30 June 2023

Edenville Energy Plc

("Edenville" or the "Company")

Annual Results for the year ended 31 December 2022

Edenville Energy Plc (AIM: EDL), an African focused mine operator and developer, announces its audited results for the year ended 31 December 2022.

For Enquiries Contact:

Edenville Energy Plc Noel Lyons – CEO Via IFC Advisory	+44 (0) 20 3934 6630
Financial and Nominated Adviser **Strand Hanson Limited** James Harris | Richard Johnson	+44 (0) 20 7409 3494
Broker **Tavira Securities Limited** Oliver Stansfield | Jonathan Evans	+44 (0) 20 7100 5100
Financial PR and IR **IFC Advisory Limited** Tim Metcalfe | Florence Chandler	+44 (0) 20 3934 6630

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Caution;
This announcement has been prepared for information purposes only.

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital, and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

CHAIRMAN'S REPORT

For the year ending 31 December 2022, the Company experienced a period of major transition in terms of both operations and management and board changes. This has continued into the first half of 2023 with a major strategic financial investment in the Company and further management changes underway.

On 3 February 2022, the Company's coal mining subsidiary, Edenville International (Tanzania) Limited ("EITL"), entered into a contract with Nextgen Coalmine Limited ("Nextgen") for the operation of the Rukwa Coal Project ("Rukwa" or the "Project") in Tanzania. However, and disappointingly the agreement with Nextgen was terminated within 3 months on 31 May 2022 due to a lack of progress, allowing the Company to assume full operating control of the Project site and explore alternative arrangements for coal mining operations to continue at Rukwa on what management considered were significantly improved economic terms.

The second half of 2022 was dominated by several significant changes to the Board and management team in Tanzania undertaken after consulting with key shareholders. These changes included the appointments of experienced executives Noel Lyons as CEO, Paul Ryan as Executive Director and Andre Hope as a Non-executive Director following the resignations of Alistair Muir, Jeff Malaihollo, and Franco Caselli . During this period of change I assumed the role of Non-Executive Chairman .

On site in Tanzania, the changes in operational management resulted in a more coordinated and dedicated workforce and this had immediate benefits with the newly appointed executive team entering into an initial 12-month agreement in August 2022 with local mine operator and commercial and logistics specialist Brahma Energies Limited to secure higher production and sales. This agreement subsequently, underwent a tender process and was eventually restructured on a more cost-effective basis, which is how the current operations at Rukwa are now being managed.

To support the ongoing activities in Tanzania and corporate activities, late in the year in December 2022, the Company raised gross proceeds of £400,000 through the placement of 5,714,286 new ordinary shares at a price of 7.0 pence per share.

The transformation of the Company has continued post period end and, in June 2023, the Company entered into a major strategic funding agreement to conditionally raise £1,468,000 which involved attracting a new shareholder group, which includes Q Global Commodities Group (QGC), a prominent independent commodity, mining, logistics, and investment fund from South Africa, and Gathoni Muchai Investments (GMI), an East African Mining Investment Group. Mr. Jason Brewer from GMI has already joined the Board as an Executive Director, and Mr. Quinton van der Burgh from QGC is expected to join the Board in due course, as Director and Non-Executive Chairman.subject to satisfactory completion of due diligence checks by the Company's nominated adviser. , Once Mr. Van der Burgh assumes his position, I intend to resign from the Board..

2022 was certainly a challenging period for the Company however, the Board has not shied away from making tough management and Board level decisions to look at ways of delivering value to its shareholders. We believe that the recent recapitalization of the Company, together with planned continuing exploitation of Rukwa with the support of the experienced our enhanced Board to determine how to best maximise production and output which should lead to a successful period ahead into 2023.

I would like to extend my gratitude to all our stakeholders and former board directors, Jeff Malaihollo, Alistair Muir, and Franco Caselli, for their contributions to the Company.

Yours Sincerely,

Nick von Schirnding

29 June 2023

CHIEF EXECUTIVE OFFICER'S REPORT

The year 2022 marked a period of significant transition in the management and prospects of the Company, encompassing the Rukwa coal mine and our broader vision for future growth.

Funding

On 6 December , 2022, we announced an equity placing that raised gross proceeds of £400,000, supported by both new investors and some of Edenville's existing shareholders.

The Company has transferred the long outstanding debt owed by the Envirom GroupAB to debt collectors in Norway. We had agreed a settlement of a lesser amount with Envirom Group AB to ensure timely payment. However, due to their failure to honour the terms of such settlement, we are pursuing the full amount owning of £246,781.80 . This debt was inherited by the current executive team.

We have also resolved our employee litigation relating to an unfair dismissal claim. without any liability. During the course of 2022, at the time of the change of management in Tanzania, the EITL's bank account was temporarily suspended while the bank awaited confirmation of, inter alia, new directors being appointed. This has now been fully resolved and the account is fully operational.

Additionally, as part of our vigorous defense against the spurious claim by Upendo Group and former local Director Mr. Kegele Cassiano, who has claimed a right to 10% of turnover (instead of 10% of returns as per the agreements), we made a payment of $108,000 into the Tanzanian courts of appeal which enables the Company to defend this case going forward..

On June 6, 2023, the Company announced a placing of £1,468,000. of which £893,000 is subject to shareholder approval at the forthcoming AGM. As of 23 June 2023, the Company had cash balances of approximately £400,000, which is likely sufficient for its current needs at Rukwa, provided that it can achieve cashflow positivity later this year as production stabilizes at a consistent level.

Operational Review

The following statement is in relation to the Company's subsidiary EITL.

Production during the year showed intermittent encouraging signs, particularly during periods of favourable weather and when the aged plant operated without major breakdowns or outside labour disruptions. We have also identified strong demand with the condition that a consistent supply can be assured having recently signed a supply contract with Rwandan client for the supply of up to 5,000 tonnes of washed coal per month. However, the intermittent and unpredictable operational performance significantly strains resources and hampers access to regular and high-margin sales. Additionally, legacy issues, such as unmet production level expectations set with the mining commission, jeopardize the license, and strained relationships with local service providers, suppliers, and advisers, all impact day-to-day operations and require a disproportionate amount of attention and resources. Due to the change of local management in the second half of 2022 and the subsequent challenges, together brought with lack of certain historic company documentation some historic expenditure was difficult to verify and while not material in the overall review of the Group's activities, it is noted by the local auditors and in the auditor's report as further referenced below. The new management team immediately enhanced all financial control procedures on their arrival in the company and these strict policies are adhered to throughout the company today.

Corporate Social Responsibility

The Company remains committed to fulfilling its corporate and social responsibilities. We recognise the importance of meeting social requirements as an operator in Tanzania. The construction of the mining operation at Rukwa has already led to improvements in local infrastructure, most notably the construction of a road from Kipandi to Mkomolo village and beyond, benefiting farmers, the local population, and the mine itself. We have also prioritised the employment of local individuals from surrounding villages, resulting in highly competent and skilled employees. The positive social impact extends to the broader community, where enterprising individuals are providing services such as food supply for workers.

Post Period Events

Following the end of the reporting period in June 2023, the Company entered into an agreement to conditionally raise £1,468,000 as part of a larger restructuring effort. This involved welcoming a new shareholder group, including Q Global

Commodities Group (QGC), a leading independent commodity, mining, logistics, and investment fund from South Africa, and Gathoni Muchai Investments (GMI), an East African Mining Investment Group. Mr. Jason Brewer from GMI has joined the Board as an Executive Director, and Mr. Quinton van der Burgh of QGC is expected to join the Board in due course, following the completion of customary due diligence by the Company's Nominated Adviser. It is anticipated that Mr. Nicholas Von Schirnding will resign from the Board once Mr. van der Burgh joins.

Audit opinion qualification

The financial statements of the group include certain costs pertaining to the subsidiary EITL.

As noted previously, the new Executive Board instigated a number of changes in the management of EITL. In particular, certain former stakeholders and suppliers deemed no longer suitable were removed. In addition, together with the replacement of on-the-ground senior management who the Board believes were impacting progress of Rukwa, new local advisers and personnel were recruited. However, as a result of these significant changes, the Company and auditors have experienced difficulty in obtaining supporting documents to substantiate and verify some of the aforementioned expenditures.

In addition, the financial statements of the group include a trade payables balance of £58,614, consisting of supplier balances related to EITL. As above, largely due to the aforementioned changes, the Company has experienced difficulties in obtaining the requisite creditor confirmations or supplier statements necessary to confirm the accuracy or otherwise of these balances.

Accordingly the auditor's opinion on the financial statements have been qualified in respect of these aforementioned matters. The Board has concluded that, following a review and an analysis of previous years expenditure, the unverified expenses incurred in 2022 prior to new management joining, are in line with what would be expected based on fixed overhead and production numbers.

Tanzanian Government participation in Edenville International (Tanzania) Limited

The Company will engage with the relevant local Government authorities to negotiate an appropriate participation of the Government in the shareholding of EITL of up to 16%. This shareholding will have no voting power and will simply be reflected as a participation on behalf of the Government. There is no fixed amount specified to be issued to Government and each company needs to hold its own negotiations. Historically the issue of Government participation has been unclear and subject to change frequently. EITL is carrying significant tax losses so it will be some time, regardless of improved performance, before profit share will be considered. We will keep the market updated as this situation develops.

