

# Reviewed Group Interim Financial Results

For The Half Year Ended 30 June 2024

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## Chairman's Statement

### INTRODUCTION

The operating environment was turbulent during the six month period and presented a mix of challenges to the Group. From the beginning of the year, exchange rates were volatile which caused price inflation on raw materials and various inputs required for production. This had a huge bearing on the Group as cost of production continued to soar.

In April 2024, the Government discontinued the use of the Zimbabwean Dollar (ZW\$) and introduced the ZiG currency (ZWG) which is backed by gold and cash reserves as mitigation to the continued depreciation of the Zimbabwean Dollar (ZW\$). This came as a positive development as prices stabilised with minimal fluctuations from then on.

Power supply challenges remained a threat to the Group, however the alternative power supply arrangements put in place went a long way in improving power supply across the Group's mines. Gold prices were favourable and maintained a positive trajectory throughout the six month period which partially boosted the Group's revenues.

The Group incurred a net loss for the six month period due to lower gold production and rising cost of production inputs driven by volatile exchange rates.

### GROUP PERFORMANCE

The Group recorded a 27% decline in gold production for the six month period to 306kg from 417kg achieved in the same period in the prior year. The low production was attributed mainly to Cam & Motor mine operating sub optimally due to low plant throughput and depressed recoveries. These were brought about by mining and ore supply challenges to the plant due to lagging pit development. Renco mine also recorded lower gold production due to inconsistent plant performance. The gold price averaged US\$2 165/oz which was 13% in the positive from US\$1 910/oz recorded in the comparative period. Revenue for the period was ZWG 282.5million, a 20% decline from ZWG 352.4million recorded in the same period in the prior year. The favourable gold prices to some extent cushioned the Group from the effects of lower production.

### GOLD BUSINESS

#### Renco mine

The mine was focused on refurbishment of plant structures and various equipment within the plant as equipment breakdowns were persistent during the six-month period. As a result, the plant did not operate efficiently which negatively impacted plant throughput. Due to the lower plant throughput, Renco's gold production decreased by 9% to 176kg from the 194kg recorded in the comparative period. Since the beginning of the year, the mine put in place an alternative power supply arrangement to complement power supply from the national power utility which measure stabilised power supply to the mine. The mine will continue to focus on plant stabilisation to ensure consistent throughput which will cement the 'high volume low grade' strategy which is necessary for Renco to produce optimally.

#### Cam & Motor mine

Gold production for the six month period dropped by 42% from 223kg recorded in the same period in 2023, to 130kg in the current period. The mine's lower production was largely due to ore supply challenges to the plant. Pit development is currently lagging behind which has resulted in the mine's inability to access some areas of the pit. Accelerated pit development is required to enable mining as per the pit design. The inability of the mine to access all areas of the pit had a negative effect on the quality of the ore as per the desired blending matrix resulting in low recoveries. Subsequent to period end, the Mine changed its mining strategy from owner mining to contract mining in an effort to accelerate pit development and bring the current pit profile to plan. This initiative is expected to improve ore supply within a shorter time which will bring stability to production.

#### Dalny mine

Dalny remained under care and maintenance with no gold production for the period. The mine is at an advanced stage in setting up its small scale operations after having secured the necessary regulatory approvals. The setting up of the small scale plant is currently ongoing and gold production is expected to commence in the second half of the year.

### BASE METALS BUSINESS

The Refinery remained under care and maintenance during the period.

### CHROME BUSINESS

The Company commenced mining activities with its private partnerships at its Darwendale claims after an amicable resolution was reached on the dispute that surrounded those claims.

### DIAMOND BUSINESS

Production for the period at the Company's associate RZM Murowa (Private) Limited marginally increased by 2% to 216 000 carats compared to 212 000 carats recorded in the comparative period in 2023. The increase in production was a result of improvement in the grades from the stock piles which the mine is currently processing. Mining activities from the pits remained suspended during the period. The mine is currently engaged in extensive exploration activities targeted at extending the life of its pits which will pave way for the resumption of mining activities in the pits. Despite an increase in diamond production, Murowa recorded a decline in revenue and profitability due to a continued decline in diamond prices. Consequently, the share of profit from the associate declined to ZWG 5.6 million from ZWG 12.8million recorded in the comparative period.

