

ZMDC



**ZIMBABWE MINING
DEVELOPMENT CORPORATION**

“Unearthing the future”



ANNUAL REPORT 2024

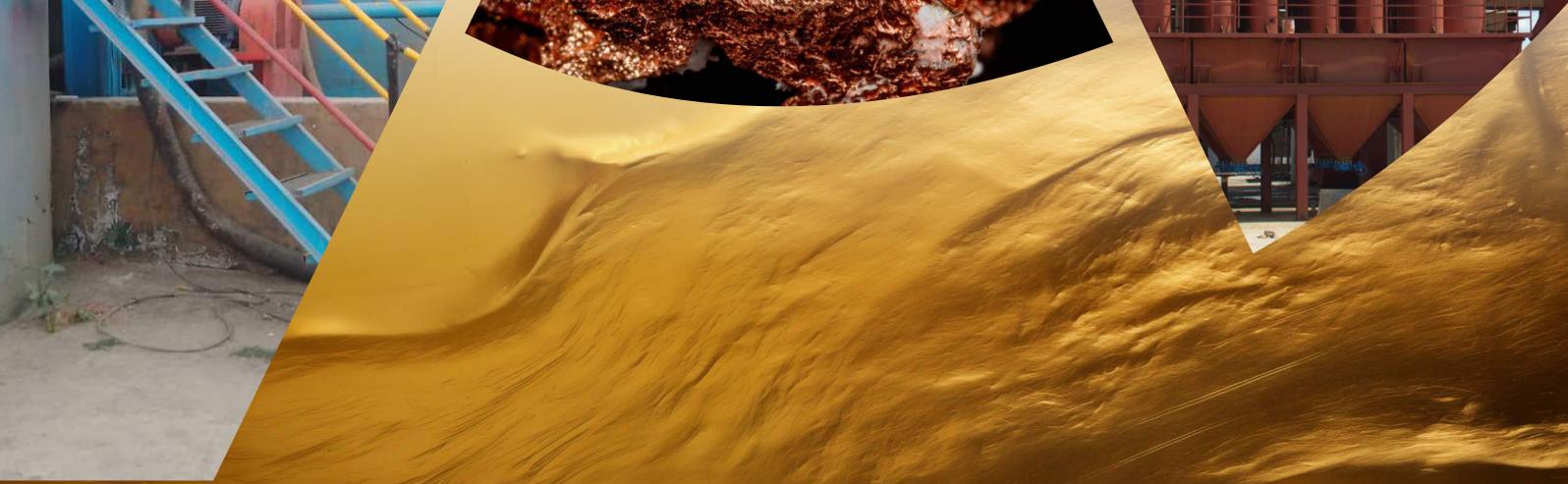




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1.0 LETTER TO THE MINISTER OF MINES AND MINING DEVELOPMENT

25 September 2025
The Honourable Minister,
Ministry of Mines and Mining Development
7th Floor,
Zimre Centre
Harare



Attention: Honourable Minister: W. Chitando (MP)

RE: ANNUAL REPORT ON AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chimboza', written over a dotted line.

PETER CHIMBOZA
CHAIRMAN, MINING DEVELOPMENT BOARD



2.0 COMPANY PROFILE

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

11th Floor Social Security Centre,

99 Park Lane Street

Harare

Thoughts Deme Attorneys at Law

UMC Complex 10

Harvey Brown Avenue, Milton Park

Harare



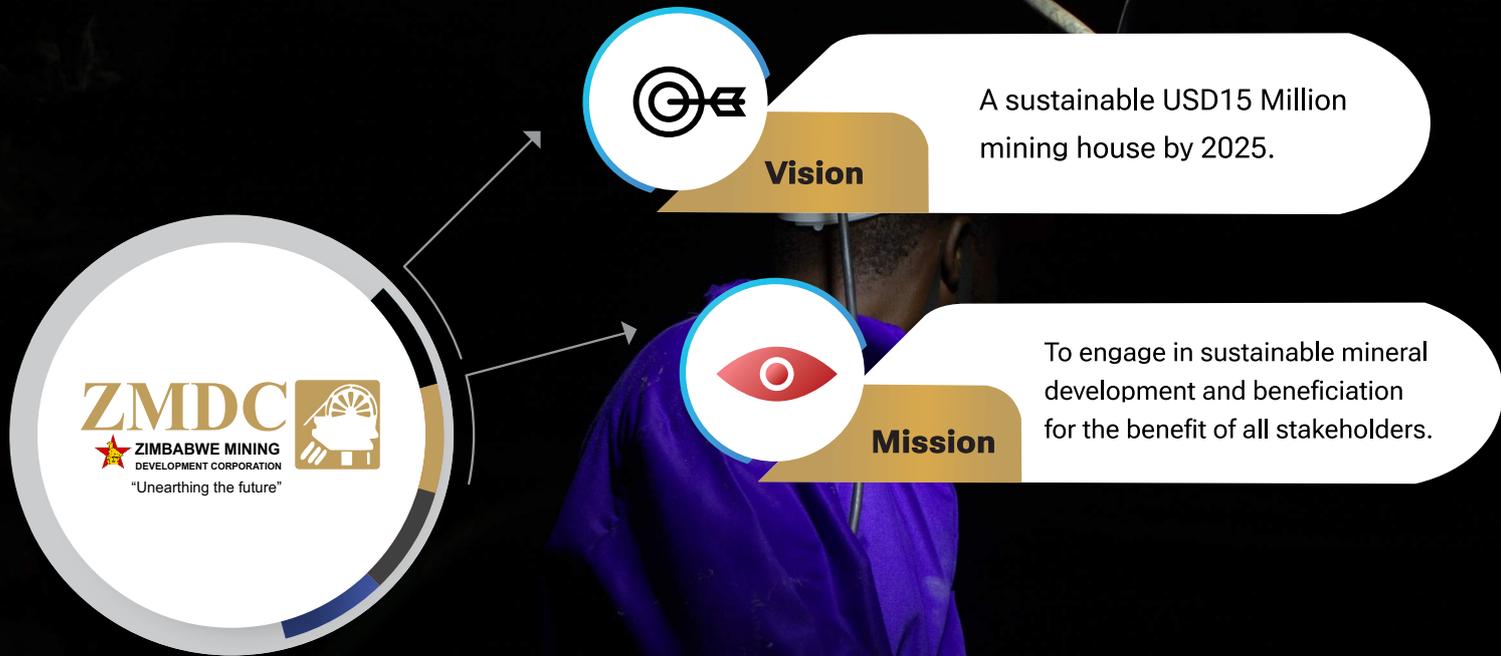
2.1 BACKGROUND

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 behalf 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 VALUES



CORE VALUES

INTEGRITY

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

TEAMWORK

Pulling together to ensure common success. We believe that each of us has something to contribute, and therefore, we will encourage 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 delivering quality services on time

CORPORATE SOCIAL INVESTMENT

Invest in the communities where we operate.

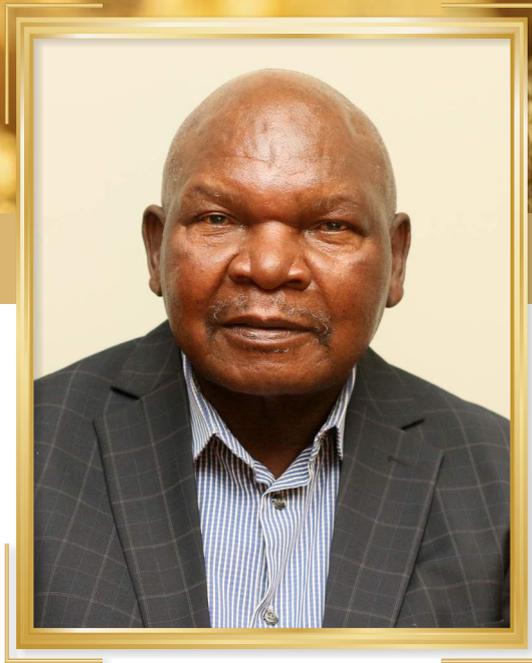
3.0 DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES



Zimbabwe Mining Development Corporation is governed by 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 the agreed strategy



3.1 DIRECTORS



BOARD CHAIRMAN - PETER RINDAI CHIMBOZA

Mr Chimboza started his mining career at Zimbabwe Alloys Anglo-American Company from 1980 to 1983 as a graduate trainee. In 1984, he joined Zimbabwe Iron and Steel Company (ZISCO). He was later promoted to Coke Works Manager in 1985 and thereafter rose through the ranks to the position of Divisional Manager Iron Making and was later promoted to Production Executive from 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 in 2004 as General Manager and rose through the ranks to become Resident Director, where he led the company's extensive expansion program. In 2016, he was appointed Executive Director of Mimosa Mining Company, a position he held until 2018.

Mr. Chimboza holds a Bachelor of Science 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 a former Board member of Zimbabwe Consolidated Diamond Company.





