



**Multiverse Mining  
& Exploration Plc**

RC. 454678



**LEAD / ZINC PRODUCTS**



**FLOATATION PLANT**

**2018  
ANNUAL REPORTS  
& ACCOUNTS**

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## OUR MISSION

To be the market leader in the production of high quality granite Stones and other extractive minerals in Nigeria."

## OUR VISION

"To be the most innovative, diversified and export oriented extractive Company in Nigeria."

## OUR CORE VALUES

- Our God, Our People, Our Customers, and Our Investors are Our Strength
- Aggressiveness and Self Confidence
- Integrity and Ethical Business practices
- To "Eat, Breathe and Sleep the world of Solid Minerals"
- Corporate Social Responsibility
- Safety of Employees, Customers and Visitors at our locations

## NOTICE OF ANNUAL GENERAL MEETING

### NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of Multiverse Mining & Exploration PLC will take place at the Ace-Olivia, City Mall, 2nd Floor City Mall, Onikan, Lagos on Thursday 28th November 2019 at 11.00 a.m. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To lay before the Meeting the Audited Financial Statements for the year ended December 31, 2018 together with the Reports of the Directors, the Auditors and the Audit Committee thereon.
2. To elect/ re-elect Directors.
3. To authorise the Directors to fix the remuneration of the Auditors.
4. To elect the Shareholders' representatives on the Audit Committee.

#### **SPECIAL BUSINESS**

To fix the remuneration of the Directors.

5. To consider and if deemed fit to pass the following resolutions:

A. To fix the remuneration of the Directors

B. That the issued share capital of the Company comprising 4,261,938,686 existing ordinary shares of 50k each be reconstituted into 426,193,868 shares of 50k each on the basis of one ordinary share for every ten existing ordinary shares, with such ordinary shares having the same rights and being subject to the same restrictions as the existing ordinary shares.

C. That the Directors be and are hereby authorized to raise additional equity capital for the Company up to the maximum limit of the authorized share capital, whether by way of Special Placement or Public Offer with or without a preferential allotment/or Rights issue or a combination of any of them, either locally or internationally and upon such terms and conditions as the Directors may deem fit in the interest of the Company and subject to the approval of the Regulatory Authorities.

- D. That subject to the confirmation of the Court, the Company's Issued Share Capital (including for this purpose its Share Premium Account) be reduced by the sum of N2,518,213,000 which has been lost or is otherwise unrepresented by available assets and that the credit arising from the reduction be used to eliminate the retained loss in the Company's audited financial statements as at 31st December 2018.
- E. That the Directors of the Company be authorised generally to do all acts and things, and to approve, sign and/or execute all documents which in their opinion may be necessary to implement the above resolutions including seeking the appropriate confirmation from the Federal High Court
- F. That the Company's Memorandum and Articles of Association be amended to reflect the changes in the capital structure.
- G. That upon obtaining all requisite approvals for the proposed reconstitution of shares of the company, the existing share certificates in relation to the existing equity shares of the company each held in physical form shall be deemed to have been automatically surrendered and thereafter cancelled by the company and be of no effect and the Company may without requiring the surrender of the existing share certificates directly issue by electronic means the new share certificates of the company in lieu thereof.

**DATED THIS 17TH DAY OF OCTOBER 2019**

**BY ORDER OF THE BOARD**

**EQUITY UNION LIMITED**  
Company Secretaries



**Yetunde Martins**  
FRC/2013/NBA/00000003399  
Equity Union Limited  
Company Secretaries  
Lagos, Nigeria.

## NOTES

### PROXIES

Only a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his/her stead. All valid instruments of proxy should be completed, stamped and deposited at the office of the Company's Registrars, Carnation Registrars Limited of 2A/2C Gbagada Expressway Anthony Village Lagos not less than 48 hours before the time fixed for the meeting.

### CLOSURE OF REGISTER

The Register of members will be closed from 5th November 2019 to 9th November 2019 (both days inclusive) to enable the Registrars to make necessary preparations for the Annual General Meeting.

### AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies & Allied Matters Act Cap C20 Laws of the Federation of Nigeria 2004, a shareholder may nominate another shareholder for appointment to the Audit and Compliance Committee. Such nomination should be in writing and reach the Company Secretary not less than 21 days before the Annual General Meeting.

Kindly note that the provision of the Code of Corporate Governance issued by the Securities & Exchange Commission (SEC) stipulates that members of the statutory Audit Committee should have basic financial literacy and be knowledgeable in internal control processes.

In line with the above, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees in order to confirm eligibility.

### RE-ELECTION OF DIRECTORS

In accordance with the provisions of the Articles of Association, the director to retire by rotation at the 16th Annual General Meeting is Mr. John-Bede Anthonio. The retiring director, being eligible, have offered himself for re-election.

The profile of the director retiring by rotation is available in the Annual Report.

### RIGHTS OF SECURITIES HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company not later than 7 days to the date of the meeting,

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	2018 =N='000	2017 '=N='000
Revenue	6,740	6,236
Profit/(Loss) Before Taxation	(306,734)	(427,315)
Taxation	(5,335)	(5,871)
Profit / (Loss) After Taxation	(312,069)	(433,186)
Total Comprehensive Income for the Year Net of Tax	(312,069)	(433,186)
Total Comprehensive Income for the Year Attributable to:		
Owners of the Company	(312,069)	(433,186)
Basic and Diluted Earnings per Ordinary Share	(0.07)	(10)

Dated this 25th day of March, 2019

**BY ORDER OF THE BOARD**

**EQUITY UNION LIMITED**  
(Corporate Secretaries, Nominees)



**Yetunde Martins**  
FRC/2013/NBA/00000003399  
Equity Union Limited  
Company Secretaries  
Lagos, Nigeria.

- **Chairman**  
John-Bede Anthonio
- **Managing Director**  
Ayedun Fasina (FCA)
- **Executive Director**  
Ayodele Oluwasusi
- **Non Executive Director**  
HRH (Dr) Kabiru Musa Ibrahim II
- **Non Executive Director**  
Mamman Bukar Zargana
- **Company Secretary**  
Equity Union Limited
- **Registered Business Office**  
262A Corporation Drive Dolphin Estate Ikoyi-Lagos
- **Independent Auditors**  
**Olukayode Aina & Co.**  
**(CHARTERED ACCOUNTANTS)**  
2, Sophie Kuye Street, Gbagada Phase I, Lagos.
- **Bankers**  
Nexim Bank  
Unity Bank Plc  
Union Bank Plc  
Access Bank Plc  
Zenith Bank Plc
- **Registrar**  
Carnation Registrars Ltd.  
2A/2C, Gbagada Expressway  
Anthony Village, Lagos.

## BOARD OF DIRECTORS

### **Mr. John Bede Anthonio**

*Chairman*

Appointed as a Non-Executive Director in June 2008. He is an Architect and an alumnus of the Lagos Business School. He is a former Chief Executive of Lagos State Development and Property Corporation (LSDPC).

### **Mr. Ayedun Fasina FCA**

*Managing Director/Chief Executive Officer*

Appointed Managing Director/Chief Executive Officer in May 2005. He is a fellow of the Institute of Chartered Accountants of Nigeria and an Alumnus of the Lagos Business School. He has over 18 years of Banking experience majority of which was in Executive position before joining the Company.

### **Mr. Ayodele Oluwasusi**

*Executive Director, Business Development*

Appointed an Executive Director, Business Development in October 2008. He is an Economist and an Alumnus of the Lagos Business School. Before joining the Company he was the Chief Executive Officer of Treasuremix Ltd.

### **HRH (Dr) Kabiru Musa Ibrahim II**

*Non-Executive Director*

Appointed as Non-Executive Director in April 2012. He is a Medical Doctor and a First Class Emir in Nasarawa State. He has served in both Public and Private Sector. He also served as Special Adviser to Nasarawa State Government on Health. He is currently Chairman, Azara Traditional Council the home of quality Barite in Nigeria.

### **Mr Mamman Bukar Zargana**

*Non-Executive Director*

Appointed as Non-Executive, Independent Director of the company in 2018. He is currently the Managing Director/Chief Executive Officer of Mainstreet Capital Limited with over 20 years in depth Corporate and Investment banking practice. He is also an Honourable member (Part Time) of the Investment and Securities Tribunal (IST). He is an Economist, Accountant, Banker and fellows of Chartered Institute of Capital Market Registrars and Institute of Chartered Economist.

## CHAIRMAN STATEMENT

It is with great pleasure I welcome you all to the 16th Annual General Meeting of our esteemed Company, Multiverse Mining & Exploration Plc. On behalf of my fellow Board Members, I present to our distinguished Shareholders the Annual Reports and Financial Statements for the year ended December, 2018.

I will crave your indulgence to review the Global and Domestic economics under which we operated during the period under review.

### GLOBAL ECONOMIC REVIEW

The short-to-medium term outlook of the global economy was positive in 2018 as the global growth is projected to reach 3.9 percent in line with the forecast of the April 2018 World Economic Outlook (WEO).

Growth prospects are becoming more uneven among emerging market and developing economies, amid rising oil prices, higher yields in the United States, escalating trade tensions between United State and China and consequent market pressures on the currencies of some economies with weaker fundamentals.

Central banks in key emerging market economies -including Argentina, India, Indonesia, Mexico, and Turkey-have raised policy rates, responding to inflation and exchange rate pressures (coupled with capital flow reversals in some cases).

The recovery in Sub-Saharan Africa is set to continue, supported by the rise in commodity prices. For the region, growth was expected to increase from 2.8 percent in 2017 to 3.4 percent in 2018, rising further to 3.8 percent in 2019 (0.1 percentage point higher for 2019 than forecast in the April (WEO). The upgraded forecast reflects improved prospects for Nigeria's economy. Its growth is set to increase from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019 (0.4 percentage point higher than in the April (WEO) for 2019) on the back of an improved outlook for oil prices.

### DOMESTIC ECONOMY

The Nigerian economy maintained its growth trajectory in 2018. The Real Sector Gross domestic product (GDP), grew by 1.9 per cent in 2018, compared with 0.8 per cent in

2017. The non-oil sectors triggered the growth with 2.0 per cent increase, while oil sector output grew by 1.1. The services, agricultural, industrial and construction sectors contributed 1.1, 0.5, 0.3 and 0.1 per cent respectively to GDP growth, while the trade sector contributed negative growth of 0.1 per cent. The growth in output was attributed to: higher crude oil prices; fiscal stimulus which led to increased infrastructural spending following sustained implementation of the Economic Recovery and Growth Plan.

#### **OUR RESULT**

Our loss before tax position reduced in year 2018 by 28.22% as a result of significant reduction in our finance cost due to the on going interest negotiation with our Bankers, however, the Balance Sheet size contracted by 2.4% in 2018 as against 1.5% in the preceding year.

