ZMDC

ZIMBABWE MINING
DEVELOPMENT CORPORA

"Unearthing the future"

ANNUAL REPORT 2023

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1.0 LETTER TO THE MINISTER OF MINES & MINING DEVELOPMENT

25 October 2024
The Honourable Minister,
Ministry of Mines and Mining Development
7th Floor,
Zimre Centre
Harare
Attention: Honourable Minister: W. Chitando

RE: ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

As required by Section 49 of the Public Finance Management Act (Chapter 22:19) as read with Section 39(2) of the Zimbabwe Mining Development Corporation Act (Chapter 21:08), I have the pleasure of presenting the Annual Report and Financial statements of the Zimbabwe Mining Development Corporation for the year ended 31 December 2023.

Yours faithfully,

....

PETER CHIMBOZA
CHAIRMAN, MINING DEVELOPMENT BOARD

2.0 COMPANY PROFILE

ZMDC
ZIMBABWE MINING
DEVELOPMENT CORPORATION
"Unearthing the future"

Zimbabwe Mining and Development Corporation (ZMDC)

Registered Office Address
6 Constantia Avenue, Strathaven, Harare
Telephone numbers | +263 242487014/20

BANKERS

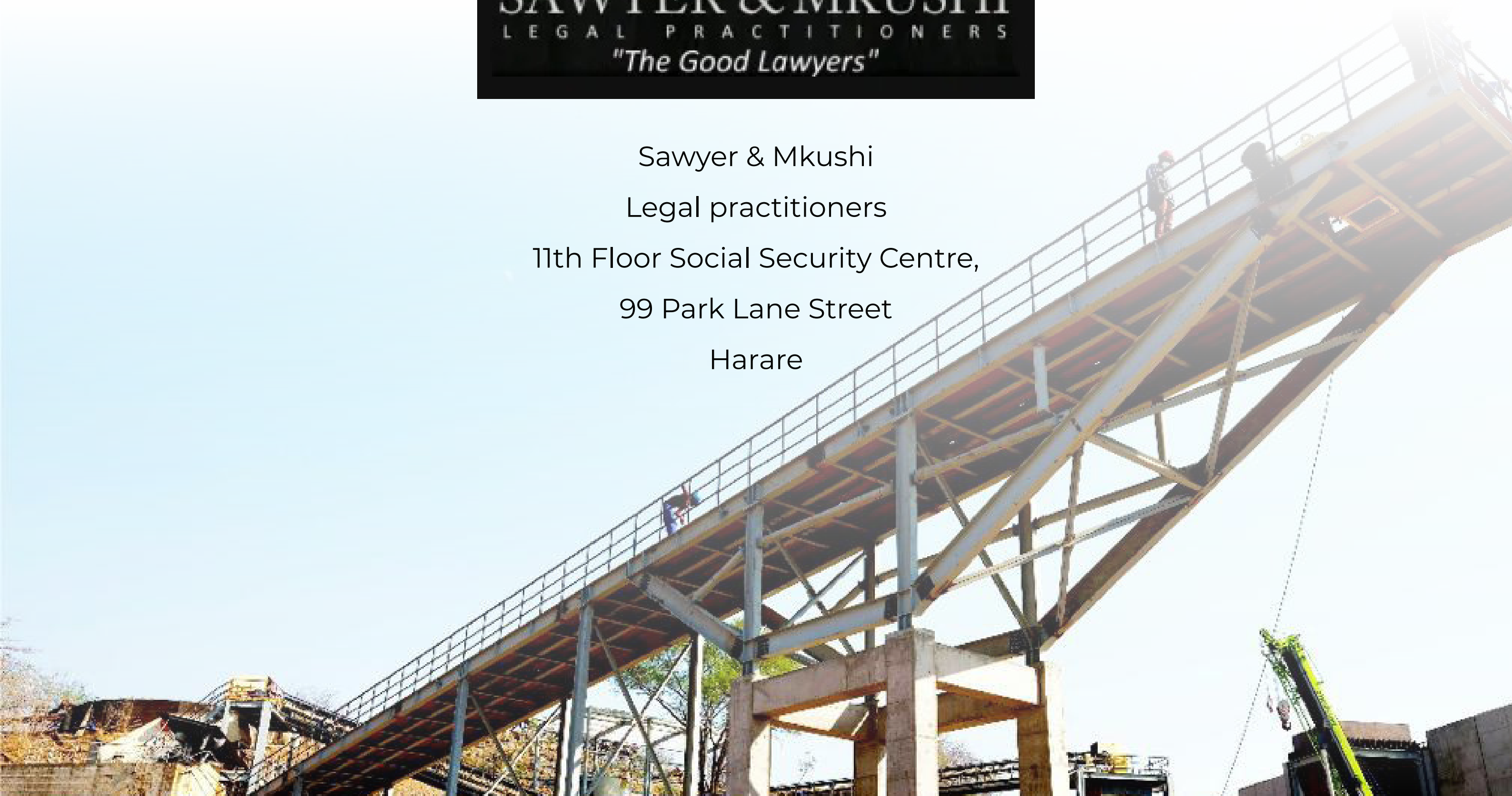
CBZ Bank
3rd Floor, Union House
60 Kwame Nkrumah Avenue
Harare

FBC Bank
6th Floor FBC Centre
45 Nelson Mandela Avenue
Harare

LEGAL ADVISORS

SAWYER & MKUSHI
LEGAL PRACTITIONERS
"The Good Lawyers"

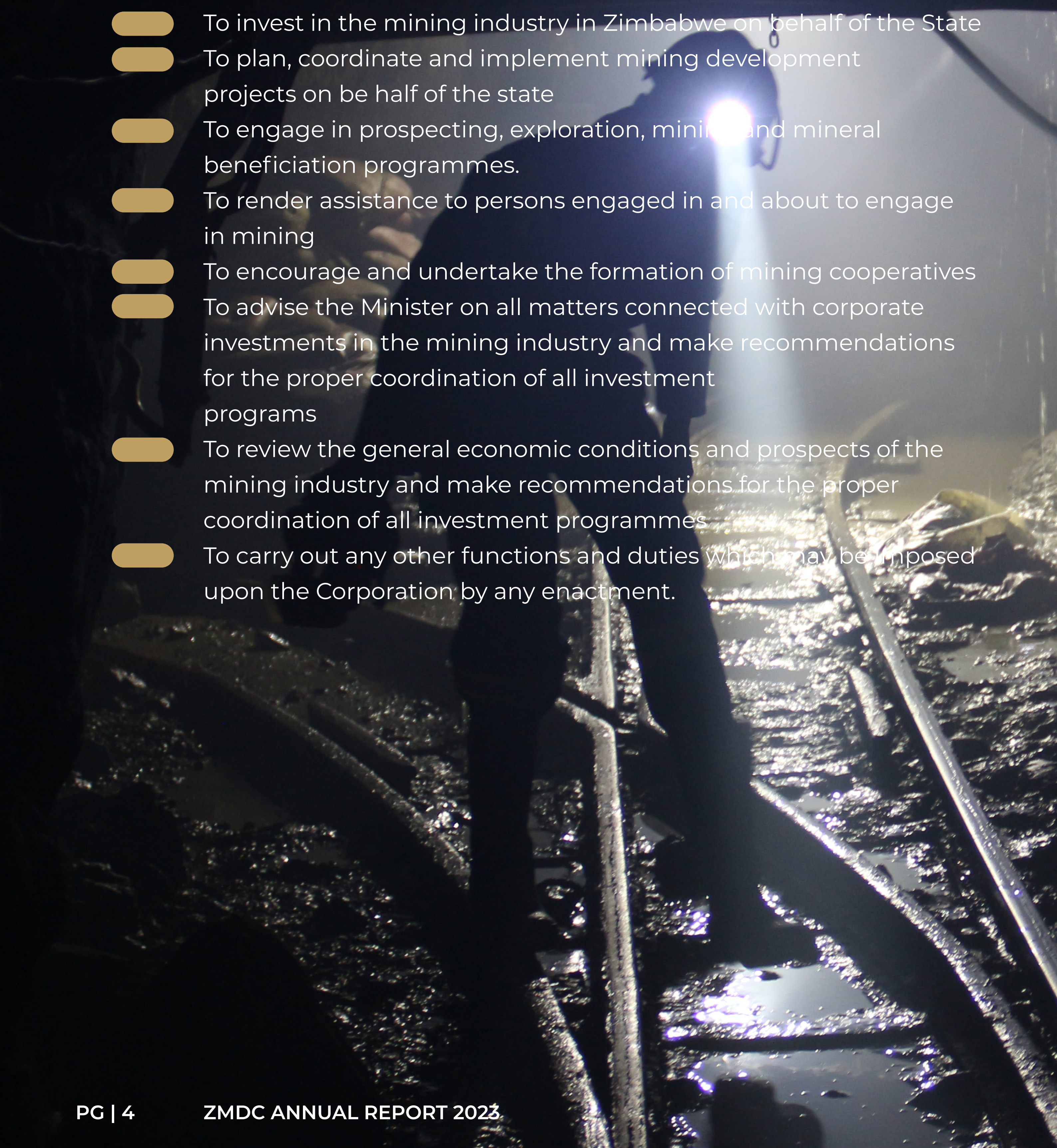
Sawyer & Mkushi
Legal practitioners
11th Floor Social Security Centre,
99 Park Lane Street
Harare



2.1. BACKGROUND

The Zimbabwe Mining Development Corporation (ZMDC) was established in 1982 by an Act of Parliament; Zimbabwe Mining Development Corporation Act [Chapter 21:08]. ZMDC is a wholly owned Government parastatal which falls under the ambit of the Ministry of Mines and Mining Development. The Mandate of ZMDC is;

- To invest in the mining industry in Zimbabwe on behalf of the State
- To plan, coordinate and implement mining development projects on be half of the state
- To engage in prospecting, exploration, mining and mineral beneficiation programmes.
- To render assistance to persons engaged in and about to engage in mining
- To encourage and undertake the formation of mining cooperatives
- To advise the Minister on all matters connected with corporate investments in the mining industry and make recommendations for the proper coordination of all investment programs
- To review the general economic conditions and prospects of the mining industry and make recommendations for the proper coordination of all investment programmes
- To carry out any other functions and duties which may be imposed upon the Corporation by any enactment.



2.2. VISION, MISSION AND CORE VALUES

VISION

A sustainable USD15 Million mining house by 2025.

MISSION

To engage in sustainable mineral development and beneficiation for the benefit of all stakeholders.

CORE VALUES

INTEGRITY
We shall not compromise on honesty at all times, and we will uphold professionalism, trust, transparency, responsibility and ensuring safety, security and environmental care.

TEAMWORK
Pulling together to ensure common success. We believe each one of us has something to contribute and therefore will allow individuals to be innovative.

COMMITMENT
Dedication and loyalty, putting the interests of ZMDC first

CONTINUOUS IMPROVEMENT
Continuous and innovative improvement of our business processes and people.

RESULTS ORIENTED
Focus on surpassing targets and deliver quality services on time.

CORPORATE SOCIAL INVESTMENT
Invest in the communities where we operate.

3. DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES

3.1 NON-EXECUTIVE DIRECTORS

Zimbabwe Mining Development Corporation is governed through the Board of Directors. The directors are accountable for the business strategy and performance of the Corporation. The day to day running of the Corporation is entrusted to Executive Management who are accountable to the Board for execution of agreed strategy.

BOARD CHAIRMAN
PETER RINDAI CHIMBOZA

Mr Chimboza started his mining carrier at Zimbabwe Alloys-an Anglo-American Company from 1980 to 1983 as a graduate trainee. In 1984 he joined Zimbabwe Iron and Steel Company (ZISCO) and later promoted to Coke Works Manager in 1985 and thereafter rose through the ranks to the position of Divisional Manager Iron Making and later promoted to Production Executive in 1992 to 1993. He joined Industrial Pipe and Steel in 1994 as General Manager before moving to Zimbabwe Mining and Smelting Company (Zimasco) as Metallurgical Services Manager from 1995 to 2003. He joined Mimosa Mining Company from 2004 as General Manager and rose through the ranks to the position of Resident Director where he led the company extensive expansion programme. In 2016 he was appointed to Executive Director Mimosa Mining Company - which position he retired from in 2018.

Mr Chimboza is a holder of a Bachelor of Sciences Degree from the University of Luton -United Kingdom. He is a member of the Engineering Council of Zimbabwe. Mr Chimboza is the Non-Executive Chairman of the Zimbabwe Mining Development Corporation and former Board member of Zimbabwe Consolidated Diamond Company.

DEPUTY CHAIRMAN
WELLINGTON PASIPAMIRE

Mr Wellington Pasipamire is an investment banker, having served for more than 20 years in the banking sector in Zimbabwe in different senior management roles.

He started his career in 1994 within the banking division of the Anglo- American Group Zimbabwe where his role included focus on treasury management and structured finance amongst other responsibilities. He was to NMB Bank in 1997, assuming a senior role within the Treasury division, before moving to Interfin Merchant Bank two years later as senior Treasurer for the Group. He was to spend two years at Interfin Merchant bank before co-founding Legend Asset Managers, as its founding Managing Director. He played a key role at the Asset Management Company and successfully concluded big ticket deals within the financial services sector. Mr. Pasipamire left Legend Asset Managers in 2009 and co-founded Nyembesi Capital, an advisory services company where he still serves as the Executive Chairman. Mr W Pasipamire is the immediate past Chairman for the Zimbabwe Consolidated Company and sits on several Boards in Zimbabwe.

Mr Pasipamire is a CAIB member, affiliated to the Institute of Bankers South Africa. He holds both a diploma and advanced diploma in treasury management and trade finance with the same institute. He also holds an MBA with Nottingham Trent University.

CHARLES TAWHA

Mr Tawha is an Engineer who has served in Government where he held the positions of Mining Engineer from 1 April 1990 and was appointed Senior Mining Engineer in April 1996 before being appointed as a Regional Mining Engineer in December 2007 and in 2010 was appointed the Chief Government Engineer.