Summary and Outlook

Despite the numerous changes in the Company during 2022, we have emerged stronger with our new management team and valuable new investors who bring extensive experience, finance, and expertise in the mining business on the African continent. With their positions on the Board, we are well-prepared for an exciting second half of 2023 and beyond. Furthermore, with an improved cash position, we will continue to target additional asset acquisitions, leveraging the natural resources and capital markets expertise of the Board and significant shareholders.

I look forward to the future of Edenville, both for the remainder of 2023 and beyond, with confidence in its potential to generate shareholder value.

Noel Lyons
Chief Executive Officer
29 June 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EDENVILLE ENERGY PLC

Qualified opinion

We have audited the financial statements of Edenville Energy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statement of Changes in Equity, the Group and Parent Company Cash Flows Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The financial statements of the group include direct costs amounting to £423,352, other administration expenses of £75,674, and other operating expenses of £80,961, pertaining to the subsidiary Edenville International (Tanzania) Limited. In the course of the audit, we were not provided with the necessary supporting documents to substantiate these expenditures. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether the amounts recorded in the statement of comprehensive income and the statement of financial position are materially misstated. In the absence of supporting evidence, we were unable to evaluate the occurrence and accuracy of these amounts. As such, we were unable to determine whether any adjustments are necessary to the financial statements.

The financial statements of the group include a trade payables balance of £58,614, consisting of supplier balances related to the subsidiary Edenville International (Tanzania) Limited. We were unable to obtain creditor confirmations or supplier statements necessary to perform the required audit procedures to confirm accuracy and existence of these balances. As such, we were unable to determine whether any adjustments are necessary in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

Operationalisation of up to 16% Government of Tanzania non-dilutable free carried share interest.

We draw attention to Note 28 of the financial statements, which highlights that the group has not completed the operationalisation of the issuance of up to 16% non-dilutable free carried interest shares in its subsidiary, Edenville Energy (Tanzania) Limited, as required by the Tanzania State Participation Mining legislation.

Our opinion is not modified in this respect.

Recoverability of Value Added Tax

We draw attention to Note 4 of the financial statements, which describes the group's assessment over the Value Added Tax (VAT) receivable balance of £279,157 in its subsidiary, Edenville Energy (Tanzania) Limited. The group has assessed and concluded within its critical accounting estimates that the VAT is recoverable. The financial statements do not include the adjustments that would result if the group was unable to fully recover this.

Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing and evaluating management's assessment of going concern, including cash flow forecasts prepared until June 30, 2024, derived from run-of-mine forecasts for the mine's entire lifespan;
- Assessing the completeness of forecasted expenditures, ensuring that all relevant information such as planned mining and capital expenditure, has been considered;
- Analysing cash flow forecasts and budgets until 30 June 2024, challenging the underlying assumptions regarding estimated quantities of coal production and sales, selling prices, and associated expenditures, while verifying mathematical accuracy.;
- Verified and agreeing the cash position at the year-end and post the year-end to bank statements, taking into account funds raised after the year-end; and
- Challenging management's forecasts by assessing the stress test scenario and evaluating the financial resources available to address this outcome, specifically examining the ability of the group and parent company to raise funds.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing, and extent of our audit procedures. The materiality for the financial statements as a whole applied to the group financial statements was £74,000 (2021: £74,700) based on 1% of gross assets. We chose gross assets as the basis for materiality because in a mining company, the primary focus of users is the efficient utilisation and exploitation of mining assets to generate production, making it a key performance indicator for stakeholders. The performance materiality for the group was set at £44,400 (2021: £44,800) representing 60% (2021: 60%) of the overall materiality. The materiality for the financial statements as a whole applied to the parent company financial statements was £11,400 (2021: £12,500) based on 2% of the expenses. We chose expenses as the basis for materiality for the parent company financial statements because it aligns with the key cost components associated with its administrative and management functions, considering the parent company primarily serves as a holding entity for the subsidiary. The performance materiality for the parent company was £6,840 (2021: £7,500) representing 60% (2021: 60%) of the overall materiality. Performance materiality is based at a medium risk level of 60% considering the inherent risks in the mining industry and the specific risks identified and disclosed in the key audit matters. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

For the component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. This component materiality, determined to be £65,800 (2021: £60,900), aligns with the same benchmarks used for the group.

We agreed with those charged with governance that we would report all differences identified during the course of our audit in excess of £3,700 (2021: £3,735) for the group and £570 (2021: £625) for the parent company.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we assessed the areas involving significant accounting estimates and judgements by the directors in respect of the carrying value of the mining assets and carrying values of the parent company's investments in, and loans to, subsidiaries and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the four components of the group, two components being the London parent company and its Tanzanian subsidiary that owns the mining license were identified as significant and material components. We performed a full scope audit of the London parent company's complete financial information using a team with specific experience of auditing mining entities and publicly listed entities, and the Tanzanian subsidiary's audit was conducted by component auditors from a PKF network firm. Analytical procedures were performed in respect of the remaining components of the group because they were not significant to the group.

The subsidiary located in Tanzania was audited by a component auditor operating under our instructions as the group auditor. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company's financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value of mining assets (Note 15)	
The entity has capitalised mining assets of £5,727,379. The mining assets are being amortised on unit of production method. Given the low mining levels, there is a risk that the current level of amortisation may not be appropriate, potentially leading to a need for impairment assessment. Management assess annually whether there is any indication of impairment of these assets. The impairment test involves estimation of the recoverable amount of the assets requires management to make significant judgement and estimation in relation to the assumptions and inputs used in the Net Present Value (NPV) valuation model. The carrying value of mining assets is a key audit matter because of the significant level of estimation uncertainty and judgement involved in determining the carrying value of these assets reliably and accurately.	Our audit work in this area included: - Reviewing and challenging management's impairment review process, including the consideration of NPV calculations and challenging the assumptions and inputs used in the models. We conducted a sensitivity analysis on key assumptions, evaluating them against third-party evidence; - Assessing the reasonableness of assumptions used in the impairment model by comparing them to industry benchmarks and other external sources of information; - Considering the group's resources, coal processing capacity, and sales margins, we assessed the carrying value of mining assets in light of market conditions, such as changes in commodity prices or demand. This assessment included corroborating our findings with sales agreements signed post year end to gain insights into future revenue streams; - Conducting a sensitivity analysis to evaluate the impact of changes in key assumptions on the carrying value of mining assets, providing insights into the potential range of outcomes and estimation uncertainty; - Performing testing to ensure the existence and ownership of licenses and consideration has been given to whether a decommissioning provision is required. ; and - Considering whether the treatment of mining assets is in accordance with International Accounting Standard 16 and has been correctly classified. In addition, we evaluated the appropriateness of accounting policies used for mining assets, including the recognition and measurement of mineral reserves and mine development costs. In forming our opinion, which is not modified, based on the work performed, we are satisfied that the carrying value of the mining assets in the financial statements is not materially misstated. The future carrying value of the mining assets is dependent on the ability of the subsidiary to fully realise the potential of the mine and increase the mining activities and extraction to pre-pandemic levels.
Valuation of the parent company's investment in, and loans to, subsidiaries (Note 14)	
The parent company owns a significant investment in Edenville International (Tanzania) Limited of	Our audit work in this area included:

Key Audit Matter	How our scope addressed this matter
£18,173,697, which includes loans to the subsidiary of £11,130,386. The carrying value of this investment is linked to the value of the underlying assets held in Edenville International (Tanzania) Limited. These assets are primarily mining assets located in Tanzania, and their valuation is subject to significant estimation and judgement. Significant estimation and judgement involve determining the future cash flows expected to be generated from the mining assets and comparing this to the carrying value of the investment in the subsidiary. The estimation of future cash flows is based on assumptions made by management, including factors such as commodity prices, production volumes, and operational costs. Hence, there is a risk that the value in use of the mining assets is below the carrying value of the investment, which could result in a material misstatement of the amounts reported, and as such, the valuation of the parent company's investment in loans to subsidiaries is a key audit matter.	- Reviewing and challenging management's impairment review of the investments held, including consideration of the NPV calculations. We challenged the assumptions and inputs included in the models and performed a sensitivity analysis on the key assumptions. We also challenged management's assumptions by obtaining corroborative evidence to support the sales projections. We also considered the reasonableness of the discount rate applied in the NPV calculations. - Reviewing the work of the component auditor around the indicators of impairment in relation to the Tanzania based subsidiary. - Reviewing the value of the net investment in subsidiaries against the underlying assets and corroborating the estimates and judgements used by management to assess the recoverability of investments and intercompany receivables. We assessed the reliability of the underlying assumptions made by management regarding the expected future cash flows from the mining assets held by the subsidiary. We also performed a sensitivity analysis on the key assumptions and inputs used in the valuation and challenge management's estimates where necessary. - Corroborating the supporting documentation provided by management, such as mineral resource reports and feasibility studies, to assess the reasonableness of the estimates and judgements made. In forming our opinion, which is not modified, based on the work performed, we are satisfied that the value of the investment and loans in the financial statements are not materially misstated. The recoverability is dependent on the ability of the subsidiary to fully realise the potential of the mine and increase the mining activities and extraction to pre-pandemic levels.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this

gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
As described in the Basis for qualified opinion on other matters prescribed by the Companies Act 2006 section of out report, we have concluded that a material misstatement of the other information exists.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

Except for the material misstatement described in the Basis for qualified opinion on other matters prescribed by the Companies Act 2006 section of our report, in the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the basis for qualified opinion paragraph referred to above :

