AfriTin Mining Limited

("AfriTin" or the "Company" and with its subsidiaries the "Group")

Unaudited Interim Results

for the six months ended 31 August 2020

AfriTin Mining Limited (AIM: ATM), an African tin mining company with its flagship asset, the Uis tin mine ("Uis") in Namibia, is pleased to release its unaudited interim results for the six months ended 31 August 2020.

Highlights

- **Revenue increased to £1,083,996 for the six-month period ended 31 August 2020;**
- **Phase 1 pilot plant continues to ramp up and achieved a production record of 37.5 tonnes of tin concentrate in August 2020;**
- **Publication of an internal operational and financial and forecast review to accompany the mineral resource estimate (JORC 2012) conducted by CSA Global, indicated robust economics for current plant expansion;**
- **The Company expects to complete the ramp-up to steady-state production of 60 tonnes of tin concentrate per month by the end of 2020;**
- **Continued shipments of tin concentrate to Thaisarco, with the agreement renewed for a further 12 months which is anticipated to increase revenues further as production continues to ramp up; and,**
- **Renewed and increased working capital and VAT facilities with Nedbank Namibia during the period.**

Chief Executive Officer's Statement

Introduction

Despite the continued global uncertainty around the COVID-19 pandemic and associated lockdown, AfriTin has steadily increased production at the Uis tin mine in Namibia, resulting in a marked increase in the revenue of the Company during the period. During this period, the operations of the Phase 1 pilot plant achieved a production record of 37.5 tonnes of tin concentrate in August 2020 despite ongoing planned shutdowns for plant improvements. This equates to 63% of expected Phase 1 steady-state production and with continued improvements we anticipate this increasing to steady-state production targets by the end of 2020. The off-take agreement with Thaisarco has been renewed for a further 12 months and the Company looks forward to building on this robust relationship as the shipments increase over the coming months. The global tin market has been one of the better performers on the London Metals Exchange during this uncertain period confirming our belief in the market fundamentals of tin.

COVID-19 pandemic

In March 2020, Namibia implemented a lockdown across the country in response to the global COVID-19 pandemic. However, under the government legislation, mining operations were categorised as critical economic services and minimal operational activity was permitted to continue, including critical maintenance work. To comply with this directive, AfriTin had to suspend open-pit mining at the Uis tin mine, but we were able to continue feeding the processing plant from the run-of-mine stockpile. At the time of the lockdown, more than two months' worth of ore feed had been stockpiled, enabling the Company to maintain the ramp-up, albeit at a slower pace than originally planned.

As a result of the COVID-19 pandemic, AfriTin implemented new health measures across the Company to protect our employees from the virus. The health and safety of our employees and communities remains a key priority, and the Company is following all World Health Organisation and Namibian National Health guidelines and recommendations to ensure their wellbeing. AfriTin can report that there have been no confirmed cases of COVID-19 at the Uis tin mine. A COVID-19 community support programme was established to support the residents of Uis. This includes providing the local clinic with medical supplies and contracting a local Uis resident to make facemasks which were distributed at the clinic and the local school.

Review of the business & operations

In June 2020, AfriTin performed an internal financial and operational review to accompany the mineral resource estimate (JORC 2012) conducted by CSA Global, declared on 16 September 2019. This review outlined the development strategy for the Uis tin project, dovetailed with AfriTin's corporate strategy of a fast-tracked but risk-mitigated pathway to growing company value through the establishment of free cash flows, while developing a schedule towards expanded operations.

This translates into the following objectives:

- Confirming the historical mineral resources followed by exploration of proximal mineralised pegmatites;
- Establishing a mining and processing operation of sufficient scale and efficiency to be commercially viable and provide free cash flows as expeditiously as possible;
- Expanding the revenue stream from tin concentrate to include other viable by-products, with particular emphasis on tantalum and lithium; and
- Using the pilot facility as a platform to develop a large-scale operation.

Initiatives to solve identified key bottlenecks in the processing plant are ongoing. As a result of higher-than-anticipated fines material in the run-of-mine feed, improvements were required to rebalance material flows and expand capacity related to the dewatering of grits (45 to 500 micron particles) and slimes (smaller than 45 micron particles). The bottlenecks in the fines dewatering circuit of the Uis processing plant have now been addressed. As a result, the Company looks forward to completing the ramp-up to steady-state production of 60 tonnes of tin concentrate per month by the end of 2020.