These positions will be reversed with the success we have achieved in our mining activities as soon as we commence export of our products.

#### **REPORT ON OUR MINING ACTIVITIES**

I am pleased to report that your mine in Abuni, Awe Local Government, Nasarawa State is now producing despite all the challenges which included communal clashes within our locality and the security issues occasioned by incessant kidnapping within Nasarawa State, all which affected the timeline of our production plans.

I wish to state for emphasis, that your Company received tremendous support from both the Federal and State Governments which facilitated the strengthening of the security architecture on our site and environs and the resultant stability of our mine operations. In anticipation of commencement of commercial export in first quarter of 2020, we have obtained the necessary certificates of export from both the Nigerian Export Promotion Council (NEPC) and the Federal Ministry of Mines and Steel Development (FMMSD).

We are also happy to inform you that our technical partners have committed additional investment of \$40million for the procurement and installation of floatation processing plant to enhance the percentage purity of our products in line with Federal Government Policy of value addition in the extractive Industry.

#### **THE FUTURE**

Esteemed Shareholders, permit me to say that with the success recorded in our mines at Abuni, we can pride our Company as a foremost indigenous mining Company in Nigeria with endless possibilities and opportunities in the Nigeria Mining landscape. All of these will

translate to better yields in our bottom line in not too distance a future.  
Distinguished Fellow Shareholders, it has been a very long journey full of hope and much expectation and with the passing of each year the hope seems dim to the Shareholders as your expectations are not met. I wish to congratulate you all as the harvest season is at hand with the commencement of production on your mines site together we shall be ripping from the earth.

**CONCLUSION & APPRECIATION**

Finally, as I conclude this address, I wish to express our sincere appreciation to all our Shareholders for your steadfastness, doggedness and the trust you repose in your Company and the entire Board of Directors/Management without which it would have been impossible to achieve this feat.

Thank you and God bless.

A handwritten signature in black ink, appearing to read 'John-Bede Anthonio', is written over a horizontal line.

John-Bede Anthonio  
Chairman  
FRC/2013/NIAECHI/000004145

## OUR PRODUCTS

Type	Size	Uses
(1) Mining Site LEAD/ZINC		Industrial Mineral
(2) Quarry Site Stone Dust	0mm – 5mm	Production of Asphalt, Interlocking paving stones and blocks.
3/8inch	5mm – 10mm	Asphalt Production
1/2 inch 3/4 inch Other	10mm – 19mm 19mm – 25mm 25mm – 35mm	Concrete works in houses, road, bridges and embankments
Stone Base	0mm – 50mm	Road Constructions
Hard Core		Base works of road, earth Solidification and vibroflotation.
Big Lump		Building barriers.

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

The Board of Directors has the pleasure in submitting to members the Annual Reports along with the Financial Statements for the year ended 31<sup>st</sup> December 2018 .

### 1. LEGAL FORM

The Company was incorporated as a Private Limited Liability Company on 20th June, 2002, commenced business on 1<sup>st</sup> April, 2005 and was converted to Public Limited Liability Company on 18th April, 2008. The company's Shares was listed on the Nigerian Stock Exchange on the 8th October, 2008.

### 2. PRINCIPAL ACTIVITIES

The company is engaged in the business of exploring, extracting, prospecting, boring, refining and drilling for, producing, and quarry mining of stones, rocks and other extractive solid minerals into different configuration and classification.

### 3. SUMMARY OF FINANCIALS

The following is a summary of the operating result

	31 <sup>st</sup> December 2018 =N='000	31 <sup>st</sup> December 2017 =N='000
Turnover	6,740	6,236
Profit / (Loss) Before Taxation	(306,734)	(427,315)
Taxation	(5,335)	(5,871)
Profit / (Loss) After Taxation	(312,069)	(584,118)
Other Comprehensive income	-	-
Total Comprehensive income	(312,069)	(433,186)
Ordinary items	-	-

### 4. RETIREMENT BY ROTATION

In accordance with the Provisions of SS 259(2) of the companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004). During the year, the following Director, Mr. John - Bede Anthonio will retire by rotation and being eligible offer himself for re-election.

### 5. RESPONSIBILITIES OF DIRECTOR

The Directors are responsible for the preparation of Financial Statements which give a

## REPORT OF THE DIRECTORS

true and fair view of the state of affairs of the company at the end of each Financial Year and of the profit and loss for that period, and comply with the provisions of Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigerian, 2004). In doing so, they ensure that:

- Proper accounting records are maintained
- Internal control procedures are instituted, which as far as is reasonably possible, safeguard the assets prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgements and estimates made are reasonable and prudent; and
- The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

### 6. INTEREST OF DIRECTORS

The names of the Directors who served during the year are listed on page 8

The interest of Directors in the paid up share capital of the company as at 31<sup>st</sup> December, 2018 are as follows:

	NAME	Ordinary shares of 50k Each 2018		Ordinary shares of 60k each 2017	
		Direct Interest (N)	Indirect Interest (N)	Direct Interest (N)	Indirect Interest (N)
1.	MR. AYEDUN FASINA FCA	706,233, 200	-	706,233,200	-
2.	MR. ANTHONIA JOHN-BEDE	13,650,000	-	13,650,000	-
3.	HRH (DR.) MUSA IBRAHIM II	3,000,000	-	3,000,000	-
4.	MR. AYODELE OLWASUSI	131,767,434	-	131,767,434	-
5.	MR. MAMMAN BUKAR ZARGANA	-	204,543,315	-	-

Mr. Mamman Bukar Zargana indirect interest is representing Mainstreet Bank Capital Limited Shares

### 7. ACQUISITION OF SHARES

The Company is 100% Nigerian owned.

### 8. DONATIONS AND CHARITABLE GIFTS

The company did not make any contribution to charitable, political and non-political organisations during the year under review.

### 9. EMPLOYMENT AND EMPLOYEES

- i) Employment of disabled persons  
It is the policy of the company that there should be no discrimination in considering application for employment including those from disabled persons. All employees are given equal opportunities for self-development.

- ii) Health, safety and welfare at work of employees  
Health and safety regulations are in force within the Company's premises.  
The company subsidizes transportation to all categories of employees. There is also an arrangement with hospitals to cater for the medical requirements of staff.
- iii) Employee involvement and training  
The Company is committed to keeping employees fully informed as much as possible regarding the company's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees.

Management's professional and technical expertise is the company's major assets and investment in developing such skills. The company's expanding skill-base has been extended to a range of training provided and has broadened for career development within the organisation.

**10. AUDIT COMMITTEE**

The Committee comprises four members, two of whom are shareholders representatives, including the Chairman of the Committee. In accordance with section 359(5) of the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria, 2004), the Committee has oversight responsibility for the Company's accounts.

**11. AUDITORS**

In accordance with section 357(2) of the Companies and Allied Matters act (Cap C20 Law of the Federation of Nigeria, 2004) Messrs, Olukayode Aina & Co. (Chartered Accountants) have indicated their willingness to continue in office and pursuant to Section 361 (1) (b) of that Act, a resolution will be proposed at the Annual General Meeting to empower the Directors to determine their remuneration.

## CORPORATE GOVERNANCE STRUCTURE

### **CORPORATE GOVERNANCE**

We adhere strictly to the Code of Corporate Governance issued by the Securities and Exchange Commission. This ensures highest standards of transparency, accountability and good governance. We have also taken several initiatives to benchmark our governance system with best practice globally.

The Company is governed by a framework that defines the rights, roles and responsibilities of all stakeholders. This will facilitate all necessary checks, balances and incentives a company needs to manage the various stakeholders.

### **BOARD OF DIRECTORS**

The Board of Multiverse Mining and Exploration Plc comprises of five (5) members, which includes the Chairman, Managing Director, one Executive Director and two (2) Non-Executive Directors. The Board is made up of highly qualified professionals with diverse skills and experience in various fields. The Non-Executive Board member have the capacity to make unbiased judgement without influence by management.

### **THE ROLE OF THE BOARD**

The Board is responsible to shareholders for creating and sustaining shareholder value through the management of the business. They are expected to make decisions that are in the best interest of the stakeholders in the long term. The Board is also responsible for ensuring that management maintains a system of internal control which provides assurance of effective operations, internal financial controls and compliance with law and regulation for the Company.

The strategic objectives and the policies of the Company are set by the Board. It ensures that both the long term goal and short term objectives that management pursues are consistent and are in the best interest of all stakeholders. The Board is aware of the importance of adhering to the governance principles, so it ensures the business of the Company are in conformity with governance principles.

The Board has the statutory power to deliberate and approve decisions that are material to the company, including the periodic financial statements, changes in accounting policies and practices, risk management policies, appointment or removal of a Director, mergers and acquisitions.

The responsibility for the day to day management of the company is delegated to the Managing Director/Chief Executive Officer (CEO), supported by the Executive Director, Business Development.

## CORPORATE GOVERNANCE STRUCTURE

### 1. MEETING OF THE BOARD OF DIRECTORS

The Board of Directors meets quarterly. In the last financial year, the Board met on 20th March, 2018, 10th July, 2018, 12th September, 2018, 11th December, 2018

Details of attendance by the Directors at Board Meetings are as follows:

Name	Number of Meetings Held	Number of Meetings Attended
Mr. John-Bede Anthonio	4	4
Mr. Ayedun Fasina	4	4
HRH (Dr) Kabiru Musa Ibrahim II	4	2
Mr. Ayo Oluwasusi	4	4
Mr. Mamman Buker Zargena	4	3

### 2. BOARD COMMITTEES

In accordance with statutory and regulatory requirements, members of the Board are divided into different committees to assist the Board in its management and oversight functions. The standing committees of the Board are as follows:

#### Executive Management Committee:

The Committee met on the Following dates: January 15th 2018, February 5th 2018, March 5th 2018, April 9th 2018, May 7th 2018, June 4th 2018, July 9th 2018, August 6th 2018, September 3rd 2018, October 8th 2018, November 5th 2018

Name	Number of Meetings Held	Number of Meetings Attended
Mr. Ayedun Fasina (Managing Director)	11	11
Mr. Ayo Oluwasusi (Executive Director)	11	11
Bamidele Osanyin (GM Systems & Control)	11	11
Mr. Solomon Fasinu (Chief Financial Officer)	11	11

**Board Remuneration Committee:** The Committee met on the following dates: 22nd March, 2018, 18th October, 2018

Name	Number of Meetings Held	Number of Meetings Attended
Mr John-Bede Anthonio (Chairman)	2	2
Mr. Ayedun Fasina (Member)	2	2
Mr. Solomon Fasinu (Secretary)	2	2

**Board Establishment & Disciplinary Committee:**

The committee met on the following dates: 16th April, 2018, 15th October, 2018

Name	Number of Meetings Held	Number of Meetings Attended
HRH (Dr) Kabiru Musa Ibrahim II (Chairman)	2	1
Mr. Ayedun Fashina (Member)	2	2
Mr. Ayo Oluwasusi (Member)	2	2

**Audit Committee**

The internal and external auditors have unrestricted access to the Audit Committee which ensures its independence. The committee held 4 meetings during the financial year and complied with its terms reference particularly on the review of the report of the internal auditor and met with the external auditors to review the financial statements for the year before submission to the Board.

