MULTIVERSE MINING AND EXPLORATION PLC.

RC. 454678

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

Olukayode Aina & Co.
(Chartered Accountants)
Plot 5, Olusola Harris Way
Lekki Peninsula, Scheme II
Lagos.

MULTIVERSE MINING & EXPLORATION PLC.

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MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, (CAP C20), Laws of the Federation of Nigeria 2020, 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, 2020.

(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, 2020 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	**John Bede Anthonio**
MANAGING DIRECTOR/CEO	Chairman
FRC/2013/ICAN/00000004147	FRC/2013/NIAECHI/00000004145

Multiverse Mining & Exploration Plc
RC. 454678

195A, Corporation Drive
Dolphin Estate Ikoyi - Lagos
Office Tel: 09060004520
e: info@multiverseplc.com
www.multiverseplc.com

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 2004, 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 31st December, 2021 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 31st December, 2021 was adequate and the Management Responses to the Auditor's findings were satisfactory.

John Isesele

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

Dated March 8, 2022

Members of the Audit Committee

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

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STATEMENT OF COMPLIANCE
For the year ended 31 December 2021.

In accordance with section 405 of the Companies and Allied Act of Nigeria 2020, the Managing Director/ CEO and the Chief Financial Officer hereby certify that with regards to our Audited Financial Statements for the year ended 31 December 2021, that:

a). We have reviewed the report;
To the best of our knowledge, the report does not:

- Contain any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made.

b). To the best of our knowledge, the financial statement and other financial information included in this 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 this report.

c) We:

- are responsible for establishing and maintaining internal controls;
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity, particularly during the period in which the periodic reports are being prepared.
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date

We have disclosed to the Auditor of the Company and Audit Committee:

- 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
- Any fraud, whether or not material, that involves Management or other employees who have significant role in the company's internal controls.

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Ayedun Fasina
Managing Director/CEO

Solomon Fasinu
Chief Financial Officer

OAACO
Olukayode Aina & Co.
Chartered Accountants

HEAD OFFICE:
Dainak Court
Plot 5, Olusola Harris Way,
Lekki Scheme II, Lagos.
0802 306 1414
0805 581 2928
oaaco@hotmail.com
info@oaaco.org
www.oaaco.org

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, 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, 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, 2021, 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 2020, the Financial Reporting Council Act 2011, Investment and Securities Act 2007 and Nigerian Exchange Limited 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.

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:

The Company Operations

During the year the company and its technical partners on quarry operations (Unicontinental Engineering) have repositioned the Abeokuta quarry and operations on-going at full capacity. Also at the mine, operation has fully stabilised with continuous under ground mining operations and processing for export on regular basis.

Share Reconstruction

In order to reduce the cummulative loss of the company over the years, the company reconstructed its share capital structure during the year having been approved by the Shareholders and Securities and Exchange Commission.

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 analysed 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 zinc 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. 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 2020 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 purpose 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.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
SG/ICAN
1137627

Julius Olukayode Aina **March 10, 2022**
FRC2013/ICAN/00000004390
For:Olukayode Aina & Co
(Chartered Accountants)
Lagos, Nigeria

MULTIVERSE MINING & EXPLORATION PLC.

REPORT AT A GLANCE

	2021 ₦'000	2020 ₦'000
Revenue	289,239	64,874
Profit/(Loss) Before Taxation	(1,841)	(202,045)
Taxation	15,869	4,540
Profit/(Loss) After Taxation	14,028	(197,505)
Total Comprehensive Income for the Year Net of Tax	14,028	(197,505)
Total Comprehensive Income for the Year Attributable to:		
Owners of the Company	14,028	(197,505)
Basic and Diluted Earnings per Ordinary Share	0.03	(0.05)

Dated this 10th day of March, 2022

BY ORDER OF THE BOARD

EQUITY UNION LIMITED
(Corporate Secretaries, Nominees)

EQUITY UNION LIMITED
(Corporate Secretaries, Nominees)