Financing

In May 2020, AfriTin secured a £2.05 million loan note facility. This facility enabled the Company to continue executing its growth strategy for the ramp-up phase of the Phase 1 pilot plant. In addition, the facility provided additional protection against any potential effects from the COVID-19 pandemic. At 31 August 2020, the Company had drawn down £1.8 million of this facility.

On 31 July 2020, the Company renewed and increased its working capital and VAT facilities with Nedbank Namibia for a further 12-month period. This support from a local bank in Namibia shows confidence in our Company, asset and commodity. In August 2020, AfriTin raised additional equity financing by way of a placing and subscription of £3.05 million at a price of 2.1 pence per ordinary share through existing shareholders and – importantly – this also attracted prominent new institutional investors to the share register. Their participation demonstrates on-going confidence in our team's ability to deliver our stated strategy and growth plans.

Outlook

2020 is proving to be an unprecedented time for both the mining sector and the world as a whole. However, the Company has adapted to the confines of the COVID-19 pandemic. I'd like to thank the entire team for all their dedication during these difficult times as well as acknowledge the ongoing support from the Namibian Government, our loyal shareholders and board of directors.

AfriTin is well set for the second half of the financial year as we continue our journey to become the tin champion of Africa and I look forward to providing further updates in the second half of the financial year.

Anthony Viljoen
CEO

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The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014

About AfriTin Mining Limited

Notes to Editors

AfriTin Mining Limited is the first pure tin company listed in London and its vision is to create a portfolio of globally significant, conflict-free, tin-producing assets. The Company's flagship asset is the Uis Tin Mine in Namibia, formerly the world's largest hard-rock opencast tin mine.

AfriTin is managed by an experienced board of directors and management team with a current two-fold strategy: fast-track Uis tin mine in Namibia to commercial production as Phase 1, ramping up to 5 000 tonnes of tin concentrate in a Phase 2 expansion. The Company strives to capitalise on the solid market fundamentals of tin by developing a critical mass of tin resource inventory, achieving production in the near term and further scaling production by consolidating tin assets in Africa.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 31 August 2020

	Notes	6 months ended 31 August 2020 (unaudited) £	6 months ended 31 August 2019 (unaudited) £	12 months ended 29 February 2020 (audited) £
Continuing operations				
Revenue	5	1 083 996	-	69 032
Cost of Sales		(1 070 239)	-	(47 336)
Gross Profit		**13 757**	-	**21 696**
Administrative expenses	6	(946 182)	(615 516)	(1 815 227)
Operating loss		**(932 425)**	**(615 516)**	**(1 793 531)**
Finance income		14	3 749	3 793
Finance cost	7	(109 410)	(15 346)	(40 719)
Loss before tax		**(1 041 821)**	**(627 113)**	**(1 830 457)**
Income tax expense	8	-	-	-
Loss for the period		**(1 041 821)**	**(627 113)**	**(1 830 457)**
Other comprehensive loss				
Items that will or may be reclassified to profit or loss:				
Exchange differences on translation of share-based payment reserve		(4 342)	222	(1 039)
Exchange differences on translation of foreign operations		(1 293 490)	(31 697)	(1 113 281)
Exchange differences on non-controlling interest		6 213	(21)	4 167
Total comprehensive loss for the period		**(2 333 440)**	**(658 609)**	**(2 940 610)**
Loss for the period attributable to:				
Owners of the parent		(999 434)	(624 551)	(1 781 962)
Non-controlling interests		(42 387)	(2 562)	(48 495)
		(1 041 821)	**(627 113)**	**(1 830 457)**
Total comprehensive loss for the period attributable to:				
Owners of the parent		(2 297 266)	(656 027)	(2 896 282)
Non-controlling interests		(36 174)	(2 582)	(44 328)
		(2 333 440)	**(658 609)**	**(2 940 610)**
Loss per ordinary share				
Basic and diluted loss per share (in pence)	9	(0.15)	(0.10)	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2020
Company number: 63974