### ENERGY BUSINESS

There has been no movement on the Company's energy projects being the 178 MW Solar Project and Sengwa Project as both are now at funding stage and the Company continues engagements with various stakeholders for a potential funding arrangement. Our stakeholders will be kept informed of any notable developments.

### OUTLOOK

The mining contractor commenced mobilisation at Cam & Motor mine subsequent to period end which will see acceleration of pit development and guarantee adequate ore feed to the plant. The improvement in pit accessibility will avail better quality ore to the plant which will have a positive impact on gold recoveries. Gold production is therefore forecast to improve as these initiatives start to make an impact in the second half of the year.

The exploration program at the Murowa pits which was in motion as at period end continued into the second half of the year in an effort to bring back mining activities and extend the life of mine. Meanwhile processing of the tailings will continue as the mine has substantial material to sustain operations in the short to medium term whilst resumption of in pit mining activities remains a medium to long term project.

Despite exchange rates being stable since the introduction of the ZWG, the future remains uncertain as the availability of foreign currency remains short of requirements. Subsequent to period end, the re-emergence of price inflation due to exchange rate was becoming noticeable.

### DIRECTORATE

There were no changes in the directorate during the period.

### DIVIDENDS

No dividends were declared for the period.

### APPRECIATION

I extend my profound appreciation to the Directors for their stewardship of the Company during this difficult and volatile period. I also honour our Management and Employees who have remained resolute and loyal to the Company in the face of all its adversities. Lastly, I acknowledge all our various stakeholders who continue to proffer their support to the Group.

  
S R BEEBEEJAUN  
CHAIRMAN

25 SEPTEMBER 2024

**DIRECTORS:** S R BEEBEEJAUN (CHAIRMAN), C DENGU (DEPUTY CHAIRMAN), R SWAMI\* (CHIEF EXECUTIVE OFFICER), M S BINDRA, G R FLANAGAN, M T SACHAK, A P SHANGHAVI - EXECUTIVE\*

## Interim Condensed Consolidated Statement of Profit or Loss

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Note	30 Jun 2024 Reviewed ZWG000	30 Jun 2023 Reviewed ZWG000
Revenue	282 533	352 414
Cost of sales	(278 648)	(338 287)
<b>Gross profit</b>	<b>3 885</b>	<b>14 127</b>
Distribution and selling costs	(133)	(149)
Administrative expenses	(175 009)	(179 100)
Profit on disposal of property, plant and equipment	2 186	-
Other income	9 656	40 829
<b>Operating loss</b>	<b>(159 415)</b>	<b>(124 293)</b>
Finance cost	(15 399)	(10 916)
Share of profit from an associate	5 646	12 787
<b>Loss before taxation</b>	<b>(169 168)</b>	<b>(122 422)</b>
Income tax credit	3 458	11 933
<b>Loss for the period</b>	<b>(165 710)</b>	<b>(110 489)</b>
<b>Loss for the period attributable to:</b>		
Equity holders of the parent	(165 464)	(110 301)
Non-controlling interests	(246)	(188)
	<b>(165 710)</b>	<b>(110 489)</b>
<b>Loss per share (cents)</b>		
Basic	9 (135.59)	(90.39)
Diluted	9 (135.59)	(90.39)