The committee met on the following dates:  
20th March, 2018, 17th April, 2018, 19th July, 2018,  
23rd October, 2018

Name	Number of Meetings Held	Number of Meetings Attended
Mr. John Isesele	4	4
Mr. Alex Adio	4	4
Mr. Ayodele Oluwasusi	4	4
Mr. John Bede Anthonio	4	4

DATED THIS 21ST DAY OF MARCH 2019

BY ORDER OF THE BOARD  
EQUITY UNION LIMITED  
(Corporate Secretaries, Nominees)

  
YETUNDE MARTINS  
FRC/2013/NBA/00000003399  
EQUITY UNION LIMITED  
Company Secretaries

### **COMMUNICATION POLICY**

As a public company, Multiverse Mining And Exploration Plc. has an obligation to ensure that all communications of material information are, factual, accurate, credible, timely and in compliance with the applicable legal requirements of the various Regulatory Agencies which our Company is subject to including, without limitation, the requirements of the Securities and Exchange Commission (SEC), the Nigeria Stock Exchange (NSE) and other applicable laws and regulations in Nigeria. This policy establishes guidelines for communications by our Company. It covers the release of information about our Company to the general public, media, customers, authorities, investors, financial community and other stakeholders. Compliance with this policy is important both for business reasons and to meet the Company's legal and regulatory obligations.

### **Complaint Management Policy**

Multiverse Mining And Exploration Plc in line with her vision and core values is committed to delivering high standard of service to all stakeholders of the company. Occasionally the company or our engaged service providers may not live up to stakeholders' expectations and promises and without an appropriate feedback mechanism to manage stakeholders complaints and expectations, this commitment could be undermined, resulting in loss of customer, erosion of public confidence and reputational damage to the Company.

The policy is aimed at ensuring prompt and efficient management of complaints brought to the attention of the Company. It is also intended to help improve the services offered by enabling the Company detect its weakness, remedy problematic or unfair situations, and enhance operating methods, while ensuring efficient, fair and prompt treatment of all complaint received.

#### **This policy shall apply to:**

- Employees of Multiverse Mining And Exploration Plc;
- All customers/clients both internal and external;
- Third parties working in association, partnership or in contractual arrangement with the Company;
- Third party auditors and services providers;
- External organizations providing customer representation such as advocacy and complaints services; and
- Other stakeholders not listed above.

### **CONFLICT OF INTEREST POLICY**

The Board places great importance on making clear any existing or potential conflicts of interest. All such conflicts of interest shall be declared by the member concerned and must be documented in the Board's Conflicts of Interest Register.

A Board member who believes another Board member has an undeclared conflict of interest should specify in writing the basis of this potential conflict.

Where a Board member has a conflict of interest, as defined by statute, that Board member shall not initiate or take part in any Board discussion on that topic (either in the meeting or with other Board members before or after the Board meetings), unless expressly invited to do so by unanimous agreement by all other members present.

Where a Board member has a conflict of interest, as defined by statute, that Board member shall not vote on that matter.

The Board may supplement the statutory definition of conflict of interest if it so wishes, in which case the same procedures shall apply.

Board members are not barred from engaging in business dealings with the organization, provided that these are negotiated at arm's length without the participation of the Board member concerned.

#### **INTERNAL AUDIT POLICY**

The purpose of the Audit Committee is to carry out the oversight responsibility on behalf of the shareholders in relation to the following:

- a) The integrity of the financial statements and financial reporting process;
- b) Independence and activities of the external and internal audit function;
- c) Ensuring compliance with legal and regulatory requirements.

#### **The Committee is authorized to:**

- a) Seek any information that it requires from any Director or employee;
- b) Have responsibility for endorsing the selection, evaluation and, where appropriate, replacement of the Head of Internal Audit; and
- c) Have full oversight of the Company's financial reporting, system of internal controls and internal and external audit procedure

#### **The Committee shall have the following responsibilities:**

- a) Ascertain that the accounting policies of the Company are in accordance with the Statement of Accounting Standards issued by the Nigerian Accounting Standards Board/Financial Reporting Council of Nigeria (FRCN)
- b) Ensure that all material information are presented within the financial statements and review the clarity and completeness of the disclosures in the financial statements;
- c) Obtain assurance and report annually in the financial report, on the operating effectiveness of the Company's internal control framework;

- e) Oversee management's process for the identification of significant fraud risks across the company and ensure that adequate prevention, detection and reporting mechanisms are in place;
- f) Review the processes for assessing and improving internal controls, accounting and operating procedures and financial reporting etc.

#### **Securities Trading Policy**

The Code of Business and Ethical Conduct of Multiverse Mining & Exploration Plc prohibits all Directors, Officers and Associates with knowledge of material non-public information from buying, selling, or otherwise trading in the Company's securities or from conveying material non-public information to other persons who may use it for trading purposes. This Securities Trading Policy Statement is intended to safeguard against such trading, and against the appearance of such trading, by (i) restricting access to and transmission of non-public corporate information, (ii) restricting the trading activities of Directors, Officers and Associates who may know, or be presumed to know, of material non-public information, and (iii) requiring Directors, Officers and Associates to comply with the reporting regulations applicable to certain trading activities.

The policy is also intended to ensure compliance with the amended Listing Rules of the Nigerian Stock Exchange (NSE) and the Consolidated Rules and Regulations of the Securities and Exchange Commission (SEC).

Shareholders who by virtue of having been connected with the Company during the preceding six months in any capacity below and have obtained Material or insider information.

#### **SECESSION PLANNING POLICY.**

Succession Planning is the identification and development of potential successors for key positions in Multiverse Mining and Exploration Plc., through a systematic evaluation process and development. It is used to establish the present and potential talent in the Company in a systematic way with the view of filling future positions effectively and quickly.

It is an organizational priority that requires collaboration across the organization.

- ✍ To ensure high quality replacements for those individuals who currently hold positions that are key to **Multiverse** success.
- ✍ The positions targeted will be mainly at the management level but may also include those at other levels, which are equally key as identified by management.
- ✍ To identify individuals within **Multiverse** who hold the skills and potential to rise within the organization and to nurture their advancement.

- ✍ To provide continuity in leadership and avoid extended and costly vacancies in key positions.
- ✍ The desired results of the succession-planning program are to:  
Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy.
- ✍ Ensure the systematic and long-term development of individuals to replace key job incumbents as the need arises due to deaths, disabilities, retirements, and other unexpected losses.
- ✍ Provide a continuous flow of talented people to meet the organization's management needs.

#### **WHISTLE-BLOWING POLICY**

This Policy enables Multiverse Mining and Exploration Plc. to obtain early warning signals on what maybe going wrong in the organization, especially incases where it would be difficult to use formal communication channels. This is important where the issues involved are very sensitive and would require the confidentiality of the whistle-blower. In other words whistle blowing is a confidential channel open to all employees and customers of our company to report to Management and the Board of the company any Criminal activity.

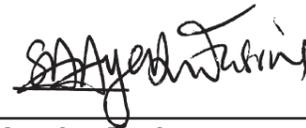
The company will do its best to maintain as confidential the identity of the whistle blower. The company shall ensure that the whistle-blower is not victimized in anyway, even if it becomes necessary for him/her to come forward to give evidence.

In addition, the company undertakes to investigate all the whistle-blowing reports that are made and where necessary to provide feedback to the whistle-blower on the outcome of the investigation. The whistle-blower will still enjoy the protection he/she deserves even if the report turns out not to be true after investigation.

**CERTIFICATE PURSUANT TO SECTION 60(2)  
OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007**

We the undersigned hereby certify the following with regards to our Audited Financial Report for the year ended 31st December, 2018 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain;
  - i. Any untrue statement of a material fact, or
  - ii. Omit to state a material fact, which would make the statement, misleading in light of the circumstances under which such statement were made;
- c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in the report.
- d) We:
  - i. are responsible for establishing and maintaining internal controls
  - ii. have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the period reports are being prepared;
  - iii. have evaluated the effectiveness of the company's internal controls based on our evaluation as of that date;
- e) We have disclosed to the auditors of the company and audit committee
  - i. all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - ii. any fraud whether or not material, that involves management or other employees who have significant roles in the company's internal controls
- f) We have identified in the report whether or not there were significant deficiencies and material weaknesses.



**Ayedun Fasina**  
MANAGING DIRECTOR/CEO  
FRC/2013/1 CAN/00000004147



**Solomon Fasinu**  
CHIEF FINANCIAL OFFICER  
FRC/2013/ICAN/00000004146

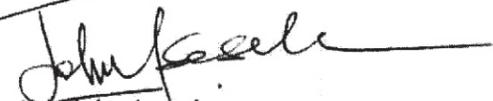
## REPORT OF THE AUDIT COMMITTEE

### REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF MULTIVERSE MINING AND EXPLORATION PLC

In accordance with the provisions of Section 359(6) of the Companies and Allied Matter Act 1990, we have:

- a). Reviewed the scope and planning of the audit which were adequate in our opinion
- b). Reviewed the Auditors' Memorandum of Recommendations Accounting Policies and Internal Controls together with Management responses
- c). Ascertained that the accounting and reporting policies of the Company for year ended 31<sup>st</sup> December, 2018 is in accordance with legal requirements and agreed ethical practices
- d). Received the External Auditors' management letter and reply thereon from the Management is Satisfactory.

In our opinion, the scope and planning of the audit for the year ended 31<sup>st</sup> December, 2018 was adequate and the Management Responses to the Auditor's findings were satisfactory.



