PROFIT

|                                | June 30,<br>2022<br>USD | June 30,<br>2021<br>USD |
|--------------------------------|-------------------------|-------------------------|
| Foreign exchange (loss)/profit | (60,258)                | (29,058)                |

## 23. FINANCE COST

|                                  | June 30,<br>2022<br>USD | June 30,<br>2021<br>USD |
|----------------------------------|-------------------------|-------------------------|
| Debt interest payable in cash    | 517,575                 | 3,294,567               |
| Amortisation of senior debt fees | 516,366                 | 516,366                 |
| Trader finance                   | 1,322,423               | 892,727                 |
| Lease interest                   | 189,038                 | 165,659                 |
| Unwind of environmental discount | 114,160                 | 33,270                  |
| Other interest                   | 6,052                   | 26,485                  |
| <b>Total Finance cost</b>        | <b>2,665,614</b>        | <b>4,929,074</b>        |

## 24. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk. The capital structure of the Company currently consists of common shares, stock options and debt. Changes in the equity accounts of the Company are disclosed in Note 17 and changes in debt is disclosed in Note 14. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, obtain additional 3<sup>rd</sup> party loan financing or renegotiate/refinance existing debt. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are approved by the Board of Directors and updated as necessary depending on various factors, including operating conditions and production and general industry conditions. In addition, the Group maintains monthly cashflow forecasts and carries out detailed reviews of management information.

## 25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company has established active policies to manage these risks, as detailed below. The Company places its cash with high credit quality financial institutions.

### A. CREDIT RISK

#### EXPOSURE TO CREDIT RISK

The risk that counterparties or customers will not perform as expected, resulting in a loss to the Group, is defined as credit risk. The Group evaluates customers prior to the granting of credit. Exposure is evaluated by granting credit limits and constant evaluation of credit behaviour and considering credit ratings (where available), financial position and past experience.

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. Company management evaluates credit risk on an ongoing basis, including evaluation of counterparty credit rating. The primary source of credit risk for the Company arises from the following financial assets: (1) cash and cash equivalents and (2) trade debtors. The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. As at December 31, 2021, the Company has no financial assets that are past due or impaired due to credit risk defaults.

100% of the Company's revenue is derived from a contract with one customer. The credit risk from concentration of revenue is mitigated by receipt of 95% of revenue within between 2 and 30 days of delivery of product to delivery points as agreed with the customer.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst others is considered indicators of no reasonable expectation of recovery. To date, the Company has never experienced any overdue nor unrecoverable trade receivables.

On the above basis the expected credit loss for trade receivables was immaterial. The expected credit loss on environmental deposits was also assessed as immaterial. The majority of the cash and cash equivalents balance was concentrated with Standard Bank group. Standard Bank's average credit rating is B. The Company's DRC cash balances are generally held with Trust Merchant Bank. The Company's maximum exposure to credit risk at the reporting date is as follows:

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| Item                      | June 30,<br>2022<br>USD | December 31,<br>2021<br>USD |
|---------------------------|-------------------------|-----------------------------|
| Cash and cash equivalents | 147,148,282             | 90,640,001                  |
| Accounts receivable       | 35,307,875              | 47,625,872                  |
| Supplier prepayments      | 6,313,204               | 631,254                     |
| Tax prepayment            | 469,205                 | 469,205                     |
| VAT receivable            | 19,908,350              | 17,282,432                  |
| Environmental deposits    | 566,744                 | 566,743                     |
| Total                     | 209,713,660             | 157,215,507                 |

## B. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of debt, accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. There is no guarantee that the Company will generate enough revenue to meet these obligations.

The Company manages its liquidity risk by maintaining a sufficient cash balance to meet its anticipated operational needs. When there are not sufficient funds, the Company has the ability to reduce or delay its working capital position through increasing accounts payable and reducing revenue cycle time. The Company's debt was obtained to facilitate the development of the mining properties (refer to Note 7). Refer to Note 14 for additional information on repayment terms. The Company's accounts payable and accrued liabilities arose as a result of development, mine operating expenses, DRC taxes and corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice. The following table summarises the remaining contractual maturities of the Company's financial liabilities:

|                                                               | Within 1<br>Year<br>June 31,<br>2022<br>USD | Between 1<br>and 2 Years<br>June 31,<br>2022<br>USD | Between 2 and<br>5 Years<br>June 31,<br>2022<br>USD | Greater than 5<br>Years<br>June 31,<br>2022<br>USD |
|---------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| Senior debt                                                   | 5,602,089                                   | -                                                   | -                                                   | -                                                  |
| Lease payments                                                | 1,843,889                                   | 1,289,699                                           | 267,048                                             | -                                                  |
| Accounts payable and accrued liabilities                      | 74,307,200                                  | -                                                   | -                                                   | -                                                  |
| Accounts payable and accrued liabilities –<br>related parties | 54,525                                      | -                                                   | -                                                   | -                                                  |

## C. MARKET RISK

Market risk is the risk that the fair value for assets or future cash flows will fluctuate, because of changes in market conditions. The Company evaluates market risk on an ongoing basis.

The fair value movements accounted for warrants (refer Note 15) are non-cash in nature.

### *Foreign Exchange Risk*

The Company operates on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. The Company is exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in Canadian dollars (CAD\$) and South

African Rand (ZAR). A 10% fluctuation in the USD against the Canadian dollar or South African Rand would be immaterial to the Company's results.