Mr Tawha was previously responsible for regulating all mining operations and served as the Acting Director of Mining Promotion and Development where he, among other duties, coordinated the minerals policy planning and development as well as monitoring the marketing processes for both exports and imports and track performance of mining parastatals and State Enterprises. He is currently the Chief Director-Technical Services in the Ministry of Mines and Mining Development.

He previously served on the Infrastructural Development Bank of Zimbabwe and Zimbabwe School of Mines Boards and was also on the Organising Committee of the Southern Africa Institute of Mining and Metallurgy Zimbabwe Chapter. He is currently a Non-Executive Director of Zimbabwe Mining Development Corporation and a Board member of the Mining Affairs Board. He is also a former Board member of Zimbabwe Consolidated Diamond Mining Company (ZCDC) and sits on several Boards in Zimbabwe.

Mr Tawha holds a Bachelor of Science (Engineering) Honours Degree from the University of Zimbabwe.

REASON MANDIMIKA

Mr R. Mandimika is a Mining Engineer by profession and was the General Manager for Resource and Mining Division of Zimasco before his retirement in 2019.
Reason's career dates back from 1987 to 1995 as Sabi Mine Manager. Sabi Mine is one of Zimbabwe Mining Development Corporation's subsidiaries. He left Sabi and joined Peak Mine (Zimasco) as Mine Manager from 1995 to 1999). He became the Senior Mining Engineer for Zimasco from 1997 to 1999. Mr Mandimika then left Zimasco for Mimosa as Senior Mine Manager from 1999 to 2000. From December 2000 to 2008 he was promoted to General Manager then to Mining Executive responsible for Shurugwi Division and Mining Technical Services (Zimasco) from 2008 to 2013 - Responsible for two underground and two open pit company owned and operated mines in and around Shurugwi and South Dyke, two open pit mines mined on contract by two independent companies and up to 80 small scale contractors working company claims along the southern region of Great Dyke. The job's critical role was to add value by ensuring that Zimasco's smelter operations in Kwekwe were stabilized by consistently supplying the right quantity and quality of ores timeously.
Mr Mandimika became General Manager for Reserve and Resource from 2013 to February 2018, General Manager for Resource and Mining Division Zimasco from March 2018 up to retirement in 2019.
Mr Mandimika was hired back as the Consulting Mining Engineer for Zimasco (Pvt) Ltd from January 2019 a position he holds to date.

Mr Mandimika currently sits on the Zimbabwe Mining Development Board as a Non-Executive Director since 2018. He is the Chairman of the Technical Committee (ZMDC Mining Board). He holds a B. Sc. (Hons) Mining Engineering from Newcastle–upon-Tyne, UK, 1980, a Management Development Programme – University of South Africa and Advanced International Training Programme in Mining Technology – Lulea University of Technology, Sweden.

SLAVA GRACE CHELLA

Mrs Chella started her career in 1974, when she worked as an Assistant Accountant at Mining Development Corporation of Zambia (Mindeco) before she joined Zambia National Provident Fund in 1975 as an Internal Auditor up to 1980. She moved to Anglo American Corporation Services Ltd where she served as an assistant accountant for a year before joining the Ministry of Finance and Economic Development as an Assistant Secretary in 1981-1982. She served as an accountant at the Minerals Marketing Corporation of Zimbabwe from 1983 before being appointed a financial controller in 1986 up to 1989. In 1991 she joined Climatec (Pvt) Ltd as a General Manager before being appointed Business Operations Director from 2001- 2004. She later joined Jerox Investments (Pvt) Ltd as a Managing Consultant.

Mrs Chella was the second Vice President of the Institute of Chartered Secretaries and Administrators Zimbabwe (ICSAZ) between 1997 and 1998, then became the first Vice President from 1999 to 2000. She was the representative of the Zimbabwe Institute of Chartered Secretaries and Administrators International from 2001 to 2005 and the Vice President on the Institute of Chartered Secretaries and Administrators International from January 2005 to December 2006. Due to her vast experience and passion for corporate governance issues, Mrs Chella presented over seventeen papers on the subject to various workshops and conducted several training seminars for many organizations. She was a member of the steering Committee of National Code on Corporate Governance launched in 2015.

She previously served on various Boards among them, the Reserve Bank of Zimbabwe as a Non-Executive Director from July 2003 to May 2009, the University of Zimbabwe Graduate Management Board for MBA programs in October 1998 to May 2004 and Agribank as a Non-Executive Director of the Zimbabwe Power Company, from 2009 to 2012 in November 2015, she was appointed to the Board of the Zimbabwe Consolidated Diamond Company (ZCDC) until 2021 and served as Acting Chairperson from 2017 to 2018.

Mrs Chella is currently a Non-Executive Director of the Zimbabwe Mining Development Corporation. She also sits on the Imara Assets Management Board having been appointed in August 2009 and the Board of the Quality Corporate Governance Centre/Trading as ZIMLEF where she was appointed in 2010.

Mrs Chella is a holder of MBA from the University of Zimbabwe. She is a member of the Chartered Institute of Secretaries and Administrators (ICSA) and was awarded the associateship in 1980 and fellowship in 1986. She is also a member of the Institute of Directors and was awarded the associateship in 2001 and fellowship in 2003.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GENERAL MANAGER
BLESSED CHITAMBIRA

Mr Blessed Chitambira is an experienced Metallurgical Engineer with over 25 years of postgraduate experience in mining and metallurgical processes. His experience covers strategic leadership in turning around organisations, project appraisals, operations and business management. He joined ZMDC as General Manager in June 2019.

He started his career as a graduate trainee with Rio Tinto Zimbabwe in 1996 where he was exposed to Renco Mine, Patchway Mine, Empress Base Metal Refinery and Cam Dump retreatment operations. He rose through the ranks in Rio Tinto from Plant Metallurgist at Cam Dump (1997 - 98), Smelter Superintendent (1999 - 2000) to Senior Metallurgist for Base Metal Refinery (2000 - 2002). Blessed left Rio Tinto in May 2002 and joined Zimasco in June 2002 as East Plant Furnaces Manager. He performed extremely well as East Plant Furnaces Manager and was promoted to Alloy Processing and Recovery Manager in 2003. He again rose through the ranks due to hard work and dedication from Raw Materials Manager to Production Manager before being appointed in February 2010 as the General Manager for Kwekwe Division responsible for production of 180,000 tonnes per annum of High Carbon Ferrochrome using five Submerged arc furnaces, a position he held for 8 years. He left Zimasco in 2018 and briefly worked as consultant for Zimbabwe Alloys A3 resuscitation project before joining ZMDC as General Manager in June 2019.

He is a member of the South African institute of Mining and Metallurgy (SAIMM). He holds a Bachelor of Science Honours Degree in Metallurgical Engineering from the University of Zimbabwe (UZ) and a Master of Business Administration (MBA) from the University of East London (UEL). He has also undertaken various professional development courses and has certificates in Finance for non-Finance Managers from Wits Business school, ISO 9000 Quality management system and SAMTRAC safety management.

COMPANY SECRETARY & LEGAL ADVISOR
MR. TINASHE C. CHIPARO

Mr. Chiparo is a registered legal practitioner and has extensive experience in Corporate legal affairs. Mr Chiparo started his career as a Law Officer at the Ministry of Justice, Legal and Parliamentary Affairs from 2002 to 2006. He joined ZIMRA as a Law Officer from 2006 to 2007. He left Zimra and joined Messrs Mugadza & Company Legal Practitioners as a Professional Assistant from 2007. He joined Messrs Sinyoro and Partners, Labour, and Commercial Law Attorneys again as a Professional Assistant in 2008. He later joined ZMDC in 2009 as a Legal Manager, before assuming the position of Company Secretary & Legal Advisor in an acting capacity in 2010. He was to assume the position of Chief Mines Secretary in 2016 before substantively assuming the position of Company Secretary & Legal Advisor.
He is currently heading the ZMDC Corporate & Legal Services department since November 2016 giving secretarial and legal advice to the Corporation and its subsidiaries. Working in this position has allowed him to gain invaluable experience of working in senior management and leadership positions that require high level of organisational skills and time management.

Tinashe Chiparo holds a Bachelor of Laws Honours Degree (LLBs) from the University of Zimbabwe 1998 – 2002, a Certificate in Legislative Drafting Course 2005 from the Judicial College of Zimbabwe, Certificate in Commercial Law Training Programme - 2011 from the International Senior Lawyers Project, Certificate in Commercial Contract Interpretation, Drafting & Management, (South Africa - 2011). He is also a Member of the Law Society of Zimbabwe.

FINANCE MANAGER
JONATHAN MAIWASHA

Mr Jonathan Maiwasha is a seasoned accountant in the field of accountancy and finance. He started his career in 2003 as a trainee with Imara Stockbrokers. He joined Zimbabwe Mining Development Corporation (ZMDC) in 2006 as Assistant Accountant and worked in various capacities within the group and rose through the ranks to his current position.

Mr. Maiwasha is a holder of an MSc in Finance and Investment from Irish University Business School, BSc (Hons) Degree in Applied Accounting from Oxford Brookes University (UK), BCom (Hons) Degree in Finance from National University of Science and Technology (Zimbabwe), Executive Diploma in Business Leadership from Zimbabwe Institute of Management (Zimbabwe), Advanced Diploma in Accounting and Business from Association of Chartered Certified Accountants (UK), Executive Certificate in Treasury Management from University of Zimbabwe (Zimbabwe) and Certificate in Strategic Business Management from University of Cape Town (South Africa).

BOARD CHAIRMAN
PETER RINDAI CHIMBOZA

4.1 OVERVIEW

It gives me great pleasure on behalf of the Mining Development Board and Management to report to you our valued stakeholders the Corporation's performance for the year ended 31 December 2023. The Corporation operated under difficult economic environment caused by illegal economic sanctions imposed on ZMDC. However, I am encouraged by efforts made by the Board and Management who came up with several strategic initiatives which include Partial Privatisation and Contract Mining and processing for preservation of shareholder value. The Corporation manged to partially privatised all its subsidiaries which are now at different stages of exploration, mining, and processing. These initiatives have seen resuscitation and reopening of closed mines such as Kamativi Tin Mines and capacitation of Sabi Gold mine to optimise production. This strategy should see a sustainable change in fortunes of ZMDC as its business units under contract mining come into operation in 2024. The Corporation continued to contribute to the national fiscus and economy through foreign currency generation and payment of royalties.

The year under review, was characterised by increased inflationary pressures, currency depreciation and wage pressures due to the decline in real income levels among other challenges caused by the difficult operating environment. In addition, most of the Corporation's operating and resuscitated subsidiaries were also transferred to Defold Mine due to sanctions and this reduced the Corporation's revenue streams.

4.2 OPERATIONS OVERVIEW

The Corporation had two production units during the year under review and these were Sabi Gold Mine and Mhangura Copper dump processing plant. Jena Mine was transferred to Defold Mine during this period. Sabi Mine produced **322 kg** against a budget of **360 kg**. Mhangura processing plant produced **448 tonnes** of copper concentrates at 30%Cu. Gold production was mainly affected by power outages because of ZESA load shedding and erratic low grades from the open pit which were resolved by instituting grade control measures. Mhangura production was affected by ZESA loadshedding and deliberate shutdown to upgrade the plant capacity by 100% during the 4th quarter. Output from the Sabi gold mine increased significantly in 2023 compared to 2022 where total production from the mine was **322 kg** compared to **209 kg** for the same period. Other Subsidiaries which include Sandawana Mine, Elvington Mine and Todal Mine were transferred to Defold Mine. Zimbabwe Germany Graphite Mines was on care and maintenance during the year under review. Exploration work at Kamativi Mine progressed very well and was officially launched in April 2024 though it was later transferred to Defold Mine. Lynx Mine and Sanyati Mine exploration has commenced and is progressing well; Lynx mine is now expected to be operational by end of the third quarter in 2025 while Sanyati should be in operation in 2026.

4.3 FINANCIAL HIGHLIGHTS (INFLATION ADJUSTED)

The Corporation's financial statements are presented in Zimbabwean dollars (ZWL) in compliance with the Statutory Instrument 33 of 2019 and then adjusted for inflation. The inflation adjusted operating profit for the year was **$1,729,012,821** compared to prior year operating profit of **$5,914,498,276**. The inflation adjusted profit before tax for the year was **$17,187,214,070** compared to a profit of **$10,361,192,578** recorded in 2022. The profit was further enhanced by foreign exchange gain and gain on the Group's monetary position of **$19,496,131,833**.

4.4 OUTLOOK

The Corporation's performance was better in 2023. The company made an operating profit in 2023, and this performance is projected to improve in 2024 and 2025 due to several projects which the Corporation is undertaking. These include production ramp up at Sabi gold mine to **35kg** per month through installation of the second ball mill, upgrade of Mhangura dump processing plant and resuscitation of Golden Kopje Mine starting with dump retreatment followed by mining and processing of the oxide cap. This should see the Corporation sustaining and improving its profitability in the next coming years despite losing some of its flagship assets to Defold Mine. This strategy is being supported by an improvement in gold prices due to the geopolitical tensions and risks associated with the Russia-Ukraine conflict and the clean energy transition particularly on copper assets. The Board and Management will continue to remain focussed on implementing initiatives that improve safety performance, productivity and business performance to create shared value for the benefit of our stakeholders.

4.5 APPRECIATION

My appreciation goes to the Mining Development Board, management, employees, our partners, suppliers and all our key stakeholders for their unwavering support and commitment towards our shared values, and mining business vision. I also want to convey my gratitude to the Government of Zimbabwe and the Ministry of Mines and Mining Development for their valued support to the Corporation.

....