## Interim Condensed Consolidated Statement of Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	30 Jun 2024 Reviewed ZWG000	30 Jun 2023 Reviewed ZWG000
<b>Loss for the period</b>	<b>(165 710)</b>	<b>(110 489)</b>
<b>Other comprehensive income:</b>		
<b>Other comprehensive income to be reclassified to profit or loss:</b>		
Foreign currency translation exchange gains	29 309	-
<b>Net other comprehensive income to be reclassified to profit or loss</b>	<b>29 309</b>	<b>-</b>
<b>Other comprehensive income not to be reclassified to profit or loss:</b>		
Fair value gain on other comprehensive income investments	38	-
Income tax effect	(9)	-
<b>Net other comprehensive income not to be reclassified to profit or loss</b>	<b>29</b>	<b>-</b>
<b>Total other comprehensive income for the period net of tax</b>	<b>29 338</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>	<b>(136 372)</b>	<b>(110 489)</b>
<b>Total comprehensive loss attributable to:</b>		
Equity holders of the parent	(136 108)	(110 301)
Non-controlling interests	(264)	(188)
	<b>(136 372)</b>	<b>(110 489)</b>

## Interim Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

Note	30 Jun 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11 825 953	856 948
Exploration and development assets	12 174 043	176 375
Right of use asset	-	488
Investment in associate company	14 376 534	366 893
Employee benefit asset	23 838	23 838
Fair value through other comprehensive income investments	3 618	3 580
<b>Total non-current assets</b>	<b>1 403 986</b>	<b>1 428 122</b>
<b>Current assets</b>		
Inventories	6 152 707	149 485
Trade and other receivables	103 362	108 150
Cash and cash equivalents	5 838	2 102
<b>Total current assets</b>	<b>261 907</b>	<b>259 737</b>
<b>Total assets</b>	<b>1 665 893</b>	<b>1 687 859</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	18 431	18 238
Share premium	284 874	281 899
Fair value through other comprehensive income reserve	3 016	2 987
Foreign currency translation reserve	26 159	-
Accumulated losses	(478 051)	(312 587)
<b>Equity attributable to equity holders of the parent</b>	<b>(145 571)</b>	<b>(9 463)</b>
Non-controlling interest	(3 591)	(3 327)
<b>Total equity</b>	<b>(149 162)</b>	<b>(12 790)</b>
<b>Non-current liabilities</b>		
Provisions	47 728	47 229
Other payables	7 414 642	410 312
Deferred tax liabilities	50 150	53 603
<b>Total non-current liabilities</b>	<b>512 520</b>	<b>511 144</b>
<b>Current liabilities</b>		
Trade and other payables	7 1 239 241	1 072 252
Interest-bearing loans and borrowings	8 62 787	116 087
Lease liability	507	1 166
<b>Total current liabilities</b>	<b>1 302 535</b>	<b>1 189 505</b>
<b>Total liabilities</b>	<b>1 815 055</b>	<b>1 700 649</b>
<b>Total equity and liabilities</b>	<b>1 665 893</b>	<b>1 687 859</b>





RioZim Limited

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# Reviewed Group Interim Financial Results

For The Half Year Ended 30 June 2024



## Interim Condensed Consolidated Statements Of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable To Equity Holders Of The Parent							Total Equity ZWG000
	Share capital ZWG000	Share premium ZWG000	Fair value through other comprehensive income reserve ZWG000	Foreign currency translation reserve ZWG000	Accumulated losses ZWG000	Total ZWG000	Non-controlling interests ZWG000	
Balance as at 1 January 2023	18 238	281 899	(95)	-	(223 520)	76 522	(5 762)	70 760
Loss for the period	-	-	-	-	(110 301)	(110 301)	(188)	(110 489)
<b>Total comprehensive loss</b>	-	-	-	-	<b>(110 301)</b>	<b>(110 301)</b>	<b>(188)</b>	<b>(110 489)</b>
Balance as at 30 June 2023	18 238	281 899	(95)	-	(333 821)	(33 779)	(5 950)	(39 729)
Balance as at 1 January 2024	18 238	281 899	2 987	-	(312 587)	(9 463)	(3 327)	(12 790)
Loss for the period	-	-	-	-	(165 464)	(165 464)	(246)	(165 710)
Other comprehensive income/(loss) net of tax	193	2 975	29	26 159	-	29 356	(18)	29 338
<b>Total comprehensive income /(loss)</b>	<b>193</b>	<b>2 975</b>	<b>29</b>	<b>26 159</b>	<b>(165 464)</b>	<b>(136 108)</b>	<b>(264)</b>	<b>(136 372)</b>
Balance as at 30 June 2024	18 431	284 874	3 016	26 159	(478 051)	(145 571)	(3 591)	(149 162)