	Notes	31 August 2020 (unaudited) £	31 August 2019 (unaudited) £	29 February 2020 (audited) £
Assets				
Non-current assets				
Intangible assets	10	7 247 261	7 596 732	7 441 018
Property, plant and equipment	11	12 961 697	9 333 036	12 467 868
Total non-current assets		**20 163 958**	**16 929 768**	**19 908 886**
Current assets				
Inventories	12	610 171	26 441	246 910
Trade and other receivables	13	362 756	992 390	648 722
Cash and cash equivalents		2 578 612	130 635	574 600
Total current assets		**3 551 539**	**1 149 466**	**1 470 232**
Total assets		**23 715 497**	**18 079 234**	**21 379 118**
Equity and liabilities				
Equity				
Share capital	18	23 604 665	20 223 173	20 487 239
Convertible loan note reserve		3 770 645	-	3 770 645
Accumulated deficit		(5 364 934)	(3 210 518)	(4 365 500)
Warrant reserve	19	215 956	78 651	78 651
Share-based payment reserve		729 808	264 671	559 534
Foreign currency translation reserve		(2 828 598)	(453 523)	(1 535 108)
Equity attributable to the owners of the parent		**20 127 542**	**16 902 454**	**18 995 461**
Non-controlling interests		(87 986)	(10 067)	(51 812)
Total equity		**20 039 556**	**16 892 387**	**18 943 649**
Non-current liabilities				
Environmental rehabilitation liability	16	80 968	75 600	86 005
Lease liability	17	140 527	262 475	181 544
Total non-current liabilities		**221 495**	**338 075**	**267 549**
Current liabilities				
Trade and other payables	15	894 008	763 307	894 830
Borrowings	14	2 517 536	85 465	1 230 961
Lease liability	17	42 902	-	42 129
Total current liabilities		**3 454 446**	**848 772**	**2 167 920**
Total equity and liabilities		**23 715 497**	**18 079 234**	**21 379 118**

The notes that follow in this report form part of these financial statements.

The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 28 September 2020

ANTHONY VILJOEN
Chief Executive Officer
28 SEPTEMBER 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 August 2020

	Share capital	Convertible loan note reserve	Accumulated deficit	Warrant reserve	Share-based payment reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£	£
Total equity at 28 February 2019	**17 337 718**	**-**	**(2 585 967)**	**78 651**	**220 729**	**(421 827)**	**14 629 304**	**(7 484)**	**14 621 820**
Loss for the period	-	-	(624 551)	-	-	-	**(624 551)**	(2 562)	**(627 113)**
Other comprehensive income/loss	-	-	-	-	222	(31 697)	**(31 475)**	(21)	**(31 496)**
Transactions with owners:									
Share-based payments	-	-	-	-	43 720	-	**43 720**	-	**43 720**
Issue of shares	2 988 392	-	-	-	-	-	**2 988 392**	-	**2 988 392**
Share issue costs	(102 937)	-	-	-	-	-	**(102 937)**	-	**(102 937)**
Total equity at 31 August 2019	**20 223 173**	**-**	**(3 210 518)**	**78 651**	**264 671**	**(453 524)**	**16 902 454**	**(10 067)**	**16 892 387**
Loss for the period	-	-	(1 154 982)	-			**(1 154 982)**	(45 933)	**(1 200 915)**
Other comprehensive income/loss	-	-	-	-	(1 261)	(1 081 584)	**(1 082 845)**	4 188	**(1 078 657)**
Transactions with owners:									
Share-based payments	-	-	-	-	359 842	**-**	**359 842**	**-**	**359 842**
Issue of shares	272 816	3 800 000	-	-	(63 718)	**-**	**4 009 098**	**-**	**4 009 098**
Share issue costs	(8 750)	(29 355)	-	-		**-**	**(38 105)**	**-**	**(38 105)**
Total equity at 29 February 2020	**20 487 239**	**3 770 645**	**(4 365 500)**	**78 651**	**559 534**	**(1 535 108)**	**18 995 461**	**(51 812)**	**18 943 649**
Loss for the period	-	-	(999 434)	-	-	-	**(999 434)**	(42 387)	**(1 041 821)**
Other comprehensive income/loss	-	-	-	-	(4 342)	(1 293 490)	**(1 297 832)**	6 213	**(1 291 619)**
Transactions with owners:									
Issue of shares	3 370 743	-	-	-	-	-	**3 370 743**	-	**3 370 743**
Share issue costs	(253 317)	-	-	-	-	-	**(253 317)**	-	**(253 317)**
Share-based payments	-	-	-	-	174 616	-	**174 616**	-	**174 616**
Warrants granted	-	-	-	137 305	-	-	**137 305**	-	**137 305**
Total equity at 31 August 2020	**23 604 665**	**3 770 645**	**(5 364 934)**	**215 956**	**729 808**	**(2 828 598)**	**20 127 542**	**(87 986)**	**20 039 556**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 August 2020