PETER CHIMBOZA

BOARD CHAIRMAN

GENERAL MANAGER
BLESSED CHITAMBIRA

5.1 OPERATING ENVIRONMENT

The economic environment in 2023 was better compared to the previous year. The Zimbabwe's economic landscape experienced a mix of positive developments and challenges. On one hand, the economy maintained a relatively high Gross Domestic Product (GDP) of 5.5% despite the global challenges to become one of the fastest growing economies in the Southern African Development Community (SADC). Monetary stability was experienced during the second half of the year despite the initial inflationary and exchange rate fluctuations that were brought about by the expansionary monetary policy. Year on Year (YoY) inflation closed the year at 26.5% compared to 60.7% recorded for the same period in 2022. The mining sector growth slowed down to 4.8% in 2023 from 10% in 2022 as weakening commodity prices continued to hurt the capital-intensive sector. The exchange rate remained of concern as it closed the year at **6,104.72** to the United States Dollar compared to **684.33** in 2022. Unstable power supply, capital constraints, foreign currency shortfall, loss of surrender portion of export proceeds, liquidity challenges and high cost of production persisted in the period under review.

5.2 OPERATIONS OVERVIEW

ZMDC had two operating business units during the year under review namely Sabi Mine and Mhangura dump processing under joint venture and contract mining arrangement respectively.

5.2.1 SABI MINE

Sabi Gold Mine produced **322 kg** in 2023 against a budget of **360 kg**. This was a significant increase from 2022 production of **209 kg**. The increase was due to reduced ZESA load shedding and installation of the second ball mill which increased mill throughput. A total of **255,268 tonnes** were milled against a budget of **272,244 tonne**s at a grade of **1.44g/t** against a budget of **1.61g/t**. The throughput increased significantly at **255,268 tonnes** compared to 156,074 tonnes in 2022 resulting in increased gold production. Gold recovery was better than budget at **87%** against a budget of **83%**.

5.2.2 MHANGURA DUMP PROCESSING

The plant was commissioned towards the end of the year 2022 and had some teething problems during the first quarter of 2023 which included erratic power supply as the auto closer was intermittently malfunctioning. The plant produced **448 tonnes** of copper concentrates at 30% Cu against a budget of **1800 tonnes** during the year under review. This was lower than budget due to ZESA power outages and a deliberate decision taken during the fourth quarter to shut down and upgrade the plant to increase production capacity by 100%.

5.2.3 JOINT VENTURES / SUBSIDIARIES

Other subsidiaries which include Jena Mine, Elvington Mine, Sandawana Mine and Todal Mine were transferred to Defold Mine. Exploration previously reported at Kamativi mine was concluded in 2023 and the mine is now operational producing spodumene concentrates. The mine was also transferred to Defold Mine. Lynx Mine was under care and maintenance during this period and the Corporation is now at advanced stage of resuscitating the mine. Exploration has commenced and production is expected by end of third quarter in 2025. Below is a list of ZMDC Joint Ventures and partnerships at various stages of mine-development.

No.	JV Name	Shareholding	Mineral	Title	UPDATE
	Tswane (Pvt) Ltd Gwayi CBM, Matabeleland North	ZMDC 15% Tumagole 85%	Coal Bed Methane (CBM)	SG 5754	Drilling sites have been identified; however, the SG has expired and now awaits approval
	Mbungu Resources Mbungu CBM Matabeleland North	ZMDC 15% Sakunda 85%	CBM	SG 5755	Awaits approval of SG for exploration drilling to start.
	Zimgold Fields (Pvt) Ltd Angwa, Mash West	ZMDC 30% Midlands Goldfields (Belarus) 70%	Gold	5 Special Grants	Was operating profitably in Mutare river during the period under review. Efforts underway to extend to other areas
	Grand Sanyuan Alaska, Chinhoyi, Mash West	ZMDC 10% Rusununguko 10% Sanyuan 80%	Copper, Gold	Alaska Slag Dump	The plant is now producing concentrates which are being smelted to produce 80 tonnes of crude copper per month.
	Lutope Kamativi, Matabeleland North	ZMDC 30% Cession Mining 70%	Tin, Lithium, Tantalite, Niobium, Beryllium, Mica	SG5651	Exploration drilling and sampling is in progress. Preparation for opening the mine producing tin are underway. To start operating in 2026.
	Shin Zim Platinum (Pvt) Ltd Selous, Mash West	ZMDC 50% Global PS Mining Investments Company Ltd from UAE 50%	Platinum Nickel	31 Blocks 23 Ni + 8 Pt	The Corporation is looking for an investor to replace Global PS.

	Afrisino Mining Resources (Pvt) Ltd Kanyemba Mash Central	ZMDC 30% CNNC Overseas Uranium Holding Ltd & New On Investment Ltd 70%	Uranium	SG 4886	Mobilisation of financial resources to conduct further drilling on the Kanyemba tenements is in progress and drilling is expected to begin in the first quarter of 2025 once the SG is approved.
	Sanyati	ZMDC 100% Product sharing PPP	Copper	SG 6666	Under exploration which commenced in the 3rd quarter of 2024
	Golden Kopje	ZMDC 100%	Gold	SG 6742	Resuscitation of mine at advanced stage starting with dump retreatment in December 2024

5.2.4 HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY

The Corporation had a total staff compliment of 814 employees: Head Office and Mhangura (56), Sabi Gold mine (625), Golden Kopje (6) and Lynx Mine (128).

There was no labour turnover from Senior management.
Industrial relations were cordial throughout the year although employees continued to ask for salary increases which the Corporation was not able to meet.

The Corporation and its joint venture partners continue to plough back to the community by participating in Corporate Social Responsibility (CSR) through provision of medical supplies and facilities, provision of clean water and industrial attachments to students from School of mines and Universities.

5.3 FINANCIAL PERFORMANCE OVERVIEW

5.3.1 FINANCIAL HIGHLIGHTS

The Corporation's financial statements are presented in Zimbabwean dollars (ZWL) in compliance with the Statutory Instrument 33 of 2019 and then adjusted for inflation. The inflation adjusted operating profit for the year was **$1,729,012,821** compared to prior year operating profit of **$5,914,498,276**. The inflation adjusted profit before tax for the year was **$17,187,214,070** compared to a profit of **$10,361,192,578** recorded in 2022. The profit was further enhanced by foreign exchange gain and gain on the Group's monetary position of **$19,496,131,833**.

5.3.2 REVENUE

Total inflation adjusted revenue or earnings stood at **$11,953,212,731** as at 31 December 2023; **(2022: $8,754,909,217)** and total historical earnings for the 2023 financial year stood at **$10,339,228,963** up from **$4,753,759,777** recorded in 2022.

5.3.3 EXPENDITURE

The Group incurred inflation adjusted operating and administration expenditures of **$10,224,199,910** as at 2023; **(2022; $2,840,410,941)** and historical total expenditure of **$6,753,583,524** up from **$1,137,064,248** incurred in 2022.

5.3.4 STATEMENT OF PROFIT OR LOSS

The Group had an inflation adjusted profit after tax of **$17,109,830,451** as at 31 December 2023; compared to a profit of **$10,283,936,496** in 2022, This was enhanced by a gain in monetary position of **$19,496,131,833**. The Group had a historical profit after tax of **$838,773,781** as at December 2023; **(2022: $3,589,801,337)**.

5.3.5 STATEMENT OF FINANCIAL POSITION

The Group's inflation adjusted financial position was **$74,218,555,867** as at December 2023; **(2022: $14,048,027,236)** and historical financial position at year end was **$50,987,755,251** compared to 2022 figure of **$7,139,097,027**. The increase was due to improved performance, revaluation of assets and capital expenditure on the establishment of Makaha Gold Service Centre in the period under review.

5.3.6 STATEMENT OF CASH FLOW

The Group's inflation adjusted cash inflow from operating activities after changes in operating working capital was **$11,486,393,038** as at 2023; **(2022: $7,285,725,593)** and historical outflow from operating activities was **$4,128,267,083** compared to a 2022 inflow figure of **$2,027,456,685.**

Inflation adjusted cashflow from investing activities generated a net outflow of **$938,915,232** in the period under review.

Cash outflow from financing activities was **$5,587,522,157** for the year under review.

In the financial period under review the Group's inflation adjusted cash and cash equivalents was **$1,686,158,006; (2022; $9,149,087)**.

The Group managed to remit Royalties amounting to **$5,808,773,194.34** to ZIMRA during the period under review.

5.4 OUTLOOK

- **Gold Sector**

A positive outlook is expected supported by the stability of the gold price which is expected to reach **US$2600/oz** by end of the year due to the already mentioned geopolitical tensions in the middle East and the Russian-Ukraine conflict. Production from Sabi is expected to reach **420**

kg per annum in 2024 due to installation of the ball mill and stable underground development. The mine is also working on a solar project that will stabilise power availability. The Corporation is resuscitating Golden Kopje Mine in 2024 starting with dump retreatment to produce **72 kg** per annum and thereafter **312 kg** per annum starting November 2025.

- **Copper sector**

Mhangura dump processing is expected to double production in 2025 following installation of the tertiary (cone) crusher and the second ball mill to 1800 tonnes per annum thereby increasing the Corporation's revenue significantly. Other copper projects like Alaska Slag dump processing and Chidzikwe are also expected to be online in 2025 producing 100 tonnes of crude copper and 150 tonnes of copper concentrates per month respectively. Sanyati Copper is expected to be operational by end of 2026.

These projects are expected to anchor the corporation's revenue and create more employment while contributing to the fiscus. The Corporation managed to post a profit in the year under review and will continue in this trajectory in the next financial year and is projecting to pay dividend to the shareholder in 2024 financial year.

5.6 APPRECIATION

My heart most appreciation goes to the Mining Development Board, all my colleagues in management and our staff for the unwavering support during the year. I would also like to acknowledge the Ministry of Mines and Mining Development and all stakeholders in Government for their support in our quest to unearth the future and create value for our stakeholders.

Thank you all.

BLESSED CHITAMBIRA
GENERAL MANAGER

6.0 CORPORATE GOVERNANCE STATEMENT

Zimbabwe Mining Development Corporation is controlled by a Board established in terms of section 4 of the ZMDC Act [Chapter 21:08]. The board should be comprised of not less than five and not more than nine Non-Executive Directors and ex-officio General Manager. The Directors are drawn from a diverse spectrum of professions and backgrounds and bring to the Corporation a wide range of expertise. The Board's functions are governed by, among other Acts, the ZMDC Act, Public Entities Corporate Governance Act [Chapter 10:31] and a Board Charter which help the Board to ensure that the necessary authority and procedures are in place to oversee the work of management and independent evaluation of ZMDC's business operations. The Board gives direction to the Corporation through the setting of the overall strategy and approval of budget.

The Board regularly reviews the Corporation's policies and procedures to ensure compliance and consistency with the principles enshrined in local and international corporate governance instruments. The Board meets regularly, with a minimum of one scheduled meeting in every quarter of the year, to monitor and evaluate progress in the achievement of ZMDC's strategic objectives, strategy implementation and to assess overall performance of the Corporation. In pursuing the Corporation's objectives, the Board and ZMDC staff have committed to the highest level of Corporate Governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity, and respect for others. For the better exercise of its functions and powers, the Board has established committees (in line with section 12 of the ZMDC Act) which deal with specific issues in line with their terms of reference as determined by the Board.

The Committees meet quarterly and report to the Board. The following committees were in place during the year under review: -

6.1 BOARD COMMITTEES AND COMPOSITIONS

6.1.1 TECHNICAL COMMITTEE

1 January 2023 to 31 December 2023

- Reason Mandimika — Chairman
- Charles Tawha — Member

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

6.1.2 FINANCE AND INVESTMENT COMMITTEE

1 January 2023 to 31 December 2023

• Wellington Pasipamire	Chairman
• Slava Chella	Member

The Finance and Investments Committee supervises the financial affairs of the Corporation to ensure long term stability and sustainability, and that long-range planning and forecasting is undertaken to enable informed decisions on long term financial matters. It is responsible for approving the Corporation's budgets before submission to the Board. The Finance Committee also reviews and evaluates financial plans and results in stated strategies, objectives and plans.

6.1.3 HUMAN RESOURCES COMMITTEE

1 January 2023 to 31 December 2023

• Slava Chella	Chairperson
• Reason Mandimika	Member

The Human Resources Committee supports and advises the Board on human resources matters. It specifically monitors the Corporation's human resources strategy, formulates and reviews human resources policies and staff conditions of service.

6..1.4 LEGAL, AUDIT & RISK COMMITTEE

1 January 2023 to 31 December 2023

• Charles Tawha	Chairman
• Reason Mandimika	Member

The Audit, Risk and Legal Committee primarily assists the Board in carrying out its duties as they relate to the Corporation's accounting policies, internal controls, enterprise-wide risk, management and financial reporting practice. It is responsible for receiving and reviewing audited financial statements before submitting to the main board. On the legal side, the committee identifies legal risk areas and appoints and supervises external legal counsel, focuses on compliance issues, and considers and reviews the Corporation's business contracts.