**DEPUTY CHAIRMAN -
WELLINGTON PASIPAMIRE**

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

He started his career in 1994 within the banking division of the Anglo-American Group Zimbabwe, where his role included a focus on treasury management and structured Finance, among other responsibilities. He joined 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 of the Zimbabwe Consolidated Company and sits on several Boards in Zimbabwe.

Mr Pasipamire is a CAIB member, affiliated with the Institute of Bankers South Africa. He holds both a diploma and an advanced diploma in Treasury Management and Trade Finance from the same institute. He also has an MBA from Nottingham Trent University.



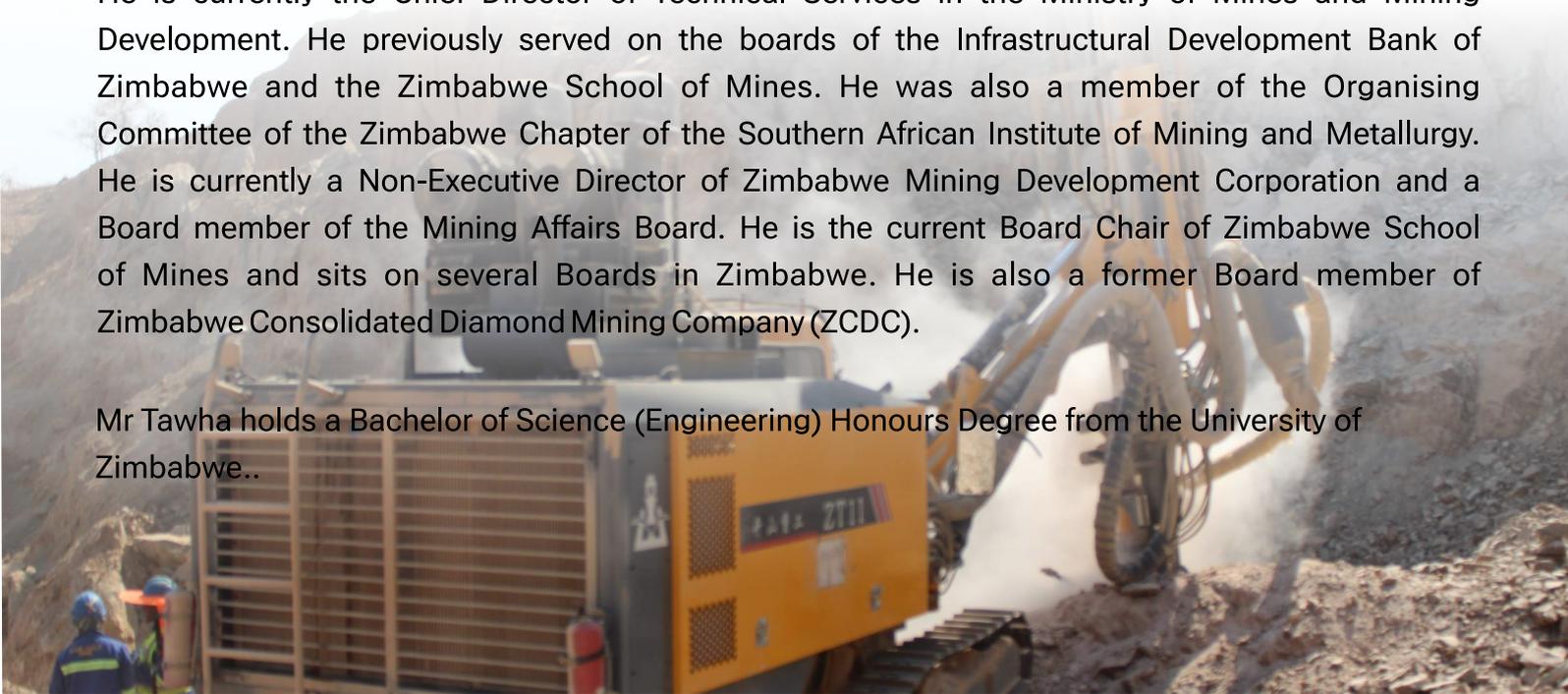
CHARLES TAWHA

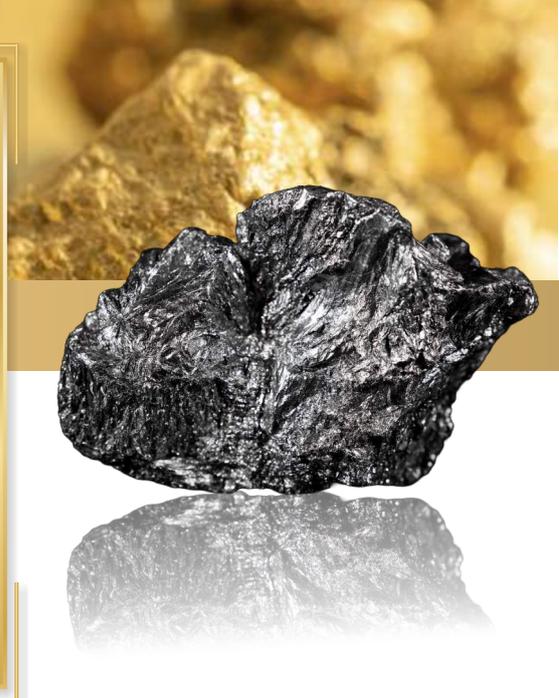
Mr. Tawha is an Engineer who has served in the Government, where he held the position of Mining Engineer from 1 April 1990 and was appointed Senior Mining Engineer in April 1996. He was then appointed as a Regional Mining Engineer in December 2007 and, in 2010, was appointed Chief Government Mining Engineer.

Mr Tawha was previously responsible for regulating all mining operations. He served as the Acting Director of Mining Promotion and Development, where he, among other duties, coordinated minerals policy planning and development, as well as monitored the marketing processes for both exports and imports, and tracked the performance of mining parastatals and State Enterprises.

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

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 the Resource and Mining Division of Zimasco before his retirement in 2019.

Reason's career dates back to 1987 as Sabi Mine Manager. 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 through the consistent supply of the correct quantity and quality of ores in a timely manner.

Mr Mandimika became General Manager for Reserve and Resource from 2013 to February 2018 and General Manager for Resource and Mining Division 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) in Mining Engineering from Newcastle-upon-Tyne, UK (1980), a Management Development Programme from the University of South Africa, and an Advanced International Training Programme in Mining Technology from Lulea University



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 financial controller in 1986, a position she held until 1989. In 1991, she joined Climatec (Pvt) Ltd as General Manager and was subsequently appointed Business Operations Director from 2001 to 2004. She later joined Jerrox Investments (Pvt) Ltd as a Managing Consultant.

Mrs. Chella was the second Vice President of the Institute of Chartered Secretaries and Administrators Zimbabwe (ICSAZ) from 1997 to 1998 and then became the first Vice President from 1999 to 2000. She served as the representative of the Zimbabwe Institute of Chartered Secretaries and Administrators International from 2001 to 2005 and as Vice President of 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 at various workshops. She conducted several training seminars for many organizations. She was a member of the steering Committee of the 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 holds an 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



ESTHER EDITH MUFARO MARAVANYIKA

Ms. Esther E. M. Maravanyika began her career at Nestlé UK as a Product Development Assistant. She then left and worked for British Rail as a Catering Superintendent from 1982 to 1983, before joining the National Railways of Zimbabwe (NRZ) as a Management Trainee. She served in various capacities until she rose to the position of Passenger Services Manager, a post she held until 2007. In 2009, she became a Management Consultant for Tanzania Zambia Railways (TAZARA), a post she held until 2011. During her tenure with TAZARA, Ms. Maravanyika was instrumental in transforming the entity.

Ms. Maravanyika was appointed as a Board Member for the Zimbabwe Mining Development Corporation in December 2024 and brings a wealth of experience, having served as a non-executive Director for the Zimbabwe Mining Development Corporation (ZMDC) between 2012 and April 2018, where she chaired the Human Resources Committee. She also sits on various Boards, which include Minerals Marketing Corporation of Zimbabwe, Karo Platinum, and Zambia High Speed Rail. Ms. Esther E. M. Maravanyika is a holder of a B.Com - Marketing degree from City University, London.



GOLDEN AARON SHAMU

Golden Aaron Shamu started his career in 1998 as a Sales and Marketing Officer at H2O Zimbabwe, a franchise of H2O International. He rose through the ranks and became the Operations Director for H2O International to date. In March 2012, he moved to Germany for a postgraduate internship in Advanced Professional Training in Sustainability Management. In 2015, Golden took up the position of Consultant at Metbank Zimbabwe, a post he held till 2017 before joining National Organic Produce (NOP) as Managing Director, a position he still holds to date. He sits on various boards, which include Chairman for the Zimbabwe Free Range Poultry Association, Chairman for the Goromonzi Rural District Council, Board Member for Zinara, Board member for Zimbabwe Valuers Council, and was appointed as Board Member for Zimbabwe Mining Development Corporation in December 2024. Mr Shamu is the current President of the Zimbabwe Local Government Association, President of the Association of Rural District Councils of Zimbabwe, and is a Councillor of Ward 16, Goromonzi RDC.