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

MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2021

	NOTES	2021 N'000	2020 N'000
Continuing Operations			
Revenue	5	289,239	64,874
Cost of Sales		(34,944)	(3,746)
Gross (Loss)/Profit		254,295	61,127
Impairment on Exploration & Evaluation Assets	7	-	-
Other Income	6	-	-
Administrative & Operating Expenses	8a	(136,095)	(116,407)
Operating Profit/ (Loss)		118,199	(55,279)
Finance Cost	8b	(120,039)	(146,766)
Profit/(Loss) Before Income Tax		(1,841)	(202,045)
Taxation	9.1	15,869	4,540
Profit/Loss After Tax for the Year	10	14,028	(197,505)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year, Net of Tax		**14,028**	**(197,505)**
Profit/Loss for the Year Attributable to:			
Owners of the Company		14,028	(197,505)
		14,028	**(197,505)**
Total Comprehensive Income for the Year Attributable to:			
Owners of the Company		14,028	(197,505)
		14,028	**(197,505)**
Basic and Diluted Earnings per Ordinary Share (kobo)	11.1	0.03	(0.05)

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

MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	NOTE	2021 N'000	2020 N'000
ASSETS			
Non-current Assets			
Mine Properties	12	1,849,096	1,807,437
Property, Plant & Equipment	13	2,420,981	2,508,082
Deferred Tax	9.2	18,384	-
Total Non-current Assets		4,288,461	4,315,519
Current Assets			
Inventories	14	-	-
Trade and Other Receivables	15	15,012	5,009
Cash & Cash Equivalents	16	14,756	4,112
Total Current Assets		29,769	9,121
Total Assets		**4,318,230**	**4,324,640**
EQUITY AND LIABILITIES			
Shareholder's Equity			
Issued Capital	17	213,097	2,130,969
Share Premium	18	337,806	1,242,082
Retained Loss	19	(183,477)	(3,019,654)
Total Shareholders' Equity		367,426	353,397
Non-current Liabilities			
Loans	21	888,443	-
Provisions	22	3,919	3,642
Deferred Tax	9.2	-	426
Total Non-current Liabilities		892,362	4,068

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

MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF FINANCIAL POSITION (Cont'd) AS AT 31 DECEMBER, 2021

	NOTE	2021	2020
		₦'000	₦'000
Current Liabilities			
Interest-bearing Loans and Borrowings	21	2,286,923	3,220,956
Trade Payables and Other Payables	23	750,685	719,238
Income Tax Payable	9.2	20,835	26,982
Total Current Liabilities		3,058,443	3,967,176
Total Liabilities		3,950,805	3,971,244
Total Liabilities and Shareholder's Equity		4,318,230	4,324,640

The financial statements were approved by the Board of Directors on March 10th, 2022.

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.

MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER, 2021

	Share Capital	Share Premium	Retained Losses	Total Equity
	₦'000	₦'000	₦'000	₦'000
Opening Balance	2,130,969	1,242,082	(2,822,149)	550,902
Share of Capital Reserve from Joint Operations	-	-	-	-
Other Transfer	-	-	-	-
Loss for the Year	-	-	(197,505)	(197,505)
Balance at 31 December 2020	2,130,969	1,242,082	(3,019,654)	353,397
	-	-	-	-
Balance	2,130,969	1,242,082	(3,019,654)	353,397
Share reconstruction	(1,917,872)	(904,276)	2,822,148	-
Profit for the Year	-	-	14,028	14,028
Balance at 31 December 2021	**213,097**	**337,806**	**(183,477)**	**367,426**

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

MULTIVERSE MINING & EXPLORATION PLC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTES	2021	2020
		₦'000	₦'000
Cash Receipt from Customers		289,239	64,874
Cash Paid to Suppliers, Employees and Operating Expenses		(227,528)	(44,397)
Net Cash Flows from Operating Activities	24	61,711	20,477
Cash Flows from Investing Activities			
Expenditures on Mine Properties	13	(4,073)	(9,965)
Expenditures on Property, Plant and Equipment		(1,404)	(770)
Proceeds on Disposal of Property, Plant and Equipment		-	-
Proceeds from Quarry Operations		-	-
Net Cash Flows from Investing Activities		(5,477)	(10,735)
Cash Flows from Financing Activities			
Interest Paid		-	(10,000)
Loan restructured effect		(45,590)	-
Net Cash (used in)/from Financing Activities		(45,590)	(10,000)
Net Cash Flows from Operations		10,645	(258)
Bank Balance at 1 January		4,112	4,370
Bank Balance at 31 December	17	**14,757**	**4,112**
Represented By:			
Cash and Cash Equivalents		**14,757**	**4,112**

MULTIVERSE MINING & EXPLORATION PLC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

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 Exchange Limited on 8th October, 2008.