6.2. 2023 BOARD MEETINGS ATTENDANCE

6.2.1 MAIN BOARD MEETINGS

DATE OF MEETING	P. Chimboza	W. Pasipamire	S.G. Chella	R. Mandimika	C. Tawha
14/04/2023 First Extra Ordinary 2023	✓	✓	✓	✓	✓
30/05/2023 Ordinary Meeting 2023	✓	✓	✓	✓	✓
21/08/2023	✓	✓	✓	✓	✓
23/11/2023	✓	✓	✓	✓	✓
14/03/2024	✓	✓	✓	✓	✗

6.2.2 BOARD COMMITTEES' MEETINGS

1. TECHNICAL COMMITTEE

DATE OF MEETING	R. Mandimika	C. Tawha
10/05/2023	✓	✓
03/08/2023	✓	✓
23/10/2023	✓	✓
07/02/2024	✓	✓

2. FINANCE AND INVESTMENT COMMITTEE

DATE OF MEETING	W. Pasipamire	S.G. Chella
10/05/2023	✓	✓
04/08/2023	✓	✓
25/11/2023	✓	✓
08/02/2024	✓	✓

3. HUMAN RESOURCES COMMITTEE

DATE OF MEETING	S.G. Chella	R. Mandimika
10/05/2023	✓	✓
04/08/2023	✓	✓
25/11/2023	✓	✓
07/02/2024	✓	✓

4. LEGAL, AUDIT AND RISK COMMITTEE

DATE OF MEETING	R. Mandimika	C. Tawha
10/05/2023	✓	✓
03/08/2023	✓	✓
23/10/2023	✓	✓
07/02/2024	✓	✓

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AUDITED CONSOLIDATED INFLATION
FOR THE YEAR ENDE

STATEMENTS

LOPMENT CORPORATION

ADJUSTED FINANCIAL STATEMENTS
D 31 DECEMBER 2023

INDEX TO THE AUDITED CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

GROUP INFORMATION

NATURE OF BUSINESS

The Zimbabwe Mining Development Corporation (ZMDC) is a government-owned entity established by Act of Parliament number 31 of 1982, operating under the Ministry of Mines and Mining Development. Subject to the Public Finance Management Act and the Mines and Minerals Act [Chapter 21:05], ZMDC is responsible for investing in the mining industry on behalf of the State, planning, coordinating, and implementing mining development projects, and engaging in prospecting, exploration, mining, and mineral beneficiation programs. Additionally, the Corporation promotes the formation of mining cooperatives, provides support to individuals involved in mining, reviews the economic conditions and prospects of the mining industry with a focus on investment schemes, advises the Minister on matters related to corporate investments, and carries out other functions as mandated by law.

DIRECTORS

Chimboza P	(Board Chairman)
Pasipamire W	(Board Vice Chairman)
Chitambira B	(General Manager)
Chella S.G	(Non-Executive Director)
Mandimika R	(Non-Executive Director)
Tawha C	(Non-Executive Director)

COMPANY SECRETARY

Chiparo T

REGISTERED OFFICE

6 Constantia Avenue
Strathaven
Harare

LAWYERS

Sawyer and Mkushi Legal Practitioners
11th Floor
Social Security Centre
Park lane
Cnr 2nd Street/Julius Nyerere way
Harare

Thoughts Deme Attorneys at Law
UMC Complex 10
Harvey Brown Avenue, Milton Park
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Telephone +263 0772 208 697

BANKERS

CBZ Bank
7 Selous Avenue
Harare
Zimbabwe
Telephone: +263 (024) 8677004050

FBC Bank
45B Robert Mugabe way
Kwekwe
Telephone: +263 (024) 2524191

INDEPENDENT EXTERNAL AUDITORS

Ralph Bomment Greenacre and Reynolds
A Correspondent Firm of RSM International
143 Chiremba Road
Queensdale
Harare
Zimbabwe
Tel +263 242 571 988

The Consolidated Inflation Adjusted Financial Statements are presented in the Zimbabwean Dollars (ZWL)

RESPONSIBILITIES OF DIRECTORS AND APPROVAL OF THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

The Directors of Zimbabwe Mining Development Corporation ("the Group") are responsible for the maintenance of adequate accounting records, the preparation, integrity and fair presentation of the Group's inflation adjusted consolidated financial statements and related information. Zimbabwe Mining Development Corporation's independent external auditors, Ralph Bomment Greenacre and Reynolds, have audited the inflation adjusted consolidated financial statements and their report appears on pages 4 to 6 of these financial statements. The inflation adjusted consolidated financial statements for the year ended 31 December 2023 presented from pages 7 to 44 have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The inflation adjusted consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities ("COBE") Act (Chapter 24:31).

The inflation adjusted consolidated financial statements are based on appropriate accounting policies which have been consistently applied, and modified, where necessary, by the impact of new and revised standards. The application of accounting policies is supported by reasonable and prudent judgments and estimates.

The Directors are responsible for the systems of internal control. The systems are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets and to prevent material misstatements and losses. Suitably trained and qualified personnel within the Group staff implement and monitor the systems. Nothing has been brought to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the course of the year.

The Directors have reviewed the performance and financial position of the Group up to the date of signing of these financial statements. The Directors are satisfied with the measures they have put in place to ensure viability of the Group's operations beyond the next 12-month period. They also reviewed the prospects of the Group, including its budgets, and are satisfied that the Group is a going concern and therefore continue to apply the going concern assumption in the preparation of these inflation adjusted financial statements.

The Inflation Adjusted Financial Statements set out on pages 7 to 45, which have been prepared on the going concern basis, were approved by the directors on 07 / 10 /2024 and were signed on their behalf by:

Chimboza P
Board Chairperson

Chitambira B
General Manager

The preparer of the Consolidated Inflation Adjusted Financial Statements is Mr. J Maiwasha who is the Finance Manager for the Zimbabwe Mining Development Corporation.

Mr. J Maiwasha
Finance Manager

07 / 10 /2024

TO THE SHAREHOLDERS OF ZIMBABWE MINING DEVELOPMENT CORPORATION

Adverse Opinion

We have audited the financial statements of Zimbabwe Mining Development Corporation as set out on pages 7 to 45, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2023, the consolidated inflation adjusted statement of profit or loss and other comprehensive income, consolidated inflation adjusted statement of cash flows, consolidated inflation adjusted statement of changes in equity for the year and the notes to the consolidated inflation adjusted financial statements, which include a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated inflation adjusted financial statements do not present fairly the financial position of the Corporation as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS's) and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance to International Accounting Standards 21 (IAS 21) – "The Effects of Changes in Exchange Rates"

The audited Consolidated Inflation Adjusted Financial statements for the year ended 31 December 2023 have been presented in Zimbabwe Dollar (ZWL) which is the functional and presentation currency of the Corporation. However, our independent assessment confirmed that the functional currency for the year 2023 was USD. This is a departure from *IAS 21 (The Effects of Changes in Exchange Rates, paragraph 9 and 17-18),* which requires an entity to assess its functional currency which reflects in the underlying transaction, events, and conditions and to change the functional currency where there is a change in underlying transactions, events, and conditions. The effect of the non-compliance with IAS 21 could not be quantified but is considered to be material and pervasive to the financial statements.

Non -compliance IFRS 10 Consolidated Financial Statements

As stated in **Note 14**, the Corporation prepared Consolidated Financial Statements as per *IFRS 10 Consolidated Financial Statements paragraph 4* However, the Corporation Consolidated only three out of its seven subsidiaries. Had ZMDC consolidated the four entities, many elements in the accompanying Consolidated Financial Statements would have been materially affected. The effects on the Consolidated Financial Statements of the failure to consolidate the four entities have not been determined.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In the current year there were no key audit matters.

Responsibilities of the directors for the consolidated and separate financial statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Corporation'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 and Corporation's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated inflation adjusted financial statements
Our objectives are to obtain reasonable assurance about whether the 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 ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements' Continued

In fulfillment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)

As a result of the matters described in the basis for adverse opinion of our report, the Consolidated Inflation Adjusted Financial Statements of the Company are not properly drawn up in accordance with the Act and therefore do not give a true and fair view of the state of the Company's affairs as at 31 December 2023.

Section 193(2)

We have no further matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already covered in the basis for adverse opinion section of our report.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Thamsanqa M. Siwela CA (Z); CA (S.A) Public Accountants and Auditors Board registration number 0476, South African Institute of Chartered Accountants registration number 20050719 and Institute of Chartered Accountants Zimbabwe registration number M3435.

Ralph Bomment Greenacre & Reynolds

RALPH BOMMENT
Greenacre & Reynolds
09 OCT 2024
Registered Public Auditors
Zimbabwe

Mr. Thamsanqa M. Siwela CA (Z); CA (S.A)
Ralph Bomment, Greenacre and Reynolds
A Correspondent Firm of RSM International
143 Chiremba Road
Queensdale
Harare

INFLATION ADJUSTED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Inflation Adjusted		Historical cost	
	Note	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Revenue	3	1 775 161 155	1 773 002 694	1 638 515 875	575 781 412
Other income	4	10 178 051 576	6 981 906 523	8 700 713 088	4 177 978 365
Operating and administration expenses	5	(10 224 199 910)	(2 840 410 941)	(6 753 583 524)	(1 137 064 248)
Profit from operations		**1 729 012 821**	**5 914 498 276**	**3 585 645 439**	**3 616 695 529**
Finance costs	6	(181 492 464)	(38 876 267)	(174 774 067)	(10 104 825)
Judicial management costs		(4 012 671 232)	14 234 618	(2 442 279 255)	11 251 321
Foreign exchange gain		156 233 112	-	156 233 112	-
Gain on monetary position		19 496 131 833	4 471 335 951	-	-
Profit for the year		**17 187 214 070**	**10 361 192 578**	**1 124 825 229**	**3 617 842 025**
Income tax	7	(77 383 619)	(77 256 082)	(286 051 448)	(28 040 688)
Profit after tax		**17 109 830 451**	**10 283 936 496**	**838 773 781**	**3 589 801 337**
Other comprehensive income					
Remeasurement of defined benefit plan		341 359 112	(2 189 747 128)	(2 503 864 819)	(506 769 794)
Revaluation of property, plant and equipment		28 216 342 983	(3 392 529 921)	28 216 336 648	3 400 053 546
Tax effects on other comprehensive income		(6 975 079 985)	1 085 893 634	(6 975 078 419)	(584 684 240)
Other comprehensive income / (loss) for the year, net of tax		**21 582 622 110**	**(4 496 383 415)**	**18 737 393 410**	**2 308 599 512**
Total comprehensive income for the year, net of tax		**38 692 452 561**	**5 787 553 081**	**19 576 167 191**	**5 898 400 849**
(Loss)/income attributable to:					
Owners of parent		17 109 830 451	10 283 936 496	838 773 781	3 589 801 337
		17 109 830 451	**10 283 936 496**	**838 773 781**	**3 589 801 337**
Other comprehensive (loss)/income attributable to:					
Owners of parent		38 692 452 561	5 787 553 081	19 576 167 191	5 898 400 849
Non-controlling Interest		-	-	-	-
		38 692 452 561	**5 787 553 081**	**19 576 167 191**	**5 898 400 849**

INFLATION ADJUSTED STATEMENT OF FINANCIAL POSITION

		Inflation Adjusted		Historical cost	
		2023	2022	2023	2022
ASSETS	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Non current assets					
Property, plant and equipment	**8**	36 617 305 740	7 686 191 359	33 975 910 325	5 206 808 147
Intangible assets	**9**	84 110 659	8 439 749	6 338 271	6 670 684
Investment in Joint Ventures	**10**	22 302 196 783	5 594 191 536	1 800 411 368	1 350 345 954
Total non current assets		**59 003 613 182**	**13 288 822 644**	**35 782 659 964**	**6 563 824 785**
Current assets					
Inventory	**11**	16 490 323	31 983 748	6 642 925	462 622
Trade and other receivables	**12**	3 949 526 845	388 101 182	3 949 526 845	306 762 787
Tax receivable		181 179	-	181 179	-
Related parties receivables	**13.1**	9 562 586 332	329 970 575	9 562 586 332	260 815 215
Cash and bank	**15**	1 686 158 006	9 149 087	1 686 158 006	7 231 618
Total current assets		**15 214 942 685**	**759 204 592**	**15 205 095 287**	**575 272 242**
Total assets		**74 218 555 867**	**14 048 027 236**	**50 987 755 251**	**7 139 097 027**
EQUITY AND LIABILITIES					
Equity					
Share capital	**16**	-	-	-	-
Non distributable reserve		2 202 199 085	2 109 850 140	(9 498 091)	(9 023 988)
Revaluation reserve		37 291 672 825	10 978 827 690	30 029 734 628	4 532 840 407
Accumulated loss		14 444 706 881	(2 665 123 570)	1 305 289 107	466 515 326
Total equity		**53 938 578 791**	**10 423 554 260**	**31 325 525 644**	**4 990 331 745**
Non current liabilities					
Environmental rehabilitation provision	**17**	62 541 774	62 541 774	370 323	370 323
Deferred tax liability	**18**	1 443 050 537	487 703 015	1 687 175 618	966 902 984
Post employment benefit liability	**19**	3 815 724 937	2 227 420 955	3 016 023 838	512 159 019
Long term loans	**20**	4 000 013 628	-	4 000 013 628	-
Total non current liabilities		**9 321 330 876**	**2 777 665 744**	**8 703 583 407**	**1 479 432 326**
Current liabilities					
Short term loans	**21**	3 000 000	3 795 452	3 000 000	3 000 000
Trade and other payables	**22**	9 681 368 812	715 172 402	9 681 368 812	565 399 117
Related party payables	**13.2**	798 587 623	127 815 493	798 587 623	100 914 960
Provisions		86 076 588	-	86 076 588	-
Current tax payable	**7**	389 613 178	23 885	389 613 178	18 879
Total current liabilities		**10 958 646 200**	**846 807 232**	**10 958 646 200**	**669 332 956**
Total equity and liabilities		**74 218 555 867**	**14 048 027 236**	**50 987 755 251**	**7 139 097 027**

Board Chairman
07/ 10 /2024

General Manager
07/ 10 /2024

INFLATION ADJUSTED STATEMENT OF CHANGES IN EQUITY

	Inflation adjusted				
	Share capital	Non distributable reserve	Revaluation reserve	Accumulated loss	Total
Balance as at 1 January 2022	-	4 219 300 879	15 475 211 105	(12 949 060 066)	6 745 451 918
Movement for the year	-	(2 109 450 739)	(4 496 383 415)	-	(6 605 834 154)
Profit for the year for the year	-	-	-	10 283 936 496	10 283 936 496
Balance as at 31 December 2022	**-**	**2 109 850 140**	**10 978 827 690**	**(2 665 123 570)**	**10 423 554 260**
Balance as at 1 January 2023	-	2 109 850 140	10 978 827 690	(2 665 123 570)	10 423 554 260
Movement for the year	-	92 348 945	28 216 342 983	-	28 308 691 928
Regularization of assets	-	-	(1 903 497 848)	-	(1 903 497 848)
Profit for the year for the year	-	-	-	17 109 830 451	17 109 830 451
Balance as at 31 December 2023	**-**	**2 202 199 085**	**37 291 672 825**	**14 444 706 881**	**53 938 578 791**