Mr. Shamu holds a Bachelor of Business Administration (Marketing) and a Master of Business Administration (MBA). He also attained an Advanced African Leadership Development Program with Wits University in South Africa in 2018. He is currently finalising his Doctorate in Business Administration (DBA) from the University of Nottingham Trent, UK. He is also studying for a BSc in Public Management and Governance at Midlands State University, as well as a BSc in Urban and Regional Planning at the Great Zimbabwe University.

3.2 EXECUTIVE MANAGEMENT TEAM



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 leadership and 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 Gold Mine, Patchway Gold Mine, Empress Base Metal Refinery, and Cam Dump retreatment operations. He rose through the ranks in Rio Tinto from Plant Metallurgist at Cam Dump gold operations (1997 - 98), Smelter Superintendent (1999 - 2000), to Senior Metallurgist for Base Metal Refinery (2000 - 2002). He left Rio Tinto in May 2002 and joined Zimasco in June 2002 as East Plant Furnaces Manager. He performed exceptionally 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 18 MVA Submerged arc furnaces, a position he held for 8 years. He left Zimasco in 2018 and briefly worked as a 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 holds 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 rejoined Messrs Sinyoro and Partners, Labour and Commercial Law Attorneys, as a Professional Assistant in 2008. He later joined ZMDC in 2009 as a Legal Manager, before assuming the position of Acting Company Secretary & Legal Advisor 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 has been 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 working in senior management and leadership positions that require a high level of organisational skills and time management.

Tinashe Chiparo holds a Bachelor of Laws Honours Degree (LLB) 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.





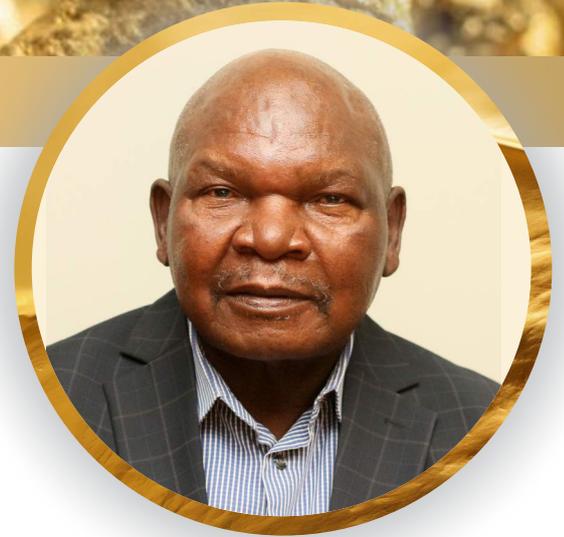
FINANCE MANAGER - JONATHAN MAIWASHA

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 an 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).



4.1 BOARD CHAIRMAN'S STATEMENT



**BOARD CHAIRMAN -
PETER RINDAI CHIMBOZA**

4.1 Overview

It is with great pleasure that I present to you, our valued stakeholders, the Corporation's audited financial statements for the year ended 31 December 2024, on behalf of the Mining Development Board of Directors.

The economic environment in 2024 improved significantly compared to the previous year. Consequently, this enabled the mining sector to solidify its position as the most crucial industry, accounting for approximately 12% of GDP and nearly 70% of export earnings as reported by the Reserve Bank of Zimbabwe. The 2024 financial year also began on a positive note following the lifting of sanctions on ZMDC in March 2024, which ushered in significant opportunities for investments, trade, and partnerships with the international community. The renewed interest from investors and financial institutions has heightened our expectations for growing the Corporation's balance sheet by resuscitating non-operating mines and developing greenfield projects. This historic change should see a sustainable change in the fortunes of ZMDC. The Corporation continued to contribute to the national fiscus and economy through foreign currency generation and the payment of royalties, while creating employment

4.2 Operations Overview

The Corporation had three production units during the year under review, and these were Sabi Gold Mine, Mhangura, and Alaska Copper dump processing plants. Sabi Mine performed exceptionally well during the period under review, producing **457.5 kg** against a budget of **360 kg**. Mhangura processing plant produced 1,074 tonnes of copper concentrates at 25% Copper against a budget of **1,724 tonnes**. Mhangura production was affected by the relocation and upgrade of the transformer during the first quarter. At Alaska, a **300-tonne**-per-day concentrator plant was commissioned in May 2024, and the plant produced **995 tonnes**, falling short of the budgeted **1,050 tonnes**. Zimbabwe Germany Graphite Mine was on care and maintenance during the year under review. Sanyati Mine exploration, which commenced towards the end of 2023, is progressing well, and the results are encouraging



4.3 Financial highlights

The Corporation's financial statements are presented in Zimbabwe Gold (ZWG). The operating profit for the year ending 2024 was **ZWG 10,960,995** compared to the prior year's operating profit of **ZWG 2,956,881,180**. The profit before tax for the year was **ZWG 9,516,590** compared to a profit of ZWG 24,118,464 recorded in 2023.

4.4 Outlook

The Corporation's performance was better in 2024. The company achieved an operating profit in 2024, and this performance is expected to improve in 2025 due to several projects the Corporation is undertaking. These include resuscitation of Golden Kopje Mine, starting with dump retreatment followed by mining and processing of the oxide cap in November 2025, eluvial chrome ore concentrate production in Ngezi, and the Sanyati Copper exploration project. This should enable the Corporation to sustain and improve its profitability in the coming years, despite losing some of its flagship assets. The strategy is being spurred by an improvement in gold prices due to geopolitical tensions and risks associated with the Russia-Ukraine conflict, as well as the clean energy transition, particularly in copper assets. The Corporation is well-positioned to grow its balance sheet by creating new business through exploration and acquisition of new ground while implementing initiatives that improve safety, productivity, and financial performance to create value for the benefit of our stakeholders

4.5 Appreciation

I would like to appreciate the Mining Development Board, management, employees, partners, suppliers, and other key stakeholders for their untiring support towards our shared values and mining business vision. My appreciation and gratitude further go to the Government of Zimbabwe and the Ministry of Mines and Mining Development for their valued guidance and support.

A handwritten signature in black ink, appearing to read 'Peter Chimboza'.

Peter Chimboza
BOARD CHAIRMAN



5.0 GENERAL MANAGER'S REPORT



GENERAL MANAGER
BLESSED CHITAMBIRA

5.1 Operating Environment

The economic environment in 2024 continued to improve compared to the previous year. In 2024, the mining sector solidified its position as the most crucial industry, accounting for approximately 12% of GDP and nearly 70% of export earnings, according to the Reserve Bank of Zimbabwe. On the other hand, the economy declined its Gross Domestic Product (GDP) growth from 5.5% in 2023 to 2% in 2024, mainly due to El Niño in the agriculture sector and reduced international mineral prices. Monetary stability was achieved during the second half of the year, despite the initial inflationary and exchange rate fluctuations caused by the expansionary monetary policy. Year-on-Year (YoY) inflation closed at 3.7% in December 2024, a significant decrease from 26.5% recorded in the previous year. The decline in inflation was largely attributed to the stability in the monetary conditions, which dampened inflationary pressures. The mining sector growth slowed down to 2.2% in 2024 from 4.8% in 2023 as weakening commodity prices continued to hurt the capital-intensive sector. 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. In 2024, adherence to Environmental and Social Governance standards also became a defining feature of Zimbabwe's mining sector.

5.2 Operations Overview

ZMDC had three operating business units during the year under review: Sabi Mine, Alaska Dump, and Mhangura Dump, which were processed under Joint Venture and contract mining arrangements.

5.2.1 Sabi Mine

Sabi Gold Mine produced **457.5 kg** in 2024 against a budget of **360 kg**. This was a significant increase from the 2023 production of **322 kg**. The increase was due to reduced ZESA load shedding and installation of the second ball mill, which increased mill throughput as a result of improved ore supply from the open pit operation. A total of **333,878 tonnes** were milled against a budget of **313,287 tonnes** at a grade of **1.52g/t** against a budget of **1.63g/t**. The throughput increased significantly at **333,878 tonnes** compared to **255,268 tonnes** in 2023, resulting in increased gold production. Gold recovery was better than the budget at **91%** against a budget of **88%**. Mine development continued to improve, and the mine closed with underground combined reserves of **65,025 tonnes** at a grade of **3.86 g/t**, mineral reserves of **421,850 tonnes** at a grade of **2.76g/t**, and geological reserves of **1,794,656 tonnes** at a grade of **2.99 g/t**.