## Interim Condensed Consolidated Statements of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	30 Jun 2024 Reviewed ZWG000	30 Jun 2023 Reviewed ZWG000
<b>Net cash flows generated from operating activities</b>		<b>75 210</b>	<b>99 219</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		2 186	-
Acquisition of property, plant and equipment	11	(3 992)	(7 553)
Investment in exploration and evaluation assets	12	(1 359)	(7 560)
<b>Net cash used in investing activities</b>		<b>(3 165)</b>	<b>(15 113)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(53 121)	(49 634)
Interest paid		(5 730)	(7 549)
Repayment of lease liability		(672)	(1 085)
<b>Net cash used in financing activities</b>		<b>(59 523)</b>	<b>(58 268)</b>
Net increase in cash and cash equivalents for the period		12 522	25 838
Unrealised exchange (loss)/gain on foreign currency cash balances		(8 786)	10
Cash and cash equivalents at beginning of the period		2 102	7 818
<b>Cash and cash equivalents at the end of the period</b>		<b>5 838</b>	<b>33 666</b>

## Notes to the Interim Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 1 GENERAL INFORMATION

RioZim Limited ('the Company') and its subsidiaries (together 'the Group') is involved in mining and metallurgical operations in different locations in Zimbabwe. The Group has mining operations and a metallurgical plant.

The Company is a limited liability company incorporated and domiciled in Zimbabwe. The address of its registered office is 1 Kenilworth Road, Highlands, Harare. The Company is listed on the Zimbabwe Stock Exchange. These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 25 September 2024.

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 Interim Financial Reporting and the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The interim condensed consolidated financial statements are based on statutory records that are maintained under the historical cost conventions as modified by measurement of certain financial assets at fair value. They do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements are presented in Zimbabwe Gold (ZWG), and all values are rounded to the nearest thousand (ZWG000), except where otherwise indicated. The Group's functional currency is the United States Dollar (US\$).

At the reporting date, the Group translates its items of income and expenses and financial position into the presentation currency using the following procedures:

- assets and liabilities for each statement of financial position presented including comparatives are translated at the closing rate;
- income and expenses for each statement of comprehensive income including comparatives are translated at exchange rates at the dates of the transactions, where it is impractical to apply exchange rates at the dates of the transactions, average rates will be applied;
- equity including NCI are translated at historical exchange rates at the date the entry to equity was recorded, except for the change in retained earnings during the year, which is translated using the historical exchange rates used to translate each period's income statement.

Upon changing the presentation currency to Zimbabwean Gold (ZWG), the Group applied the initial ZWG/USD rate of USD1:ZWG 13.56 to all comparatives in order to obtain ZWG values.

### 3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated. The judgements, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainties were the same as those applied in the Group's annual financial statements for the year ended 31 December 2023.

### 4 MATERIAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2023 and applicable amendments to International Financial Reporting Standards (IFRS).

### 5 OPERATING SEGMENT INFORMATION

Management has determined the Group's operating segments based on the information reviewed by the Board for the purpose of allocating resources and assessing performance. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently with those in the reported consolidated financial statements.

#### Gold segment

This operating segment develops and mines gold that is ultimately sold as gold bullion.

#### Base metals segment

This operating segment comprises of base metals refining facilities.