INFLATION ADJUSTED STATEMENT OF CHANGES IN EQUITY

	Historical cost				
	Share capital	Non distributable reserve	Revaluation reserve	Accumulated loss	Total
Balance as at 1 January 2022	-	28 268 870	2 224 240 895	(3 123 286 011)	(870 776 246)
Movement for the year	-	(37 292 858)	2 308 599 512	-	2 271 306 654
Profit for the year for the year	-	-	-	3 589 801 337	3 589 801 337
Balance as at 31 December 2022	**-**	**(9 023 988)**	**4 532 840 407**	**466 515 326**	**4 990 331 745**
Balance as at 1 January 2023	-	(9 023 988)	4 532 840 407	466 515 326	4 990 331 745
Movement for the year	-	(474 103)	-	-	(474 103)
Revaluation of assets	-	-	28 216 336 648	-	28 216 336 648
Regularization of assets	-	-	(2 719 442 427)	-	(2 719 442 427)
Profit for the year for the year	-	-	-	838 773 781	838 773 781
Balance as at 31 December 2023	**-**	**(9 498 091)**	**30 029 734 628**	**1 305 289 107**	**31 325 525 644**

INFLATION ADJUSTED STATEMENT OF CASH FLOWS

		Inflation Adjusted		Historical cost	
	Note	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		17 187 214 070	10 361 192 578	1 124 825 229	3 617 842 025
Depreciation of property, plant and equipment	8	224 143 834	(320 494 636)	143 919 445	37 121 548
Loss on disposal of plant and equipment		(315 832)	-	(165 811)	-
Amortisation of intangible assets	9	115 032 098	-	1 319 650	-
Net finance costs/(income)	6	181 492 464	38 876 267	174 774 067	10 104 825
Share of Loss		(450 539 516)	305 803 857	(450 539 516)	241 713 367
Exchange gain		(2 567 291 097)	-	(1 930 281 896)	-
Provision for bad debt		191 595 365	-	191 595 365	-
Operating cash flows before working capital changes		**14 881 331 386**	**10 385 378 066**	**(744 553 467)**	**3 906 781 765**
Changes in working capital					
Decrease/(increase) in inventories	11	15 493 425	101 098 478	(6 180 303)	102 778 147
Decrease/(increase) in trade and other receivables	12	(3 561 425 663)	(212 983 830)	(3 642 764 058)	(168 346 597)
(Decrease)/increase in trade and other payables	22	8 966 196 410	(745 657 664)	9 115 969 695	(589 382 444)
Decrease/(increase) in related party receivables	13.1	(9 232 615 757)	(307 210 562)	(9 301 771 117)	(242 825 254)
Increase in related party payables	13.2	670 772 130	115 180 296	697 672 663	91 040 765
Decrease/(increase) in provisions		86 076 588	-	86 076 588	
Decrease in long term receivables		-	16 578 731	-	13 104 154
Increase/(decrease) in long term payables		-	(2 007 456 680)	-	(1 059 523 767)
		11 825 828 519	**7 344 926 835**	**(3 795 549 999)**	**2 053 626 769**
			-		
Net finance (costs)/income	6	(181 492 464)	(38 876 267)	(174 774 067)	(10 104 825)
Income tax paid		(157 943 017)	(20 324 975)	(157 943 017)	(16 065 259)
Cash utilised from operating activities		**11 486 393 038**	**7 285 725 593**	**(4 128 267 083)**	**2 027 456 685**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment	8	(938 915 232)	(114 323 895)	(696 684 975)	(80 306 010)
Cash utilised in investing activities		**(938 915 232)**	**(114 323 895)**	**(696 684 975)**	**(80 306 010)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Post employment benefit liability	19	1 588 303 982	-	2 503 864 819	-
Loans (repaid)/received		3 999 218 175	(2 463 245 748)	4 000 013 627	(1 946 997 757)
Cash generated from financing activities		**5 587 522 157**	**(2 463 245 748)**	**6 503 878 446**	**(1 946 997 757)**
			-		
Increase/(decrease) in cash and cash equivalents		16 134 999 963	4 708 155 950	1 678 926 388	152 918
Net effect of inflation		(14 448 841 957)	(4 707 973 872)	-	-
Cash and cash equivalents at the beginning of the year		-	8 967 009	7 231 618	7 078 700
Cash and cash equivalents at the end of the year	15	**1 686 158 006**	**9 149 087**	**1 686 158 006**	**7 231 618**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 CORPORATE INFORMATION

The Zimbabwe Mining Development Corporation (ZMDC) is a government-owned entity established by Act of Parliament number 31 of 1982, operating under the Ministry of Mines and Mining Development. Subject to the Public Finance Management Act and the Mines and Minerals Act [Chapter 21:05], ZMDC is responsible for investing in the mining industry on behalf of the State, planning, coordinating, and implementing mining development projects, and engaging in prospecting, exploration, mining, and mineral beneficiation programs. Additionally, the Corporation promotes the formation of mining cooperatives, provides support to individuals involved in mining, reviews the economic conditions and prospects of the mining industry with a focus on investment schemes, advises the Minister on matters related to corporate investments, and carries out other functions as mandated by law.

1.2 Basis Of Presentation

The Inflation Adjusted Financial Statements for the year ended 31 December 2023 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), except for International Accounting Standard (IAS) 21-"The Effects of Changes in Foreign Exchange Rates" as highlighted under note 1.2 below, the International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) and related Statutory Instruments.

The Group's Inflation Adjusted Financial Statements are presented in Zimbabwean dollars (ZWL). They are based on the historical cost convention and adjusted to take account to the effects of inflation in accordance with International Accounting Standards (IAS) 29 (Financial Reporting in Hyperinflationary Economies).

1.3 Functional and pentation currency

These financial statements are presented in the Zimbabwean Dollars (ZWL). During the year ended 31 December 2023, the Group assessed that it had met the indicators stipulated in IAS 21 "The effects of changes in foreign exchange rates "for reporting in United States Dollars. The Group has however, maintained the Zimbabwean Dollars as the functional and reporting currency for the purposes of these financial statements while assessing the impact of the long term national monetary policy environment.

1.4 Inflation accounting

The financial statements have been prepared under the current costs basis in the line with the provisions of International Accounting Standard (IAS) 29- 'Financial Reporting in Hyper Inflationary Economies". The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29. The directors have applied the guidelines provided by the PAAB and the accounting bodies and made various assumptions to produce the inflation adjusted financials. The Group used the price indices provided by the Zimbabwe Statistical Offices as reported on the Reserve Bank of Zimbabwe website up to February 2023. Due to lack of official published Consumer Price Index (CPI), and to align with its present Corporation financial reporting requirements, the estimated CPI after February 2023 was derived by adjusting the last published (CPI) February 2023 based on the monthly movement on the Total Consumption Poverty line. Below are the indices and adjustments factors used up to 31 December 2023. Non monetary assets and liabilities carried at costs have been restated to reflect the change in general price index from start to the end of the reporting period.

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

1. GENERAL INFORMATION' (Continued)

1.4 Inflation accounting' Continued

Monetary assets and liabilities and non monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognized in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement

All items in the statement of cash flows are expressed in the terms of the general price index at the end of the reporting period.

The conversion factors used to restate the group's financial statement results are as follows:

	Indices	Conversion factor
31 December 2023	65 703	1.00
31 December 2022	13 673	4.81

1.5 Use of material judgements and source of estimate uncertainties

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Assumptions and estimation uncertainties

i) Business combinations

Subsidiaries are fully consolidated from the date of acquiring, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared using the same accounting policies as the parent Group. All intra group balances, income and expenses and unrealised gains and losses resulting from intra group transactions are eliminated in full.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES' "Continued"

2.2 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) and related statutory instruments. With the exceptions noted as in policy 1.2 above, "Application of new and revised IFRSs", the accounting policies set out below have been consistently applied from the previous year and throughout the current year.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The consolidated financial statements include the financial statements of the Corporation and its subsidiaries. The Corporation's subsidiaries are entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The effects of material inter-Corporation transactions and balances have been eliminated.

Judgements made by management in the application of International Financial Reporting Standards (IFRSs) that have a significant effect on the financial statements, and significant estimates made in the preparation of these consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation (including structured entities) controlled by the Corporation and its subsidiaries. Control is achieved when the Corporation: -

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns. The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Corporation has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power including:

- the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Corporation, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Corporation has or does not have the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous Shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES' "Continued"

2.3 Basis of consolidation' Continued"

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficient balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consideration

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition - date of fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group, in exchange for the control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at the fair value except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquirer's share- based payments awards are measured in accordance with IFRS 2 Share-based Payment; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES' "Continued"

2.5 Fair value measurements

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available in the market. Only where these are unavailable should fair value techniques be applied which employ less observable inputs. Unobservable inputs may only be used where observable inputs or less observable inputs are unavailable. IFRS 13 Fair Value Measurement (IFRS 13) does not mandate the use of a particular valuation technique but rather sets out a principle requiring an entity to determine a valuation technique that is appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs can be maximised. Where management is required to place greater reliance on unobservable inputs, the fair values may be more sensitive to assumption changes and different valuation methodologies that may be applied. For this reason, there is a direct correlation between the extent of disclosures required by IFRS 13 and the degree to which data applied in the valuation is unobservable.

Valuation inputs

IFRS 13 requires an entity to classify fair values according to a hierarchy that reflects the significance of observable market inputs. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities, and the lowest priority to unobservable inputs. In some cases, the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input which is considered to be significant to the entire measurement. The three levels of the fair value hierarchy are specifically defined as
follows:

Quoted market prices – Level 1 Fair values are classified as Level 1 if they have been determined using unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. The quoted prices are required to represent actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs – Level 2 Inputs classified as Level 2 are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices), but do not constitute quoted prices that are included within Level 1. A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Valuation technique using significant unobservable inputs – Level 3 Fair values are classified as Level 3 if their determination incorporates significant inputs that are not based on observable market data (that is they are unobservable inputs). Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations as well through employing other analytical techniques.

2.6. Post-retirement benefits

The valuations of and contributions towards the defined benefit pension plans are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Exposure to actuarial risks

The defined benefit funds expose the Corporation to the risk that the benefits promised in the various funds cost more than the accumulated assets set aside to meet such benefits, and ultimately will require additional funding from the Corporation. This risk can be categorised into a number of actuarial risks described below.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES' "Continued"

2.6. Post-retirement benefits 'Continued"

Investment risk

The actuarial funding valuations make assumptions about the returns that may be available on invested assets. If the return on pension plan assets is below this rate, it may lead to a strain on the fund, which over time, may result in a pension plan deficit. Typically, the funds have a relatively balanced investment in equity securities, debt securities, cash and real estate to mitigate any concentration risk. Due to the long-term nature of the pension plan liabilities, the boards of the pension funds consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to improve the return generated by the fund. This may in turn result in improved discretionary benefits to members or reduced costs for the sponsoring entity.

Inflation/pension increase risk

Benefits in these plans are to some extent tied to inflation, so increased inflation levels represent a risk that could increase the costs of paying the funds' promised benefits. However, the risk is mitigated by ceilings on mandatory benefit increases in most cases and subject to affordability in cases where the mandatory ceiling does not apply.

Longevity risk

If pensioners live longer than expected then that will, all else equal, increase the funds' liabilities as benefits are paid for a longer term.

Salary risk

An increase in the salary of the plan participants will increase the plan's liability. This risk has been limited with the closure of a number of the defined benefit plans and the introduction of the defined contribution plans. There are now a limited number of active defined benefit members. Although the Absa Pension Fund has in its entirety been disclosed as a defined benefit element, the defined contribution portion thereof does not retain salary risk.

Measurement risk

The IAS 19 Employee Benefits (IAS 19) liabilities are determined using various assumptions about future experience. One of the most important assumptions is the discount rate derived from prevailing bond yields where these are available (where these are not available, the inflation rate plus a reasonable risk-free real return is used as a proxy). A decrease in the discount rate will, with all else equal, increase the plan liability; this may be partially offset by an increase in the value of assets, to the extent that the funds' investments are matched against its liabilities. Other important assumptions are the inflation assumption, pension increase assumption and the longevity assumption and changes in those could affect the measured value of liabilities significantly. Changes in other assumptions used could also affect the measured liabilities.

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ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.7 Provisions and contingencies

Provisions

In terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37), Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made

Contingent assets

A contingent asset is a possible asset that arises from past events and existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group. In the ordinary course of business, the Group may pursue a claim against a subcontractor or client. Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the flow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised on the statement of financial position.

2.8 IFRS15: Revenue from contracts with customers

Revenue comprises copper sales and management fees through depletion fees from partially operational mines, the consideration is determined through the contractual agreements between these mines and the Corporation's in the ordinary course of the Corporation's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Corporation.

To determine whether to recognise revenue, the Corporation follows a 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when/as performance obligation(s) are satisfied
- Revenue is recognised either at a point in time or over time, when (or as) the Corporation satisfies performance obligations by transferring the promised goods or services to its customers. The corporation recognised revenue as follows.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.8 IFRS15: Revenue from contracts with customers' Continued

Dividend income

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

Management and resource depletion fees

Management fees is money paid after service to a subsidiary as HQ for a Head Office service to a subsidiary based on contractual agreements with those subsidiaries. Management and resource depletion fees are recognised when the respective subsidiaries realize revenue for sale transactions concluded.