The Company is engaged in the business of exploring, mining, quarring, extracting, prospecting, boring, refining, drilling for, producing mineral resources and other extractive solid minerals (mainly 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 Securities 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.

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.

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.

MULTIVERSE MINING & EXPLORATION PLC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021 (Cont'd)

(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.

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.

(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.

(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	3 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.

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.

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 Cash Generating Units (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.

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. Over time, 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.

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.

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.

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.

(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

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. The company has elected that the Standards are not yet applicable to it.

Commentaries on these new standards/amendments are provided below:

IFRS 9 - Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. This is how the company currently presents impairment losses in it's statement of profit or loss and other comprehensive income.
Impairment losses on other financial assets are presented together with the impairment on trade receivables.

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.

2. IFRS 9 Financial Instruments (amendments) (IFRS 9)

The amendment allows financial assets with prepayment features that permit or requires a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that from the perspective of the holder of the asset there may be 'negative compensation'), to measure at amortised cost or at fair value through other comprehensive income.

(i) Impairment of Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

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.

IFRS 17- 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.

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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.

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.

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		2021	2020
5	**REVENUE**	**₦'000**	**N'000**
	Mining Operations	265,767	60,885
	Quarrying Operations (Share of Sales)	23,472	3,988
		289,239	64,874

Revenue from granites relate to the Company's share of the joint operation's sales of granites.

		2021	2020
6	**OTHER INCOME**		
	Profit on Sales of Property, Plant and Equipment	-	-
	Income from Other Operations	-	-
		-	-
7	**IMPAIRMENTS**		
	Exploration & Evaluation Assets	-	-
8b	**FINANCE COSTS**		
	Interest on Bank Loans and Overdrafts	120,039	81,512
	Other Interest Expenses	-	65,254
	Total Interest Expense	120,039	146,766
9	**TAXATION**		
9.1	**As per Profit or Loss:**		
	Current Tax		
	Aditional Assessment during the year	-	-
	Income Tax Based on Minimum Tax	723	162
	Tertiery Education Tax	2,218	-
		2,941	162
	Deferred Tax:		
	Deferred Tax	18,810	(4,702)
		18,810	(4,702)
	Total Income Tax Expense Recognised in the Current Year	15,869	(4,540)

		2021	2020
		N'000	N'000
9.2	**As Per Statement of Financial Position**		
	Current Income Tax		
	At 1 January	26,982	27,123
	Provision During the Year	2,941	162
	Paid During the Year	(9,088)	(303)
	At 31 December	20,835	26,982

Deferred Tax

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

	2021	2020
At 1 January	426	5,128
Provision for the year	18,810	(4,702)
At December 31	18,384	426

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

2021	**Opening Balance**	**Recognised in Profit or Loss**	**Closing Balance**
Property, Plant and Equipment	2,420,981	18,810	18,384
	2,420,981	18,810	18,384
2020			
Property, Plant and Equipment	2,508,082	4,702	426
	2,508,082	4,702	426

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		2021	2020
10	**PROFIT/(LOSS) FOR THE YEAR**	**14,028**	**(197,505)**
	Profit/(Loss) for the Year is arrived at after Charging/(Crediting):	**₦'000**	**₦'000**
	Depreciation	88,506	88,130
	Auditors' Fee	3,000	3,000
	Directors' Remuneration	23,960	22,896
	Directors' Fees	1,540	1,540

11 **EARNINGS PER SHARE**

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 Per Share**

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

Earnings from Continuing Operations	**₦'000**	**₦'000**
Profit/(Loss)for the Year Attributable to Owners of the Company	14,028	(197,505)
Number of Shares		
Number of Ordinary Shares for the purpose of Basic Earnings per Share **(units)**	**426,194**	**4,261,939**
Earnings Per Share (Kobo) - Basic	0.03	(0.05)

The denominator for the purpose of calculating basic earnings per share is based on issued and paid ordinary shares of 50 kobo each. It is noteworthy that, the issued shares of the company were reconstruted from 4,261,939 units to 426,194 units during the year.