5.2.2 Mhangura Dump Processing

The plant produced 1,074 tonnes of copper concentrates at 25% Cu against a budget of 1,724 tonnes during the year under review. The plant milled 181,523 tonnes against a budget of 246,000 tonnes. Mill throughput was affected by the relocation and upgrade of the transformer during the first quarter. This was further worsened by the installation of an auto-recloser in the Mhangura substation.

5.2.3 Alaska Dump Processing

A 300-tonne-per-day concentrator plant was commissioned in May 2024 during the year under review and produced a total of 995 tonnes, against a plan of 1,050 tonnes, at a grade of 25% copper.

5.2.4 Joint Ventures/Subsidiaries

Lynx Mine

The mine was under care and maintenance during this period under review, and the Corporation is looking for funding to resuscitate the mine or a suitable partner through equity participation. An identified partner pulled out in 2025 and did not provide reasons for pulling out. A business plan has already been drawn up, and this will be used to solicit investors and funding.

Tswane Private Limited and Mbungu Resources

A joint venture between ZMDC (15%) and Tumagole (85%) for the development of the CBM project in Gwayi. During the period under review, renewal of the special grant was submitted to the Mining Affairs Board (MAB). The renewal process took long, and as a result, the plan to drill test holes could not materialise. This exercise is now expected to be carried out in the 2025 financial year. However, on Mbungu resources, the special grant is still pending, and this is hampering the development of the project to move to the next stage of drilling.

Zimgold Fields

The joint venture was operating on the Mutare river in 2023 and the first quarter of 2024. Operations were then affected by the ban on riverbed mining. Therefore, there are no mining activities taking place. The Joint venture declared a dividend of **US\$4,000,000.00**, of which **US\$1,200,000.00** was paid to ZMDC. ZMDC holds a 30% shareholding in the joint ventures with Midlands Goldfields (70%).

Lutope Mine

Lutope mine is under exploration and is a joint venture between Cession mining (70%) and ZMDC (30%). Exploration drilling of 10 holes has been done to date, including trenching, sampling, and analysis. Analysis has revealed that the mine can be reopened as a tin mine, pending further drilling for the lithium ore body. A feasibility study on tin processing is in progress, and the project is expected to commence production in 2026.

Afrisino Mining Resources (Pvt) Ltd (Kanyemba)

Mobilisation of financial resources to conduct further drilling on the Kanyemba tenements is progressing well following the renewal of the special grant, and drilling is expected to begin in the fourth quarter of 2025. There are seven anomalies in the Kanyemba tenements, and to date, three have been drilled with an estimated resource of **4,500 tonnes** of Uranium oxide and **3700 tonnes** of Vanadium oxide. The target is to access a resource of **10,000 tonnes** of Uranium oxide to establish a mine on the remaining anomalies before progressing to pre-feasibility in the next two years. ZMDC holds 30% shareholding, while the other 70% is equally shared by CNNC Overseas Uranium Holding Ltd & New On Investment

5.2.5 HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY

The Corporation has a total staff complement of 897 employees: Head Office and Mhangura (124), Sabi Gold mine (625), Golden Kopje (61), and Lynx Mine (87).

There was no labour movement from managers and senior management. Industrial relations were calm. The major issue under human resources continues to be Lynx Mine, which has been under care and maintenance since 2017. As a result, Lynx Mine owes its employees US\$675,766.00.

The Corporation and its joint venture partners continue to participate in Corporate Social Responsibility (CSR) initiatives by providing medical supplies and facilities, as well as clean water and industrial attachments to students from the School of Mines and Universities.

5.3 FINANCIAL PERFORMANCE OVERVIEW

5.3.1 Financial highlights

The Corporation's financial statements are presented in Zimbabwe Gold (ZWG). The operating profit for the year was **ZWG 10,960,995** compared to the prior year's operating profit of **ZWG 2,956,881,180**. The profit before tax for the year was **ZWG 9,516,590** compared to a profit of **ZWG 24,118,464** recorded in 2023. The project to move to the next stage of drilling.

5.3.2 Revenue

Total revenue earnings stood at **ZWG 78,175,486** as at 31 December 2024, down from **ZWG 3,020,658,900** recorded in 2023

5.3.3 Expenditure

The Group incurred operating and administration expenditures of **ZWG 67,214,491** as at 31 December 2024, down from **ZWG 63,777,720** incurred in 2023.

5.3.4 Statement of Profit or Loss

The Group had a profit after tax of **ZWG 324,729** as at 31 December 2024, compared to a profit of **ZWG 21,875,397** in 2023.

5.3.5 Statement of Financial Position

The Group's financial position was **ZWG 696,672,434** as at December 2024, compared to the 2023 figure of **ZWG 349,411,912**. The increase was due to improved performance, revaluation of assets, and the establishment of Makaha and Mukaradzi Gold Service Centres in the period under review.

5.3.6 Statement of Cash Flow

The Group's cash inflow from operating activities, after changes in operating working capital, was **ZWG 5,282,162** as of 2024, compared to a 2023 outflow figure of **ZWG 9,874,304**.

Cash flow from investing activities generated a net outflow of **ZWG 6,616,541** during the period under review.

Cash outflow from financing activities was **ZWG 34,747,279** for the year under review.

In the financial period under review, the Group's cash and cash equivalents were **ZWG 40,538,575; (2023; ZWG 7,125,675)**.



The Group managed to remit Royalties amounting to **ZWG 29,895,702.91** to ZIMRA during the period under review.

5.4 OUTLOOK

• Gold

The mining industry is envisaged to grow by more than 7%, sustained by strong performance from the gold sector production. The average gold price is expected to exceed US\$3,000 per ounce in 2025. It is expected to remain high throughout the current and subsequent years due to safe-haven demand, geopolitical tensions, and central banks' policy of buying gold. Production from Sabi is expected to reach **470 kg** per annum by 2025, thanks to the ball mill and stable underground development. In addition, the Corporation is reopening the Golden Kopje Mine in 2025, starting with dump retreatment to produce **60 kg** per annum, and thereafter **132 kg** per annum, commencing in November 2025.

• Copper

The price of copper remains high and stable due to the energy transition. The Corporation is developing the Sanyati Copper Mine in collaboration with its partner, Afro-Chine. Drilling commenced in the 4th quarter of 2024 and will continue in 2025. Exploration results are encouraging, with grades ranging from 0.5% to 8.83% Copper and an indicative resource in excess of 8 million tonnes. With the current price of copper, the project will be one of the flagship projects for the Corporation to look to in the future.



The gold projects (Sabi Mine & Golden Kopje), Lynx Mine, and Sanyati Copper mine will spur ZMDC's revenue while creating employment and contributing to the fiscus. The Corporation managed to post a profit in the year under review, which was adversely affected by Lynx mine salary arrears from previous years of US\$675,766, which was then lumped in the year under review.





5.5 APPRECIATION

I would like to express my appreciation to the Mining Development Board, my colleagues in management, and the entire workforce for their continued trust and unwavering support throughout the year. My appreciation also extends to the Ministry of Mines and Mining Development and all stakeholders in the Government for their guidance and support in our mission to unearth the future and create value for all our stakeholders.

A handwritten signature in black ink, appearing to be 'B. Chitambira', written over a horizontal dashed line.

B. CHITAMBIRA
GENERAL MANAGER



6.0 COMPLIANCE AND CORPORATE GOVERNANCE STATEMENTS

6.1 COMPLIANCE STATEMENT

The Corporation has made significant progress in aligning its operations with statutory and governance expectations. The Corporation is aware that a strong compliance culture is pivotal in fostering stakeholder trust and confidence while delivering business success and remains committed to continuous improvement, transparency, and regulatory integrity. The culture is embedded in the Board, Management, and the entire workforce, the ultimate goal being the Corporate governance framework that identifies risks, monitors, and proactively addresses them while fostering servant and ethical leadership. As a result;

- a) All Board and committee meetings were convened as scheduled, with full quorum and statutory documentation. The Risk Committee is now a stand-alone committee in compliance with the Public Entities and Corporate Governance Act.
- b) Directors' declarations of interest, if any, were updated and recorded in accordance with Section 16 of the Public Entities Corporate Governance Act.
- c) Board resolutions were drafted and approved with full legal enforceability and regulatory alignment.
- d) The table below summarises the key areas related to statutory and regulatory compliance.

ZMDC operated in compliance with the following core statutes and regulatory frameworks.