Revenue from chrome sales

Revenue from chrome sales was recognised from production realised in the month and the price per tonnage was agreed upon in the joint venture contract.

Revenue from sale of copper reverts

Revenue from sale of copper reverts is recognised when the transaction has been authorized by the Ministry of Mines and Mining Development and when significant risks and rewards of ownership have been transferred to the buyer by signing the sales agreement.

Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and effective interest rate applicable.

Rental income

Rental income is accrued on a straight-line basis, in accordance with the terms and conditions of the lease agreement.

2.9 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that were enacted or substantively enacted at the reporting date in Zimbabwe, where the Corporation operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.10 Property and equipment

Property and equipment is initially recorded at cost. Land and buildings are subsequently shown at fair value, based on valuations by external independent values, less subsequent depreciation and accumulated impairment losses for property. All other property and equipment is stated at historical cost or valuation less accumulated depreciation.

2.11 Depreciation

The depreciation rate are as follows:

Land	Infinity
Buildings	40 years
Plant and machinery	10 Years
Motor vehicles	5 years
Fixtures and fittings	10 years
Computer and other equipment	3 years
Telephone	2 years
Office Equipment	10 years
Surveillance	2 years
Mining Equipment	2 years

2.11.1 Impairment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from approved budgets for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance or the cash generating unit (CGU) being tested The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

2.11.2 Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These gains and losses are included in profit or loss.

2.11.3 Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and any accumulated impairment losses. The Corporation has accounting software (SAP software system) which is amortised over the period in which benefits are expected to be obtained but not exceeding 10 years.

2.12 Inventories

Inventories are initially at cost and subsequently measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Cost of inventory comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Financial instruments

2.13.1 Classification

Trading instruments
Trading instruments are those that the Corporation principally holds for the purpose of short term profit making.

Originated loans and receivables
Originated loans and receivables are loans and receivables created by the Corporation providing money to a debtor than those created with the intention of short-term profit taking. Originated loans and receivables comprise loans and advances to banks and customers other than purchased loans as well as bonds purchased at original.

Held-to-maturity assets
Financial assets with fixed or determinable payments and fixed maturity that the Corporation has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers and certain debt investments.

Available-for-sale assets
Financial assets that are not held for trading purposes, originated by the Corporation, or held to maturity. Available-for-sale instruments include money market placements and certain debt and equity investments.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13.2 Recognition

The Corporation recognises financial assets held for trading and available-for-sale assets on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognised. Held-to-maturity loans and originated loans and receivables are recognised on the day they are transferred to the Corporation.

Financial instruments are ordinarily measured at cost, including transaction costs.
Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment.

All non-trading financial liabilities, originated loans and receivables and held to maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the basis of the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

2.13.3 Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the statement of financial position date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the statement of financial position date for an instrument with similar terms and conditions.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Financial instruments (Cont'd)

2.13.4 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognised in other comprehensive income. When the financial assets are sold, collected or otherwise disposed of, the cumulative gain or loss recognised in equity in transferred to the income statement. Gains and losses arising from a change in the fair value of trading instruments are recognised in the income statement. Held to maturity loans and originated loans and receivables are recognised on the day they are transferred to the Corporation.

2.13.5 Derecognition

A financial asset is derecognised when the Corporation loses control over the contractual rights that comprise the asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished. Available-for-sale assets and assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Corporation commits to sell the assets.

The Corporation uses the specific identification method to determine the gain or loss on derecognition. Held-to-maturity instruments and originated loans and receivables are derecognised on the day they are transferred by the Corporation.

2.13.6 Securities borrowing and lending business.

Investments lent under securities lending arrangements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for assets held for trading or available-for-sale as appropriate. Cash collateral received in respect of securities lent is recognised as liabilities to either banks or customers. Investments borrowed under securities borrowing agreements are not recognised.

Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognised on an accrual over the period of the transactions and are included in the interest income or expense.

2.13.7 Repurchase agreements

The Corporation enters into purchases (sales) of the investments under agreements to re-sell (repurchase) identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans to either banks or customers. The receivables are shown as collateralised by the underlying security. Investments sold under repurchase agreements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers. The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest.

2.13.8 Interest rate risk

The Corporation's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Corporation's business strategies.

2.13.9 Credit risk

The Corporation's credit exposure, at the reporting date, from financial instruments held or issued for trading purposes is represented by the fair value of instruments with a positive fair value at that date, as reported on the statement of financial position date. The credit risk on liquid funds and derivative financial instruments is limited because counterparties are banks with high credit-ratings. The Corporation has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.13 Financial instruments (Cont'd)

2.13.10 Fair value measurement hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Impairment of financial assets
The Corporation assesses at each reporting date whether there is objective evidence that a financial asset or a Corporation of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the Corporation of financial assets that can be reliably estimated, evidence of impairment may include: indications that the debtor, or a Corporation of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced through the use of an Expected Credit Losses allowance account, and the loss is recognised in the statement of profit or loss and other comprehensive income. Interest income (recorded as finance income in the statement of profit or loss and other comprehensive income) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Corporation.

2.13 Related parties

For the purposes of these financial statements, a party is considered to be related to the Corporation if:

- The party has the ability, directly or indirectly through one or more intermediaries, to control the Corporation or exercise significant influence over the Corporation in making financial and operating policy decisions, or has joint control over the Corporation;
- The Corporation and the party are subject to common control;
- The party is an associate of the Corporation or a joint venture in which the Corporation is a venture;
- The party is an associate of the Corporation or a joint venture in which the Corporation is a venture;
- The party is a member of key management personnel of the Corporation or the Corporation's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- The party is a close family member of a party or is an entity under the control, joint control or significant influence of such individuals; or
- The party is a post-employment benefit plan which is for the benefit of employees of the Corporation or of any entity that is a related party of the Corporation.
- Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.14 Employee Benefits

2.14.1 National Social Security Authority Scheme

This scheme was promulgated under the National Social Security Act of 1989. The Corporation's obligation under the scheme is limited to specific contributions as legislated from time to time, which are presently 4.5 % of pensionable emoluments.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

2.14.2 Defined contribution schemes

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

2.14.3 Defined benefit plan

The Corporation manages ZMDC Pension Fund as a defined benefit plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried at intervals not exceeding three years.

Defined benefit plan surpluses and deficits are measured at:

(i) The fair value of plan assets at the reporting date; less
(ii) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
(iii) Unrecognised past service costs; less
(iv) The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised in other comprehensive income. The remeasurements include:

(i) Actuarial gains and losses
(ii) Return on plan assets (interest exclusive)
(iii) Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

2.14.4 Short-term employee benefits

The cost of all short-term employee benefits is recognized during the period in which the employee renders the related service. Short-term benefits are recognized on an undiscounted basis.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.15 Investments in Associates and Joint Ventures

Associates are entities in which the Corporation has significant influence, but not control, over its operating and financial policies. Where the Corporation holds less than 20%, significant judgement is applied in assessing whether the Corporation has significant influence in the investee. Factors considered in performing this assessment include, but are not limited to, the Corporation's representation on the board of directors of the investee and participation in the policy making processes of the investee. A joint arrangement is a contractual agreement between two or more parties to undertake an economic activity that is under joint control. Joint ventures are joint arrangements whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the entity.

The Corporation's investments in associates and joint ventures are initially recorded at cost and increased (or decreased) each reporting period by the Corporation's share of the post-acquisition profit (or loss) and reduced by dividends received. In some cases, investments in these entities may be held at fair value through profit or loss (whereby the Corporation applies the equity method exemption), for example, those held by private equity businesses. Investments in associates and joint ventures are accounted for at cost less impairment in the separate financial statements of the investor.

2.16 Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates as at the date of the initial transactions.

2.17 Current and deferred tax

The Corporation is subject to income tax; significant judgement is required in determining the provision. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognises liabilities for anticipated tax assessment based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Where the actual final outcome (on the judgement areas) differs from management estimates, the Corporation will need to increase the income and deferred tax liability if unfavorable or decrease the income and deferred tax liability if favorable.

2.18 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

These amendments clarify the application of certain offsetting criteria in IAS 32, including:

- the meaning of 'currently has a legally enforceable right of set-off'; and"
- The amendments have been applied retrospectively in accordance with their transitional provisions. As the Corporation does not currently present any of its financial assets and financial liabilities on a net basis using the provisions of IAS 32, these amendments had no material effect on the consolidated financial statements for any period presented.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.19 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Corporation has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework(Effective 1 January 2023)

The Corporation has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. This standard is expected to be implemented in the future as the investments in gold mining might be incorporated through investment vehicles.

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Zimbabwe Mining Development Corporation concluded that the amendment did not have a material impact on the Corporation.

Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use (Effective 1 January 2023)

The Corporation has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. Zimbabwe Mining Development Corporation concluded that the amendment did not have a material impact on the Corporation.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract Effective 1 January 2023)

The Corporation has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract.

Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). Zimbabwe Mining Development Corporation concluded that the amendment did not have a material impact on the Corporation.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Effective January 2023)

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Corporation. ZMDC concluded that the amendment did not have a material impact on the Corporation.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.19 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR (Cont'd)

Amendments to IAS 1 Presentation of financial statements—classification of liabilities as current or non-current (Effective January 2023)

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The Directors of the Corporation anticipate that the application of these amendments may have an impact on the Corporation's financial statements in future periods. ZMDC concluded that the amendment did not have a material impact on the Corporation.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 making materiality judgements—disclosure of accounting policies (Effective January 2023)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'.

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all-accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendment to IAS 12 Income taxes (Effective 1 January 2023) Pillar Two Model Rules

In May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules, which amended IAS 12 Income Taxes. The amendments introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendment also introduced targeted disclosure requirements for affected entities. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. ZMDC has assessed the amendment and concluded that there is no impact on the Corporation.

ACCOUNTING POLICIES

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

2.19 NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR (Cont'd)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective 1 January 2023)

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

Right-of-use assets and lease liabilities
Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. ZMDC concluded that the amendment did not have a material impact on the Corporation.

2.20. AMENDMENTS THAT ARE EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2024

Amendment IAS1: Presentation of financial statements classification of liabilities as current or non-current (Effective 1 January 2024)
Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the Corporation will exercise its right to defer settlement or will choose to settle early.

Amendment IAS1: Presentation of financial statements classification of liabilities as current or non-current (Effective 1 January 2024) (Cont'd)
Liabilities with covenants – Classification criteria clarified and new disclosures
A Corporation will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to a Corporation complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments[1], the IASB reconfirmed that only covenant with which a Corporation must comply on or before the reporting date affect the classification of a liability as current or non-current.

Covenants with which the Corporation must comply *after* the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

ACCOUNTING POLICIES

2.2. THE AMENDMENTS ARE EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2024" Continued

Amendment to IFRS 16 Leases—Lease liability in a sale and leaseback
The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a re-measurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16. The Directors of the Corporation anticipate that the application of these amendments will not have an impact on the Corporations financial statements in future periods should such transactions arise.

Amendments IAS 7& IFRS 7: Cash flow statement and financial instruments: Disclosures -Supplier financing agreement (Effective 1 January 2024)
The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements. The new requirements supplement those already included in IFRS standards and include disclosures about:

Terms and conditions of supplier financing arrangements.

- The amounts of the liabilities that are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers and under which item these liabilities are shown in the balance sheet
- The ranges of due dates
- Information on liquidity risk
- Do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
- Add two disclosure objectives. Entities will have to disclose in the notes information that enables users of financial statements
  -to assess how supplier finance arrangements affect an entity's liabilities and cash flows and
  -to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

		Notes	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
3	**REVENUE FROM OPERATIONS**					
	Gold sales		-	1 304 186 785	-	340 858 965
	Copper Sales		578 691 610	378 287 751	528 272 553	198 028 147
	Graphite		-	15 150 520	-	10 331 684
	Rentals		114 856 167	11 677 955	101 983 400	6 778 732
	Management Fees		1 081 613 378	63 699 683	1 008 259 922	19 783 884
			1 775 161 155	**1 773 002 694**	**1 638 515 875**	**575 781 412**
4	**OTHER INCOME**					
	Rental income		136 171 338	36 447 857	123 637 087	21 511 800
	Scrap sales		-	10 820 553	-	2 620 943
	Management fees		2 311 207 595	-	1 420 341 303	-
	Share of profits / (losses)		(164 975 855)	-	(164 975 855)	-
	Sundry revenue		7 895 648 498	6 934 638 113	7 321 710 553	4 153 845 622
			10 178 051 576	**6 981 906 523**	**8 700 713 088**	**4 177 978 365**
5	**PROFIT/ (LOSS) FROM OPERATIONS**					
	Profit/(loss) from operations for the year has been arrived at after charging the following:					
	Depreciation		224 143 834	69 984 313	143 919 445	37 121 548
	Amortisation of intangible assets		115 032 098	1 234 382 523	1 319 650	-
	Audit fees		158 834 006	269 598 675	153 502 352	712 100
	Directors' emoluments	**5.1**	168 698 027	17 728 953	150 453 609	10 184 177
	Staff Costs	**5.2**	4 728 297 369	1 061 986 353	4 481 789 643	331 696 160
			5 395 005 334	**2 653 680 817**	**4 930 984 699**	**379 713 985**
5.1	**Directors' emoluments**					
	Fees		95 308 822	10 001 403	83 591 712	5 840 333
	Other		73 389 205	7 727 550	66 861 897	4 343 844
			168 698 027	**17 728 953**	**150 453 609**	**10 184 177**
5.2	**Employee benefit expense**					
	Contributions to Mining Industry Pension Fund		3 354 062	22 826 435	3 009 579	15 092 594
	Contributions to National Social Security Authority		893 565	4 807 732	800 026	2 908 382
	Salaries and allowances		4 724 049 742	1 034 352 186	4 477 980 038	313 695 184
			4 728 297 369	**1 061 986 353**	**4 481 789 643**	**331 696 160**
6	**FINANCE COSTS**					
	Interest expense		181 492 464	38 876 267	174 774 067	10 104 825
			181 492 464	**38 876 267**	**174 774 067**	**10 104 825**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
7 Income tax				
Current tax	111 003 075	(77 256 082)	470 224 734	28 040 688
Deferred tax	(33 619 456)	137 552 850	(184 173 286)	(584 684 240)
	77 383 619	**60 296 768**	**286 051 448**	**(556 643 552)**
7.1 Tax reconciliation:				
Profit/(loss) before tax	17 371 911 960	10 361 192 578	1 124 825 229	3 617 842 025
Notional tax thereon at a rate of 24.72%	4 294 336 637	2 561 286 805	278 056 796	894 330 549
Tax effect of:				
Add Disallowable Deductions	309 803 189	(1 705 528)	276 474 523	(1 316 188)
Less Allowable Deductions	(198 800 114)	(25 921 640)	(84 306 585)	(13 095 482)
Unrecognised assessed losses	-	(151 656 399)	-	(69 192 568)
	111 003 075	**2 382 003 237**	**470 224 734**	**810 726 311**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT – HISTORICAL COST