	Notes	Period ended 31 August 2020 (unaudited) £	Period ended 31 August 2019 (unaudited) £	Year ended 29 February 2020 (audited) £
Cash flows from operating activities				
Loss before taxation		**(1 041 821)**	**(627 112)**	**(1 830 457)**
Adjustments for:				
Depreciation of property, plant and equipment	11	181 520	61 126	128 130
Share-based payments		114 385	43 720	184 888
Equity-settled transactions	18	320 743	-	109 190
Finance income		(14)	(3 749)	(3 793)
Finance costs	7	109 410	-	40 719
Changes in working capital:				
Decrease/(Increase) in receivables	13	232 192	(519 580)	(220 634)
Increase/(decrease) in payables	15	81 600	384 405	(241 546)
(Increase)/decrease in inventory	12	(397 485)	(1 087)	578 828
Net cash used in operating activities		**(399 470)**	**(662 278)**	**(1 254 675)**
Cash flows from investing activities				
Finance income		14	3 749	3 793
Purchase of intangible assets	10	(72 828)	(578 252)	(596 291)
Purchase of property, plant and equipment	11	(1 751 822)	(3 346 592)	(7 159 313)
Net cash used in investing activities		**(1 824 636)**	**(3 921 095)**	**(7 751 811)**
Cash flows from financing activities				
Finance costs	7	(1 881)	-	(562)
Lease payments	17	(30 700)	-	(68 015)
Net proceeds from issue of shares	18	2 796 683	2 885 455	3 770 645
Proceeds from borrowings	14	3 834 387	85 465	4 840 989
Repayment of borrowings	14	(2 501 805)	-	(3 610 028)
Net cash generated from financing activities		**4 096 684**	**2 970 920**	**7 809 734**
Net decrease in cash and cash equivalents		**1 872 578**	**(1 612 453)**	**(1 196 752)**
Cash and cash equivalents at the beginning of the period		574 600	1 781 335	1 781 335
Exchange differences		131 434	(38 247)	(9 983)
Cash and cash equivalents at the end of the period		**2 578 612**	**130 635**	**574 600**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 August 2020

1. Corporate information and principal activities

AfriTin Mining Limited ("AfriTin") was incorporated and domiciled in Guernsey on 1 September 2017 and admitted to the AIM market in London on 9 November 2017. The company's registered office is currently 18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH. Effective 1 October 2020, the registered address will become PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH. The company operates from Illovo Edge Office Park, 2nd Floor, Building 3, Corner Harries and Fricker Road, Illovo, Johannesburg, 2116, South Africa.

These financial statements are for the period ended 31 August 2020 and the comparative figures for the 6-month period ended 31 August 2019 and for the year ended 29 February 2020 are shown.

The AfriTin Group comprises AfriTin Mining Limited and its subsidiaries as noted below.

AfriTin Mining Limited ("AML") is an investment holding company and holds 100% of Guernsey subsidiary, Greenhills Resources Limited ("GRL").

GRL is an investment holding company that holds investments in resource-based tin and tantalum exploration companies in Namibia and South Africa. The Namibian subsidiary is AfriTin Mining (Namibia) Pty Limited ("AfriTin Namibia"), in which GRL holds 100% equity interest. The South African subsidiaries are Mokopane Tin Company Pty Limited ("Mokopane") and Pamish Investments 71 Pty Limited ("Pamish 71"), in which GRL holds 100% equity interest.

AfriTin Namibia owns an 85% equity interest in Uis Tin Mining Company Pty Limited ("UTMC"). The minority shareholder in UTMC is The Small Miners of Uis who own 15%.

Mokopane owns a 74% equity interest in Renetype Pty Limited ("Renetype") and a 50% equity interest in Jaxson 641 Pty Limited ("Jaxson").

The minority shareholders in Renetype are African Women Enterprises Investments Pty Limited and Cannosia Trading 62 CC who own 10% and 16% respectively.

The minority shareholder in Jaxson is Lerama Resources Pty Limited who owns a 50% interest in Jaxson.

Pamish 71 owns a 74% interest in Zaaiplaats Mining Pty Limited ("Zaaiplaats").

The minority shareholder in Zaaiplaats is Tamiforce Pty Limited who owns 26%.