The Group management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

## Notes to the Interim Condensed Consolidated Financial Statements (cont'd)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 5 OPERATING SEGMENT INFORMATION (cont'd)

For the half year ended 30 June 2024	Gold ZWG000	Base Metals ZWG000	Adjustments and eliminations ZWG000	Consolidated ZWG000
<b>Revenue</b>				
External customers	282 533	-	-	282 533
<b>Results</b>				
Depreciation	(39 576)	(2 348)	(1 016)	(42 940)
Amortisation of development costs	(5 971)	-	-	(5 971)
<b>Segment loss</b>	<b>(105 778)</b>	<b>(8 674)</b>	<b>(44 963)</b>	<b>(159 415)</b>
Net finance cost				(15 399)
Share of associate profit				5 646
Income tax credit				3 458
<b>Loss for the period</b>				<b>(165 710)</b>
Segment assets (June 2024)	886 863	74 226	704 804	1 665 893
Segment liabilities (June 2024)	275 405	476 871	1 062 779	1 815 055
Investment in an associate	-	-	376 534	376 534
<b>Other disclosures</b>				
Capital expenditure (June 2024)	5 351	-	-	5 351

For the half year ended 30 June 2023	Gold ZWG000	Base Metals ZWG000	Adjustments and eliminations ZWG000	Consolidated ZWG000
<b>Revenue</b>				
External customers	347 320	5 094	-	352 414
<b>Total revenue</b>	<b>347 320</b>	<b>5 094</b>	<b>-</b>	<b>352 414</b>
<b>Results</b>				
Depreciation	(26 245)	(6 814)	(19 500)	(52 559)
Amortisation of development costs	(9 872)	-	-	(9 872)
<b>Segment loss</b>	<b>(71 522)</b>	<b>(7 582)</b>	<b>(45 189)</b>	<b>(124 293)</b>
Net finance cost				(10 916)
Share of associate profit				12 787
Income tax credit				11 933
<b>Loss for the period</b>				<b>(110 489)</b>
Segment assets (June 2023)	977 697	104 436	687 112	1 769 245
Segment liabilities (June 2023)	203 904	489 189	1 102 996	1 796 089
Investment in an associate	-	-	379 775	379 775
<b>Other disclosures</b>				
Capital expenditure (June 2023)	10 438	-	4 675	15 113

Finance costs and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on an overall Group basis. Taxes, interest bearing liabilities and certain assets such as Fair Value Through Other Comprehensive Income Investments, investments in associates, Financial assets at Amortised Cost and cash and cash equivalents are not allocated to those segments as they are also managed on an overall Group basis. These are included in adjustments and eliminations in the segment disclosures.

### 6 INVENTORIES

	30 Jun 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
Stores and consumables	114 681	114 229
Ore stockpiles	17 033	14 482
Metals and minerals in concentrates and circuit	17 471	17 289
Finished metals	3 522	3 485
	<b>152 707</b>	<b>149 485</b>

### 7 TRADE AND OTHER PAYABLES

	30 Jun 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
<b>Current</b>		
Trade payables	166 561	116 784
Accruals	60 548	38 777
Leave pay liabilities	29 667	32 700
Statutory liabilities	63 011	25 330
Payable to associate	815 275	700 705
Sundry payables	104 179	157 956
	<b>1 239 241</b>	<b>1 072 252</b>
<b>Non-current</b>		
Other payables*	<b>414 642</b>	<b>410 312</b>

\*Other payables relate to BCL Limited (in liquidation) liability which is under litigation and has been outstanding since 2016.

### 8 INTEREST-BEARING LOANS AND BORROWINGS

	Effective Interest rate	Maturity Date	30 Jun 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
<b>Current</b>				
Bank loans (facility limit US\$8.0m)	10%	On scheduled dates	13 456	67 271
Term loan (Centametal AG)	0%	December 2019*	49 331	48 816
			<b>62 787</b>	<b>116 087</b>

#### Security

Bank loans are secured by revenue assignment agreements in respect of gold proceeds.

All other interest bearing loans and borrowings are unsecured.