	Historical cost									
	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Mining Assets ZWL	Computer equipment ZWL	Work in progress ZWL	Furniture and office equipment ZWL	Surveillance ZWL		Total ZWL
At January 2022	1 148 204 974	1 483 457 666	11 535 665	25 949	6 550 064	292 318 111	12 439 805	-	-	2 954 532 234
Additions	-	5 293 960	72 570 102	-	1 788 409	-	-	653 539	-	80 306 010
Depreciation for the year	(13 309 040)	(20 553 849)	(2 138 670)	-	(445 981)	-	(674 008)	-	-	(37 121 548)
Revaluation	3 339 692 348	10 653 833	35 445 006	-	9 558 575	-	2 613 744	-	-	3 397 963 506
Disposals	(496 695 932)	(381 505 181)	(7 336 996)	-	(4 456 283)	(292 318 111)	(6 559 552)	-	-	(1 188 872 055)
At December 2022	**3 977 892 350**	**1 097 346 429**	**110 075 107**	**25 949**	**12 994 784**	**-**	**7 819 989**	**653 539**	**-**	**5 206 808 147**

	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Mining Assets ZWL	Computer equipment ZWL	Work in progress ZWL	Furniture and office equipment ZWL	Surveillance ZWL	Mining Equipment ZWL	Total ZWL
At January 2023	3 977 892 350	1 097 346 429	110 075 107	25 949	12 994 784	-	7 819 989	653 539	-	5 206 808 147
Additions		586 054 916	51 710 903	-	57 892 499	-	1 026 657	-	453 473 930	696 684 975
Depreciation for the year	(78 106 986)	(17 049 363)	(45 015 098)	-	(3 088 627)	-	(437 533)	(221 838)	(45 347 393)	(143 919 445)
Revaluation	24 706 963 725	3 509 372 923	-	-	-	-	-	-	-	28 216 336 648
At December 2023	**28 606 749 089**	**5 175 724 905**	**116 770 912**	**25 949**	**67 798 656**	**-**	**8 409 113**	**431 701**	**408 126 537**	**33 975 910 325**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT – INFLATION ADJUSTED

Inflation adjusted

	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Mining Assets ZWL	Computer equipment ZWL	Work in progress ZWL	Furniture and office equipment ZWL	Surveillance ZWL		Total ZWL
At January 2022	4 913 417 807	5 139 222 030	169 177 382	23 951 073	26 712 385	2 563 232 148	133 555 773	-	-	12 969 268 598
Additions	-	8 362 261	105 134 809	-	-	-	-	826 825	-	114 323 895
Depreciation for the year	(105 603 495)	(75 936 667)	(8 249 303)	-	(1 720 238)	-	(128 984 933)	-	-	(320 494 636)
Revaluation	4 753 747 135	(3 386 798 539)	(74 802 825)	-	9 803 375	-	83 562 046	-	-	1 385 511 192
Disposals	(2 160 170 740)	(1 659 196 857)	(31 909 188)	-	(19 380 735)	(2 563 232 148)	(28 528 022)	-	-	(6 462 417 690)
At December 2022	**7 401 390 707**	**25 652 228**	**159 350 875**	**23 951 073**	**15 414 787**	**-**	**59 604 864**	**826 825**	**-**	**7 686 191 359**

	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Mining Assets ZWL	Computer equipment ZWL	Work in progress ZWL	Furniture and office equipment ZWL	Surveillance ZWL	Mining Equipment ZWL	Total ZWL
At January 2023	7 401 390 707	25 652 228	159 350 875	23 951 073	15 414 787	-	59 604 864	826 825	-	7 686 191 359
Additions		225 114 989	65 520 510	-	73 245 591	-	1 298 926	-	573 735 216	938 915 232
Depreciation for the year	(92 348 383)	(20 208 644)	(53 374 402)	-	(3 662 185)	-	(518 783)	(263 033)	(53 768 404)	(224 143 834)
Revaluation	24 706 963 725	3 509 379 258	-	-	-	-	-	-	-	28 216 342 983
Disposals										-
At December 2023	**32 016 006 049**	**3 739 937 831**	**171 496 983**	**23 951 073**	**84 998 193**	**-**	**60 385 007**	**563 792**	**519 966 812**	**36 617 305 740**

		Inflation Adjusted 2023 ZWL	Historical Cost 2023 ZWL
9	**INTANGIBLE ASSETS**		
	Gross carrying amount		
	Balance at 1 January 2023	199 142 757	7 657 921
	Armortisation	(115 032 098)	(1 319 650)
	Closing amount at 31 December 2023	**84 110 659**	**6 338 271**
	Amortisation		
	Carrying Amount as at 1 January 2023	199 142 757	7 657 921
	Amortisation	(115 032 098)	(1 319 650)
	Closing carrying amount at 31 December 2023	**84 110 659**	**6 338 271**
	Gross carrying amount		
	Balance at 1 January 2022	1 417 024	1 120 000
	Revaluation	7 022 725	5 550 684
	Closing amount at 31 December 2022	**8 439 749**	**6 670 684**
	Amortisation		
	Carrying Amount as at 1 January 2022	8 439 749	6 670 684
	Amortisation	-	-
	Closing carrying amount at 31 December 2022	**8 439 749**	**6 670 684**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
10 INVESTMENT IN JOINT VENTURES				
Investment in Lynx mine	-	92 348 941	-	474 103
Investment in Kimberworth (Anmack)	22 302 196 783	5 501 842 595	1 800 411 368	1 349 871 851
Investment in subsidiaries	**22 302 196 783**	**5 594 191 536**	**1 800 411 368**	**1 350 345 954**
11 INVENTORIES				
Spares and consumables	16 490 323	31 983 748	6 642 925	462 622
	16 490 323	**31 983 748**	**6 642 925**	**462 622**
12 TRADE AND OTHER RECEIVABLES				
Trade receivables	767 555 001	384 308 737	767 555 001	303 765 164
Other	3 185 407 616	4 297 501	3 185 407 616	3 396 829
	3 952 962 617	**388 606 238**	**3 952 962 617**	**307 161 993**
Less: Allowance for credit losses	(3 435 772)	(505 056)	(3 435 772)	(399 206)
Trade receivables-net	**3 949 526 845**	**388 101 182**	**3 949 526 845**	**306 762 787**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

13 RELATED PARTY TRANSACTIONS AND BALANCES

The Corporation's related parties include companies under common control, key management and others as described below:

Related party	Nature of relationship	% Ownership
Global Platinum Resources (Private) Limited	Associate	20%
Kamativi Tin Mine	Associate	15%
Grand Sanyuan	Associate	10%
Zim Gold Fields	Associate	30%
Kusena Diamonds	Subsidiary	50%
Gye Nyame (Private) Limited	Subsidiary	50%
Marange Resources (Private) Limited	Wholly owned subsidiary	100%
Zimbabwe German Graphite Mines (Private) Limited	Wholly owned subsidiary	100%
Elvington Mine (Private) Limited	Associate	15%
Golden Kopje (Private) Limited	Wholly owned subsidiary	100%
Kimberworth Investments (Private) Limited	Wholly owned subsidiary	100%
Protea Court (Private) Limited	Wholly owned subsidiary	100%
Sandawana Mines (Private) Limited	Associate	15%
Jena Mines (Private) Limited	Associate	15%
Wambao Zimbabwe Mining	Joint Venture	
Zimbao Mining Ventures (Private) Limited	Joint Venture	
Rushchrome Mining (Private) Limited	Joint Venture	
Russzim Mining	Joint Venture	
Star Mining Resources (Private) Limited	Joint Venture	
Shengxin Mazowe Mining Company	Joint Venture	
Mint Minerals (Private) Limited T/A Zimari Nickel	Joint Venture	
Maflox Mining (Private Limited T/A Zimari Platinum	Joint Venture	
Todal Mining (Private) Limited	Joint Venture	
Afri Sino Resources (Private) Limited	Joint Venture	
Northridge Platinum	Joint Venture	
Great Dyke Investments	Joint Venture	
Rera Diamonds (Private) Limited	Joint venture	
Mr. B. Chitambira	Key management	
Mr. J. Maiwasha	Key management	
Mr. T. Chiparo	Key management	

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

The following represent transactions with related parties during the year:

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
13 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)				
13.1 Related party receivables				
Mbada Diamonds (Private) Limited	7 148 435	9 043 848	7 148 435	7 148 435
Kusena Diamonds (Private) Limited	6 040 105	7 641 642	6 040 105	6 040 104
Protea Court (Private) Limited		-		
Marange Resources (Private) Limited	253 507 171	82 169 484	253 507 171	64 948 372
Jena Mines (Private) Limited	2 045 035 858	161 725 713	2 045 035 858	127 831 176
Oldstone (Private) Limited	700 000	885 606	700 000	700 000
Anjin Investments (Private) Limited	675 896	855 110	675 896	675 896
Mining Promotions Corporation	2 079 000	2 630 248	2 079 000	2 079 000
Milling Centers	1 881 917 827	1 995 589	1 881 917 827	1 577 353
Glassfinish Investments (Private) Limited	40 000 000	50 606 032	40 000 000	40 000 000
Anmack	4 158 265 864	165 003 796	4 158 265 864	130 422 237
Bubi	13 914 267	496 333	13 914 267	392 311
Moral capital	27 831	35 210	27 831	27 831
BIT Minerals	592 137	749 144	592 137	592 137
Zhijiu Mining	213 097 735	-	213 097 735	-
Zimasco	915 708 390	-	915 708 390	-
Golden Kopje (Private) Limited	319 937 446	-	319 937 446	-
ZMDC Pension Fund	3 296 549	-	3 296 549	-
Kimberworth Investments (Private) Limited	10 820 258	-	10 820 258	-
Allowance for credit losses	(310 178 437)	(153 867 180)	(310 178 437)	(121 619 637)
	9 562 586 332	**329 970 575**	**9 562 586 332**	**260 815 215**

All amounts are short term. The net carrying value of related party receivables is considered a reasonable approximation of fair value. All related party receivables have been reviewed for indicators of impairment. During the year, a total amount of ZWL310 178 437 was included in profit and loss as an increase in the allowance relating to credit losses.

Allowance for Credit Losses Reconciliation				
Opening Balance	329 970 575	483 837 754	260 815 214	382 434 851
(Decrease)/ Increase in allowance for credit losses	(19 792 138)	(153 867 179)	49 363 223	(121 619 637)
Closing Balance	**310 178 437**	**329 970 575**	**310 178 437**	**260 815 214**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

		Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
13	**RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**				
13.2	**Related party payables**				
	Grand Sanyuan	3 012 492	86 578 557	3 012 492	68 433 390
	Landela	673 028 878	1 905 514	673 028 878	1 506 156
	Zhijiu Mining	101 835 848	25 973 567	101 835 848	20 530 017
	Niagara Mining	20 530 017	13 129 637	20 530 017	10 265 009
	Jena Mines	180 388	228 218	180 388	180 388
		798 587 623	**127 815 493**	**798 587 623**	**100 914 960**
13.3	**Transactions with Key Management**				
	Salaries	2 079 782 671	397 614 698	1 852 590 383	91 424 997
	Other short term benefits	-	78 961 305	-	18 155 860
		2 079 782 671	**476 576 003**	**1 852 590 383**	**109 580 857**

13.4 Transactions with related parties on transfers of subsidiaries and investments

The Corporation holds mining assets on behalf of the Government of Zimbabwe. In National Development Strategic 1 (NDS1), the corporation is mandated to partially privatize its entities to attract investments. The process of partial privatization is in progress. The transfer of assets has not been for an economic gain but for purposes of meeting requirements of NDS1 requirements. Therefore, no due diligence has been applied on transactions. However, due to economic sanctions on ZMDC, the assets were transferred to Defold Mining (Private) Limited in order to fully operationalize them. Defold Mining (Private) Limited is another entity under the Ministry of Mines and Mining Development. The following are the mining assets which were transferred:

1. Kamativi Tin Mine (Private) Ltd
2. Jena Mines (Private) Ltd
3. Sandawana Mines (Private) Ltd
4. Mineral Development (Private) Ltd (Elvington Mine)
5. Todal Mining (Private) Ltd

Other Investments

i. **Kimber worth Investments T/A Sabi Gold Mine**
Kimberworth Investments entered into a Joint Venture with Chandiwana Mines to form Anmack (Private) Limited wherein the shareholding is 45% and 55%.

ii. **Diamond Mining Corporation (DMC)**
Pursuant to the Government Diamond Policy consolidation in 2015, DMC, a 50-50 diamond Joint Venture Company between ZMDC and Purediam DMCC accepted the consolidation which resulted in Purediam disposing off its 50% share to ZMDC.