AML holds 100% of Tantalum Investment Pty Limited, a company containing Namibian exploration licenses EPL5445 and EPL5670 for the exploration of tin, tantalum and associated minerals.

At 31 August 2020, the AfriTin Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
AfriTin Mining Limited	N/A	Guernsey	Ultimate holding company
Greenhills Resources Limited[1]	100%	Guernsey	Holding company
AfriTin Mining Pty Limited[1]	100%	South Africa	Group support services
Tantalum Investment Pty Limited[1]	100%	Namibia	Tin & tantalum exploration
AfriTin Mining (Namibia) Pty Limited[2]	100%	Namibia	Tin & tantalum operations
Uis Tin Mining Company Pty Limited[3]	85%	Namibia	Tin & tantalum operations
Mokopane Tin Company Pty Limited[2]	100%	South Africa	Holding company
Renetype Pty Limited[4]	74%	South Africa	Tin & tantalum exploration
Jaxson 641 Pty Limited[4]	50%	South Africa	Tin & tantalum exploration
Pamish Investments 71 Pty Limited[2]	100%	South Africa	Holding company

Zaaiplaats Mining Pty Limited[5]	74%	South Africa	Property owning

[1] Held directly by AfriTin Mining Limited
[2] Held by Greenhills Resources Limited
[3] Held by AfriTin Mining (Namibia) Pty Limited
[4] Held by Mokopane Tin Company Pty Limited
[5] Held by Pamish Investments 71 Pty Limited

These financial statements are presented in Pound Sterling (£) because that is the currency in which the Group has raised funding on the AIM market in the United Kingdom. Furthermore, Pound Sterling (£) is the functional currency of the ultimate holding company, AfriTin Mining Limited.

2. Significant accounting policies

Basis of accounting

The interim financial statements have been prepared using measurement and recognition criteria based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. The interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ended 28 February 2021 and which were applied in the Group's statutory financial statements for the year ended 29 February 2020.

The Group has adopted the standards, amendments and interpretations effective for annual periods beginning on or after 1 March 2020. The adoption of these standards and amendments did not have a material effect on the financial statements of the Group. See Note 3.

The interim financial information for the six months to 31 August 2020 is unaudited and does not constitute statutory financial information. The statutory accounts for the year ended 29 February 2020 are available on the Company's website. The auditors' report on those accounts was unqualified and included a material uncertainty in respect of going concern but did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006..

The consolidated financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the consolidated financial statements are discussed further in this note.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

At 31 August 2020, the Company had cash in the bank of £2.6m and had drawn down £764k of the available £1.9m Nedbank working capital and VAT facility.

The £2.05m loan note issued in May 2020 (of which only £1.8m has been drawn down) as well as the £3.8m convertible loan note raised in November 2019 mature in May 2021.

The Nedbank facility of N$43m (approx. £1.9m) as well as the N$4.2m (approx. £188k) Nedbank guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power continue to be in place. The Nedbank facility falls due for renewal in July 2021.

The Company is commissioning and ramping up the Phase 1 pilot plant at Uis with the purpose of proving up the feasibility of a much larger, profitable Phase 2 plant to go into full commercial production. Whilst the ramp up was adversely impacted by supply chain disruption associated with COVID-19, the ramp up is now continuing with minimal disruption following easing of government restrictions and measures implemented by the mine.

Management have prepared a detailed cashflow forecast for the period to 30 September 2021 and performed stress tests of those forecasts. The base case forecast demonstrates that the Group will have sufficient funds to meet its liabilities as they fall due and includes the following key assumptions:

- The £3.8m convertible loan notes issued in November 2019 and the £2.05m loan notes issued in May 2020 (of which only £1.8m have been drawn down) are assumed to be settled in equity. Per the agreements, the £3.8m convertible loan notes can be settled in equity at the discretion of the Company. However, settlement of the £2.05m loan notes (of which only £1.8m has been drawn down) in cash or shares is subject to agreement by both parties and therefore equity settlement cannot be guaranteed and is dependent on the loan note holders being in agreement.
- The working capital facility with Nedbank Namibia is anticipated to be renewed in July 2021 under the annual review.
- Prices have been set at $18 000 which is the current spot price per tonne of tin and $150 000 per tonne of tantalum.
- The forecasts assume a continued ramp up in production to steady state for Phase 1 of the operation by the end of 2020.