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		2021	2020	Total
12	**MINE PROPERTIES**	**N'000**	**N'000**	
		Mine Site Under Construction	**Quarry Site**	
	COST	**N'000**	**N'000**	**N'000**
	At 1 January 2020	1,759,886	-	1,759,886
	Additions	47,551	-	47,551
	At 31 December 2020	1,807,437	-	1,807,437
	Additions	41,659	-	41,659
	At 31 December 2021	1,849,096	-	1,849,096

12.1 **Impairment Testing of Mine Properties**

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

		2021	2020
12.3	Additions to Mine Site under Construction	N'000	N'000
	Non Cash Element	37,586	37,586
	Cash Element	4,073	9,965
		41,659	47,551

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		2021	2020
14	**INVENTORIES**	**N'000**	**N'000**
	At 1 January	-	-
	Inventories expensed:		
	Written off during the Year	-	-
	Addition in the Year	-	-
	At 31 December	-	-
15	**TRADE AND OTHER RECEIVABLES**		
	Trade Receivables	2,051	2,051
	Less: Provision for Impairment of Trade & Other Receivables	(2,051)	-
		-	2,051
	Other Receivables	6,987	1,957
	Staff Loan	25	-
	Prepayments-Rent	8,000	1,000
		15,012	5,009
	Less than 30 days	-	-
	30 to 60 days	-	-
	61-90 days	-	-
	91 to 120 days	-	-
	Above 120 days	-	2,051
		-	2,051
	Impairment allowance on Trade Receivables		
	Balance as at Jan 1	-	-
	Charge for the year	2,051	-
	Balance as at 31 Dec	2,051	-
16	**BANK**		
	Cash at Bank	14,756	4,112
		14,756	4,112
17	**SHARE CAPITAL**		
	Authorised:		
	4,500,000,000 Ordinary Shares of 50k each	2,250,000	2,250,000
	Issued and Fully Paid:		
	426,193,800 Ordinary Shares of 50k each		
	At 1st January	2,130,969	2,130,969
	Share Reconstruction	(2,130,969)	-
	Reconstruction scheme 10 for 1	213,097	-
	At 31 December	213,097	2,130,969
18	**SHARE PREMIUM**		
	At 1 January	1,242,082	1,242,082
	Share Reconstruction	(1,242,082)	-
	Reconstruction scheme 10 for 1	337,806	-
	At 31 December	337,806	1,242,082

Securities and Exchange Commission approved the Share reconstruction of the company from 4,261,938,685 to 426,193,868 ordinary shares of 50 kobo each on December 23, 2021. This is subsequent to the approval of the scheme by the Shareholders at the 16th AGM in the year 2019.

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		2021	2020
		N'000	N'000
19	**RETAINED LOSS**		
	At 1 January	(3,019,654)	(2,822,149)
	Correction of Prior Period Error (Note 20.1)	-	-
	Restated Balance	(3,019,654)	(2,822,149)
	Shares Reconstruction	2,822,148	-
	Profit/(Loss) for the Year	14,028	(197,505)
	At 31 December	(183,477)	(3,019,654)
19(ii)	**APPLICATION OF SHARE CAPITAL RESTRUCTURING**		
	Issued Share Capital	2,130,969	
	Share Premium 2019	1,242,082	
	Cumulative Retained Loss 2019	(2,822,149)	
		550,902	
	Add: Retained Loss	(183,477)	
	Total Shareholders' Equity	**367,425**	
20	**LOANS**		
	The borrowings are made up as follows:		
	Non-current		
	Term Loans	888,443	620,986
	Current		
	Term Loan	-	-
	Bank Overdraft	2,286,923	2,534,716
		2,286,923	2,534,716
21	Total Borrowings	3,175,366	3,155,702
	Non Current Term Loan is analysed as follows:		
	At 1 January	620,986	799,454
	Accumulated Interest capitalised	(102,424)	(178,468)
	Loan Restructured	369,881	-
	At 31 December	888,443	620,986
	Current Term Loan is analysed as follows:		
	At 1 January	2,534,716	2,284,736
	Reclassified Interest b/f	65,255	
	Restructuring/Accumulated Interest due	(313,048)	249,980
	Transferred to Bank Overdraft	-	-
	At 31 December	2,286,923	2,534,716