- we have not received all the information and explanations we require for our audit; and
- We were unable to determine whether adequate accounting records have not been kept by the subsidiary Edenville International (Tanzania) Limited

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company as well as the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of our cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, AIM Rules for Companies and Mining Act (14/2010) and various regulations made there under applicable to subsidiary in Tanzania.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and Regulatory News Service (RNS) announcements, and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of mining assets and parent company's valuation of investments in loans to subsidiaries. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- For the significant component within the group, the audit procedures performed by the component auditors relating to non-compliance with laws and regulations and the posting of journal entries was reviewed for evidence of non-compliance or potential instances of fraud detected. As noted in the Emphasis of matter section of our report, non-compliance with requirement of the Government of Tanzania on operationalisation of up to 16% non-dilutable free carried interest shares was identified in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29 June 2023

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	2022 £	2021 £
Revenue	5	183,448	105,228
Cost of sales		(896,147)	(684,848)
Gross loss		(712,699)	(579,620)
Administration expenses	6	(1,038,384)	(875,564)
Group operating loss		(1,751,083)	(1,455,184)
Finance income	10	68	701
Finance costs	11	(4,747)	(5,842)
Loss on operations before taxation		(1,755,762)	(1,460,325)
Income tax	12	(917)	(526)
Loss for the year		(1,756,679)	(1,460,851)
Attributable to:			
Equity holders of the Company		(1,754,011)	(1,458,586)
Non-controlling interest		(2,668)	(2,265)
Other comprehensive loss			
Item that will or may be reclassified to the profit and loss:			
Gain on translation of overseas subsidiary		691,850	87,013
Total comprehensive loss for the year		(1,064,829)	(1,373,838)
Attributable to:			
Equity holders of the Company		(1,062,161)	(1,371,573)
Non-controlling interest		(2,668)	(2,265)
Earnings per Share (pence)			
Basic and diluted loss per share	13	(7.97p)	(8.04p)

All operating income and operating gains and losses relate to continuing activities.

No separate statement of comprehensive income is provided as all income and expenditure is disclosed above.

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION

Company Registered Number 05292528	**Note**	**Group 31 December 2022 £**	**31 December 2021 £**	**31 December 2022 £**	**Company 31 December 2021 £**
Non-current assets					
Investment in subsidiaries	14	-	-	17,952,478	17,197,652
Property, plant and equipment	15	5,911,876	5,451,921	749	1,000
Intangible assets	16	352,627	315,002	-	-
		6,264,503	5,766,923	17,953,227	17,198,652
Current assets					
Inventories	17	117,766	142,721	-	-
Trade and other receivables	18	347,984	415,479	282,487	225,635
Cash and cash equivalents	19	237,300	1,229,801	159,558	1,226,235
		703,050	1,788,001	442,045	1,451,870
Current liabilities					
Trade and other payables	20	(402,200)	(389,264)	(157,764)	(103,362)
Borrowings	21	(29,376)	(18,258)	-	-
		(431,576)	407,522	(157,764)	(103,362)
Current assets less current liabilities		271,474	1,380,479	284,281	1,348,508
Total assets less current liabilities		6,535,977	7,147,402	18,237,508	18,547,160
Non-current liabilities					
Borrowings	21	(67,128)	-	-	-
Environmental rehabilitation liability	22	(30,609)	(24,632)	-	-
		6,438,240	7,122,770	18,237,508	18,547,160
Equity					

Called-up share capital	23	4,233,744	4,176,601	4,233,744	4,176,601
Share premium account		22,569,976	22,254,317	22,569,976	22,254,317
Share option reserve		277,654	453,614	277,654	453,614
Foreign currency translation reserve		1,272,993	581,143	-	-
Retained earnings		(21,896,430)	(20,325,577)	(8,843,866)	(8,337,372)
Attributable to the equity shareholders of the Company				18,237,508	18,547,160
Non- controlling interests		(19,697)	(17,328)	-	-
Total equity		6,438,240	7,122,770	18,237,508	18,547,160

The financial statements were approved by the board of directors and authorised for issue on 29 June 2023 and signed on its behalf by:

Noel Lyons, Director

GROUP AND COMPANY STATEMENT OF CHANGES IN EQUITY

GROUP

	Equity Interests							
	Share Capital	**Share Premium**	**Retained Earnings Account**	**Share Option Reserve**	**Foreign Currency Translation Reserve**	**Total**	**Non-controlling interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2021	4,041,601	19,390,849	(18,866,991)	301,174	494,130	5,360,763	(14,902)	5,345,861
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	87,013	87,013	-	87,013
Loss for the year	-	-	(1,458,586)	-	-	(1,458,586)	(2,265)	(1,460,851)
Total comprehensive income for the year	**-**	**-**	**(1,458,586)**	**-**	**87,013**	**(1,371,573)**	**(2,265)**	**(1,373,838)**
Transactions with owners								
Issue of share capital	135,000	3,240,000	-	-	-	3,375,000	-	3,375,000
Share issue costs	-	(224,092)	-	-	-	(224,092)	-	(224,092)
Share options/warrants charge	-	(152,440)		152,440		-		
Total transactions with owners	**135,000**	**2,863,468**	**-**	**152,440**	**-**	**3,150,908**	**-**	**3,150,908**
Non- controlling interest share of goodwill	-	-	-	-	-	-	(161)	(161)
At 31 December 2021	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,770

	---------------Equity Interests---------------							
	Share Capital	**Share Premium**	**Retained Earnings Account**	**Share Option Reserve**	**Foreign Currency Translation Reserve**	**Total**	**Non-controlling interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2022	4,176,601	22,254,317	(20,325,577)	453,614	581,143	7,140,098	(17,328)	7,122,770
Comprehensive Income for the year								
Foreign currency translation	-	-	-	-	691,850	691,850		691,850
Loss for the year	-	-	(1,754,011)	-	-	(1,754,011)	(2,668)	(1,756,679)
Total comprehensive income for the year	**-**	**-**	**(1,754,011)**	**-**	**691,850**	**(1,062,161)**	**(2,668)**	**(1,064,829)**
Transactions with owners								
Issue of share capital	57,143	342,857	-	-	-	400,000	-	400,000
Share issue costs	-	(20,000)	-	-	-	(20,000)	-	(20,000)
Share options/warrants charge	-	(7,198)	-	7,198	-	-	-	-
Lapse of share options/warrants	-	-	183,158	(183,158)	-	-	-	-
Total transactions with owners	57,143	315,659	**183,158**	**(175,960)**	**-**	**380,000**	**-**	**380,000**
Non- controlling interest share of goodwill	-	-	-	-	-	-	299	299
At 31 December 2022	**4,233,744**	**22,569,976**	**(21,896,430)**	**277,654**	**1,272,993**	**6,457,937**	**(19,697)**	**6,438,240**

COMPANY

	Share Capital £	Share Premium £	Retained Earnings Account £	Share Option Reserve £	Total £
At 1 January 2021	4,041,601	19,390,849	(7,782,331)	301,174	15,951,293
Comprehensive Income for the year					
Total comprehensive loss for the year	-	-	(555,041)	-	(555,041)
Total comprehensive income for the year	**-**	**-**	**(555,041)**	**-**	**(555,041)**
Transactions with owners					
Issue of share capitals	135,000	3,240,000	-	-	3,375,000
Share issue costs	-	(224,092)	-	-	(224,092)
Share option/warrants charge	-	(152,440)	-	152,440	-
Total transactions with owners	**135,000**	**2,863,468**	**-**	**152,440**	**3,150,908**
At 31 December 2021	**4,176,601**	**22,254,317**	**(8,337,372)**	**453,614**	**18,547,160**
Comprehensive Income for the year					
Total comprehensive loss for the year	-	-	(689,652)	-	(689,652)
Total comprehensive income for the year	-	-	(689,652)	-	(689,652)
Transactions with owners					
Issue of share capital	57,143	342,857	-	-	400,000
Share issue costs	-	(20,000)	-	-	(20,000)
Share option/warrants charge	-	(7,198)	-	7,198	-
Lapse of share options/warrants			183,158	(183,158)	
Total transactions with owners	-	-	-	-	-
At 31 December 2022	**4,233,744**	**22,569,976**	**(8,843,866)**	**277,654**	**18,237,508**

GROUP AND COMPANY CASH FLOW STATEMENTS

		Group		Company	
		Year ended 31 December 2022	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2021
		£	£	£	£
Operating activities					
Operating loss		(1,751,083)	(1,455,184)	(699,273)	(557,208)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation		324,790	264,677	251	334
Expected credit losses		242,780	-	242,780	-
Foreign exchange difference		(4,614)	2,687		-
Working capital changes:					
Decrease/ in inventories		40,903	17,799		
Impairment of inventories		-	92,150		-
Increase in trade and other receivables		(92,615)	(116,768)	(250,227)	(217,136)
(Decrease)/Increase in trade and other payables		(26,820)	(286,968)	54,401	(110,197)
Net cash outflow from operating activities		(1,266,659)	(1,481,607)	(652,068)	(884,207)
Tax paid		(1,319)			
Cash flows from investing activities					
Capital introduced to subsidiaries		-	-	(754,827)	(636,035)
Purchase of property, plant and equipment		(41,236)	-		-
Finance income		68	701	68	2,167
Net cash (used in)/from investing activities		(41,168)	701	(754,759)	(633,868)
Cash flows from financing activities					
Repayment of borrowings		-	(120,000)	-	(120,000)
Repayment of convertible loan notes		-	(312,226)	-	(312,226)
Repayment of lease liabilities		(22,138)	(30,214)	-	-
Lease interest		(1,793)	(3,451)	-	-
Proceeds from issue of ordinary shares		360,150	3,375,000	360,150	3,375,000
Share issue costs		(20,000)	(224,092)	(20,000)	(224,092)
Net cash inflow from financing activities		316,219	2,685,017	340,150	2,718,682
Net increase/(decrease) in cash and cash equivalents		992,927	1,204,111	(1,066,677)	1,200,607
Cash and cash equivalents at beginning of year		1,229,801	25,690	1,226,235	25,628
Effect of foreign exchange rate changes on cash and cash equivalents		426	-		-
Cash and cash equivalents at end of year	19	237,300	1,229,801	159,558	1,226,235

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1. General Information

Edenville Energy Plc is a public limited Company incorporated in England and Wales. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The Company's shares are listed on AIM, a market operated by the London Stock Exchange.