#### \*Centametal loan

This loan is repayable in equal monthly instalments of US\$100 000 commencing on 1 July 2014 ending December 2019. The loan is interest free and is unsecured. The outstanding principal loan amount is US\$3 600 000 (Dec 2023 : US\$3 600 000) and has been recorded at amortised value of ZWG 49 331 000 (Dec 2023: ZWG 48 816 000). The loan is under a legal dispute and is pending finalisation by the courts.

# Reviewed Group Interim Financial Results

For The Half Year Ended 30 June 2024



## Notes to the Interim Condensed Consolidated Financial Statements (cont'd)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 9 EARNINGS PER SHARE

#### Basic earnings per share

Basic earnings per share amounts are calculated by dividing the net profit/(loss) attributable to the ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to the ordinary equity holders of the Group after adjusting for impact of dilutive instruments.

#### Headline earnings per share

Headline earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Group adjusted for profits, losses and items of capital nature that do not form part of the ordinary activities of the Group.

The following reflects the income and share data used in the earnings per share computations:

	30 Jun 2024 Reviewed ZWG000	30 Jun 2023 Reviewed ZWG000
<b>Loss attributable to equity holders of the parent for basic earnings</b>	<b>(165 464)</b>	<b>(110 301)</b>
<b>Adjustments for headline earnings:</b>		
Profit on disposal of property, plant and equipment	(2 186)	-
<b>Headline earnings</b>	<b>(167 650)</b>	<b>(110 301)</b>
<b>Weighted average number of ordinary shares for earnings per share</b>		
Number of issued shares	000	000
Number of issued shares as at 30 June	122 030	122 030
<b>Weighted average number of ordinary shares</b>	<b>122 030</b>	<b>122 030</b>
<b>Loss per share (cents)</b>		
Basic	(135.59)	(90.39)
Diluted	(135.59)	(90.39)
Headline	(137.38)	(90.39)
Diluted Headline	(137.38)	(90.39)

### 10 CAPITAL COMMITMENTS

	30 Jun 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
Contracts and orders placed	386 390	-
Authorised by Directors but not contracted	1 496 734	234 046
	<b>1 883 124</b>	<b>234 046</b>

The capital expenditure is to be financed out of the Group's own resources and borrowings where necessary.

### 11 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings ZWG000	Plant and equipment ZWG000	Heavy mobile equipment ZWG000	Capital work in progress ZWG000	Motor vehicles ZWG000	Furniture and fittings ZWG000	Total ZWG000
<b>Cost</b>							
<b>At 31 December 2022</b>	<b>486 426</b>	<b>1 110 945</b>	<b>153 178</b>	<b>35 379</b>	<b>36 608</b>	<b>28 132</b>	<b>1 850 668</b>
Additions	-	1 921	-	5 419	4 259	824	12 423
Transfers	-	14 734	-	(14 873)	-	139	-
<b>At 31 December 2023</b>	<b>486 426</b>	<b>1 127 600</b>	<b>153 178</b>	<b>25 925</b>	<b>40 867</b>	<b>29 095</b>	<b>1 863 091</b>
Additions	-	362	-	3 473	-	157	3 992
Transfers	-	-	-	(473)	-	-	(473)
Disposals	-	-	(63 132)	-	(9 488)	-	(72 620)
Foreign currency translation exchange gain	5 133	11 900	1 617	274	431	308	19 663
<b>At 30 June 2024</b>	<b>491 559</b>	<b>1 139 862</b>	<b>91 663</b>	<b>29 199</b>	<b>31 810</b>	<b>29 560</b>	<b>1 813 653</b>
<b>Accumulated Depreciation</b>							
<b>At 31 December 2022</b>	<b>166 957</b>	<b>552 632</b>	<b>126 929</b>	-	<b>35 741</b>	<b>19 438</b>	<b>901 697</b>
Depreciation charge for the year	11 639	75 391	13 899	-	2 359	1 158	104 446
<b>At 31 December 2023</b>	<b>178 596</b>	<b>628 023</b>	<b>140 828</b>	-	<b>38 100</b>	<b>20 596</b>	<b>1 006 143</b>
Depreciation charge for the period	5 836	30 689	4 877	-	1 054	484	42 940
Disposals	-	-	(63 132)	-	(9 488)	-	(72 620)
Foreign currency translation exchange loss	1 969	7 073	1 553	-	419	223	11 237
<b>At 30 June 2024</b>	<b>186 401</b>	<b>665 785</b>	<b>84 126</b>	-	<b>30 085</b>	<b>21 303</b>	<b>987 700</b>
<b>Net book value</b>							
<b>At 31 December 2023</b>	<b>307 830</b>	<b>499 577</b>	<b>12 350</b>	<b>25 925</b>	<b>2 767</b>	<b>8 499</b>	<b>856 948</b>
<b>At 30 June 2024</b>	<b>305 158</b>	<b>474 077</b>	<b>7 537</b>	<b>29 199</b>	<b>1 725</b>	<b>8 257</b>	<b>825 953</b>