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

Non-current	NEXIM Bank (1)	NEXIM Bank (2)	Access Bank	Unity/BOI	Unity Term Loan/BOI	UBN-Term Loan	Total
Figures in thousand ('000) of Naira	N	N	N	N	N	N	N
Non-current term loan is analysed as follows:							
At 1 January	509,402	64,164	-	47,420	-	-	620,986
Restructured	369,881	-	-	-	-	-	369,881
Mature Principal	(23,764)	(50,239)	-	(28,421)	-	-	(102,424)
At 31 December	855,519	13,925	-	18,999	-	-	888,443
Current:							
Facility Type/Purpose							
Opening Balance	420,158	167,228	239,654	721,633	195,441	855,856	2,599,971
Interest Capitalised during the Year	113,994	3,915	-	1,481	-	-	119,390
Payments	(94,149)	-	-	(5,000)	-	(15,555)	(114,704)
Restructured	(420,158)	-	-	-	-	-	(420,158)
Mature Principal	23,764	50,239	-	28,421	-	-	102,424
	43,609	221,382	239,654	746,535	195,441	840,301	2,286,923
	899,128	**235,307**	**239,654**	**765,534**	**195,441**	**840,301**	**3,175,366**

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

The Nigerian Export-Import Bank Loan of N400m for 5years tenor has been restructured to N879.283m for 10years tenor.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

Facility Type/Purpose	Tenure	Interest Rate	Security	Facility Amount	Draw Down/Balance December 2021	Draw Down/Balance December 2020
				₦	₦	₦
Nexim 1	10 Years	13%	Legal Mortgage Over Assets	400,000	855,519	509,402
Nexim 2	3 Years	12%	Legal Mortgage	100,000	13,925	64,164
Loan: Unity Bank /Boi Refinancing Facility		5%	over quarry site and personal guarantees of all Directors	100,000	- 18,999	- 47,420
Access Bank Plc	10 years	7%	-	242,417	-	-
Term Loan- BOI	9yrs, 6 mths	5%	Legal Mortgage over Assets	270,000	-	-
Total Term Loan					888,443	620,986
Less: Non-Current Portion					-	-
Current Portion					888,443	620,986

		2021	2020
22	**PROVISIONS**	N'000	N'000
	Rehabilitation		
	At 1 January	3,642	3,351
	Unwinding of Discount	277	291
	At 31 December	3,919	3,642
	Comprising:		
	Current	-	-
	Non-current	3,919	3,642
		3,919	3,642

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 companyis 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 cease to produce at economically viable rates. This, in turn, will depend upon future zinc and barite prices, which are inherently uncertain.

		2021	2020
23	**TRADE AND OTHER PAYABLES**	N'000	N'000
	Trade Payables	540,181	501,953
	Other Payables (Note 23.1)	210,504	217,285
		750,685	719,238
23.1	**Other Payables**		
	PAYE Payable	7,610	10,423
	Customers deposits	2,104	1,904
	WHT Payable	1,881	1,881
	VAT Payable	16	136
	Pension Payable	8,619	9,320
	Salary Payable	186,835	190,182
	Unpaid Dividend (Note 23.2)	3,439	3,439
		210,504	217,285

The Company is involved in four (4) Court cases as at December 31,2021. In one of the cases; the National Industrial Court has awarded an amount of N10,600,000 against the Company in suit No NICN/IB/28/2016 involving an ex staff. The Company has subsequently appealed the judgement and are now awaiting sitting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021 (Cont'd)

23.2 The company received unclaimed dividend from its Registrar, Mainstreet Bank 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 **CASH GENERATED FROM OPERATIONS**