Mr. John Isesele  
Chairman, Audit Committee  
FRC/2014/ICAN/00000008988

Dated March 21, 2019

Members of the Audit Committee

- 1). Mr. John Isesele
- 2). Mr. Peter Eyanuku
- 3). Mr. Ayodele Oluwasusi
- 4). Mr. Mamman Buka Zargana

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, (CAP C20), Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

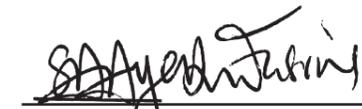
- (a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, (CAP C20), Laws of the Federation of Nigeria, 2004.
- (b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, (CAP C20), Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



**Ayedun Fasina**  
MANAGING DIRECTOR/CEO  
FRC/2013/1 CAN/00000004147



**John Bede Anthonio**  
Director  
FRC/2013/ICAN/00000004145

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MULTIVERSE MINING AND EXPLORATION PLC**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of MULTIVERSE MINING AND EXPLORATION PLC which comprise statement of financial position as at 31 December 2018, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, the Financial Reporting Council Act 2011, Investment and Security Act 2007 and Nigerian Stock Exchange Rules and Regulations.

#### **Basis for Opinion**

We conducted our audit in accordance with the Nigerian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN CODE) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our opinion.

#### **Material Uncertainty Relating to Going Concern**

We draw attention to Note 28 in the financial statements, which indicates that the Company incurred a net loss of N312,069,000 during the year ended December 31, 2018, and as at that date the Company's current liabilities exceeded its current assets by N3,525,034,000. As stated in Note 28, these events or conditions, along with other matters as set forth in Note 28, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **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. We have communicated the key audit matters to the Audit Committee. The key audit matters do not necessarily reflect all matters discussed. These matters were addressed in the context of our audit of the financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter is explained below:

### **Decline in Quarry Operations**

The company over the years experienced low price for its quarry product albeit high cost of input occasioned by the worsening exchange rate. Consequently, it progressively shifted its business focus from direct quarry operations to partnership with reputable technical partners with adequate knowledge of the business and capital to support the quarry operations.

### **Mine Operations**

The company has de-emphasised its quarry operations and has focused fully in its mining operations which is fully export based. It is reported by management that the mining is presently at production stage with estimated reserve of 2.4 million MT of lead & Zinc ore of average of 20% purity (East-China Metallurgical Institute of Geology and Exploration Report 2017). The company cashflow will improve once the mine goes into full production.

### **Our Audit Procedures that addressed this Risk**

We questioned management's assessment as to whether indicators of impairment exist for specific assets specifically in relation to the quarry in Alaguntan, Ogun State, and Abuni lead-zinc mines operations in Nassarawa State, both in Nigeria. Specific indicators were identified. We obtained and reviewed the valuation models including business plan used to determine the value in use for the mines operations and the fair value less costs of disposal of the relevant assets at the quarry operations.

We also analyzed the assumptions made by management in relation to these models, including the discount and foreign exchange rates used, expected production plans, commitment of off-takers for the purchase of the lead-zinc, capital expenditure, and operating costs forecasts, prices of the lead in the international market by comparison to recent analyst forecast commodity price data, reference to third party documentation where available, review of Ores and Mineral Resources reports, consultation with operational management and consideration of sensitivity analyses.

We concluded that the assumptions had been determined and applied on a consistent basis and in line with accepted market practice and no impairments were required from the work performed.

### **Other Information**

The Directors are responsible for the other information, comprising the Chairman's Statement, Directors' Report, Statement of Directors' Responsibilities, Corporate Governance Report, Report of the Audit Committee, Corporate Profile and Strategy, Financial Highlights, Results at a glance, Board of Directors Pictures, Notice of Annual General Meeting, Corporate Social Responsibility, Report of the Committees of the Board, Share Capital History and other National Disclosures included in the annual report of the Company, which does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information, therefore we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information which we obtained prior to the date of this auditor's report, and other information we will receive after this date, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have responsibilities to:

- (1) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- (2) 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 entity's internal control.
- (3) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) 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 entity's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (5) evaluate the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the International Financial Reporting Standards, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Furthermore, we communicated to the audit committee regarding, among other matters, our planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that were identified during our audit.

We informed the audit committee that we complied with relevant ethical requirements regarding independence and communicated 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 the Audit Committee, 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 audit 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 audit 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 REQUIREMENTS

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- (1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (2) In our opinion, proper books of account have been kept by the entity so far as appears from our examination of those books; and
- (3) The Statement of Financial Position, Statement of Comprehensive Income agree with the books of account.



Julius Olukayode Aina  
FRC12013/ICAN/00000004390  
For: Olukayode Aina & Co  
(Chartered Accountants)  
Lagos, Nigeria

March 26, 2019



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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER, 2018**

	NOTES	2018 N'000	2017 N'000
<b>Continuing Operations</b>			
Revenue	5	6,740	6,236
Cost of Sales		(5,267)	(12,809)
<b>Gross (Loss)/Profit</b>		<b>1,473</b>	<b>(6,573)</b>
Impairment on Exploration & Evaluation Assets	7	-	-
Other Income	6	44,738	43,009
Administrative Expenses	8a	(145,062)	(110,947)
<b>Operating Loss</b>		<b>(98,850)</b>	<b>(74,510)</b>
Finance Cost	8b	(207,884)	(352,804)
<b>Loss Before Income Tax</b>		<b>(306,734)</b>	<b>(427,314)</b>
Taxation	9.1	(5,335)	(5,871)
<b>Loss After Tax for the Year</b>	10	<b>(312,069)</b>	<b>(433,186)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>(312,069)</b>	<b>(433,186)</b>
Loss for the Year Attributable to:			
Owners of the Company		(312,069)	(433,186)
		<b>(312,069)</b>	<b>(433,186)</b>
Total Comprehensive Income for the Year Attributable to:			
Owners of the Company		(312,069)	(433,186)
		<b>(312,069)</b>	<b>(433,186)</b>
Basic and Dilluted Earnings per Ordinary Share (kobo)	11.1	(0.07)	(10)

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018**

	NOTE	2018 N'000	2017 N'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Mine Properties	12	1,690,349	1,647,396
Property, Plant & Equipment	13	2,692,569	2,806,312
<b>Total Non-current Assets</b>		<b>4,382,918</b>	<b>4,453,708</b>
<b>Current Assets</b>			
Inventories	14	29,385	29,385
Trade and Other Receivables	15	3,052	38,399
Cash & Cash Equivalents	16	3,731	4,982
<b>Total Current Assets</b>		<b>36,168</b>	<b>72,766</b>
<b>Total Assets</b>		<b>4,419,086</b>	<b>4,526,474</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity</b>			
Issued Capital	17	2,130,969	2,130,969
Share Premium	18	1,242,082	1,242,082
Retained Loss	19	(2,518,213)	(2,206,144)
<b>Total Shareholder's Equity</b>		<b>854,838</b>	<b>1,166,907</b>
<b>Non-current Liabilities</b>			
Loans	21	-	162,105
Provisions	22	3,046	2,769
<b>Total Non-current Liabilities</b>		<b>3,046</b>	<b>164,874</b>

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION (Cont'd) AS AT 31 DECEMBER, 2018**

	NOTE	2018 N'000	2017 N'000
<b>Current Liabilities</b>			
Interest-bearing Loans and Borrowings	21	2,978,982	2,617,863
Trade Payables and Other Payables	23	574,514	570,958
Income Tax Payable	9.2	7,706	5,871
Total Current Liabilities		<u>3,561,202</u>	<u>3,194,692</u>
<b>Total Liabilities</b>		<u>3,564,248</u>	<u>3,359,567</u>
<b>Total Liabilities and Shareholder's Equity</b>		<u>4,419,086</u>	<u>4,526,474</u>

The financial statements were approved by the Board of Directors on 25th March 2019.

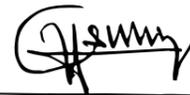
Signed on its behalf by:



**Ayedun Fasina**  
Managing Director  
FRC/2013/ICAN/00000004147



**John Bede Anthonio**  
Chairman  
FRC/2013/NIAECHI/00000004145



**Solomon Fasinu**  
Chief Financial Officer  
FRC/2013/ICAN/00000004146

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31ST DECEMBER 2018**

	Share Capital	Share Premium	Retained Losses	Total Equity
	N'000	N'000	N'000	N'000
Restated Balance	2,130,969	1,242,082	(1,772,958)	1,600,093
Share of Capital Reserve from Joint Operations	-	-	-	-
Other Transfer	-	-	-	-
Loss for the Year	-	-	(433,186)	(433,186)
<b>Balance at 31st December, 2017</b>	<b>2,130,969</b>	<b>1,242,082</b>	<b>(2,206,144)</b>	<b>1,166,907</b>
<b>Correction of Prior Year Error</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated Balance</b>	<b>2,130,969</b>	<b>1,242,082</b>	<b>(2,206,144)</b>	<b>1,166,907</b>
Loss for the Year	-	-	(312,069)	(312,069)
<b>Balance at 31st December, 2018</b>	<b>2,130,969</b>	<b>1,242,082</b>	<b>(2,518,213)</b>	<b>854,838</b>

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	NOTES	2018 N'000	2017 N'000
Cash Receipt from Customers		6,740	49,245
Cash Paid to Suppliers, Employees and Operating Expenses		(60,768)	(108,609)
<b>Net Cash Flows from Operating Activities</b>	24	<b>(54,028)</b>	<b>(59,364)</b>
<b>Cash Flows from Investing Activities</b>			
Expenditures on Mine Properties	13	(3,546)	(10,233)
Expenditures on Property, Plant and Equipment	14	(975)	(70)
Proceeds on Disposal of Property, Plant and Equipment		20,500	61,600
Proceeds from Quarry Operations		44,738	24,180
<b>Net Cash Flows from Investing Activities</b>		<b>60,717</b>	<b>75,477</b>
<b>Cash Flows from Financing Activities</b>			
Interest Paid		(8,500)	(15,500)
Net Cash (used in)/from Financing Activities		(8,500)	(15,500)
Net Cash Flows from Operations		(1,811)	613
Bank Balance at 1 January		4,982	4,369
Bank Balance at 31 December	17	<b>3,171</b>	<b>4,982</b>
Represented By:			
<b>Cash and Cash Equivalents</b>		<b>3,171</b>	<b>4,982</b>

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

**1. REPORTING ENTITY**

Multiverse Mining & Exploration Plc was incorporated as a Private Limited Liability Company, on 20th June 2002. It commenced business on 1st April 2005 and was converted to a Public Limited Liability Company on 18th April 2008. The Company's share was listed on the Nigerian Stock Exchange on 8th October, 2008.

The Company is engaged in the business of exploring, extracting, prospecting, boring, refining, drilling for, producing, and quarry mining of stones and other extractive solid minerals (mainly Lead and Zinc) into different configuration and classification.

**2. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). The financial statements is also prepared in the manner required by the Company and Allied Matters Act, and Financial Reporting Council of Nigeria Act and Investment and Security Act 2007.

The Company's functional and presentation currency is the Nigerian Naira. Except as indicated, the financial information presented in Naira has been rounded to the nearest thousand.