The principal activity of the Group is the exploration, development and mining of energy commodities predominantly coal in Africa.

2. Group Accounting Policies

Basis of preparation and statement of compliance

The Group's and Company's financial statements have been prepared in accordance with UK-adopted international accounting standards ('UK adopted IAS') and as applied in accordance with the provisions of the Companies Act 2006. The Group's financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with UK adopted IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in Note 4.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement. The loss after tax for the Parent Company for the year was £689,652 (2021: £555,041)

Going concern

At 31 December 2022 the Group had cash balances totalling £237,300. The Group also raised £1,468,000 in June 2023 (see note 31).

Following the introduction of new management in August of 2022 production improved slightly and in June of 2023 output was up on previous year. The company has recently signed a contract to provide up to 5,000 per month of washed coal to a Rwanda client. This opens up the opportunities for export to neighbouring countries who suit the location of the mine at Rukwa.

Current dramatic increases in Global coal prices have had a major impact on the demand situation in country and the east African region overall, with one of the major producers turning their focus to export. As a result of this the company has received regular coal sales enquiries and has terminated its coal mining agreement with NextGen Coalmine Ltd and is focused on finding new markets for its product and gearing up production. It has already commenced the sale of fines and has regular enquiries about the purchase of its washed coal.

Following the introduction of new management in August of 2022 production improved slightly and in June of 2023 output was up on previous year. The company has recently signed a contract to provide up to 5,000 per month of washed coal to a Rwanda client. This opens up the opportunities for export to neighbouring countries who suit the location of the mine at Rukwa.

Based on the current working capital forecast , the Group has sufficient funds in order to allow it to continue in production and implement planned project development and any upgrades.

Expenditure on excavation is related to the level of orders and both head office costs and Tanzanian administration costs can be reduced and the Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The Company is further supported in 2023 with new investment from experienced coal mining operators who will also join the Board. Following a successful fundraising there is sufficient funds in place.
Adoption of new and revised standards and changes in accounting policies

There were no new standards or interpretations impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2022, and which have given rise to changes in the Group's accounting policies.

Standards and interpretations in issue but not yet effective or not yet relevant

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Standard	**Detail**	**Effective for annual periods commencing on or after**
IFRS 4	Amendments regarding the expiry date of the deferral approach	1st January 2023
IFRS 16	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1st January 2024
IAS 1	Amendments regarding the classification of liabilities	1st January 2024
IAS 1	Amendments regarding the disclosure of accounting policies	1st January 2023
IAS 1	Amendments regarding the classification of liabilities. Amendments regarding the disclosure of accounting policies	1 January 2023
IAS 1	Amendments regarding the classification of debt covenants	1st January 2024
IAS 8	Amendments regarding the definition of accounting estimates	1st January 2023
IAS 12	Amendments resulting from Deferred Tax relating to assets and Liabilities arising from a Single Transaction	1st January 2023

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

Share based payments (Share options and Warrants)

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an expense.

The Group also , from time to time , issues warrants, primarily to advisors of the company in connection with placing of shares and/or other services. There fair value of these warrants is either recognised as an expense or as a share issue costs offset against share premium, depending on the nature of services.

The total amount to be expensed or offset against share premium in respect of share issue costs is determined by reference to the fair value of the options granted:

- including any market performance conditions;

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement of employees to save).

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Basis of consolidation

The Group's financial statements consolidate the financial statements of Edenville Energy Plc and all its subsidiary undertakings (Edenville International (Seychelles) Limited, Edenville International (Tanzania) Limited and Edenville Power (TZ) Limited) made up to 31 December 2022 (Note 14). Profits and losses on intra-group transactions are eliminated on consolidation.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interests (NCIs).

Business combinations

The Group adopts the acquisition method in accounting for the acquisition of subsidiaries. On acquisition the cost is measured at the fair value of the assets given, plus equity instruments issued and liabilities incurred or assumed at the date of exchange. The assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

Any deficiency of the fair value of the consideration below the fair value of identifiable net assets acquired is credited to the income statement in the period of the acquisition.

The results of subsidiary undertakings acquired or disposed of during the year are included in the group statement of comprehensive income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15, there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue as and when the entity satisfies the performance obligation.

The Group has one revenue stream being the sale of coal and other aggregate bi-products produced by the Group. Sales are predominantly made at the Group's premises as customers collect their quantities from the mine. Such revenue is recognised at the point of contact at a pre-agreed fixed price on a per tonnage basis. For deliveries made to customer premises, revenue is recognised at the point of which the products leave the Group's premises.

Presentational and functional currency

The Group's consolidated financial statements are presented in pound sterling, which is also the parent company's
functional currency.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.
The functional currency of the Group's subsidiaries is US Dollars.

In preparing the financial statements of individual entities, transaction in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in pounds sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed.

Financial instruments

Financial assets

Financial assets comprise investments, cash and cash equivalents and receivables. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through the income statement (FVPL) and those to be held at amortised cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Management determines the classification of financial assets at initial recognition. The Group's policy with regard to financial risk management is set out in note 3. Generally, the group does not acquire financial assets for the purpose of selling in the short term.

The group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the group enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial Assets held at fair value through other comprehensive income (FVOCI)

The classification applies to the following financial assets:

- Debt instruments that are held under a business model where they are held for the collection of contractual cash flows and also for sale ("collect and sale") and which have cash flows that meet the SPPI criteria. An example would be where trade receivable invoices for certain customers were factored from time to time. All movements in the fair value of these financial assets are taken through comprehensive income, except for the recognition of impairment gains and losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified to the income statement.

- Equity investments where the group has irrevocably elected to present fair value gains and losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income.
- When equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

Financial Assets held at fair value through profit or loss (FVPL)

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to the income statement.

- Debt instruments that do not meet the criteria of amortised costs or fair value through other comprehensive income.
- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses and related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial

liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables
After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition
A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average costing method. Components of inventories consist of coal, parts and supplies, net of allowance for obsolescence. Coal inventories represent coal contained in stockpiles, coal that has been mined and hauled to the wash plant (raw coal) for processing and coal that has been processed (crushed, washed and sized) and stockpiled for shipment to customers.

The cost of raw and prepared coal comprises extraction costs, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The Group performs inventory obsolescence assessment at each reporting date. In determining whether inventories are obsolete, the Company assesses the age at which inventories held in the store in order to make an assessment of the inventory write down to net realisable value.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Convertible loan notes
The convertible loan notes issued by the Company are classified separately as financial liabilities in accordance with the substance of contractual arrangements. The convertible loan note ("CLN") is a compound financial instrument that cannot be converted to share capital at the option of the holder. As the CLN, and the accrued interest, can only be repaid as a loan, it has been recognised within liabilities. Interest is accounted for on an accruals basis and charged to the Consolidated Income Statement and added to the carrying amount of the liability component of the CLN.

Property, plant and equipment
Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a reducing balance basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Fixtures, fittings and equipment	25% reducing balance
Plant and machinery	5 years straight line or 25% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

Costs capitalised include the purchase price of an asset and any costs directly attributable to bringing it into working condition for its intended use.

Coal Production assets

Coal land, mine development costs, which include directly attributable construction overheads, land and coal rights are recorded at cost. Coal land and mine development are depleted and amortised, respectively, using the units of production method, based on estimated recoverable tonnage. The depletion of coal rights and depreciation of restoration costs are expensed by reference to the estimated amount of coal to be recovered over the expected life of the operation.

Coal Mine Reclamation Costs

Future cost requirements for land reclamation are estimated where surface operations have been conducted, based on the Group's interpretation of the technical standards of regulations enacted by the Government of Tanzania. These costs relate to reclaiming the pit and support acreage at surface mines and sealing portals at deep mines. Other costs include reclaiming refuse and slurry ponds as well as related termination/exit costs.

The Group records asset retirement obligations that result from the acquisition, construction or operation of long-lived assets at fair value when the liability is incurred. Upon the initial recognition of a liability, that cost is capitalised as part of the related long-lived asset and expensed over the useful life of the asset. The asset retirement costs are recorded in Land, Coal Rights and Restoration Costs.

The Group expenses reclamation costs prior to the mine closure. The establishment of the end of mine reclamation and closure liability is based upon permit requirements and requires significant estimates and assumptions, principally associated with regulatory requirements, costs and recoverable coal lands. Annually, the end of mine reclamation and closure liability is reviewed and necessary adjustments are made, including adjustments due to mine plan and permit changes and revisions of cost and production levels to optimize mining and reclamation efficiency. The amount of such adjustments is reflected in the year end reclamation provision calculation.

Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping (waste removal) costs during the production phase of its operations. Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below.

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above). Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

a) Future economic benefits (being improved access to the ore body) are probable;

b) The component of the ore body for which access will be improved can be accurately identified; and

c) The costs associated with the improved access can be reliably measured

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

In identifying components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of the Coal Production Asset in the statement of financial position.

Finance costs

Finance costs of debt, including premiums payable on settlement and direct issue costs are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

Income taxation

The taxation charge represents the sum of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit as reported in the income statement
because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised. Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Investments in subsidiaries
Investments in subsidiaries are measured at cost less accumulated impairment. The Group considers long term loans to be cost of investment in subsidiary.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;

- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and

- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

- Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;

- initial direct costs incurred; and

- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

Leased Assets
Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

Intangible assets

Intangible assets arose as a result of the valuation placed on the original six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation price was based on the price paid to acquire these the Group’s licences. The licences are amortised over the life of the production asset using rates of depletion.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer.

The Board considers that the Group’s project activity constitutes one operating and reporting segment, as defined under IFRS 8.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the combined income statement.

3. Financial risk management

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values, due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4. Critical accounting estimates and areas of judgement

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are those in relation to:

- the impairment of coal production assets and intangible assets;
- share based payments
- Valuation of provision for restoration costs
- Recoverability of VAT balance
- Recoverability of Inventory

Impairment – coal production assets and intangible assets (notes 15 and 16)

The Group is required to perform an impairment review, on coal production assets, for each CGU to which the asset relates. Impairment review is also required to be performed on other intangible assets when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is based upon the Directors' judgements and are dependent upon the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposal, at which point the value is estimated based upon the present value of the discounted future cash flows.

In assessing whether an impairment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with

potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment charges described below is value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Production volumes
- Sales volumes
- Discount rates
- Coal prices
- Operating overheads
- Inventory

Estimated production volumes are based on the production capability of the plant and estimated customer demand.

The Group generally estimates value in use using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and discounted using a pre-tax discount rate of 10%. The Directors believe this rate to be appropriate as this is in line with the borrowing rates the Group are expected to receive if they were to obtain significant long term finance based on discussions between the Directors and prospective parties. The Directors acknowledge that the Group does have small short term finance arrangements which attract a higher rate but have chosen not to use these rates as they would not be financing the production asset using short term borrowing facilities.

The directors have assessed the value of exploration and evaluation expenditure and development assets and intangible assets. In their opinion there has been no impairment loss to these intangible assets in the period, other than the amounts charged to the income statement.

Share based payments (note 27)

The estimate of share based payments costs requires management to select an appropriate valuation model and make decisions about various inputs into the model including the volatility of its own share price, the probable life of the options, the vesting date of options where non-market performance conditions have been set and the risk free interest rate.

Valuation of provision for restoration costs (note 15)

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred in the future, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Company's internal estimates and a third party estimate from an independent consultant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future coal prices, which are inherently uncertain.

Management increases reclamation costs estimates at an annual inflation rate to the anticipated future mine closure date. This inflation rate is based on the historical rate for the industry for a comparable.

Recoverability of VAT receivable (note 18)

The group considers the recoverability of the VAT balance in Tanzania to be a key area of judgement, as the VAT can only be recovered by an offset against VAT payable on future sales.. The directors believe that the debtor is recoverable based on their knowledge of the market in Tanzania.

Recoverability of Inventory (Note 17)

The group considers the recoverability of the inventory to be a key area of judgement, and this is held at its realisable value. The directors believe the inventory to be in good condition.

Current dramatic increases in Global coal prices have had a major impact on the demand situation in country and the east African region overall, with one of the major producers turning their focus to export. As a result of this the company has received regular coal sales enquiries and is focused on finding new markets for its product and gearing up production. It has already commenced the sale of fines and has regular enquiries about the purchase of its washed coal.

Following the introduction of new management in August of 2022 production improved slightly and in June of 2023 output was up on previous year. The company has recently signed a contract to provide up to 5,000 per month of washed coal to a Rwanda client. This opens up the opportunities for export to neighbouring countries who suit the location of the mine at Rukwa.

As a result of this, they have concluded no impairment is required at this stage, based on the directors' judgement of the local market and estimates regarding the timeframe in which the goods can be sold.

5. Segmental information

The Board considers the business to have one reportable segment being Coal production assets.

Other represents unallocated expenses and assets held by the head office. Unallocated assets primarily consist of cash and cash equivalents.

	Coal Production Assets		
2022	**Coal**	**Other**	**Total**
Consolidated Income Statement	**£**	**£**	**£**
Revenue - Tanzania	183,448	-	183,448
Cost of sales (excluding depreciation and amortisation)	(609,883)	-	(609,883)
Depreciation	(240,262)	-	(240,262)
Depletion of development assets	(46,002)	-	(46,002)
Gross profit	(712,699)	-	(712,699)
Administrative expenses	(180,837)	(819,022)	(999,859)
Depreciation	(38,274)	(251)	(38,525)
Group operating loss	(931,810)	(819,273)	(1,751,083)
Finance income			
Finance cost	-	68	68
	(4,747)		(4,747)
Loss on operations before taxation	(936,557)	(819,205)	(1,755,762)
Income tax	(917)	-	(917)
Loss for the year	(937,474)	(819,205)	(1,756,679)

	Coal Production Assets		
2021	**Coal**	**Other**	**Total**
Consolidated Income Statement	**£**	**£**	**£**
Revenue - Tanzania	105,228	-	105,228
Cost of sales (excluding depreciation and amortisation)	(470,780)	-	(470,780)
Depreciation	(207,604)	-	(207,604)
Depletion of development assets	(6,464)	-	(6,464)
Gross profit	(579,620)	-	(579,620)
Administrative expenses	(183,321)	(646,874)	(830,195)
Depreciation	(45,035)	(334)	(45,369)
Group operating loss	(807,976)	(647,208)	(1,455,184)
Finance income		701	701
Finance cost	(5,842)		(5,842)
Loss on operations before taxation	(813,818)	(646,507)	(1,460,325)
Income tax	(526)	-	(526)
Loss for the year	(814,344)	(646,507)	(1,460,851)

By Business Segment	Carrying value of segment assets		Additions to non-current assets and intangibles		Total liabilities	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**	**£**	**£**
Coal	6,745,980	6,199,083	141,141	-	377,889	335,132
Other	221,575	1,361,402	-	-	151,424	97,022
	6,967,555	7,560,485	141,141	-	529,313	432,154
By Geographical Area						
	£	**£**	**£**	**£**	**£**	**£**
Africa (Tanzania)	6,745,980	6,199,083	141,141	-	377,889	335,132
Europe	221,575	1,361,402	-	-	151,424	97,022
	6,967,555	7,560,485	141,141	-	529,313	432,154

Information about major customers

Included in revenues arising from the sale of coal are revenues which arose from sales to the Group's largest customers based in Tanzania. No other customers contributed 10% or more to the Group's revenue in either 2022 or 2021. This information is not available for 2022.

	2022	**2021**
	£	**£**
Customer 1	97,040	28,507
Customer 2	-	69,886
Customer 3	56,929	
	153,969	98,393

6. Expenses by nature

	2022	**2021**
	£	**£**
Staff costs	277,251	256,776
Audit fees	55,089	35,000
Office and other administrative services	88,261	109,840
AIM related costs including investor relations	30,000	77,405
Professional, legal and consultancy fees	220,202	317,131
Travel, entertaining and subsistence	45,995	10,534
Exchange gain	(1,277)	(1,358)
Depreciation	38,525	45,369
Provisions and expected credit losses	267,081	-
Other costs	17,257	24,867
	1,038,384	875,564

7. Auditors' remuneration

	2022	**2021**
	£	**£**

Fees payable to the Company's auditor for the audit of the parent Company and consolidated accounts	47,000	47,000

8. Employees

	Group 2022 £	2021 £	2022 £	Company 2021 £
Wages and salaries	229,766	405,452	246,000	174,000
Social security costs	30,091	40,484	608	13,807
Pensions	12,516	13,354	6,376	814
	272,373	459,290	252,984	188,621

The average number of employees and directors during the year was as follows:

	Group 2022	2021	2022	Company 2021
Administration	9	8	4	3
Mining , plant processing and security	14	13	-	-
	23	21	4	3

Remuneration of key management personnel

The remuneration of the directors and other key management personnel is set out below:

	2022 £	2021 £
Emoluments	270,267	272,130
Pensions	607	814
	270,874	272,944

9. Directors' remuneration

	Group 2022 £	2021 £	2022 £	Company 2021 £
Emoluments	108,000	184,000	108,000	184,000
Pensions	608	814	608	814
	108,608	184,814	108,608	184,814

The highest paid director received remuneration of £74,250 (2021: £97,500).

Included in the above are accrued Director's remuneration of £Nil (2021: £17,750)

Directors' interest in outstanding share options per director is disclosed in the directors' report on page 13.

10. Finance income

	2022 £	2021 £
Interest income on short-term bank deposits	68	701
	68	701

11. Finance Costs

	2022 £	2021 £
Hire purchase interest	1,793	3,450
Interest on rehabilitation provision	2,954	2,392
	4,747	5,842

12. Income tax

	2022 £	2021 £
Current tax:		
Current tax on loss for the year		-
Foreign taxation	917	542
Total current tax	917	542
Deferred tax		
On write off/impairment on intangible assets	-	-
Tax charge for the year	917	542

No corporation tax charge arises in respect of the year due to the trading losses incurred. The Group has Corporation Tax losses available to be carried forward and used against trading profits arising in future periods of £8,324,834 (2021: £7,840,335).