Whilst the Board anticipate that the £2.05m loan note (of which only £1.8m has been drawn down) will be settled in equity, there can be no guarantee that this event will occur and if it is not forthcoming the Group will likely need to raise additional funds.

Whilst the Board fully anticipate renewal of the working capital facility in July 2021, noting the recent renewal of the facility, there can be no guarantee that this will occur.

Additionally, the Group’s forecasts are based on anticipated growth in production which is considered achievable by the Board. However, the Board have considered the risks and uncertainties associated with COVID-19 on the Group’s operations including the potential impact on areas including risks to supply chain and access to site by consultants, additional government restrictions and potential volatility in commodity prices. In the event of further disruption to the production ramp up or operational cash flow as a result of COVID-19 or other related operational issues, the Group may require additional funding.

These matters indicate a material uncertainty exists which may cast significant doubt on the Group’s ability to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

i) ***Going concern and liquidity***

Significant estimates were required in forecasting cash flows used in the assessment of going concern including tin and tantalum prices, the level of production and the rate at which production ramp up is achieved, operating costs and capital expenditure requirements. Additionally, judgment has been applied in assessing the likely form of settlement of one of the loan notes, renewal of the working capital facility and the risks associated with COVID-19, together with mitigating steps available to the Group if required.

ii) ***Decommissioning and rehabilitation obligations***

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions (see Note 16) are further influenced by changing technologies, political, environmental, safety, business and statutory considerations.

The Group's rehabilitation provision is based on the net present value of management's best estimates of future rehabilitation costs. Judgement is required in establishing the disturbance and associated rehabilitation costs at period end, timing of costs, discount rates and inflation. In forming estimates of the cost of rehabilitation which are risk adjusted, the Group assessed the Environmental Management Plan and reports provided by internal and external experts. Actual costs incurred in future periods could differ materially from the estimates and changes to environmental laws and regulations, life of mine estimates, inflation rates and discount rates could affect the carrying amount of the provision. The carrying amount of the rehabilitation obligations for the Group at 31 August 2020 was £80 968 (August 2019: £75 600 and February 2020: £86 005).

iii) ***Impairment indicator assessment for exploration & evaluation assets***

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including specific impairment indicators prescribed in *IFRS 6: Exploration for and Evaluation of Mineral Resources.* If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The valuation of intangible exploration assets is dependent upon the discovery of economically recoverable deposits which, in turn, is dependent on future tin prices, future capital expenditures and environmental, regulatory restrictions and the successful renewal of licenses. The directors have concluded that there are no indications of impairment in respect of the carrying value of intangible assets at 31 August 2020 based on planned future development of the projects and current and forecast tin prices. Exploration and evaluation assets are disclosed fully in Note 10.

iv) ***Impairment assessment for property, plant and equipment***

Management performed an impairment indicator assessment at 31 August 2020 and identified a potential impairment indicator based on the Group's market capitalisation and the decrease in tin prices and performed an impairment test accordingly. The impairment test was performed on a fair value less cost to sell basis and included assessments of different scenarios associated with capital development and expansion opportunities. The forecasts required estimates regarding forecast tin and tantalum prices, ore resources and production, together with operating and capital costs. The impairment test was performed at a post-tax nominal discount rate of 11.7%.

3. Adoption of new and revised standards

New accounting standards adopted

Standards, amendments and interpretations to existing standards that are effective and have been adopted by the Group:

IFRS 3	Amendments to IFRS 3 "Business Combinations": Definition of "business"	1 January 2020
IAS 1 and IAS 8	Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of "material"	1 January 2020
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The adoption of these standards has made no material impact on the financial statements of the Group.

Accounting standards and interpretations not applied

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

IFRS 17	IFRS 17 "Insurance Contracts"	1 January 2021

The Directors anticipate that the adoption of this standard in future periods will have no material impact on the financial statements of the Group based on current operations.

4. Segmental reporting

The reporting segments are identified by the management steering committee (who are considered to be the chief operating decision-makers) by the way that the Group's operations are organised. As at 31 August 2020, the Group operated within two operating segments, tin exploration and operational activities in Namibia and tin exploration activities in South Africa.

Segment results

The following is an analysis of the Group's results by reportable segment.