	2021	2020
Reconciliation of profit after tax to net cash generated by operating activities:	N'000	N'000
Operating Profit/Loss for the Year	(1,841)	(202,045)
Adjustments for Non Cash Flow Items:		
Depreciation	50,920	50,544
Profit/Loss on Disposal of Property, Plant and Equipment	-	-
Inventory Consumed by Joint Operation	-	-
Impairment on Exploration & Evaluation	-	-
Changes in Rehabilitation Provision	277	291
Tax Paid	(9,088)	(303)
Operating Cash Flows Before Movements in Working Capital	40,268	(151,513)
Decrease/(Increase) in Inventories	-	-
increase in Trade and Other Receivables	(10,003)	(1,840)
Increase in Trade and Other Payables	31,446	173,830
Net Cash Generated from Operations	**61,711**	**20,477**

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 2021 transactions:

	Nature of Transaction	Due to Related Parties 2021	2020
		N'000	N'000
Treasuremix Construction Limited	Payables	-	-
Heritage Capital Markets Limited	Payables	-	-
		-	-

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

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.

	2021	2020
	N'000	N'000
Short-term Employee Benefits	23,960	22,896
	23,960	22,896

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:

	2021	2020
Fees	1,040	1,040
Other Remuneration and Allowances	500	500
	1,540	1,540

26.2 **Employees**

The average number of employees employed during the year:

	2021	2020
	Number	Number
	7	7
	7	7

The aggregate payroll costs:

	N'000	N'000
Salaries and Allowances:		-
Administrative Expense	9,834	10,390
Pension Cost	242	350
	10,076	10,740

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

Range (N)	Number	Number
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	2	2
	7	7

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021 (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 a 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

	2021	2020
	N'000	N'000
Financial Assets		
Cash and Bank Balances	14,756	4,112
Trade and Other Receivables	-	-
	14,756	4,112
Financial Liabilities		
Financial Liabilities at Amortized Cost	2,286,923	2,534,716
Trade and Other Payables	888,443	620,986
	3,175,366	3,155,702

27.4 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, comprise accounts payable, bank loans and 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, 2021 (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. Presently, 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 2021. 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.

The Company has net current liabilities of N3,028,675 (2020: N3,958,055,000) net profit of N14,029,000 for the year ended 31 December 2021 (2020: (N197,505,000)) and accumulated losses of N183,476,000 (2020:N3,019,654,000). 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 during the period of Mine exploration. The company and its technical investor Partner through the Special Purpose Vehicle (SPV)- Synee Alumony Mining Limited has commenced full production , Ore beneficiation and Exportation of Lead and Zinc Concentrates. A total of 8000MTof Zinc / Lead concentrates were exported in the last quarter of the financial year. This will continue with increased capacity over the mine life of 25 years and inferred reserve of 2.4 million metric tons.

MULTIVERSE MINING & EXPLORATION PLC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021 (Cont'd)

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 stages in 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.
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 2021 and the date the financial statements were signed requiring disclosure in or adjustment to the annual financial statements for the period ended 31 December 2021.

30 **APPROVAL OF FINANCIAL STATEMENTS**

The 2021 financial statements were approved by the Board and authorised for issue on 10th March 2022 having been audited by Olukayode Aina & Co. (Chartered Accountants).

31 **SHARE RECONSTRUCTION**

At the Annual General Meeting of the Company held on November 28, 2019, the Board sought the approval of the shareholders on the proposed Share Reconstruction. The approval was given and the Board completed the process during the year under review having been approved by the Securities and Exchange Commission on December 23, 2021.

MULTIVERSE MINING & EXPLORATION PLC.

OTHER NATIONAL DISCLOSURES
STATEMENT OF VALUE ADDED

	2021	%	2020	%
	₦'000		₦'000	
Revenue	289,239		64,874	
Value of Services (Local)	(91,611)		(54,182)	
Other Income	-		-	
Value Added for Distribution	**197,629**	**100**	**10,692**	**100**
Apply as follows:				
In payment to Government				
Income Tax Expenses	2,941	1	162	2
In Payment to Employees				
Salaries, Wages and Pension	10,076	5	10,740	100
Capital Provider				
Finance Charges	120,039	61	146,766	1,373
Retained in Business for Expansion & Development				
Depreciation	50,544	26	50,529	473
Retained Profit/Loss	14,028	7	(197,505)	(1,847)
	197,629	**100**	**10,692**	**100**

Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, government, providers of finance and shareholders, plus the amount retained for future creation of more wealth.

MULTIVERSE MINING & EXPLORATION PLC.