Legislation / Regulation	Compliance Status	Notes
Mines and Minerals Act [Chapter 21:05]	Partial Compliance	Most mining titles inspection fees are lagging behind
Public Entities Corporate Governance Act [Chapter 10:31]	Compliant	Board charters and declarations are updated and filed with the Minister of Mines and the Corporate Governance Unit. AGM convened in line with statutory timelines
Environmental Management Act [Chapter 20:27]	Compliant	All operations obtained EIA
Income Tax Act [Chapter 23:06] Public Finance Management Act	Compliant	All returns submitted within statutory periods
Labour Act [Chapter 28:01]	Partial Compliance	Outstanding Lynx labour disputes

6.2 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 provides direction to the Corporation by setting the overall strategy and approving the 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 per quarter of the year, to monitor and evaluate progress in achieving ZMDC's strategic objectives, implement its strategy, and assess the 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: -

6.2.1 Board Committees and Compositions

Technical Committee

1 January 2024 to 31 December 2024

- Reason Mandimika Chairman
- Charles Tawha Member

The primary 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 also receives regular updates from management on mining, processing, projects, and construction activities at the Corporation's mineral properties, and evaluates operational performance against budget.



6.2 CORPORATE GOVERNANCE STATEMENT

Finance and Investment Committee

1 January 2024 to 31 December 2024

- Wellington Pasipamire Chairman
- Slava Chellah Member

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

Human Resources Committee

1 January 2024 to 31 December 2024

- Slava Chellah Chairperson
- Reason Mandimika Member

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

Audit, Legal & Risk Committee

1 January 2024 to 31 December 2024

- 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 practices. It is responsible for receiving and reviewing audited financial statements before submitting them to the Board of Directors. 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.

6.3. 2024 BOARD MEETINGS SCHEDULE

6.3.1 MAIN BOARD MEETINGS

DATE OF MEETING	P. Chimboza	W. Pasipamire	S.G Chella	R. Mandimika	C. Tahwa	A. Shamu	E. Maravanyika
28/05/2024	✓	✓	✓	✓	✓	With effect from December 2024	With effect from December 2024
22/08/2024	✓	✓	✓	✓	✓
21/11/2024	✓	✓	✗	✓	✓
14/03/2025	✓	✓	✗	✓	✓	✓	✓

6.3.2 BOARD COMMITTEES' MEETINGS

TECHNICAL COMMITTEE

DATE OF MEETING	R. Mandimika	C. Tahwa
02/05/2024	✓	✓
02/05/2024	✓	✓
02/05/2024	✓	✓
02/05/2024	✓	✓



FINANCE AND INVESTMENT COMMITTEE

DATE OF MEETING	W.Pasipamire	S. G. Chella	R. Mandimika
08/05/2024	✓	✓	Appointed Interim member w.e.f 30/10/24
26/07/2024	✓	✓	
30/10/2024	✓	✗	✓
19/02/2025	✓	✗	✓

HUMAN RESOURCES COMMITTEE

DATE OF MEETING	S. G. Chella	R. Mandimika	C.Tawha
02/05/2024	✓	✓	Appointed Interim member w.e.f 30/10/24
25/07/2024	✓	✓	
30/10/2024	✓	✗	✓
19/02/2025	✓	✗	✓

HUMAN RESOURCES COMMITTEE

DATE OF MEETING	R. Mandimika	C.Tawha
02/05/2024	✓	✓
25/07/2024	✓	✓
31/10/2024	✓	✓
20/02/2025	✓	✓





FINANCIAL
ZIMBABWE MINING DE
AUDITED CONSOLIDA
FINANCIAL STATEME
31 DECEMBER 2024

A stack of three gold-colored folders or binders is positioned on the left side of the page. The folders are slightly offset, showing their edges and the gold-colored metal rings. The background is a solid, textured gold color. The text is overlaid in the center-right area.

STATEMENTS

DEVELOPMENT CORPORATION

ATED INFLATION ADJUSTED

ENTS FOR THE YEAR ENDING

ZMDC



**ZIMBABWE MINING
DEVELOPMENT CORPORATION**



“Unearthing the future”

Ralph Bomment.

Greenacre & Reynolds

**ZIMBABWE MINING DEVELOPMENT CORPORATION
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**



Ralph Bomment.

Greenacre & Reynolds

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ZIMBABWE MINING DEVELOPMENT CORPORATION

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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ZIMBABWE MINING DEVELOPMENT CORPORATION

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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)
Chella S.G	(Non-Executive Director)
Mandimika R	(Non-Executive Director)
Tawha C	(Non-Executive Director)
Chitambira B	(General Manager)

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 AUDITORS

Ralph Bomment Greenacre and Reynolds
A Correspondent Firm of RSM International
143 Chiremba Road
Queensdale
Harare
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ZIMBABWE MINING DEVELOPMENT CORPORATION

CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



RESPONSIBILITIES OF DIRECTORS AND APPROVAL OF THE CONSOLIDATED 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 consolidated financial statements and related information. Zimbabwe Mining Development Corporation’s independent external auditors, Ralph Bommert Greenacre and Reynolds, have audited the consolidated financial statements and their report appears on pages 4 to 6 of these financial statements. The consolidated financial statements for the year ended 31 December 2024 presented from pages 7 to 44 have been prepared using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities (“COBE”) Act (Chapter 24:31).

The 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 financial statements.

The Financial Statements set out on pages 7 to 38, which have been prepared on the going concern basis, were approved by the directors on ___/___/2025 and were signed on their behalf by:

P Chimboza
Board Chairperson

B Chitambira
General Manager

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

J Maiwasha
Finance Manager

___/___/2025

TO THE SHAREHOLDERS OF ZIMBABWE MINING DEVELOPMENT CORPORATION

Opinion

We have audited the financial statements of Zimbabwe Mining Development Corporation as set out on pages 7 to 37, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity for the year and the notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2024, 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 Opinion

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 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 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 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with 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.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

- 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 fulfilment 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 opinion of our report, the Consolidated Financial Statements of the Company are properly drawn up in accordance with the Act and therefore give a true and fair view of the state of the Company's affairs as at 31 December 2024.

Section 193(2)

We have no further matters to report in respect of the Section 193(2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Tapiwa K. Muza FCCA (UK); Public Accountants and Auditors Board registration number 0646



Tapiwa K. Muza
Registered Public Auditor (Zimbabwe)
Practising Certificate Number PAAB 0646

Ralph Bomment, Greenacre and Reynolds
Registered Public Auditors (Zimbabwe)
Harare

_____/_____/2025

**ZIMBABWE MINING DEVELOPMENT CORPORATION
CONSOLIDATED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2024 ZWG	2023 ZWG
Revenue	5	40 714 214	2 158 706 768
Other income	6	37 461 272	861 952 132
Administration expenses		<u>(67 214 491)</u>	<u>(63 777 720)</u>
Profit/(loss) from operations	7	10 960 995	2 956 881 180
Finance costs	8	(1 444 405)	(548 461)
Judicial management Costs		-	(2 932 214 255)
(Loss)/profit before tax		9 516 590	24 118 464
Taxation	9	<u>(9 191 861)</u>	<u>(2 243 067)</u>
(Loss)/profit for the year		<u>324 729</u>	<u>21 875 397</u>
Other comprehensive income:			
Remeasurement of the defined benefit plan	20	-	(806 928)
Share of Joint Venture Profits		243 005 768	1 367 362
Revaluation surplus on property plant and equipment		<u>29 717 320</u>	<u>-</u>
Other comprehensive income		<u>272 723 088</u>	<u>560 434</u>
Total comprehensive (loss)/income for the year		<u>273 047 817</u>	<u>22 435 831</u>

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



STATEMENT OF FINANCIAL POSITION

	Notes	2024 ZWG	2023 ZWG
ASSETS			
Non-current assets			
Property, plant and equipment	10	235 372 306	199 038 445
Intangible assets	11	119 963	127 703
Investment in subsidiaries	12	358 429 447	90 220 399
		<u>593 921 716</u>	<u>289 386 547</u>
Current assets			
Inventories	13	330 556	217 842
Trade and other receivables	14	20 661 870	12 762 260
Related party receivables	16.2	41 219 717	39 919 588
Cash and cash equivalents	17	40 538 575	7 125 675
		<u>102 750 718</u>	<u>60 025 365</u>
Total assets		<u><u>696 672 434</u></u>	<u><u>349 411 912</u></u>
EQUITY AND LIABILITIES			
Share capital	18	-	-
Revaluation Reserve		220 212 513	190 495 193
Non-distributable reserve		754 270	754 270
Translation reserve		(20 723 985 980)	(20 751 414 331)
Accumulated Profit		21 020 363 128	20 777 032 631
		<u>517 343 931</u>	<u>216 867 763</u>
Non-current liabilities			
BancABC Loan	23	37 109 130	3 064 346
Deferred tax	19	82 920 631	86 575 190
Post employment benefit liability	20	12 745 697	12 745 697
Provisions for legal claims	24	16 422 079	-
Provision for mine rehabilitation		1 574	1 574
		<u>149 199 111</u>	<u>102 386 807</u>
Current liabilities			
Short-term loans	21	3 077 024	930 124
Trade and other payables	22	12 253 722	24 468 390
Related party payables	16.3	11 676 508	3 144 647
Current income tax payable		3 122 139	1 614 181
		<u>30 129 392</u>	<u>30 157 342</u>
Total equity and liabilities		<u><u>696 672 434</u></u>	<u><u>349 411 912</u></u>