A deferred tax asset of £2,081,021 (2021: £1,959,833) calculated at 25% (2021: 25%) has not been recognised in respect of the tax losses carried forward due to the uncertainty that profits will arise against which the losses can be offset.

The tax assessed for the year differs from the standard rate of corporation tax in the UK as follows:

	2022	2021

	£	£
Loss on ordinary activities before tax	(1,755,762)	(1,460,325)
Expected tax credit at standard rate of UK Corporation Tax		
19% (2020: 19%) and 30% (2020:30%) In Tanzania	(450,409)	(377,043)
Disallowable expenditure	59,444	4,501
Depreciation in excess of capital allowances		79,367
Other adjustments	(18,025)	(106,947)
Capital allowances in excess of depreciation	(1,684,421)	-
Losses carried forward	2,092,494	-
Movement in deferred tax not recognised	-	400,648
Tax charge for the year	917	526

On 1 April 2023 the corporation tax rate increased to 25% for companies with profits of over £250,000. A small profits rate was introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

13. Earnings per share

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2022 **£**	**2021** **£**
Net loss for the year attributable to ordinary shareholders	(1,756,679)	(1,460,851)
Weighted average number of shares in issue	22,036,964	18,144,205
Basic and diluted loss per share	(7.97)	(8.04p)

14. Investment in subsidiaries

	Shares in subsidiaries **£**	**Loans to subsidiaries** **£**	**Total** **£**
Company			
Cost			
At 1 January 2021	7,043,312	9,518,305	16,561,617
Additions	-	636,035	636,035
At 31 December 2021	7,043,312	10,154,340	17,197,652

Accumulated impairment			
As at 1 January 2021	-	-	-
Impairment	-	-	-
At 31 December 2021	-	-	-
Net Book Value			
As at 31 December 2021	7,043,312	10,154,340	17,197,652

Company	**Shares in subsidiaries £**	**Loans to subsidiaries £**	**Total £**
Cost			
At 1 January 2022	7,043,312	10,154,340	17,197,652
Additions	-	754,826	754,826
At 31 December 2022	7,043,312	10,909,166	17,952,478
Accumulated impairment			
As at 1 January 2022	-	-	-
Impairment			
At 31 December 2022	-	-	-
Net Book Value			
As at 31 December 2022	7,043,312	10,909,166	17,952,478

The value of the Company's investment and any indications of impairment is based on the prospecting and mining licences held by its subsidiaries.

The Tanzanian licences comprise a mining licence and various prospecting licences. The licences are, located in a region displaying viable prospects for coal and occur in a country where the government's policy for development of the mineral sector aims at attracting and enabling the private sector to take the lead in exploration mining, development, mineral beneficiation and marketing.

The JORC compliant resource statement completed in 2013 can be found in the operations section of the Groups website: www.edenvile-energy.com.

During 2018 the activities of the Company's subsidiary evolved from exploration and evaluation to development and as a result the exploration and evaluation assets held by the Company's subsidiary were transferred to development expenditure. The Directors carried out an impairment review on reclassification of exploration and evaluation assets to development assets, which covered the Company's investments in, and loans to, its subsidiaries. Following the impairment reviews the Directors did not consider the Company's investments to be impaired.

In April 2019, the subsidiary moved into the production phase.
The Directors have carried out an impairment review and consider the value in use to be greater than the book value in respect of The Company's investment in its subsidiary Company Edenville International (Tanzania) Limited.

The Directors considered the recoverable amount by assessing the value in use by considering future cash flow projections of the revenue generated by its subsidiary through the sale of its coal resources.

Cash flows were based on the revenue generated to date plus expected growth from current production levels to 10,000 tons per month in the short to medium term.

Current dramatic increases in Global coal prices have had a major impact on the demand situation in Tanzania and the east African region overall, with one of the major producers turning their focus to export. As a result of this the company has received regular coal sales enquiries and has terminated its coal mining agreement with NextGen Coalmine Ltd and is focused on finding new markets for its product and gearing up production. It has already commenced the sale of fines and has regular enquiries about the purchase of its washed coal. The Group has signed an agreement with Cimerwa PLC, Kigali, Rwanda to supply up to 5,000 tonnes of washed coal per month at a net, at the gate, price of $49 per tonne. The company will review its current infrastructure with its new investment/operation partners to see what is required on site to achieve the full 5,000 per month output of washed coal.

However, based upon current know resources the subsidiary has significant coal resources which based upon current projections prepared by the Directors would be sufficient to support the book value in the financial statements. The Directors are of the view that this amount is adequately supported by proposed returns generated by the Power Plant Project. The Directors have applied a 10% discount rate in their forecasts. Additional factors that may affect these projections include the following: –

A 21% reduction in the margin per ton of coal would result in an impairment of the Edenville International (Tanzania) Limited investment by £17k.

An increase in the discount factor to 11.5% would result in an impairment of the Edenville International (Tanzania) Limited investment by £183k.

A decrease of 21% of the EBITA would result in an impairment of the Edenville International (Tanzania) Limited investment by £17k.

The mining license is due to expire in 2026. Should the mining license not be renewed this would result in an impairment of £15m.

Holdings of more than 20%:

The Company holds more than 20% of the share capital of the following companies:

Subsidiary undertaking	**Country of incorporation**	**Class**	**Shares held**
Edenville International (Seychelles) Limited	Seychelles	Ordinary	100%
Edenville International (Tanzania) Limited	Tanzania	Ordinary	99.75%*
Edenville Power (Tz) Limited	Tanzania	Ordinary	99.9%
Edenville (South Africa) Limited**	England	Ordinary	100%

* These shares are held by Edenville International (Seychelles) Limited.
** Dissolved 17 January 2023.

15. Property, plant and equipment

Group

	Coal Production assets	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total

	£	£	£	£	£
Cost					
As at 1 January 2021	5,164,392	1,186,781	7,153	191,390	6,549,716
Foreign exchange adjustment	65,902	15,050	38	2,230	83,220
As at 31 December 2021	5,230,294	1,201,831	7,191	193,620	6,632,936
Depreciation					
As at 1 January 2021	106,215	678,472	6,958	113,494	905,139
Depletion/Charge for the year	6,464	238,444	49	19,720	264,677
Foreign exchange adjustment	1,347	8,568	38	1,246	11,199
As at 31 December 2021	114,026	925,484	7,045	134,460	1,181,015
Net book value					
As at 31 December 2021	5,116,268	276,347	146	59,160	5,451,921

	Coal Production assets	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 1 January 2022	5,230,294	1,201,831	7,191	193,620	6,632,936
Additions	-	-	-	141,141	141,141
Adjustment	-	-	-	(27,414)	(27,414)
Foreign exchange adjustment	624,725	142,660	363	21,133	788,881
As at 31 December 2022	5,855,019	1,344,491	7,554	328,480	7,535,544
Depreciation					
As at 1 January 2022	114,026	925,484	7,045	134,460	1,181,015
Depletion/ Charge for the year	46,002	259,777	37	18,974	324,790
Adjustment	-	-	-	(27,414)	(27,414)
Foreign exchange adjustment	13,614	116,659	363	14,641	145,277
As at 31 December 2022	173,642	1,301,920	7,445	140,661	1,623,668
Net book value					
As at 31 December 2022	5,681,377	42,571	109	187,819	5,911,876

Plant and machinery depreciation amounting to £240,262 (2021: £207,604) is included within cost of sales as it relates to mining equipment.

In addition the groups obligations under finance leases (see note 21) are secured by the assets purchased under hire purchase ncluded in motor vehicles are assets with a net book value of £138,200 (2021: £Nil).

Company

	Plant and machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost				
As at 1 January 2021 and 31 December 2021	7,471	4,153	16,691	28,315
Depreciation				
As at 1 January 2021	7,120	3,958	15,903	26,981
Charge for the year	88	49	197	334
As at 31 December 2021	7,208	4,007	16,100	27,315
Net book value				
As at 31 December 2021	263	146	591	1,000

	Plant and machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost				
As at 1 January 2022 and 31 December 2022	7,471	4,153	16,691	28,315
Depreciation				
As at 1 January 2022	7,208	4,007	16,100	27,315
Charge for the year	66	37	148	251
As at 31 December 2022	7,274	4,044	16,248	27,566
Net book value				
As at 31 December 2022	197	109	443	749

16. Intangible assets

Group

Mining Licences

	£
Cost or valuation	
As at 1 January 2022	1,489,604
Foreign exchange adjustment	177,926
At 31 December 2022	1,667,530
Accumulated depletion, amortisation and impairment	
As at 1 January 2022	1,174,602
Amortisation	
Foreign exchange adjustment	140,301
At 31 December 2022	1,314,903
Net book value	
As at 31 December 2022	352,627

Group

	Mining Licences
	£
Cost or valuation	
As at 1 January 2021	1,470,833
Foreign exchange adjustment	18,771
At 31 December 2021	1,489,604
Accumulated depletion, amortisation and impairment	
As at 1 January 2021	1,159,801
Amortisation	
Foreign exchange adjustment	14,801
At 31 December 2021	1,174,602
Net book value	
As at 31 December 2021	315,002

Mining Licences
Intangible assets arose as a result of the valuation placed on the original six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation price was based on the price paid to acquire these the Group's licences.