**These financial statements comprise:**

- Statement of comprehensive Income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

**2.1 Use of Estimates and Judgements**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Changes in these assumptions may materially affect the financial position or financial results reported in future periods. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.

### **(a) Exploration and Evaluation Expenditure**

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Company defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

### **(b) Mine Rehabilitation Provision**

The Company assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable.

These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Interests in Joint Operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities of the joint arrangement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

**The Company incorporates its interest in joint operations as follows:**

- i. its assets, including its share of any assets held jointly;
- ii. its liabilities, including its share of any liabilities incurred jointly;
- iii. its revenue from the sale of its share of the output arising from the joint operation;
- iv. its share of the revenue from the sale of the output by the joint operation; and
- v. its expenses, including its share of any expenses incurred jointly.

If there is a change in facts and circumstances upon which the joint arrangement is previously classified, the Company shall reassess whether the type of joint arrangement has changed.

- (b) Mineral Exploration, Evaluation and Development Expenditure
  - (i) Pre-licence Costs  
Pre-licence costs are expensed in the period in which they are incurred.
  - (ii) Exploration and Evaluation Expenditure  
Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

**Exploration and evaluation activity includes:**

- Researching and analysing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

In evaluating whether the expenditures meet the criteria to be capitalised, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed. Costs expensed during this phase are included in "exploration and evaluation expenditure expensed" in profit or loss.

**(c) Financial Instruments**

**(i) Non-derivative Financial Assets**

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has only loans and receivables as the non-derivative financial assets. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances, call and fixed deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**(ii) Share Capital**

**Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**Share Issue Costs**

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

**Dividend on Ordinary Shares**

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

**(d) Property, Plant and Equipment and Mine Properties**

**(i) Initial Recognition**

Upon completion of the mine construction phase, the assets are transferred into "Property, plant and equipment" or "Mine properties". Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included in property, plant and equipment.

Mine properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered being probable of economic extraction at the time of an acquisition. When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**(ii) Depreciation**

Mobile mine equipment, is generally depreciated on a straight-line basis over their estimated useful lives as follows:

- Site Buildings	20 years
- Plant and Machinery	5 to 15 years
- Site Cost	20 years
- Furniture and Fittings	5 years
- Motor Vehicles	4 years
- Computer & IT Equipment	5 years
- Workshop Tools and Sundry Equipment	10 years
- Electrical Project	10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation/amortisation of property, plant and equipment are reviewed at each reporting period, and adjusted prospectively if appropriate.

**(iii) Major Maintenance and Repairs**

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Company through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

**(e) Impairment**

**I. Financial Assets (Including Receivables)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for any impairment by accompanying together receivables and held to- maturity investment securities with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**ii. Non-financial Assets**

The carrying amounts of the Company's non-financial assets, such as property plant and equipment, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. In addition, capitalized exploration and evaluation costs are assessed for impairment upon demonstrating the technical feasibility and commercial viability of a project.

Impairment is determined for an individual asset unless the asset does not generate cash.

In flows that are independent of those generated from other assets or company of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes. Impairment exists when the carrying amount of the asset, or company of assets, exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the profit or loss.

For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(f) Employee Benefits**

**i. Defined Contribution Plans**

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Employees are entitled to join the Scheme on confirmation of employment. Employees and the Company's contributions are 8% and 10% respectively on employee's certain emolument as defined by the Pension Reform Act 2014 as amended.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**ii. Short-term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(g) Provisions**

(i) A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(ii) Rehabilitation Provision**

The Company records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operations location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold. Overtime, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. Additional disturbances or changes in rehabilitation costs are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognised in profit or loss as extraction progresses.

Changes to estimated future costs are recognised in the statement of financial position by either increasing or decreasing the rehabilitation liability and asset to which it relates if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16 Property, Plant and Equipment. Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If, the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36.

If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in profit or loss.

**(h) Revenue**

Revenue represents fair value of amounts received or receivable by the entity for the sales of goods and provision of services in the ordinary course of the entity's activities during the period and is stated net of value-added tax (VAT), returns, rebates and discounts.

**(i) Sale of Goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

When two or more revenue generating activities or deliverables are sold under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair values of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

**(i) Services**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

**(j) Finance Costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(k) Income Tax**

- (i) Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

- (ii) Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where carrying amounts of assets carried at fair value are adjusted up or down for financial reporting purposes, tax base is not affected. Thus, revaluation or fair value will lead to temporary differences on these assets which will affect deferred tax. In Nigeria, however, fair valuation of equity instruments and certain debt instruments will not give rise to deferred tax.

Deferred tax is charged or credited to profit or loss for the period, except to the extent that the tax arises from (1) a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (2) a business combination. Deferred tax is charged or credited outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**(l) Earnings Per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**(m) Borrowing Costs**

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred, except to those that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of that asset. Qualifying assets include the cost of developing mining properties and constructing new facilities. Borrowing costs related to qualifying assets are capitalized up to the date when the asset is ready for its intended use.

The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred net of any investment income earned on the investment of those borrowings. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period. The amount of borrowing costs capitalised during a period shall not exceed the amount of borrowing costs incurred during that period.

**4 ADOPTION OF NEW AND REVISED IFRS STANDARDS**

4.1 New and Revised Accounting Standards and Interpretations in Issue But Not Yet Effective

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRS listed below permit early adoption, the company has elected not to apply them in the preparation of these financial statements

Standard	Content	Effective Year
IFRS16	Leases	1-Jan-19

Commentaries on these new standards/amendments are provided below:

**IFRS 9 - Financial Instruments**

The issue of IFRS 9 completed the process of IAS 39 Financial Instruments: Recognition and Measurement. This standard provides full guidance for the classification, recognition and measurement, impairment, hedge accounting and de-recognition of financial instruments.

This standard introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. The standard allows financial assets to be categorised as "fair value through other comprehensive" in certain circumstance which is irrevocable. The requirements for financial liabilities were largely carried forward unchanged from IAS 39.

The standard introduces a single impairment model to all financial instruments, based on "expected loss" instead of "incurred loss" under IAS 39, for the measurement of impairment loss on financial assets.

The standard also provides requirements for hedging accounting that aligns the accounting treatment with the risk management activities of an entity, in addition to enhanced disclosures which will provide better information about risk management and the effect if hedging accounting on the financial statement.

IFRS 9 carries forward the de-recognition requirements of financial assets and liabilities from IAS 39.

The standard will affect the manner with which the Company calculates and recognise impairment loss including its timing and also the classification of its financial assets. However, it is yet to assess the impact on the financial statement and do not intend to apply it earlier than the mandatory effective date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**IFRS 15- Revenue from Contracts with Customers**

This standard provides comprehensive model for all entities in accounting for revenue arising from contracts with customers. It replaced the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The core principle of the standard is that an entity should recognise revenue to show the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition which are as follows:

1. Identification of the contract with a customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contracts; and
5. Recognition of revenue when (or as) the entity satisfies a performance obligation.

An entity recognizes revenue when (or as) a performance obligation is satisfied i.e. when "control" of the goods or services underlying the performance obligation is transferred to the customer. Far more prescriptive guidance is now added to deal with specific scenarios. Furthermore, the standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improved guidance for multiple-element arrangements.

The Company is yet to assess the impact on the financial statement and do not intend to apply it earlier than the mandatory effective date.

**IFRS 16 - Leases**

This is a new standard which sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract i.e. the customer (lessee) and the supplier (Lessor).

It replaces the previous leases standard, IAS 17 Leases, and related interpretations. Some of the highlights are as follows:

- 1) Carry forward of the lessor accounting requirements in IAS 17. Lessor continues to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

- 2) Lessee will now recognize assets and liabilities for all leases i.e. no more operating leases, with a term of more than 12 months, unless the underlying asset is of low value e.g. lease of a personal computer; and depreciate the lease assets. Interest is calculated on all lease liabilities and recognized in the income statement.
- 3) Separation of lease components from service components of the contract and applies lease accounting to only for lease components. But also, include an option for lessee to account for both components as a single lease, instead of separating those components.

Early application is permitted if IFRS 15 Revenue from Contracts with Customers is applied. Management are yet to assess the impact on this standard and does not intend to adopt same earlier than the effective date.

**IAS 7 Disclosure Initiative (Statement of Cash Flows)**

This require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments are intended to provide information to help investors better understand changes in a company's debt.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
<b>5 REVENUE</b>		
Sales of Granites	6,740	6,236
	<u>6,740</u>	<u>6,236</u>
Revenue from granites relate to the Company's share of the joint operation's sales of granites.		
<b>6 OTHER INCOME</b>		
Profit on Sales of Property, Plant and Equipment	-	-
Income from Other Operations	44,738	43,009
	<u>44,738</u>	<u>43,009</u>
<b>7 IMPAIRMENTS</b>		
Exploration & Evaluation Assets	-	-
	<u>-</u>	<u>-</u>

**DETAILED ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER, 2018  
FOR MANAGEMENT USE ONLY**

8a ADMINISTRATIVE EXPENSES	N'000	N'000
Loss on Sale of Assets	2,414	354
Directors' Emoluments	21,600	21,600
Depreciation	79,553	44,009
Salaries & Wages	6,713	6,620
Directors Fees & Sitting Allowance	1,540	1,540
Medical Expenses	536	351
Board Expenses	380	50
Pension Contribution	453	477
Local Travelling	11,008	7,005
Printing & Stationery	705	533
Newspaper & Journals	158	108
Entertainment	-	231
Communication Expenses	545	480
Security Expenses	620	680
AGM Expenses	2,937	3,890
Business Development	630	515
Legal Expenses	480	4,360
Consultancy fee	750	4,360
Audit & Accountancy fees	3,000	3,000
Rent & Rates	4,250	4,500
Office Expenses/head office	577	1,856
Motor Vehicle Expenses	1,619	868
Repairs & Maintenance	353	1,568
Generator Expenses	408	507
Share Dealing Expenses	-	200
Regulatory fee	3,833	1,284
	<u>145,062</u>	<u>110,946</u>
<b>8b FINANCE COSTS</b>		
Interest on Bank Loans and Overdrafts	207,884	352,368
Other Interest Expenses	-	184
Unwinding of Discount on Rehabilitation Provision	-	252
Total Interest Expense	<u>207,884</u>	<u>352,804</u>
<b>9 TAXATION</b>		
<b>9.1 As per Profit or Loss:</b>		
<b>Current Tax</b>		
Income Tax Based on Minimum Tax	5,335	5,871
	<u>5,335</u>	<u>5,871</u>
<b>Deferred Tax:</b>		
Deferred Tax Written Back for Current Year	-	-
	<u>-</u>	<u>-</u>
Total Income Tax Expense Recognised in the Current Year	<u>5,335</u>	<u>5,871</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

	2018 N'000	2017 N'000
<b>9.2 As Per Statement of Financial Position</b>		
<b>Current Income Tax</b>		
At 1 January	5,871	17,409
Provision During the Year	5,335	5,871
Paid During the Year	(3,500)	(1,000)
Write Back	-	(16,409)
At 31 December	<u>7,706</u>	<u>5,871</u>

**Deferred Tax**

The following are the major deferred tax liabilities recognised by the company and movements thereon during the current and prior reporting period.