.....
Chimboza P.
 Chairman

.....
Chitambira. B
 General Manager

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN EQUITY

	Non- distributable reserve ZWG	Translation Reserve ZWG	Revaluation reserve ZWG	Accumulated Profit ZWG	Total ZWG
Balance as at 1 January 2023	754 270	-	191 302 121	20 753 789 872	20 945 846 263
Movement for the year	-	(20 751 414 331)	(806 928)	1 367 362	(20 750 853 897)
Total comprehensive profit for the year	-	-	-	21 875 397	21 875 397
Balance as at 31 December 2023	<u>754 270</u>	<u>(20 751 414 331)</u>	<u>190 495 193</u>	<u>20 777 032 631</u>	<u>216 867 763</u>
Balance as at 1 January 2024	754 270	(20 751 414 331)	190 495 193	20 777 032 631	216 867 763
Movement for the year	-	27 428 351	29 717 320	243 005 768	300 151 439
Total comprehensive profit for the year	-	-	-	324 729	324 729
Balance as at 31 December 2024	<u>754 270</u>	<u>(20 723 985 980)</u>	<u>220 212 513</u>	<u>21 020 363 128</u>	<u>517 343 931</u>

**ZIMBABWE MINING DEVELOPMENT CORPORATION
CONSOLIDATED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**



STATEMENT OF CASH FLOWS

		2024	2023
		ZWG	ZWG
Cash flows from operating activities			
(Loss)/profit before tax		9 516 590	24 118 464
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	10	-	3 319 464
Translation movements		265 236 367	(20 759 338)
Share of profit		(243 005 818)	(1 333 684)
Finance costs		1 444 405	541 938
Increase in provision for legal claims		(16 422 079)	-
Net cash generated from/(used in) operations		16 769 465	5 886 844
Net effect of changes in working capital	25	(11 487 303)	(15 761 148)
Net cash generated in operations		5 282 162	(9 874 304)
Net cash generated from/(utilised in) operating activities		5 282 162	(9 874 304)
Cash flows from investing activities			
Increase in investment in subsidiaries		-	-
Purchase of property, plant and equipment	10	(6 616 541)	-
Net cash utilised in investing activities		(6 616 541)	-
Cash flows from financing activities			
Increase in borrowings		36 191 684	17 264 210
Finance cost		(1 444 405)	(541 938)
Net cash generated from financing activities		34 747 279	16 722 272
Net change in cash and cash equivalents		33 412 900	6 847 968
Cash and cash equivalents at beginning of the year		7 125 675	277 707
Cash and cash equivalents at end of the year	17	40 538 575	7 125 675

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

1. Nature of business

ZMDC is a corporation established by an Act of Parliament number 31 of 1982 to explore, mine and process minerals. It is 100% owned by the Government of Zimbabwe under the Ministry of Mines and Mining development. Its registered office is 6 Constantia Avenue, Strathaven, Harare

1.1 Summary of significant accounting policies

The principal accounting policies set out below have been consistently followed in all material respects and comply with International Financial Reporting Standards.

1.2 Change in functional currency

Over the past few years, there have been notable changes in monetary policy and exchange control measures that have had an impact on the Company's operations. In March 2020, SI 185 of 2020 "Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations was pronounced introducing dual pricing and displaying, quoting, and offering of prices for goods and services in both local and foreign currency. In June 2022, SI 118A of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was entrenched into law allowing the multicurrency regime to continue till December 2025. In addition, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, providing the much-needed policy clarity on the continuation of the multi-currency regime.

As a result of the above monetary and fiscal measures, the economy witnessed a substantial increase in foreign currency transactions. The Company, in line with market developments also experienced an increase in foreign currency transactional activity. Considering the foregoing, the Directors assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar as the functional currency remained appropriate. In assessing the functional currency, the Directors considered parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services.
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services;
- The currency that mainly influences labour, material, and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

Based on the assessment above, the Directors concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWL\$) to United States Dollars ("US\$") with effect from 1 January 2024. Following the change in functional currency, the Company applied the translation procedures applicable to the new functional currency prospectively in compliance with International Accounting Standard 29, Financial Reporting in Hyperinflation economies and International Accounting Standard 21, Effects of Changes in Foreign Exchange Rates, whereby 31 December 2023 inflation adjusted figures were translated to US\$ using the prevailing official exchange rate. The resultant balances were adopted as the opening US\$ balances for the current year.

Presentation currency

The Company's financial statements are presented in Zimbabwe Gold (ZWG), and all values are rounded to the nearest ZWG except when otherwise indicated. The Company applied the procedures below to translate the results and financial position in its functional currency to the presentation currency:

- a) assets and liabilities for each statement of financial position were translated at the closing rate as at 31 December 2024;
- b) income and expenses for each statement presenting profit or loss and other comprehensive income were translated using the monthly average exchange rates; and
- c) all resulting exchange differences were recognised in other comprehensive income.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

1.3 Basis of preparation

The financial results of the Corporation have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs). The Corporation partially complied with the International Financial Reporting Standards due to the requirement to comply with Statutory Instrument 33 of 2019. The financial statements are based on statutory records that are maintained under the historical cost convention as modified by the revaluation of property, plant and equipment and investment property.

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.

Estimates and underlying assumptions are reviewed on a non-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described below:

1.4 Statement of compliance

The financial results of the Corporation have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs). The Corporation partially complied with the International Financial Reporting Standards due to the requirement to comply with Statutory Instrument 33 of 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Summary of accounting policies

These financial statements have been prepared using the significant accounting policies and measurements bases summarised below:

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of stands 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. Revenue is recognised as follows:

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

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or overtime, when (oras) the Corporation satisfies performance obligations by transferring the promised goods or services to its customers.

The Corporation recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Corporation satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

2.2.1 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.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2.2 Management and resource depletion fees

Management and resource depletion fees are recognised when the respective subsidiaries realize revenue for sale transactions concluded.

2.2.3 Revenue from chrome sales

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

2.2.4 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

2.2.5 Interest income

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

2.2.6 Rental income

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

2.3 Taxation

Income tax on the accounting profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement.

2.3.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantially enacted at the statement of financial position date and any adjustments to tax payable in respect of previous years.

2.3.2 Deferred taxation

Deferred income tax is provided for, using the balance sheet approach, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax asset or liability.

Under this method the Corporation is required to make provision for deferred income taxes on the revaluation of certain non-currentand, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Provision for taxes, mainly with holding taxes, which could arise on remittance of retained earnings, principally to subsidiaries, is only made where there is a current intention to remit such earnings.

The principal temporary differences arise from depreciation on property and equipment, revaluations of certain non-current assets, provisions for pensions and other post retirement benefits and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be made against which the unused tax losses can be utilised.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.4 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 for property. All other property and equipment is stated at historical cost or valuation less accumulated depreciation.

2.4.1 Depreciation

The depreciation rate are as follows:

Asset	Rate
Buildings	40 years
Plant and machinery	10 years
Furniture and fittings	10 years
Computer and other equipment	2 years
Motor vehicles	5 years
Kitchen equipment	2 years
Infrastructure and lab equipment	2 years

2.4.2 Impairment

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.

2.4.3 Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognized up on 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.

2.4.4 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(SAPsoftwaresystem)which is a mortised over the period in which benefits are expected to be obtained but not exceeding 10 years.

2.4.5 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.

2.5 FINANCIAL INSTRUMENTS

2.5.1 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-termprofttaking. 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.

ZIMBABWE MINING DEVELOPMENT CORPORATION

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

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2.5.2 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 an 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 a mortgaged cost less impairment losses. A mortgaged 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 a mortgaged based on the effective interest rate of the instrument.

2.5.3 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 cashflow techniques are used, estimated future cashflows 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.

2.5.4 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 is 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.

2.5.5 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.

2.5.6 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.

2.5.7 Repurchase agreements

The Corporation enters into purchases (sales) of the investments under agreements to resell (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.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2.5.8 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.

2.5.9 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 counter parties are banks with high credit-ratings. The Corporation has no significant concentration of credit risk, with exposure spread over a large number of counter parties.

2.5.10 Fair value measurement hierarchy

IFRS7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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.

2.6 Related parties

- 2.6.1 The party has the ability, directly or indirectly through one or more intermediaries, to control the Corporation or exercise significant influence over the Corporation or exercise significant influence over the Corporation in making financial and operating policy decisions, or has joint control over the Corporation;
- 2.6.2 The Corporation and the party are subject to common control;
- 2.6.3 The party is an associate of the Corporation or a joint venture in which the Corporation is a venturer;
- 2.6.4 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;
- 2.6.5 The party is a close family member of a party referred to in 2.1.1 or is an entity under the control, joint control or significant influence of such individuals; or
- 2.6.7 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.
- 2.6.8 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.

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3 EMPLOYEE BENEFITS

3.1 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 three per cent of pensionable emoluments.