These assets are reviewed for impairment annually alongside the coal production assets.(see note 4 for Critical accounting estimates and judgements).

17. Inventories

	Group	
	2022	2021
	£	£
ROM stockpiles	498	453
Fines	158,106	134,756
Washed coal	6,594	7,512
Less; Impairment	(47,432)	-
	117,766	142,721

The cost of inventories recognised as an expense during the year in was £363,877 (2021: £158,296).
.

18. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade receivables	84,441	-	-	-
Less : Expected credit loss allowance	(79,692)	-	-	-
Net Trade receivables	4,749	-	-	-
Other receivables	314,709	128,281	283,464	126,127
Less : Expected credit loss allowance	(271,202)	-	(242,780)	-
	43,507	128,281	40,684	126,127
Amounts due from related parties		-	221,220	91,467
VAT receivable	298,798	287,198	19,653	8,041
Prepayments	930	-	930	-
	347,984	415,479	282,487	225,635

Included within VAT receivable is VAT owed to Edenville International (Tanzania) Limited which is only recoverable against future sales made by Edenville International (Tanzania) Limited. The Group expects to recover the above VAT from sales of commercial coal.

19. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	237,300	1,229,801	159,558	1,226,235

20. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade and other payables	252,666	308,043	1,890	15,801
Amounts owed to subsidiary undertakings	-	-	6,340	6,340
Accruals and deferred income	149,534	81,221	149,534	81,221
	402,200	389,264	157,764	103,362

21. Borrowings

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase finance				
Repayable within 1 year	29,376	18,258	-	-
Repayable within 2 to 5 years	67,128	-	-	-
	96,504	18,258	-	-
Total				
Repayable within 1 year	29,376	18,258	-	-
Repayable within 2 to 5 years	67,128	-	-	-
	96,504	18,258	-	-

22. Environmental rehabilitation liability

Group

	2022	2021
	£	£
At 1 January 2021	24,632	21,912
Additions		-
Interest	2,954	2,392
Foreign exchange movement	3,023	328
	30,609	24,623

The group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites which are expected to be incurred in the future, which is when the producing mine properties are expected to cease operations. Those provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn will depend upon future coal prices, which inherently uncertain.

23. Share capital

Group and Company

	No Ordinary shares of 1p each	No Ordinary shares of 0.02p each	£ Ordinary shares of 0.02p/1p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid						
At 1 January 2021	-	8,145,575,094	1,629,116	241,248,512,346	2,412,485	4,041,601
On 5 January the company consolidated and then subdivided the brought forward shares*	8,145,575	(8,145,575,094)	(1,547,659)	154,765,925,000	1,547,659	-
On 21 January the company issued 3,600,000 1p shares at 0.25p	3,600,000	-	36,000	-	-	36,000
On 26 May the company issued 9,900,000 1p shares at 0.25p	9,900,000	-	99,000	-	-	99,000
As at 31 December 2021	21,645,575	-	216,457	396,014,437,346	3,960,144	4,176,601

Group and Company

	No Ordinary shares of 1p each	No Ordinary shares of 0.02p each	£ Ordinary shares of 0.02p/1p each	No Deferred shares of 0.001p each	£ Deferred shares of 0.001p each	£ Total share capital
Issued and fully paid						
At 1 January 2022	21,645,575	-	216,457	396,014,437,346	3,960,144	4,176,601
On 7 December 2022 the company issued 5,714,286 Ordinary 1p shares at 7p each	5,714,286	-	57,143	-	-	57,143
As at 31 December 2022	27,359,861	-	273,600	396,014,437,346	3,960,144	4,233,744

*On 5 January 2021 the Company reduced the number of issued ordinary shares of £0.0002 each in the Company by a multiple of 1,000 (the "Consolidation"), Following the Consolidation the Company sub-divided each consolidated ordinary share of £0.20 each in the capital of the Company, into 1 ordinary share of £0.01 each in the capital of the Company and 19,000 new deferred shares of £0.00001 each in the capital of the Company.

The deferred shares have no voting rights, dividend rights or any rights of redemption. On return of assets on winding up the holders are entitled to repayment of amounts paid up after repayment to ordinary share holders

24. Capital and reserves attributable to shareholders

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Share capital	4,233,744	4,176,601	4,233,744	4,176,601
Share premium	22,569,976	22,254,317	22,569,976	22,254,317
Other reserves	1,550,647	1,034,757	277,654	453,614
Retained deficit	(21,896,430)	(20,325,577)	(8,843,866)	(8,337,372)
Total equity	6,457,937	7,140,098	18,237,508	18,547,160

There have been no significant changes to the Group's capital management objectives or what is considered to be capital during the year.

25. Capital management policy

The Group's policy on capital management is to maintain a low level of gearing. The group funds its operation primarily through equity funding.

The Group defines the capital it manages as equity shareholders' funds less cash and cash equivalents.

The Group objectives when managing its capital are:

- To safeguard the group's ability to continue as a going concern.
- To provide adequate resources to fund its exploration, development and production activities with a view to providing returns to its investors.
- To maintain sufficient financial resources to mitigate against risk and unforeseen events.

The group's cash reserves are reported to the board and closely monitored against the planned work program and annual budget. Where additional cash resources are required the following factors are considered:

- the size and nature of the requirement.
- preferred sources of finance.
- market conditions.
- opportunities to collaborate with third parties to reduce the cash requirement.

26. Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk with the main risk affecting such instruments being foreign exchange risk, which is discussed below.

	Group		Company	
Categories of financial instruments	2022	2021	2022	2021
	£	£	£	£
Receivables at amortised cost including cash and cash equivalents:				
Investments and loans to subsidiaries	-	-	10,909,166	10,154,340
Cash and cash equivalents	237,300	1,229,801	159,558	1,226,235
Trade and other receivables	347,054	415,479	282,847	225,635

Total	584,354	1,645,280	11,351,571	11,606,210
Financial liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	402,200	389,264	157,764	103,362
	402,200	389,264	157,764	103,362
Net	182,154	1,256,016	11,93,807	11,502,848

Cash and cash equivalents

This comprises cash held by the Group and short-term deposits. The carrying amount of these assets approximates to their fair value.

General risk management principles

The Directors have an overall responsibility for the establishment of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations.

The following represent the key financial risks that the Group faces:

Interest rate risk

The Group only interest-bearing asset is cash invested on a short-term basis which attracts interest at the bank's variable interest rate.

Credit risk

Credit risk arises principally from the Group's trade receivables and investments in cash deposits. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

VAT receivable is owed to Edenville International (Tanzania) Limited which is only recoverable against future sales made by Edenville International (Tanzania) Limited. The Group expects to recover the above VAT from sales of commercial coal.

The Group holds its cash balances with reputable financial institutions with strong credit ratings. There were no amounts past due at the balance sheet date.

The maximum exposure to credit risk in respect of the above as at 31 December 2022 is the carrying value of financial assets recorded in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

Liquidity risk is managed through an assessment of short, medium and long-term cash flow forecasts to ensure the adequacy of working capital.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of one year.

Currency Risk

The Group is exposed to currency risk as the assets (see note 5) of its subsidiaries are denominated in US Dollars. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily US Dollars) with cash. The Company transfers amounts in sterling or US dollars to its subsidiaries to fund its operations. Where this is not possible the parent Company settles the liability on behalf of its subsidiaries and will therefore be exposed to currency risk.

The Group has no formal policy is respect of foreign exchange risk; however, it reviews its currency exposure on a regular basis. Currency exposures relating to monetary assets held by foreign operations are included in the Group's income statement. The Group also manages its currency exposure by retaining the majority of its cash balances in sterling, being a relatively stable currency.

The effect of a 10% strengthening of sterling against the US dollar would result in an increase the net assets of the group of £702,613, whist a 10% weaking would result in a fall in net assets of the group of £638,739.

Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates and by applying year end exchange rates.

The Directors consider that there is no significant difference between the book value and fair value of the Group's financial assets and liabilities.

The tables below summarise the maturity profit of the combined Group's non-derivative financial liabilities at each financial year end based on contractual undiscounted payments.

Group

2021

	Less than 1 year	**1- 2 years**	**2-5 years**
Trade payables	308,043	-	-
Accruals	81,221	-	-
Borrowings	18,258	-	-
	407,522	-	-

2022

	Less than 1 year	**1- 2 years**	**2-5 years**
Trade payables	252,666	-	-
Accruals	149,534	-	-
Borrowings	29,376	67,128	-
	431,576	67,128	-

Company

2021

	Less than 1 year	1-2 years	2-5 years
Convertible loan notes (current and non – current)	-	-	-
Trade payables	15,801	-	-
Other payables	6,340	-	-
Accruals	81,221	-	-
	103,362	-	-

2022

	Less than 1 year	1-2 years	2-5 years
Convertible loan notes (current and non – current)	-	-	-
Trade payables	1,890	-	-
Other payables	6,340	-	-
Accruals	149,534	-	-
	157,764	-	-

27. Equity-settled share-based payments

The following options over ordinary shares have been granted by the Company:

			Number of options			
Grant Date	**Expiry date**	**Exercise price***	**As at 1 January 2022**	**Granted**	**Lapsed**	**As at 31 December 2022**
28 March 2017	27 March 2022	£10.80	23,333	-	(23,333)	-
7 November 2018	6 November 2022	£2.90	99,569	-	(99,569)	-
9 May 2019	8 May 2023	£2.60	100,000	-	-	100,000
3 April 2020	2 April 2025	£3.00	270,000	-	-	270,000
			492,902	-	(122,902)	370,000

The following warrants over ordinary shares have been granted by the Company:

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation were as follows:

Date of grant	**28 March 2017**	**5 November 2018**	**26 April 2019**	**17 April 2020**
Expected volatility	131%	70%	101%	72%
Expected life	3 years	4 years	3.5 years	3 years
Risk-free interest rate	0.37%	0.96%	0.75%	0.11%
Expected dividend yield	-	-	-	-
Possibility of ceasing employment before vesting	-	-	-	-
Fair value per option	0.56p/0.42p/0.28p	0.08p	0.02p	0.02p

Volatility was determined by reference to the standard deviation of daily share prices for one year prior to the date of grant.