At 1 January	-	922,812
Reversal	-	(922,812)
At December 31	<u>-</u>	<u>-</u>

The following is the analysis of the deferred tax liabilities as presented in the Statement of Financial Position:

	Opening Balance	Reversal	Closing Balance
<b>2018</b>			
Property, Plant and Equipment	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>2017</b>			
Property, Plant and Equipment	922,812	(922,812)	-
	<u>922,812</u>	<u>(922,812)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

	2018	2017
	N'000	N'000
<b>10 LOSS FOR THE YEAR</b>	<b><u>(312,069)</u></b>	<b><u>(433,186)</u></b>
Loss for the Year is arrived at after Charging/(Crediting):		
Depreciation	91,785	100,110
(Loss)/Profit on Disposal of PPE	2,414	354
Auditors' Fee	3,000	3,000
Directors' Remuneration	21,600	21,600
Directors' Fee	1,540	1,540

**11 EARNINGS PERSHARE**

Earnings per share are calculated on the basis of profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

**11.1 Basic/Diluted Earnings PerShare**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share

<b>Earnings from Continuing Operations</b>	<b>N'000</b>	<b>N'000</b>
Loss for the Year Attributable to Owners of the Company	<u>(312,069)</u>	<u>(433,186)</u>
<b>Number of Shares</b>		
Number of Ordinary Shares for the purpose of Basic Earnings per Share	<u>4,261,939</u>	<u>4,261,939</u>
Earnings Per Share (Kobo) - Basic	<u>(0.07)</u>	<u>(10)</u>

The denominator for the purpose of calculating basic earnings per share is based on issued and paid ordinary shares of 50 kobo each.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

12	MINE PROPERTIES	2018	2017	Total	
		N'000	N'000		
		Mine Site	Quarry Site		
		Under Construction			
<b>COST</b>		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	
	At 1 January 2017	1,544,380	29,986	1,574,366	
	Additions	73,030	-	73,030	
	At 31 December 2017	1,617,410	29,986	1,647,396	
	Additions	42,953	-	42,953	
	At 31 December 2018	1,660,363	29,986	1,690,349	

**12.1 Impairment Testing of Mine Properties**

An impairment test was not performed during the year under review.

12.2 The quarry site not yet operational, have no depletion or impaired, thine site under construction is yet to result under production estimates.

12.3	Additions to Mine Site under Construction	2018	2017
		N'000	N'000
	NonCashElement	39,407	62,896
	CashElement	3,546	10,134
		42,953	73,030

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018**

**13 PROPERTY, PLANT & EQUIPMENT**

	Plant & Machinery	Site Cost	Site Building	Motor Vehicle	Computer & IT Equipment	Total
<b>COST</b>	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2017	3,650,874	250,067	7,132	83,719	11,984	4,003,776
Additions	-	-	-	-	70	70
Disposal	(163,252)	-	-	-	-	(163,252)
At 31 December 2017	3,487,622	250,067	7,132	83,719	12,054	3,840,594
Additions	-	975	-	-	-	975
Disposal	(335,056)	-	-	-	-	(335,056)
At 31 December 2018	3,152,566	251,042	7,132	83,719	12,054	3,506,513
<b>DEPRECIATION</b>						
At 1 January 2017	868,794	68,267	2,890	83,709	11,810	1,035,470
Charge for the Year	87,191	12,504	356	-	58	100,109
Disposal	(101,298)	-	-	-	-	(101,298)
At 31 December 2017	854,687	80,771	3,246	83,709	11,868	1,034,281
Charge for the Year	78,814	12,552	357	-	62	91,785
Disposal	(312,122)	-	-	-	-	(312,122)
At 31 December 2018	621,379	93,323	3,603	83,709	11,930	813,944
<b>CARRYING AMOUNTS</b>						
At 31 December 2018	2,531,187	157,719	3,529	10	124	2,692,569
At 31 December 2017	2,632,935	169,296	3,886	10	186	2,806,313

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER (Cont'd)**

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
<b>14 INVENTORIES</b>		
At 1 January	29,385	32,194
<b>Inventories expensed:</b>		
Consumed During the Year	-	(2,809)
Addition in the Year	-	-
At 31 December	<u>29,385</u>	<u>29,385</u>
<b>15 TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	2,052	8,141
Less: Provision for Impairment of Trade & Other Receivables	-	-
	<u>2,052</u>	<u>8,141</u>
Other Receivables	-	30,258
Prepayments-Rent	1,000	-
	<u>3,052</u>	<u>38,399</u>
As at year end, the analysis of trade receivables that were past not impaired is as follows:		
<b>Neither Past Due nor Impaired</b>		
Less than 30 days	-	-
30 to 60 days	-	-
61-90 days	-	-
91 to 120 days	-	-
Above 120 days	2,052	8,141
	<u>2,052</u>	<u>8,141</u>
In determining the recoverability of the trade and other receivables, the company performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparty.		
<b>16 BANK</b>		
Cash at Bank	<u>3,731</u>	<u>4,982</u>
	<u>3,731</u>	<u>4,982</u>
<b>17 SHARE CAPITAL</b>		
<b>Authorised:</b>		
4,500,000,000 Ordinary Shares of 50k each	<u>2,250,000</u>	<u>2,250,000</u>
<b>Issued and Fully Paid:</b>		
4,261,938,000 Ordinary Shares of 50k each		
At 1st January	<u>2,130,969</u>	<u>2,130,969</u>
At 31 December	<u>2,130,969</u>	<u>2,130,969</u>
<b>18 SHARE PREMIUM</b>		
At 1 January	<u>1,242,082</u>	<u>1,242,082</u>
At 31 December	<u>1,242,082</u>	<u>1,242,082</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

	<b>2018</b>	<b>2017</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>19 RETAINED LOSS</b>		
At 1 January	(2,206,144)	(2,769,795)
Correction of Prior Period Error (Note 20.1)	-	996,837
Restated Balance	<u>(2,206,144)</u>	<u>(1,772,958)</u>
Share of Capital Reserve from Joint Operations	-	-
Other Transfer	-	-
Loss for the Year	(312,069)	(433,186)
At 31 December	<u><u>(2,518,213)</u></u>	<u><u>(2,206,144)</u></u>
<b>20 CORRECTION OF PRIOR PERIOD ERROR</b>		
Deferred Tax Provision Reversed	-	922,812
Interest noted in other payables also included as interest payable (all in 2016) reversed	-	74,025
	<u>-</u>	<u>996,837</u>
<b>21 LOANS</b>		
The borrowings are made up as follows:		
<b>Non-current</b>		
Term Loans	<u>-</u>	<u>162,105</u>
<b>Current</b>		
Term Loan	539,530	746,778
Bank Overdraft	2,439,452	1,871,085
	<u>2,978,982</u>	<u>2,617,863</u>
Total Borrowings	<u>2,978,982</u>	<u>2,572,721</u>
Non Current Term Loan is analysed as follows:		
At 1 January	162,105	298,015
Accumulated Interest capitalised	(162,105)	(135,910)
Current Portion of Non-current Loan	-	(69,250)
At 31 December	<u>-</u>	<u>162,105</u>
Current Term Loan is analysed as follows:		
At 1 January	746,778	648,109
Current Portion of Non-current Loan - Restructuring/Accumulated Interest due	-	98,669
Transferred to Bank Overdraft	(746,778)	-
At 31 December	<u>-</u>	<u>746,778</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 (Cont'd)**

**21.1 Components of Current Portion of Non-current Borrowing**

<b>Non-current</b>	<b>NEXIM Bank (1)</b>	<b>NEXIM Bank (2)</b>	<b>Access Bank</b>	<b>Unity/BOI Loan/BOI</b>	<b>Unity Term Loan/BOI</b>	<b>UBN-Term Loan</b>	<b>Total</b>
<b>Figures in thousand ('000) of Naira</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>	<b>₦</b>
Non-current term loan is analysed as follows:							
At 1 January	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Accumulated Interest Capitalised	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	-	-
<b>Current:</b>							
Facility Type/Purpose							
Opening Balance	746,778	124,676	239,654	488,343	120,609	858,856	2,578,916
Interest Capitalised during the Year	32,919	26,042	-	145,943	40,502	-	245,406
Payments	(2,500)	-	-	(1,500)	(1,500)	(3,000)	(8,500)
Matured Principal	-	-	-	128,625	34,535	-	163,160
	<u>777,197</u>	<u>150,718</u>	<u>239,654</u>	<u>761,411</u>	<u>194,146</u>	<u>855,856</u>	<u>2,978,982</u>

Current obligation includes obligations which are due within 12 months after the reporting year end.

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

**21.2 Bank Loans is Further Analysed Below:**

<b>Facility Type/Purpose</b>	<b>Tenure</b>	<b>Interest Rate</b>	<b>Security</b>	<b>Facility Amount</b>	<b>Draw Down/Balance December 2018</b>	<b>Draw Down/Balance December 2017</b>
				<b>₦</b>	<b>₦</b>	<b>₦</b>
Nexim	5 Years	10.50%	Legal Mortgage Over Assets	524,636	-	746,778
Other Term Loan: Unity Bank /Boi Refinancing Facility	12mths	5%	Legal Mortgage over quarry site and personal guarantees of all Directors	100,000		34,211
Access Bank Plc	10 years	7%	-	242,417		-
Term Loan- BOI Total Term Loan	9yrs, 6 mth	5%	Legal Mortgage over Assets	270,000		127,893
Less: Non-Current Portion					-	(162,104)
Current Portion					-	746,778

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
<b>22 PROVISIONS</b>		
Rehabilitation		
At 1 January	2,769	2,517
Unwinding of Discount	277	252
At 31 December	<u>3,046</u>	<u>2,769</u>
Comprising:		
Current	-	-
Non-current	<u>3,046</u>	<u>2,769</u>
	<u>3,046</u>	<u>2,769</u>

The company makes full provision for the cost of rehabilitating mining sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation cost relating to mine sites, which are expected to be incurred up to 2042. These provisions have been created based on the company's internal estimates. Assumptions based on current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future lead and barite prices, which are inherently uncertain.