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

14 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements prepared by the Corporation have not consolidated the following entities under its control: Kusena Diamonds, Gye Nyame (Private) Limited, Marange Resources (Private) Limited and Golden Kopje (Private) Limited due to lack of financial information from these entities. This is a departure from IFRS 10 which requires the Corporation to Consolidate all entities under its control.

Investments held is as follows:

Name of the entity	Nature of relationship	% shareholding
Kusena Diamonds	Subsidiary	50%
Gye Nyame (Private) Limited	Subsidiary	50%
Marange Resources (Private) Limited	Wholly owned subsidiary	100%
Zimbabwe German Graphite Mines (Private) Limited	Wholly owned subsidiary	100%
Golden Kopje (Private) Limited	Wholly owned subsidiary	100%
Kimberworth Investments (Private) Limited	Wholly owned subsidiary	100%
Protea Court (Private) Limited	Wholly owned subsidiary	100%

15 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cashflows, cash and cash equivalents comprise of:

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
Cash and bank	1 686 158 006	9 149 087	1 686 158 006	7 231 618
Cash and cash equivalents	**1 686 158 006**	**9 149 087**	**1 686 158 006**	**7 231 618**

16 Share capital

Authorised share capital

180 000 000 ordinary shares of ZWL 1 each	**1 297 878 825**	**1 297 878 825**	**180 000 000**	**180 000 000**

Issued

44 000 000 ordinary shares of ZWL 1 each	-	-	-	-

The unissued shares are under the control of the directors subject to restrictions imposed by the Companies and Other Business Entities Act (Chapter 24:31).

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
17 Environmental rehabilitation provision				
The carrying amounts and the movements in the provision account are as follows:				
Opening balance	62 541 774	271 232 381	370 323	202 204 668
Movement through profit	-	(208 690 607)	-	(201 834 345)
Carrying amount at the year end	**62 541 774**	**62 541 774**	**370 323**	**370 323**
18 DEFERRED TAX				
Deferred tax is arising from temporary differences and are summarised as follows:				
Opening balance at 1 January 2023	487 703 015	(2 039 684 952)	966 902 984	(384 364 358)
Other adjustments	(5 986 113 007)	1 381 197 565	(6 070 632 499)	2 492 636 134
Movement through other comprehensive income	6 975 079 985	60 296 768	6 975 078 419	(556 684 552)
Movement through profit or loss	(33 619 456)	1 085 893 634	(184 173 286)	(584 684 240)
Closing balance at 31 December 2023	**1 443 050 537**	**487 703 015**	**1 687 175 618**	**966 902 984**
19 POST EMPLOYMENT BENEFITS				
Post employment benefit liability	**3 815 724 937**	**2 227 420 955**	**3 016 023 838**	**512 159 019**

Employees of the Group are members of the ZMDC Pension Fund which is a defined benefit plan administered by Trustees. The pension fund is funded by payments from employees and the corporation taking into account the recommendations of independent qualified actuaries.

Actuarial assumptions
The principal actuarial assumptions used in the report were as follows:

Valuation rate of interest	0.10
Rate of salary escalation	0.09
Allowance for future pension increases	0.05
Rate of dividend and rent growth	0.04

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
20 LONG TERM LOANS				
BANC ABC	**4 000 013 628**	**-**	**4 000 013 628**	**-**

The long term loans relate to the following facility:

BANC ABC
The loan facility with BancABC was granted on August 2023 with a capital sum of USD $6 250 000 and accrues an interest of 8% per annum and is repayable over 4 years. The purpose of the loan is to assist artisinal miners to increase gold output. The loan will be repaid from gold proceeds.

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
21 SHORT TERM LOANS				
RBZ	2 000 000	2 530 302	2 000 000	2 000 000
ZCDC	1 000 000	1 265 150	1 000 000	1 000 000
	3 000 000	**3 795 452**	**3 000 000**	**3 000 000**

21.1 The short term loans relate to the following facilities:

ZCDC

The loan facility was granted to ZMDC by ZCDC. The purpose of the loan was to fund the Corporation's working capital. The interest rate for the loan was 10% and there is no tenure of the loan in the loan agreement.

RBZ

The loan was granted to ZMDC in July 2012, for the purchase of SMM Holdings (UK). There is no interest and repayment period for the loan in the loan agreement.

22 Trade and other payables

	Inflation Adjusted 2023 ZWL	Inflation Adjusted 2022 ZWL	Historical Cost 2023 ZWL	Historical Cost 2022 ZWL
Trade payables	840 226 496	70 214 683	840 226 496	55 499 063
Other Payables	8 841 142 316	644 957 719	8 841 142 316	509 900 054
	9 681 368 812	**715 172 402**	**9 681 368 812**	**565 399 117**

NOTES TO THE CONSOLIDATED INFLATION ADJUSTED FINANCIAL STATEMENTS

23 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

There have been no substantive changes in the Corporation's exposure to financial instrument risks. Its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Corporation, from which financial instruments risk arise, are as follows:

1. Trade and other receivables
2. Bank and cash balances
3. Available for sale investments
4. Loans and borrowings
5. Trade and other payables
6. Bank overdraft

General objectives, policies and processes

The Board has overall responsibility for the determination of the Corporation's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Corporation's finance function. The Corporation's internal auditors also review the risk management policies and processes and report their findings to the Legal, Risk and Audit Committees.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is mainly exposed to credit risk from trade and other receivables. The credit risk with respect to trade and other receivables is limited to contractual obligations by debtors. It is Corporation policy, to assess the credit risk of new customers before entering contracts. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 14.

Liquidity risk management

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the Corporation faces, the Corporation's policy has been throughout the year ended 31 December 2023, to maintain substantial unutilized facilities as well as significant liquid resources. Borrowing facilities are negotiated with approved financial institutions at acceptable interest rates.

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

24 MANAGEMENT OF CAPITAL

The Corporation's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits to other stakeholders. The capital of the Corporation comprises of issued share capital, non distributable reserves, available for sale reserve and retained earnings.

The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Corporation pays dividends from profits and they are paid if resources are available to do so.

The Corporation sets the amount of capital it requires in proportion to risk. The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Corporation's capital is made up of the following:	2023 ZWL	2022 ZWL	2021 ZWL
Share capital	-	-	-
Non distributable reserve	2 109 850 140	12 941 231	12 941 231
Accumulated losses	14 629 404 771	20 276 737	(69 944 989)
	16 739 254 911	**33 217 968**	**(57 003 758)**

25 CONTINGENT LIABILITIES

Legal cases

Amari Case

The Corporation cancelled a joint venture agreement with Amari due to alleged misrepresentations made by Amari. Amari invoked the dispute resolution clause and referred the matter for arbitration to the International Court of Arbitration in Paris. The International Court of Arbitration in Paris awarded, Amari, USD 48 million in penalties plus interest. The corporation is currently engaged with Amari for an out of Court settlement through the assumption, by the State, the award as a public debt whereupon payment modalities will be agreed between the State, ZMDC and the Ministry of Mines and Mining Development.

Grand well Case

The Corporation, together with Zimbabwe Consolidated Diamonds Company (ZCDC) and Ministry of Mines and Mining Development received a US$378 million lawsuit for damages from Grand well for the cancellation of the mining activities in Marange. The matter is still before the courts for hearing and now awaits a trial date.

Canadile Miners Case

The Canadile matter in which Mr Kurotwi is claiming restitution of mining equipment cash, legal fees and 1,4 million carats of diamonds. The matter is still pending and a pre-trail conference date is still to be convened.

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

26 GOING CONCERN

The Directors have assessed the ability of the Corporation to continue operating as a going concern, and based on the Corporation's vast mineral resources and untapped potential the directors believe that the preparation of these financial statements on a going concern basis is still appropriate.

Net current liability position
At the balance sheet date, the Corporation's total inflation adjusted current assets exceeded its total inflation adjusted current liabilities by ZWL 4 256 296 485 as at 31 December 2023.

27 IMPLEMENTATION OF IAS 29 – FINANCIAL REPORTING IN HYPER INFLATIONARY ECONOMIES

The standard has been amended by the following IFRSs

1. IAS 21 - The Effects of Changes in Foreign Exchange Rates
1. IAS 1- Presentation of Financial Statements

The following Interpretation refers to IAS 29:
1. IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (issued November 2005).

The mine restated its Financial Statements and comparatives for the year ended 31 December 2023 for the changes in the general purchasing power of the reporting currency, and as a result, are stated in terms of the measuring unit at the end of the year 31 December 2023. The Financial Statements have been prepared under the historical cost conversion.

Income and expenses for each statement of comprehensive income presented were translated at the exchange rate at the date of the transactions. With the translations that have been done by the management, these changes will thus not be applied on future periods and there are no other transitional provisions that might have an effect on the future periods.
IAS 1 paragraph 40A required the Corporation to present a third Inflation Adjusted Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative Consolidated Inflation Adjusted Financial Statements required if:

• The entity applies an accounting policy retrospectively, makes a retrospective restatement of items in its or reclassifies items in its financial statements
• The retrospective application, retrospective restatement or the reclassification has a material effect on the information in the Inflation Adjusted Statement of Financial Position at the beginning of the preceding period.

In circumstances described in 40A of IAS 1, the Cooperation was to present three statements of financial position as at:

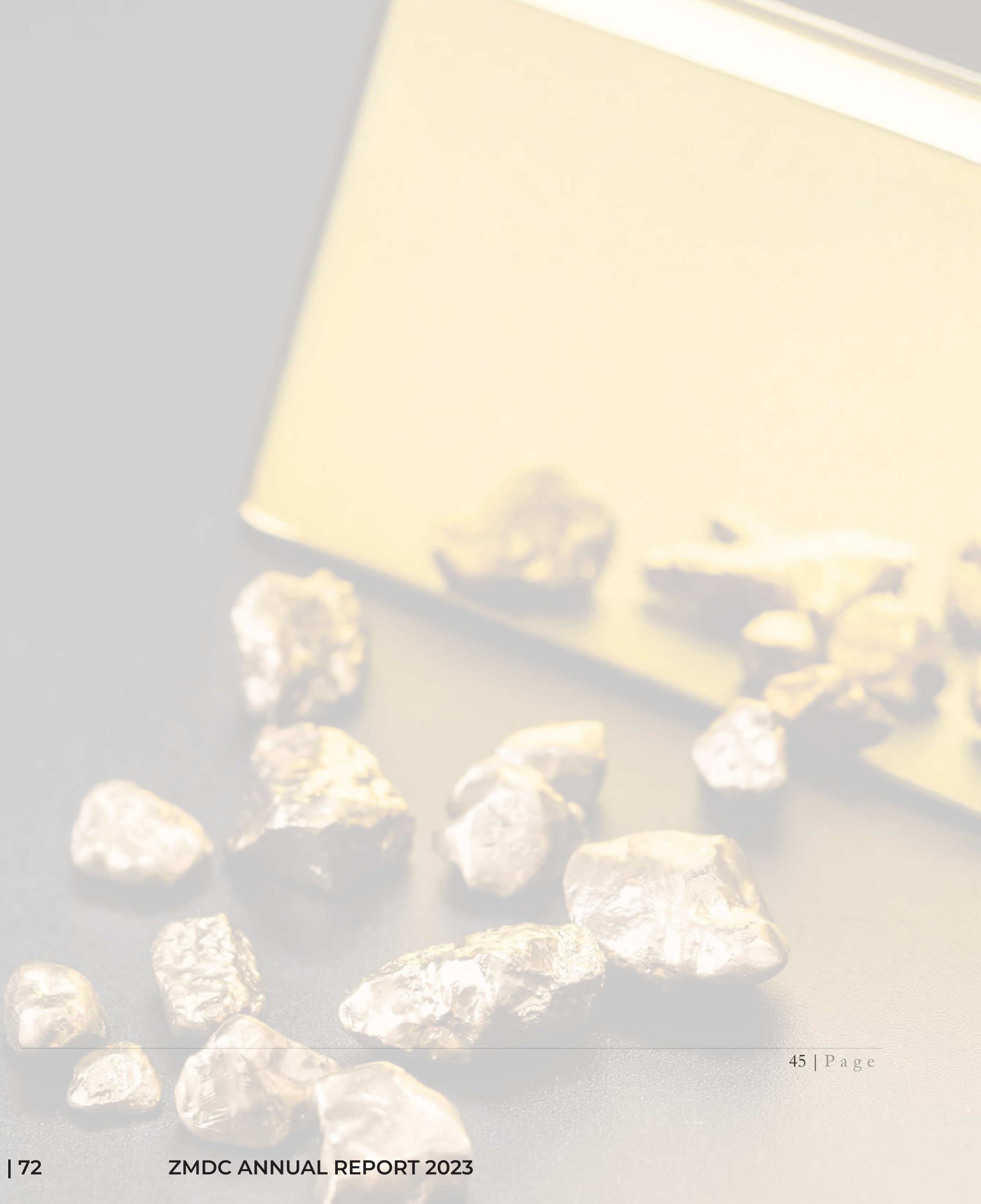
- The end of the current period;
- The end of the preceding period and;
- The beginning of the preceding period.
- However, the Trustees did not do as such as it was impracticable to determine either the period-specific effects or the cumulative effective of the error. In accordance with Paragraph 45 of IAS 21, the Trustees restated the comparative information prospectively from prior year

The standard has been amended by the following IFRSs:
- IAS 21-The Effects of Changes in Foreign Exchange Rates
- IAS 1-Presentation of Inflation Adjusted Financial Statements

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

28 EVENTS AFTER REPORTING PERIOD

On the 5th of April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced the Zimbabwean Gold (ZIG), a new currency that replaced the Zimbabwean Dollar (ZWL). All ZWL balances were converted to ZIG at a conversion rate of 2 498.7242. The new currency did not affect the business position as at 31 December 2023, thereby making it a non-adjusting event after reporting date.



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ZMDC
ZIMBABWE MINING DEVELOPMENT CORPORATION
"Unearthing the future"

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