The charge to the income statement for share-based payments for the year ended 31 December 2020 was £Nil (2021: £Nil).

The following warrants over ordinary shares have been granted by the Company:

Grant Date	Expiry date	Exercise price	Number of Warrants As at 1 January 2022	Granted	Exercised	As at 31 December 2022
2 May 2019	31 May 2022	20p	127,500	-	(127,500)	-
23 January 2020	22 January 2022	60p	791,667	-	(791,667)	-
6 June 2020	5 June 2023	40p	125,000	-	-	125,000
6 June 2020	5 June 2023	60p	85,901	-	-	85,901
14 January 2021	13 January 2024	25p	180,000	-	-	180,000
26 May 2021	25 May 2024	25p	9,900,000	-	-	9,900,000
26 May 2021	25 May 2024	25p	495,000	-	-	495,000
26 May 2021	25 May 2024	35p	117,459	-	-	117,459
09 December 2022	8 December 2025	7p	-	285,714	-	285,714
			11,822,527	285,714	(919,167)	11,189,074

At the date of grant, those warrants that came under the scope of IFRS 2 Share based payment were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation were as follows:

Date of grant	14 January 2021	26 May 2021	9 December 2022
Expected volatility	81%	69%	66%
Expected life	3 years	3 years	3 years
Risk-free interest rate	(0.06)%	0.14%	3.33%
Expected dividend yield	-	-	-
Possibility of ceasing employment before vesting	-	-	-
Fair value per option	£0.2241p	£0.1571/£0.1892	£0.03

Volatility was determined by reference to the standard deviation of daily share prices for one year prior to the date of grant.

The charge to £7,198 was made against share premium in respect of share issue costs. (2021: £152,440).

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	2022		2021	
	Number of options	Weighted average exercise price per share pence	Number of options	Weighted average exercise price per share pence
At 1 January	492,901	327	492,901	327
Granted	-	-	-	-
Lapsed	(122,901)	440	-	-

At 31 December	370,000	289	492,901	327
Exercisable at year end	370,000		482,235	

The weighted average remaining contractual life of options as at 31 December 2022 was 1.74 years (2021: 2.15 years).

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	2022		2021	
	Number of options	**Weighted average exercise price per share pence**	**Number of options**	**Weighted average exercise price per share pence**
At 1 January	11,822,526	27.80	1,130,067	53.27
Granted	285,714	7.00	10,692,459	25.11
Lapsed	(919,167)	(54.45)	-	-
At 31 December	11,189,073	25.08	11,822,526	27.80

The weighted average remaining contractual life of warrants as at 31 December 2022 was 1.42 years (2021: 2.20 years).

28. Contingent liabilities

Edenville International (Tanzania) Limited has a dispute with a third party and arises from an Acquisition and Option Agreement signed in August 2010 (and its variation made in 2015) ("Agreement"). The third party is seeking financial compensation from Edenville International (Tanzania) Limited. Further to the Company announcements on 18 and 31 May 2022 that Upendo Group Ltd.'s current 10% economic interest in the joint venture, which holds the licences governing the Rukwa Project, had been transferred to a 10% direct holding on the principal production licence. The Company has sought legal advice and has been advised that the variation has been undertaken illegally and that the holding should be reversed by the Government, This reversal has been sought. The Company will provide a further update as appropriate.

As of the time of signing of these financial statements, the Group had not finalised the operationalisation of the issuance of up to 16% non-dilutable free carried interest shares to the Government of Tanzania as per the requirements of the State Participation Government Notice No. 939 of 30 October 2020 which require the Government of Tanzania to acquire up to 16% of the non dilutable free carried interest shares in the capital of a mining company or any other person holding a mining license or special mining license.

29. Reserves

The following describes the nature and purpose of each reserve:

Share Capital	represents the nominal value of equity shares
Share Premium	amount subscribed for share capital in excess of the nominal value
Share Option Reserve	fair value of the employee and key personnel equity settled share option scheme and broker warrants as accrued at the balance sheet date.
Retained Earnings	cumulative net gains and losses less distributions made

30. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company, and are all directors of the Company. For details of their compensation please refer to the Remuneration report.

During the year the Company paid £754,829 (2021: £636,035) to or on behalf of its wholly owned subsidiary, Edenville International (Tanzania) Limited. The amount due from Edenville International (Tanzania) Limited at year end was £10,905,454 (2021: 10,150,628). This amount has been included within loans to subsidiaries.

A further amount of £221,220 (2021: £91,446) is due from Edenville International (Tanzania) Limited included in trade and other receivables ins respect of management fees and interest receivable.

The company also invoiced Edenville International (Tanzania) Limited £120,000 (2021: 90,000) and £9,554 (2021: £1,466) in respect of management fees and interest respectively . This remained outstanding at the year end.

At the year end the Company was owed £3,712 (2021: £3,712) by its subsidiary Edenville International (Seychelles) Limited.

At the year end the Company was owed £6,340 (2021: £6,340) by its subsidiary Edenville Power Tz Limited.

At the year end Edenville International (Tanzania) limited was owed $41,677 (2021: $41,677) by Edenville Power Tz Limited.

31. Events after the reporting date

On 1 June 2023 the Company entered into an agreement to conditionally raise £1,468,000 in two tranches through the issue in aggregate of a total of 29,360,000 new ordinary shares of 1 pence each in the Company at the Issue Price of 5p each.

Firm subscriptions for £575,000 have been received and will result in the issue of 11,500,000 new Ordinary Shares at the Issue Price ("Firm Subscriptions"). The Firm Subscriptions have been undertaken under the Company's existing share issuance authorities.

A further £893,000 has been subscribed by way of conditional subscriptions for 17,860,000 new Ordinary Shares at the Issue Price, to be issued subject to shareholder approval at a General Meeting of the Company to be convened shortly ("Conditional Subscription").

Fundraise Warrants are also to be issued to both Q Global Commodities Group ("QGC") and Gathoni Muchai Investments Limited ("GMI") under the Capital Raising, with QGC to be issued with 3,265,555 warrants at an exercise price of 25 pence exercisable until 25 May 2024, and GMI with 2,186,136 warrants on the same terms.

QGC is one of South Africa's leading independent commodity, logistics and investment funds and has a broad global network in the mining finance sectors and the marketing and sales of commodities. QGC has 12 thermal coal mines currently under management and is actively expanding its metal mining interests throughout Southern and East Africa through direct equity investments and partnership and co-development agreements with a number of emerging mining and exploration companies.

QGC is led by Quinton van der Burgh, one of South Africa's leading mining entrepreneurs, who has almost 20 years of mining experience and has developed over 47 projects to mining stage, including two large-scale mining companies.

As part of the Capital Raising, QGC, through Dubai based AUO Commercial Brokerage LLC, is subscribing for a total 17,586,598 new Ordinary Shares and will, subject to shareholder approval at the GM, invest £879,330 in the Company to become its single largest shareholder with a 29.95% interest.

GMI is a Nairobi-based investment firm focused on mining, property and retail sectors and headed up by Jason Brewer and Jackline Muchai. GMI have existing investments in four East African countries, including Tanzania and are a major shareholder in London-listed and battery metals focused mining company Marula Mining plc, and new uranium mine development company Neo Energy Metals Limited, which is in the process of coming to market by way of a reverse takeover of London Stock Exchange listed Stranger Holdings plc.

Jason Brewer has been appointed Executive Director of the Company, on 30 May 2023.

GMI is subscribing for a total 11,773,402 new Ordinary Shares under the Capital Raising and will, subject to shareholder approval at the GM, invest £588,670 in the Company to become its second largest shareholder with a 20.05% interest.

On 2 June 2023 the Company proposed to change its name to Shuka Resources Plc as the Directors believe that the change of name better reflects the Company’s key focus in Africa, values of environmental sustainability, community engagement and responsible mining practices.

Subsequent to the year end, the Directors confirmed their intention to convert the loan of £10,154,340 between the Company and its subsidiary into equity. This process will commence soon and it is anticipated that the conversion will be completed before 31 December 2023.

32. Commitments

License commitments

Edenville owns a coal mining exploration licences in Tanzania. These licences includes commitments to pay annual licence fees and minimum spend requirements.

As at 31 December 2022 these are as follows:

Group	**2022** **£**	**2021** **£**
Not later than one year	24,620	21,993
Later than one year and no later than five years	49,240	65,979
Total	73,860	87,972

33. Ultimate Controlling Party

The Group considers that there is no ultimate controlling party.