### 12 EXPLORATION, EVALUATION AND DEVELOPMENT

	Exploration and evaluation assets ZWG000	Development costs ZWG000	Total ZWG000
<b>Cost</b>			
<b>At 31 December 2022</b>	<b>128 603</b>	<b>370 771</b>	<b>499 374</b>
Additions	19 540	2 278	21 818
<b>At 31 December 2023</b>	<b>148 143</b>	<b>373 049</b>	<b>521 192</b>
Additions	1 359	-	1 359
Transfers	-	473	473
Foreign currency translation exchange gain	1 589	3 943	5 532
<b>At 30 June 2024</b>	<b>151 091</b>	<b>377 465</b>	<b>528 556</b>
<b>Accumulated Amortisation</b>			
<b>At 31 December 2022</b>	<b>86 933</b>	<b>240 446</b>	<b>327 379</b>
Amortisation for the year	-	17 438	17 438
<b>At 31 December 2023</b>	<b>86 933</b>	<b>257 884</b>	<b>344 817</b>
Amortisation for the period	-	5 971	5 971
Foreign currency translation exchange loss	917	2 808	3 725
<b>At 30 June 2024</b>	<b>87 850</b>	<b>266 663</b>	<b>354 513</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>61 210</b>	<b>115 165</b>	<b>176 375</b>
<b>At 30 June 2024</b>	<b>63 241</b>	<b>110 802</b>	<b>174 043</b>

## Notes to the Interim Condensed Consolidated Financial Statements (cont'd)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 13 RELATED PARTY TRANSACTIONS

	Rentals Charged by related parties ZWG000	Services/ purchases charged to related parties ZWG000	Loans from related parties ZWG000	Services charged by related parties ZWG000	Amount owed to related parties <sup>^</sup> ZWG000
<b>Associate</b>					
<b>RZM Murowa (Private) Limited</b>					
2024	-	7 535	72 695	-	815 275
2023	-	6 083	80 255	3 452	741 365
<b>Shareholders</b>					
<b>GemRioZim Investments Limited</b>					
2024	-	-	-	8 177	39 522
2023	-	-	-	7 053	30 754
<b>RioZim Pension Fund</b>					
2024	891	-	-	-	506
2023	706	-	-	-	909
<b>Directors fees</b>					
2024	-	-	-	594	1 034
2023	-	-	-	203	936

<sup>^</sup>Amounts owed to related parties are included in trade and other payables in the statement of financial position.

#### Terms and conditions of transactions with related parties

##### Transactions with RZM Murowa (Private) Limited

#### Management fees

RioZim Limited provides administration services to RZM Murowa (Private) Limited under a service level agreement.

These administrative services include corporate in-house legal services, human resources consultation and management, corporate secretarial services, IT support services, procurement services, technical consultation, internal audit services and any other services as agreed by the parties in writing.

The fees under this agreement are 1.5% of turnover.