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

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.

Post-employment benefits

3.1.1 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.

3.1.2 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:

- The fair value of plan assets at the reporting date; less
- 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
- Unrecognised past service costs; less
- 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:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- 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.

3.1.3 Defined benefit plan

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.

3.2 Joint ventures

Investments in equity accounted joint ventures are measured initially at cost and subsequently at cost less impairment losses.

3.3 Subsidiaries

Investments in subsidiaries are measured initially at cost and subsequently at cost less impairment losses.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3.4 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.

3.4.1 Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.4.2 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions

The Corporation makes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

3.4.3 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 unfavourable or decrease the income and deferred tax liability if favourable.

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

Amendments to IAS 1: Non-Current Liabilities with Covenants (effective 1 January 2024)

The amendments address the classification of liabilities as current or non-current, and specifically address non-current liabilities with covenants. These changes aim to improve the information provided to users about an entity's ability to settle liabilities. IAS 1 requires an entity to classify debt as current if it is unable to avoid settling the debt within 12 months after the reporting date.

The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS1)' state that at the reporting date, the entity does not consider covenants that will need to be complied within the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements

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NOTES TO THE FINANCIAL STATEMENTS

	Notes	2024 ZWG	2023 ZWG
5 REVENUE FROM OPERATIONS			
Copper sales		7 075 307	3 293 415
Management and resource depletion fees		11 953 583	2 155 413 353
Dividends receivable		21 685 324	-
		<u>40 714 214</u>	<u>2 158 706 768</u>
6 OTHER INCOME			
Rental revenue		2 069 250	1 117 254
Other		35 392 022	860 834 878
		<u>37 461 272</u>	<u>861 952 132</u>
6.1 Other			
Sundry revenue		35 377 041	701 699 374
Exchange gain		14 981	159 135 180
Gain from valuation		-	324
		<u>35 392 022</u>	<u>860 834 878</u>
7 PROFIT/ (LOSS) FROM OPERATIONS			
Profit/(loss) from operations for the year has been arrived at after charging the following:			
Audit fees		264 611	477 843
Depreciation on property, plant and equipment		-	317 504
Directors' remuneration	7.1	773 280	754 515
Employee benefit expense:	7.2	20 566 065	18 695 294
7.1 Directors' emoluments			
Fees		493 341	419 116
Other		279 939	335 399
		<u>773 280</u>	<u>754 515</u>
7.2 Employee benefit expense			
Contributions to Mining Industry Pension Fund		836 209	711 605
Contributions to National Social Security Authority		327 581	303 085
Salaries and allowances		19 402 275	17 680 604
		<u>20 566 065</u>	<u>18 695 294</u>
8 FINANCE COSTS			
Finance costs		<u>1 444 405</u>	<u>548 461</u>

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NOTES TO THE FINANCIAL STATEMENTS

	2024 ZWG	2023 ZWG
9 TAXATION		
9.1 Income tax		
Current tax	9 191 861	2 243 067
Deferred tax	(872 976)	(555 930)
	<u>8 318 885</u>	<u>1 687 137</u>
9.2 Tax reconciliation:		
(Loss)/profit before tax	<u>9 516 590</u>	<u>24 118 464</u>
Notional tax thereon at a rate of 24.72%	2 352 501	5 962 084
Tax effect of:		
Non deductible/taxable items	<u>6 839 360</u>	<u>(3 719 017)</u>
	<u>9 191 861</u>	<u>2 243 067</u>

ZIMBABWE MINING DEVELOPMENT CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

10 PROPERTY PLANT AND EQUIPMENT

	Land and Buildings ZWG	Plant and machinery ZWG	Motor vehicles ZWG	Fixtures and fittings ZWG	Computer equipment ZWG	Telephones ZWG	Office equipment ZWG	Surveillance ZWG	Mining equipment ZWG	Total ZWG
Year ended 31 December 2023										
Opening carrying amount	190 617 196	1 956 764	5 436 940	156 773	498 911	877	86 156	24 638	-	198 778 255
Additions	-	751 924	218 530	4 339	244 653	-	-	-	2 360 208	3 579 654
Depreciation charge	(1 270 885)	(72 726)	(1 558 075)	(11 455)	(205 769)	-	(557)	(8 359)	(191 638)	(3 319 464)
Closing carrying amount	189 346 311	2 635 962	4 097 395	149 657	537 795	877	85 599	16 279	2 168 570	199 038 445
As at 31 December 2023										
Gross carrying amount-cost	190 617 196	2 708 688	5 655 470	161 112	743 564	877	86 156	24 638	2 360 208	202 357 909
Accumulated depreciation	(1 270 885)	(72 726)	(1 558 075)	(11 455)	(205 769)	-	(557)	(8 359)	(191 638)	(3 319 464)
Carrying amount at the end of the year	189 346 311	2 635 962	4 097 395	149 657	537 795	877	85 599	16 279	2 168 570	199 038 445
Year ended 31 December 2024										
Opening carrying amount	189 346 311	2 635 962	4 097 395	149 657	537 795	877	85 599	16 279	2 168 570	199 038 445
Additions	-	512 100	5 450 449	-	653 992	-	-	-	-	6 616 541
Revaluation/Impairment	19 574 070	(173 881)	(874 672)	(16 356)	337 084	(438)	(16 253)	6 707	10 881 059	29 717 320
Depreciation charge	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	208 920 381	2 974 181	8 673 172	133 301	1 528 871	439	69 346	22 986	13 049 629	235 372 306
As at 31 December 2024										
Gross carrying amount-cost	208 920 381	2 974 181	8 673 172	133 301	1 528 871	439	69 346	22 986	13 049 629	235 372 306
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Carrying amount at the end of the year	208 920 381	2 974 181	8 673 172	133 301	1 528 871	439	69 346	22 986	13 049 629	235 372 306

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

	ZWG
11 Intangible assets	
Gross carrying amount	
Balance at 1 January 2023	127 703
Revaluation	<u>-</u>
Closing amount at 31 December 2023	<u>127 703</u>
Amortisation	
Carrying Amount as at 1 January 2023	127 703
Amortisation	<u>-</u>
Closing carrying amount at 31 December 2023	<u>127 703</u>
Gross carrying amount	
Balance at 1 January 2024	127 703
Opening balance adjust	-
Impairment	<u>(7 740)</u>
Closing amount at 31 December 2024	<u>119 963</u>
Amortisation	
Carrying Amount as at 1 January 2024	127 703
Impairment	(7 740)
Amortisation	<u>-</u>
Closing carrying amount at 31 December 2024	<u>119 963</u>

Intangible assets consist of the SAP Enterprise Resource Planning software . The intangible asset has a useful life of 10 years

and is amortised on a straight line basis. The software has been revalued.

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NOTES TO THE FINANCIAL STATEMENTS

	2024 ZWG	2023 ZWG
12 INVESTMENT IN SUBSIDIARIES		
Kimberworth Investments (Private) Limited	<u>358 429 447</u>	<u>90 220 399</u>
	<u>358 429 447</u>	<u>90 220 399</u>
13 INVENTORIES		
Mine store	-	361
Consumables	183 608	70 533
Diamonds	<u>146 948</u>	<u>146 948</u>
	<u>330 556</u>	<u>217 842</u>
14 TRADE AND OTHER RECEIVABLES		
Trade receivables, gross	19 279 200	12 661 259
Other	<u>1 397 195</u>	<u>115 526</u>
	20 676 395	12 776 785
Allowance for credit losses	<u>(14 525)</u>	<u>(14 525)</u>
	<u>20 661 870</u>	<u>12 762 260</u>

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

15 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
Global Platinum Resources (Private) Limited	Associate
Mining Promotion Corporation (Private) Limited	Associate
Zimbabwe German Graphite Mines (Private) Limited	Wholly owned subsidiary
Golden Kopje (Private) Limited	Associate
Kimberworth Investments (Private) Limited	Wholly owned subsidiary
Protea Court (Private) Limited	Wholly owned subsidiary
Jena Mines (Private) Limited	Associate
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.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The following represent transactions with related parties during the year:

16.1 Transactions with related parties

The following represent transactions with related parties during the year:

Related party

Golden Kopje (Private) Limited
Jena Mines (Private) Limited
Kimberworth Investments (Private) Limited
Kusena Diamonds (Private) Limited
Marange Resources (Private) Limited
Mining Promotion Corporation (Private) Limited
Protea Court (Private) Limited
Zimbabwe German Graphite Mines

Nature of transactions

Management fees
Management fees
Management fees
Management fees and financing
Management fees and special depleti
Financing
Rentals
Financing

16.2 Related party receivables

Marange Resources (Private) Limited
Mbada Diamonds (Private) Limited
Jena Mines (Private) Limited
Kusena Diamonds (Private) Limited
Oldstone (Private) Limited
Anjin Investments (Private) Limited
Mining Promotion Corporation (Private) Limited
Golden Kopje (Private) Limited
Moral Capital
Zhijiu Mining
Zimasco
BIT Minerals

2024
ZWG

2023
ZWG

Sub-total

10 396 245

15 476 810

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16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

16.2 Related party receivables (continued)

	2024	2023
	ZWG	ZWG
Subtotal brought forward	10 396 245	15 476 810
Anmack (Private) Limited	25 365 394	17 572 792
Bubi	1 070 214	58 802
Milling Centres	13 550 124	7 952 967
Glassfinish (Private) Limited	-	169 040
	50 381 977	41 230 410
Allowance for credit losses	<u>(9 162 260)</u>	<u>(1 310 822)</u>
	<u>41 219 717</u>	<u>39 919 588</u>

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.