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
<b>23 TRADE AND OTHER PAYABLES</b>		
Trade Payables	358,297	383,003
Other Payables (Note 23.1)	216,217	187,955
	<u>574,514</u>	<u>570,958</u>
<b>23.1 Other Payables</b>		
Accruals	-	3,080
PAYE Payable	7,728	4,068
Agency Sales	6,519	-
WHT Payable	1,881	3,857
VAT Payable	10	69
Pension Payable	7,993	3,672
Other Retirement Provisions	6,391	-
Salary Payable	182,256	169,771
Unpaid Dividend (Note 23.2)	3,439	3,439
	<u>216,217</u>	<u>187,956</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

23.2 The company received unclaimed dividend from its Registrars, Carnation Registrars Limited, a Mainstreet Bank cheque for the dividend that were uncollected for 15 months and above.

Trade and other payables are non interest bearing and are normally settled on 15 to 45 days term.

24	<b>CASH GENERATED FROM OPERATIONS</b>	<b>2018</b>	<b>2017</b>
	Reconciliation of profit after tax to net cash generated by operating activities:	<b>N'000</b>	<b>N'000</b>
	Operating Loss for the Year	(98,850)	(74,510)
	<b>Adjustments for Non Cash Flow Items:</b>		
	Depreciation	91,875	100,110
	(Profit)/Loss on Disposal of Property, Plant and Equipment	2,414	354
	Inventory Consumed by Joint Operation	-	-
	Impairment on Exploration & Evaluation	-	-
	Changes in Rehabilitation Provision	-	252
	Tax Paid	<u>(4,567)</u>	<u>(1,000)</u>
	<b>Operating Cash Flows Before Movements in Working Capital</b>	<b>(9,128)</b>	<b>25,205</b>
	Decrease/(Increase) in Inventories	-	2,809
	increase in Trade and Other Receivables	35,347	(20,865)
	Increase in Trade and Other Payables	<u>(80,247)</u>	<u>(66,512)</u>
	<b>Net Cash Generated from Operations</b>	<b><u>(54,028)</u></b>	<b><u>(59,363)</u></b>

**25 RELATED PARTY TRANSACTIONS**

Details of transactions and outstanding balances between the company and its related parties during the period are disclosed below:

**25.1 Trading Transactions**

The Company did not enter into any transactions with its related parties during the year. The analysis below relates to 2017 transactions:

	Nature of Transaction	Due to Related Parties	
		2018 N'000	2017 N'000
Treasuremix Construction Limited	Payables	-	300
Heritage Capital Markets Limited	Payables	-	15,993
		<u>-</u>	<u>16,293</u>

There were no sales of goods to related party during the year under review.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

**25.2 Remuneration of Key Management Personnel**

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
Short-term Employee Benefits	<u>21,600</u>	<u>21,600</u>
	<u>21,600</u>	<u>21,600</u>

No dividend was paid or proposed to be paid in the year in respect

of ordinary shares held by the Company's Directors.

**26 DIRECTORS AND EMPLOYEES**

**26.1 Directors**

**Emoluments:**

Fees	1,040	1,040
Other Remuneration and Allowances	<u>500</u>	<u>500</u>
	<u>1,540</u>	<u>1,540</u>

**26.2 Employees**

The average number of employees employed during the year:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
	<u>7</u>	<u>7</u>
	<u>7</u>	<u>7</u>

The aggregate payroll costs:

	<b>N'000</b>	<b>N'000</b>
Wages, Salaries, and Allowances:		-
Administrative Expense	6,713	6,238
Pension Cost	<u>809</u>	<u>382</u>
	<u>7,522</u>	<u>6,620</u>

The number of higher paid employees with gross emoluments within the ranges below were:

<b>Range (N)</b>	<b>Number</b>	<b>Number</b>
100,000 - 200,000	-	-
200,001 - 300,000	-	-
300,001 - 400,000	-	-
400,001 - 500,000	2	2
500,001 - 1,000,000	-	-
1,000,000 - 2,000,000	3	3
Above 2,000,000	<u>2</u>	<u>2</u>
	<u>7</u>	<u>7</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER (Cont'd)**

**27 FINANCIAL INSTRUMENTS**

**27.1 Capital Risk Management**

The Company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's overall strategy remains unchanged. The capital structure of the company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. The Company is not subject to any externally imposed capital requirements. Equity includes all capital and reserves of the Company that are managed as capital.

**27.2 Significant Accounting Policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

**27.3 Categories of Financial Instruments**

	2018	2017
	N'000	N'000
<b>Financial Assets</b>		
Cash and Bank Balances	3,731	4,982
Trade and Other Receivables	3,052	38,399
	6,783	43,381
<b>Financial Liabilities</b>		
Financial Liabilities at Amortized Cost	2,201,785	2,572,721
Trade and Other Payables	793,521	559,293
	2,995,306	3,132,014

**27.4 Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities, comprise accounts payable, bank loans and overdrafts. The main purpose of these financial instruments is to manage short-term cash flow and raise finance for the Company's capital expenditure programme. The Company has various financial assets such as trade and other receivables and cash that arise directly from its operations.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)

### 27.5 Risk Exposures and Responses

The company manages its exposure to key financial risks in accordance with the company's financial risk management policy. The objective of the policy is to support the delivery of the company's financial targets while protecting future financial security. The main risks that could adversely affect the company's financial assets, liabilities or future cash flows are market risks, comprising cash flow interest rate risk, liquidity risk and credit risk.

The company's senior management oversees the management of financial risks. The company's senior management is supported by a Audit Committee that advises on financial risks and governance framework for the company. The Audit committee provides assurance to the company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. Currently, the company does not currently apply any form of hedge accounting. The Board of Directors reviews and agrees policies for managing each of these risks.

### 27.6 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to only interest rate risk

The sensitivity of the relevant profit before tax item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2018. The impact on equity is the same as the impact on profit before tax.

### 27.7 Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with bank loan interest rate subjects to charges to the prevailing monetary policy rate.

### 27.8 Foreign Currency Risk

The Company has transactional currency exposures arising from sales or purchases in currencies other than the respective functional currencies. The Company manages this risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

### 28. GOING CONCERN

The financial statements have been prepared under the assumption that the Company will continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

The Company has net current liabilities of N3,525,034,000 (2017: N3,116,055,000), net loss of N312,069,000 for the year ended 31 December 2018 (2017: N427,315,000) and accumulated losses of N2,518,213,000 (2017: N2,203,272,000). The net current liability is due to backlog of trade and other liabilities and substantial current portion of loan-term borrowings which were due for repayment but remained unpaid.

The accumulated losses for over three years running were primarily caused by no production and sales (except commissions earned from its agency relationship with its joint venture partner) during the year, massive finance costs of N207,885,000 (2017: N352,804,000) arising from non-payment of overdue long-term borrowings and poor performance of the Company over years.

During the reporting year, the Company has undertaken a thorough review of its financial position and its business strategy to improve the position in near future.

The directors confirmed that it has successfully restructured its loan from Nigeria Export-Import Bank to allow for longer repayment that will improve cash flows and have reached significant stage since the negotiation process for the restructuring of the other bank loans, hence, it believes that none of its loans/overdraft facilities will crystallize into any legal claim against the company.

To boost revenue and cash flows in the short-term period, the company acquired Nurex Global Business Nigeria Limited thereby taking over the contract of services with Lafarge Holcim for the hire of Dozer machine for material stockpiling, hiring of Grade for factory road cleaning, mobilization etc. Additional equipment has been deployed to Lafarge Holcim at Sagamu site for maximum utilization and profitability.

The Company in conjunction with its Technical Partners Anhui Synee Mining Company Limited, Hefei, Anhui Province, China have made significant progress in respect of its Mining activities in Abuni, Awe Local Government, Nasarawa State.

Tremendous progress has been achieved since its Chinese Partners commenced the last stage of the mining activities on 21st May, 2017 to confirm the economic viability of the lead/Zinc deposits on the mining site.

The core drilling exercise which involved drilling of 200 metres to 300 metres depth of over thirty (30) holes spanning over 8kilometersquare has been concluded in February, 2018 and therefore from this exercise confirmed that the lead/Zinc deposits are of commercial quantities with over 2.4 million metrics tons of lead/Zinc ore. It has also been confirmed from the sample testing that the Lead/Zinc ore are of acceptable quality of over 20% Pb+Znon average.

The mining has gone through exploratory stage. The Mine Design and Mine Construction stage has been fully completed. This stage involved the construction of two equidistance vertical/inclined shafts of 200metres depth. As at 31st December, 2018, the mine is at production stage.

Production is projected to commence in the second quarter of 2019 with an estimated yearly production of over 100,000 metric tons of Lead/Zinc.

The great stride in its mining activities will reposition the company to path of profitability and will enable the company clean up its past due obligations to the banks and other creditors.

Consequent upon this positive development, we have no reservation about the Going Concern of the Company.

#### **29 EVENT AFTER REPORTING DATE**

No material transactions occurred between 31 December 2018 and the date the financial statements were signed requiring disclosure in or adjustment to the annual financial statements for the period ended 31 December 2018.

#### **30 APPROVAL OF FINANCIAL STATEMENTS**

The 2018 financial statements were approved by the Board and authorised for issue on 25th March 2019 having been audited by the new Auditors: Olukayode Aina & Co. (Chartered Accountants).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER(Cont'd)**

**OTHER NATIONAL DISCLOSURES  
STATEMENT OF VALUE ADDED**

	2018 N'000	%	2017 N'000	%
Revenue	6,740		6,236	
Value of Services (Local)	(50,931)		(28,768)	
Other Income	44,738		43,009	
<b>Value Added for Distribution</b>	<b>547</b>	<b>100</b>	<b>20,477</b>	<b>100</b>
<b>Apply as follows:</b>				
<b>In payment to Government</b>				
Income Tax Expenses	5,335	975	(5,871)	(29)
<b>In Payment to Employees</b>				
Salaries, Wages and Pension	7,522	1,375	6,620	32
<b>Capital Provider</b>				
Finance Charges	207,884	38,004	352,804	1,723
<b>Retained in Business for Expansion &amp; Development</b>				
Depreciation	91,875	16,796	100,110	489
Retained Loss	(312,069)	(57,051)	(433,186)	(2,115)
	<b>547</b>	<b>100</b>	<b>20,477</b>	<b>100</b>