##### Transactions with Gem RioZim Investments Limited

#### Management fees

Management fees are for advisory and consultation services which are rendered by GemRioZim Investments Limited. The management fees are charged at 1% of the net turnover of RioZim Group including turnover from affiliate companies and recoveries for running expenses and subsistence fees.

All related party outstanding balances at the reporting date are unsecured and interest free and settlement occurs in cash.

### 14 INVESTMENT IN ASSOCIATE

The Group has a 22.2% (Dec 2023: 22.2%) interest in RZM Murowa (Private) Limited, an unlisted diamonds mining company, operating in Zimbabwe. The associate is strategic to the Group as it brings diversity to the Group's major minerals produced which are gold and basemetals. The Group's interest in RZM Murowa (Private) Limited is accounted for using the equity method in the consolidated financial statements.

The financial period for the associate is the same as that of the Group. The Group trades with RZM Murowa (Private) Limited on an arms length basis and there are no restrictions that affect trading between the entities.

The following table illustrates the summarised carrying amount of the investment in associate RZM Murowa (Private) Limited:

	30 June 2024 Reviewed ZWG000	31 Dec 2023 Audited ZWG000
<b>Carrying amount of the investment</b>		
<b>At 1 January</b>	<b>366 893</b>	<b>366 988</b>
Foreign currency translation gain	3 995	-
Share of profit/(loss) for the period	5 646	(95)
<b>Balance At:</b>	<b>376 534</b>	<b>366 893</b>

The Group has performed an impairment assessment of its investment in associate and concluded that the investment is not impaired.

### 15 EVENTS AFTER REPORTING PERIOD

There were no events that occurred after the reporting period end and the date when the financial statements were authorised for issue that require adjustments to the reported amounts or disclosures.

### 16 AUDITOR'S STATEMENT

These interim condensed consolidated financial statements have been reviewed by Mazars Registered Public Auditors and an unqualified review conclusion was issued thereon.

The reviewer's report is available for inspection at the Group's registered office. The engagement partner for the review is Lovemore Kamuzangaza (PAAB Practising Number 0425).



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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF RIOZIM LIMITED**

### **Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of RioZim Limited and its subsidiaries "the Group" as at 30 June 2024 and the related condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

### **Directors' Responsibility**

The Directors are responsible for the preparation and presentation of these interim consolidated financial information in accordance with International Accounting Standard (IAS) 34 – "Interim Financial Reporting" and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated interim financial information that are free from material misstatement, whether due to fraud or error

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on this interim condensed consolidated financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. A review of interim financial information in accordance with ISRE 2410 is a limited assurance engagement.

We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained. The procedures performed in a review are less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial information does not present fairly, in all material respects, the financial position of the entity as at 30 June 2024, and of its financial performance and its cashflows for the six-month period then ended in accordance with IAS 34 – "Interim Financial Reporting".

Registered Auditor – A firm of Chartered Accountants  
Partners: L Kamuzangaza (Regional Leader), K Muonde

A full list of national partners is available on request or on [forvismazars.com/zw](http://forvismazars.com/zw)

## Material Uncertainty Related to Going Concern

We draw attention to note 21 of the Group Interim condensed consolidated financial information, which indicates that as at 30 June 2024, the Group's current liabilities exceeded current assets by ZWG 1 040.6 billion (31 December 2023: ZWG 929.8 million), whilst the Group's total liabilities exceeded total assets by ZWG 149.2 million (31 December 2023: ZWG 12.8 million) and the Group reported a net loss for the interim period of ZWG 165.7 million (2023: ZWG 110.5 million) and as at 30 June 2024, the Group had accumulated losses of ZWG 478.1 million (31 December 2023: ZWG 312.6 million). As stated in note 21, these conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not qualified in respect of this matter.

*Forvis Mazars*

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Lovemore Kamuzangaza  
Registered Auditor  
PAAB Practicing Certificate Number 0425

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4 October 2024