### ***Interest Rate Risk***

As at June 30, 2022 the Company owed US\$5,602,089 towards its credit facility (refer Note 14). These loans are exposed to variable interest rates. A 1% increase in the absolute variable interest rates would not result in a material increase in interest payments. The Company does not earn significant interest on cash balances.

## **D. FAIR VALUE MEASUREMENT**

At June 30, 2022 and December 31, 2021, the carrying values and the fair values of the Company's financial instruments are shown in the following table.

|                               | Fair value<br>Hierarchy<br>Level | June 30,<br>2022<br><br>Carrying<br>value<br>USD | June 30,<br>2022<br><br>Fair<br>value<br>USD | December 31,<br>2021<br><br>Carrying<br>value<br>USD | December 31,<br>2021<br><br>Fair<br>value<br>USD |
|-------------------------------|----------------------------------|--------------------------------------------------|----------------------------------------------|------------------------------------------------------|--------------------------------------------------|
| Financial assets              |                                  |                                                  |                                              |                                                      |                                                  |
| Environmental deposits in DRC | 2                                | 566,743                                          | 566,743                                      | 566,743                                              | 566,743                                          |
| Financial liabilities         |                                  |                                                  |                                              |                                                      |                                                  |
| Debt – related parties        | 2                                | 2,937,616                                        | 2,937,616                                    | 3,328,941                                            | 3,328,941                                        |
| Debt                          | 2                                | 2,005,457                                        | 2,005,457                                    | 13,705,801                                           | 13,705,801                                       |
| Warrants                      | 3                                | -                                                | -                                            | 4,574,743                                            | 4,574,743                                        |

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 – inputs that are not based on observable market data.

The fair value of the Company's financial assets and financial liabilities approximate their carrying values.

## **26. BASIC AND DILUTED PROFIT/(LOSS) PER SHARE AS WELL AS HEADLINE AND DILUTED HEADLINE PROFIT/(LOSS) PER SHARE**

Profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of common shares issued during the period. Diluted profit/(loss) per share is determined by adjusting the weighted average number of shares for all potential dilutive effects. The following table summarises the components of the calculation of the basic and diluted loss per share:

|                                                          | June 30,<br>2022<br>US\$ | June 30,<br>2021<br>US\$ |
|----------------------------------------------------------|--------------------------|--------------------------|
| Profit/(Loss) attributable to equity shareholders        | 72,254,927               | 10,271,645               |
| Weighted average number of shares issued and outstanding | 1,270,748,102            | 1,186,189,036            |
| Profit/(Loss) in US cents per share                      | 5.69                     | 0.87                     |

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|                                                                  | June 30,<br>2022<br>US\$ | June 30,<br>2021<br>US\$ |
|------------------------------------------------------------------|--------------------------|--------------------------|
| Diluted Profit/(Loss) attributable to equity shareholders        | 72,254,927               | 10,271,645               |
| Number of shares                                                 |                          |                          |
| Number of shares in issue                                        | 1,271,859,570            | 1,192,267,057            |
| Potential dilutive effect of outstanding share options           | 17,490,986               | 15,794,296               |
| Potential dilutive effect of outstanding warrants                | -                        | 85,215,168               |
| Diluted Weighted average number of shares issued and outstanding | 1,289,350,556            | 1,293,276,521            |
| Diluted Profit/(Loss) in US cents per share                      | 5.60                     | 0.79                     |

The Company's shares are also listed on the Johannesburg Stock Exchange Alt.X which requires the Company to present headline and diluted headline profit/(loss) per share. Headline loss per share is calculated by dividing headline loss attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the year. Diluted headline profit/(loss) per share is determined by adjusting the weighted average number of shares for all potential dilutive effects.

There were no adjustments to profit/(loss) attributable to equity shareholders for the purposes of calculating headline profit/(loss) attributable to equity shareholders and hence the profit/(loss) per share is the same as the headline profit/(loss) per share.

## 27. COMMITMENTS

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

|                               | June 30,<br>2022 | December 31,<br>2021 |
|-------------------------------|------------------|----------------------|
| Property, plant and equipment | 1,233,036        | 1,543,914            |
| Exploration drilling          | 3,588,440        | 6,578,157            |
| Mpama South                   | 15,951,045       | -                    |
|                               | 20,772,521       | 8,122,071            |

## 28. SEGMENTED INFORMATION

The Company considers its business to consist of one reportable operating segment, being the production and sale of tin from its Bisie tin mine. As at reporting date, substantially all of the Company's operations and assets are located in the Democratic Republic of the Congo. In assessing potential operating segments, the Company has considered the information reviewed by the Chief Operating Decision Maker (CODM). The Company has identified the Board of Directors as the CODM and is satisfied that the information as presented in the financial statements is the same as that assessed by the CODM for management reporting purposes. The Company has one asset, in one commodity in one country. The Company sells its product to one customer, Gerald Metals SA.

## 29. CONTINGENT LIABILITIES

|                   | June 30,<br>2022 | December 31,<br>2021 |
|-------------------|------------------|----------------------|
| Fines & penalties | 500,000          | 500,000              |

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A number of significant fines and penalties have been received from various governmental tax authorities. The Company is disputing these as it believes it to be substantially compliant and does not expect material settlements.

## 30. SUBSEQUENT EVENTS

On July 5, 2022 the Company announced a dividend of CAD 3 cents per share.