OTHER NATIONAL DISCLOSURES (Cont'd)
FINANCIAL SUMMARY

Statement of Financial Position	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Non-current Assets					
Exploration and Evaluation Assets					
Mine Properties	1,849,096	1,807,437	1,759,886	1,690,349	1,647,396
Property, Plant & Equipment	2,420,981	2,508,082	2,595,442	2,692,569	2,806,312
Deferred Tax	18,384				
Total Non-current Assets	4,288,461	4,315,519	4,355,328	4,382,918	4,453,708
Current Assets					
Inventories	-	-	-	29,385	29,385
Trade and Other Receivables	15,012	5,009	3,169	3,052	38,399
Bank	14,756	4,112	4,370	3,731	4,982
Total Current Assets	29,769	9,121	7,539	36,168	72,766
Total Assets	4,318,231	4,324,640	4,362,867	4,419,086	4,526,474
EQUITY AND LIABILITIES					
Shareholders' Equity					
Issued Capital	213,097	2,130,969	2,130,969	2,130,969	2,130,969
Share Premium	337,806	1,242,082	1,242,082	1,242,082	1,242,082
Retained (Loss)/ Earnings	(183,477)	(3,019,654)	(2,518,213)	(2,206,144)	(2,769,794)
Total Shareholders' Equity	367,426	353,397	854,838	1,166,907	603,257
Non-current Liabilities					
Interest-bearing Loans and Borrowings	888,443	-	-	-	162,105
Deferred Tax	-	426	5,128	-	-
Provisions	3,919	3,642	3,351	3,046	2,769
Total Non-Current Liabilities	892,362	4,068	8,479	3,046	164,874

MULTIVERSE MINING & EXPLORATION PLC.

FINANCIAL SUMMARY (Cont'd)

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Current Liabilities					
Interest-bearing Loans and Borrowings	2,286,923	3,220,956	3,084,190	2,978,982	2,617,863
Accounts Payables and Accrued Liabilities	750,685	719,238	692,173	574,514	570,958
Income Tax Payable	20,835	26,982	27,123	7,706	5,871
Total Current Liabilities	3,058,443	3,967,176	3,803,486	3,561,202	3,194,692
Total Liabilities	3,950,805	3,971,244	3,811,965	3,564,248	3,359,566
Total Liabilities and Shareholder's Equity	4,318,229	4,324,640	4,666,803	4,731,155	3,962,823
Statement of Comprehensive Income					
Turnover	289,239	64,874	5,407	6,740	6,236
Loss Before Taxation	(1,841)	(202,045)	(279,291)	(279,291)	(427,315)
Taxation	15,869	4,540	(14,815)	(14,815)	(5,871)
Loss After Taxation	14,028	(197,505)	(294,106)	(294,106)	(433,186)
Per Share Data (Kobo):					
Loss-Basic	0.03	(0.05)	(0.07)	(0.08)	(10.16)
Net Assets	0.30	0.08	0.13	0.20	0.20

MULTIVERSE MINING & EXPLORATION PLC.

DETAILED ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER, 2021

FOR MANAGEMENT USE ONLY

	2021	2020
8a ADMINISTRATIVE EXPENSES	**N'000**	**N'000**
Directors' Emoluments	23,960	22,896
Depreciation	50,920	50,544
Salaries	9,834	10,390
Directors Fees & Sitting Allowance	1,540	1,540
Medical Expenses	2,632	1,170
Board Expenses	440	370
Pension Contribution	242	350
Local Travelling	3,746	2,612
Printing & Stationery	964	520
Newspapers & Journals	68	45
Entertainment	103	-
Communications	376	278
Security Expenses	2,820	315
AGM Expenses	772	681
Business Development	3,569	596
Legal Expenses	616	4,695
Consultancy fee	6,000	538
Audit fees	3,000	3,000
Accountancy	2,650	-
Rent & Rates	2,600	4,000
Office Expenses	4,522	7,262
Motor Vehicle Expenses	273	878
Repairs & Maintenance	3,483	44
Generator Expenses	498	271
Subcription	1,070	-
Regulatory fee	6,985	1,250
Bank Charges	361	259
Publicity & Advertisement	-	1,902
Impairement on Trade receivables	2,051	-
	136,095	116,407