The movement in the allowance for credit losses can be reconciled as follows:

Balance 1 January	1 310 822	3 535 105
(Decrease)/increase in allowance for credit losses	<u>7 851 438</u>	<u>(2 224 283)</u>
Balance 31 December	<u>9 162 260</u>	<u>1 310 822</u>

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16 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	2024 ZWG	2023 ZWG
16.3		
Related party payables		
Golden Kopje	-	6 365
Grand Sanyuan	2 554 935	2 555 015
Niagara Mining	386 978	386 978
Judicial manager	8 613 294	-
Hezel Becky	1 074	565
Steel Bran	86	45
Landela Investments	1 146	603
Protea Court	118 234	194 676
ZCDC	761	400
	<u>11 676 508</u>	<u>3 144 647</u>

16.4 Transactions with key management

Key management are employees who have authority, are responsible for planning, directing and controlling the activities of the Corporation. Key management personnel's remuneration includes the following expenses:

Short-term employee benefits:

Salaries	4 952 928	4 115 517
Other short-term benefits	-	-
	<u>4 952 928</u>	<u>4 115 517</u>

17 CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash on hand	28 368 133	3 284 123
Cash at bank	12 170 442	3 841 552
	<u>40 538 575</u>	<u>7 125 675</u>

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	2024	2023
	ZWG	ZWG
18		
SHARE CAPITAL		
Authorised share capital		
180 000 000 ordinary shares of ZWG 1 each	<u>180 000 000</u>	<u>180 000 000</u>
Issued		
44 000 000 ordinary shares of ZWG 0.00000001 each	<u>-</u>	<u>-</u>
<p>Subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31), the Articles of Association permit the directors to allot the unissued share capital at their discretion.</p>		
19		
DEFERRED TAX		
Deferred tax is arising from		
Opening balance at 1 January	86 575 190	83 486 285
Opening balances adjustment		-
Movement through other comprehensive income	(3 654 559)	749 222
Movement through profit or loss	<u>-</u>	<u>2 339 683</u>
Closing balance at 31 December	<u>82 920 631</u>	<u>86 575 190</u>

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NOTES TO THE FINANCIAL STATEMENTS

20 RETIREMENT BENEFITS

20.1 ZMDC Pension Fund

Certain eligible employees of the Corporation 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.

The assets and liabilities of the Fund relating to the Corporation cannot be separated from the total for the whole Group. The most recent actuarial valuation was carried out for year 2021 for the whole Group fund and revealed that the fund was adequately funded:

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

Valuation rate of interest:

In preretirement period	8% pa
In post retirement period	7% pa
Rate of salary escalation	6% pa

Contributions during the year were as follows:

Post employment benefit liability

Present value of obligation	12 745 697	12 745 697
Fair value of plan assets		
	<u>12 745 697</u>	<u>12 745 697</u>

Reconciliation of defined benefit obligation

Opening balance	12 745 697	11 938 769
Movement	-	806 928
Closing balance	<u>12 745 697</u>	<u>12 745 697</u>

Reconciliation of defined benefit assets

Opening balance	10 052 651	1 875 271
Movement	-	8 177 381
Closing balance	<u>10 052 651</u>	<u>10 052 651</u>

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

	2024 ZWG	2023 ZWG
21 SHORT TERM LOANS		
BANC ABC	3 064 346	917 446
ZCDC	4 226	4 226
RBZ	8 452	8 452
	<u>3 077 024</u>	<u>930 124</u>

21.1 The short term loans relate to the following facilities:

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 artisanal miners to increase gold output. The loan will be repaid from gold proceeds. The portion of the loan which is not due in 12 months has been included as a non current liability. As of the reporting date, USD \$1 600 000 was drawn down from this facility.

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

Trade	7 614 763	3 610 011
Other	4 638 959	20 858 379
	<u>12 253 722</u>	<u>24 468 390</u>

23 LONG TERM LOAN

BANC ABC	<u>37 109 130</u>	<u>3 064 346</u>
	<u>37 109 130</u>	<u>3 064 346</u>

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 artisanal miners to increase gold output. The loan will be repaid from gold proceeds. The portion of the loan which is not due in 12 months has been included as a non current liability. As of the reporting date, USD \$1 600 000 was drawn down from this facility.

24 PROVISION FOR LEGAL CLAIMS

Provisions for legal claims	<u>16 422 079</u>	-
	<u>16 422 079</u>	-

The provisions for legal claims relate to:

ZGGM salaries

Zimbabwe German Graphite Mines was ordered to pay unpaid salaries of its workers for the period 2021-2024 after a legal dispute with its workers.

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NOTES TO THE FINANCIAL STATEMENTS

	2024 ZWG	2023 ZWG
25 NET EFFECT OF CHANGES IN WORKING CAPITAL		
(Increase)/decrease in inventories	(112 714)	(22 903)
(Increase)/decrease in trade and other receivables	(7 899 610)	(7 901 415)
(Increase)/decrease in related party receivables	(1 300 129)	(40 544 467)
Increase/(decrease) in trade and other payables	(12 214 669)	28 770 745
Increase/(decrease) in related party payables	8 531 860	3 949 301
Decrease in Mine rehabilitation provision	-	(12 409)
Increase/(decrease) tax payables	1 507 958	-
	<u>(11 487 303)</u>	<u>(15 761 148)</u>

26 POST-EMPLOYMENT BENEFITS

26.1 Mining Industry Pension Fund

Pensions are provided for

Contributions for the year

1 672 418

1 423 210

26.2 National Social Security Authority

The Corporation makes

Contributions for the year

655 162

606 170

27 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Corporation is exposed through its operations to the following financial risks:

1. Credit risk
2. Liquidity risk
3. Interest risk

In common with all other businesses, the Corporation is exposed to risks that arise from its use of financial instruments. This note describes the Corporation's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

27 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

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 Committee.

27.1 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.

27.2 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 2024, to maintain substantial unutilised facilities as well as significant liquid resources. Borrowing facilities are negotiated with approved financial institutions at acceptable interest rates.

ZIMBABWE MINING DEVELOPMENT CORPORATION CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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28 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 comprise 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 Group sets the amount of capital it requires in proportion to risk. The Group 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 Group 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:

	2024	2023
	ZWG	ZWG
Share capital	-	-
Non distributable reserve	754 270	754 270
Accumulated Profit	21 020 363 128	20 777 032 631
	<u>21 021 117 398</u>	<u>20 777 786 901</u>

29 CONTINGENT LIABILITIES

Grandwell Holdings P/L v ZMDC

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 Grandwell for the cancellation of the mining activities in Marange. The matter is still before the courts for hearing and now awaits a trial date.

Jimbatar/Lintmar Mining (Pvt.) Limited v ZMDC

The joint venture agreement between ZMDC and Lintmar Mining (Private) Limited, which subsequently changed its name to Jimbata (Private) Limited, was declared a nullity by the court at the instance of ZMDC after partial performance by Jimbata. Jimbata is now claiming a refund of all the monies it expended pursuant to the joint venture in the aforesaid sum of US\$4 420 172.00. Whilst ZMDC accepts that the parties should be returned as far as that is possible to their respective positions before entering into the joint venture, its position is that some of the claims (such as interest, directors and lawyers' fees, among others) are unjustified as ZMDC did not receive any benefit from such payments.

The ultimate outcome of the above matters cannot presently be determined, and management has not been able to reliably estimate a provision to the extent of the potential financial losses arising from the pending legal case.

Amaplat Mauritius Ltd. and Amari Nickel Holdings Zimbabwe Ltd. vs ZMDC

An arbitration award of USD 49 902 584 was issued against ZMDC in 2014 by the ICC sitting in Zambia. The award has not been registered in Zimbabwe and is therefore not enforceable under Zimbabwean law. The matter is disclosed as a contingent liability subject to future legal developments.



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NOTES TO THE FINANCIAL STATEMENTS

30 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 current assets exceeded its total liabilities by ZWG 72 621 326 as at 31 December 2024; (2023: ZWG (29 868 023)).

ZMIDC



**ZIMBABWE MINING
DEVELOPMENT CORPORATION**



“Unearthing the future”