**OTHER NATIONAL DISCLOSURES (Cont'd)**  
**FINANCIALSUMMARY**

Statement of Financial Position	2018 N'000	2017 N'000	2016 N'001	2015 N'002	2014 N'003
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Exploration and Evaluation Assets	-	-	-	2,152	2,152
Mine Properties	1,690,349	1,647,396	1,574,366	1,506,907	1,477,543
Property, Plant & Equipment	2,692,569	2,806,312	2,968,307	3,084,577	3,182,136
<b>Total Non-current Assets</b>	<b>4,382,918</b>	<b>4,453,708</b>	<b>4,542,673</b>	<b>4,593,636</b>	<b>4,661,831</b>
<b>Current Assets</b>					
Inventories	29,385	29,385	32,194	46,643	51,412
Trade and Other Receivables	3,052	38,399	17,535	51,712	20,073
Bank	3,731	4,982	4,369	42,445	7,246
<b>Total Current Assets</b>	<b>36,168</b>	<b>72,766</b>	<b>54,098</b>	<b>140,800</b>	<b>78,731</b>
<b>Total Assets</b>	<b>4,419,086</b>	<b>4,526,474</b>	<b>4,596,771</b>	<b>4,734,436</b>	<b>4,740,562</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Equity</b>					
Issued Capital	2,130,969	2,130,969	2,130,969	2,130,969	2,130,969
Share Premium	1,242,082	1,242,082	1,242,082	1,242,082	1,242,082
Retained (Loss)/ Earnings	(2,518,213)	(2,206,144)	(2,769,794)	(2,084,030)	(1,773,334)
<b>Total Shareholders' Equity</b>	<b>854,838</b>	<b>1,166,907</b>	<b>603,257</b>	<b>1,289,021</b>	<b>1,599,717</b>
<b>Non-current Liabilities</b>					
Interest-bearing Loans and Borrowings	-	162,105	298,015	367,265	358,573
Deferred Tax	-	-	922,812	922,812	948,353
Provisions	3,046	2,769	2,517	2,288	2,080
<b>Total Non-Current Liabilities</b>	<b>3,046</b>	<b>164,874</b>	<b>1,223,344</b>	<b>1,292,365</b>	<b>1,309,006</b>

## FINANCIAL SUMMARY (Cont'd)

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
<b>Current Liabilities</b>					
Interest-bearing Loans and Borrowings	2,978,982	2,617,863	2,145,081	1,484,593	946,755
Accounts Payables and Accrued Liabilities	574,514	570,958	607,680	628,576	851,609
Income Tax Payable	7,706	5,871	17,409	39,883	33,476
<b>Total Current Liabilities</b>	<b>3,561,202</b>	<b>3,194,692</b>	<b>2,770,170</b>	<b>2,153,052</b>	<b>1,831,840</b>
<b>Total Liabilities</b>	<b>3,564,248</b>	<b>3,359,566</b>	<b>3,993,514</b>	<b>3,445,417</b>	<b>3,140,846</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>4,419,086</b>	<b>4,526,473</b>	<b>4,596,771</b>	<b>4,734,438</b>	<b>4,740,563</b>
<b>Statement Of Comprehensive Income</b>					
<b>Turnover</b>	6,740	6,236	26,262	-	(49,169)
Loss Before Taxation	(306,734)	(427,315)	(584,118)	(463,647)	(580,014)
Taxation	(5,335)	(5,871)	-	19,134	27,607
<b>Loss After Taxation</b>	<b>(312,069)</b>	<b>(433,186)</b>	<b>(584,118)</b>	<b>(444,513)</b>	<b>(552,407)</b>
Per Share Data (Kobo):					
Loss-Basic	(0.07)	(10.16)	(13.71)	(10.43)	(12.96)
Net Asset	0.20	0.31	0.43	0.61	0.68

**MULTIVERSE MINING & EXPLORATION PLC**  
**Register Range Analysis As At 31st December, 2018**

Range	No of Holders	Percent	Unit	Percent
1 - 1,000	419	7.0933	208,376	0.0049
1,001 - 10,000	1,421	24.0562	7,557,806	0.1773
10,001 - 100,000	1,894	32.0637	75,909,034	1.7811
100,001 - 1,000,000	1,734	29.355	463,556,701	10.8767
1,000,001 - 10,000,000	394	6.6701	899,850,872	21.1137
10,000,001 - 100,000,000	38	0.6433	1,168,221,525	27.4106
100,000,001 - 10,000,000,000	7	0.1185	1,646,634,372	38.6358
<b>Grand Total</b>	<b>5,907</b>	<b>100</b>	<b>4,261,938,686</b>	<b>100</b>

**Shareholders with 5% and above Shareholding as at 31st December, 2018**

NAME	TYPE	COMPANY	HOLDINGS	PERCENT
AYEDUN FASINA	DIRECT	-	706,233,200	16.57
ET & F INVESTMENT LIMITED	INDIRECT	ET & F INVESTMENT LIMITED	259,274,497	6.08
GWF SERVICES LIMITED	INDIRECT	GWF SERVICES LIMITED	222,222,222	5.21

We declare that no other individual(s) or entity asides from Mr. Ayedun Fasina, ET & F Investment Limited and GWF Services Limited holds equal to or above 5% of the issued and fully paid shares of the company.

ET & F Investment Limited and GWF Services Limited have no representation on the Board of Multiverse Mining and Exploration Plc.

**MULTIVERSE MINING AND EXPLORATION PLC**

Share Capital History	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018
Authorise Shares Capital =N=	2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000
Paid Up Shares Capital =N=	2,130,969,343	2,130,969,343	2,130,969,343	2,130,969,343	2,130,969,343
Outstanding Shares =N=	119,030,657	119,030,657	119,030,657	119,030,657	119,030,657
Issued Shares (Shares)	4,261,938,686	4,261,938,686	4,261,938,686	4,261,938,686	4,261,938,686
Bonus Issues (Shares)					
Rights Offers					
Scheme Shares					
Free Float Position As At 31st Dec., 2018 was 71%					
Total Number os Shares Listed As At 31st Dec., 2018					
4,261,938,686 shares at 50kobo each					

**Proxy Form**

The 16th Annual General Meeting of Multiverse Mining & Exploration Plc will be held at the ACE-Olivia @ City Mall 2nd Floor, Onikan, Lagos on Thursday 28th November, 2018 at 11.00 a.m.

I/We \_\_\_\_\_ being Members/Member of the Multiverse Mining & Exploration Plc hereby appoint \_\_\_\_\_ Of \_\_\_\_\_

Or failing him the Chairman of the Meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019 \_\_\_\_\_ Shareholder's Signature

**NOTE:**

Please sign this form and post it to reach the address overleaf not later than 48hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

Shareholders name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joints holders must be inserted.

Following the normal practice, the chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but you may insert in the blank space the name of any person, whether a member of the company or not.

Resolution	For	Agent
<ul style="list-style-type: none"> <li>● <b>ORDINARY BUSINESS</b></li> <li>1. To lay before the Meeting the Audited Financial Statements for the year ended December 31, 2018 together with the Reports of the Directors, the Auditors and the Audit Committee thereon.</li> <li>2. To elect/ re-elect Directors. Mr. John-Bede Anthonio</li> <li>3. To authorise the Directors to fix the remuneration of the Auditors.</li> <li>4. To elect the Shareholders' representatives on the Audit Committee.</li> <li>● <b>SPECIAL BUSINESS</b></li> <li>5. To consider and if deemed fit to pass the following resolutions:               <ul style="list-style-type: none"> <li>A. To fix the remuneration of the Directors</li> <li>B. That the issued share capital of the Company comprising 4,261,938,686 existing ordinary shares of 50k each be reconstituted into 426,193,868 shares of 50k each on the basis of one ordinary</li> </ul> </li> </ul>		

Resolution	For	Agent
<p>share for every ten existing ordinary shares, with such ordinary shares having the same rights and being subject to the same restrictions as the existing ordinary shares.</p> <p>C. That the Directors be and are hereby authorized to raise additional equity capital for the Company up to the maximum limit of the authorized share capital, whether by way of Special Placement or Public Offer with or without a preferential allotment/or Rights issue or a combination of any of them, either locally or internationally and upon such terms and conditions as the Directors may deem fit in the interest of the Company and subject to the approval of the Regulatory Authorities.</p> <p>D. That subject to the confirmation of the Court, the Company's Issued Share Capital (including for this purpose its Share Premium Account) be reduced by the sum of N2,518,213,000 which has been lost or is otherwise unrepresented by available assets and that the credit arising from the reduction be used to eliminate the retained loss in the Company's audited financial statements as at 31st December 2018.</p> <p>E. That the Directors of the Company be authorised generally to do all acts and things, and to approve, sign and/or execute all documents which in their opinion may be necessary to implement the above resolutions including seeking the appropriate confirmation from the Federal High Court</p> <p>F. That the Company's Memorandum and Articles of Association be amended to reflect the changes in the capital structure.</p> <p>G. That upon obtaining all requisite approvals for the proposed reconstitution of shares of the company, the existing share certificates in relation to the existing equity shares of the company each held in physical form shall be deemed to have been automatically surrendered and thereafter cancelled by the company and be of no effect and the Company may without requiring the surrender of the existing share certificates directly issue by electronic means the new share certificates of the company in lieu thereof.</p>		

**16TH ANNUAL GENERAL MEETING-SHAREHOLDERS ADMISSION CARD**

Please admit the shareholder on this form on his/her appointed proxy to the Annual General Meeting

Name of shareholder's \_\_\_\_\_

Numbers of Share held \_\_\_\_\_

Signature of Person attending \_\_\_\_\_

Note: This form should be completed, signed, torn off and produced by the shareholder or his/her duly appointed proxy in order to gain entrance to the venue of the meeting.

## E-DIVIDEND FORM

To:

The Registrar  
Carnation Registrars Ltd.  
2a Gbagada Expressway  
Anthony Village, Lagos.

**ONLY CLEARING BANKS ACCEPTABLE**

I/We hereby request that from now on, all dividend warrant(s) due to me/us from my/our holding(s) in **Multiverse Mining & Exploration Plc**, be paid directly to my/our Bank named below.

Shareholder's Full Name: \_\_\_\_\_  
*Surname first*

Shareholder's Address: \_\_\_\_\_

Shareholder's E-mail: \_\_\_\_\_

Shareholder's GSM Number: \_\_\_\_\_

Single Shareholder's Signature: \_\_\_\_\_

Joint Shareholders'/Company Signatures:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

Company Seal: \_\_\_\_\_

Name of Bank: \_\_\_\_\_

Branch Address of Bank: \_\_\_\_\_

**Bank Account No.** \_\_\_\_\_

**Bank Sort Code:** \_\_\_\_\_

**Bank Authorised Signature & Stamp :**

(1) \_\_\_\_\_  
*Please include Page No.*

(2) \_\_\_\_\_  
*Please include Page No.*

To:  
The Registrar  
Carnation Registrars Ltd.  
2A/2C Gbagada Expressway  
Anthony Village, Lagos.