	South Africa	Namibia	Total
	£	£	£
Period ended 31 August 2020			
Results			
Revenue	13 757	1 070 239	1 083 996
Associated costs	(2 715)	(1 385 083)	(1 387 798)
Segmental profit/(loss)	**11 042**	**(314 844)**	**(303 802)**
Period ended 31 August 2019			
Results			
Revenue	-	-	-
Associated costs	(6 755)	(61 145)	(67 900)
Segmental loss	**(6 755)**	**(61 145)**	**(67 900)**
Year ended 29 February 2020			
Results			
Revenue	21 696	47 336	69 032
Associated costs	(14 006)	(436 922)	(450 928)
Segmental profit/(loss)	**7 690**	**(389 586)**	**(381 896)**

The reconciliation of segmental gross loss to the Group's loss before tax is as follows:

	Period ended 31 August 2020	Period ended 31 August 2019	Year ended 29 February 2020
	£	£	£
Segmental loss	(303 802)	(67 900)	(381 896)
Unallocated costs	(628 623)	(547 616)	(1 411 635)
Finance income	14	3 749	3 793
Finance costs	(109 410)	(15 346)	(40 719)
Loss before tax	**(1 041 821)**	**(627 113)**	**(1 830 457)**

Unallocated costs mainly comprise of corporate overheads and costs associated with being listed in London.

Other segmental information

	South Africa	Namibia	Total
	£	£	£
As at 31 August 2020			
Intangible assets	2 994 786	4 252 475	7 247 261
Other reportable segmental assets	61 314	13 570 933	13 632 247
Other reportable segmental liabilities	(58 909)	(820 345)	(879 254)
Unallocated net asset	-	-	39 302
Total consolidated net assets	**2 997 191**	**17 003 063**	**20 039 556**

As at 31 August 2019			
Intangible assets	3 232 101	4 364 631	7 596 732
Other reportable segmental assets	50 268	9 915 995	9 966 263
Other reportable segmental liabilities	(70 419)	(565 563)	(635 982)
Unallocated net liabilities	-	-	(34 627)
Total consolidated net assets	**3 211 950**	**13 715 063**	**16 892 387**
As at 29 February 2020			
Intangible assets	3 108 713	4 332 305	7 441 018
Other reportable segmental assets	60 323	13 041 793	13 102 116
Other reportable segmental liabilities	(64 997)	(774 676)	(839 673)
Unallocated net liabilities	-	-	(759 812)
Total consolidated net assets	**3 104 039**	**16 599 422**	**18 943 649**

Unallocated net assets/liabilities are mainly comprised of cash and cash equivalents and the borrowings which are managed at a corporate level.

5. Revenue

	Period ended 31 August 2020 £	**Period ended 31 August 2019 £**	**Year ended 29 February 2020 £**
Revenue from the sale of tin	1 070 239	-	47 336
Revenue from the sale of sand	13 757	-	21 696
	1 083 996	**-**	**69 032**

6. Administrative expenses

The loss for the period has been arrived at after charging:

	Period ended 31 August 2020 £	**Period ended 31 August 2019 £**	**Year ended 29 February 2020 £**
Staff costs	381 625	248 572	793 687
Depreciation of property, plant & equipment	57 671	61 126	128 130
Professional fees	67 044	145 412	88 550
Travelling expenses	9 128	63 778	98 988
Other costs	429 214	96 628	652 999
Auditor's remuneration	1 500	-	52 873
	946 182	**615 516**	**1 815 227**

7. Finance cost

	Period ended 31 August 2020 £	**Period ended 31 August 2019 £**	**Year ended 29 February 2020 £**
Interest on lease liability	12 528	15 346	33 128
Interest on environmental rehabilitation liability	3 704	-	7 029
Interest on loan notes	52 096	-	-
Warrant charges linked to loan note issue	39 202	-	-
Other interest	1 880	-	562
	109 410	**15 346**	**40 719**

8. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

	Period ended 31 August 2020 £	Period ended 31 August 2019 £	Year ended 29 February 2020 £
Factors affecting tax for the period:			
The tax assessed for the period at the Guernsey corporation tax charge rate of 0%, as explained below:			
Loss before taxation	(1 041 821)	(627 113)	(1 830 457)
Loss before taxation multiplied by the Guernsey Corporation tax charge rate of 0%	-	-	-
Effects of:			
Differences in tax rates (overseas jurisdictions)	(188 301)	(111 850)	(327 821)
Tax losses carried forward	188 301	111 850	327 821
Tax for the period	**-**	**-**	**-**

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £2 180 918 (August 2019: £1 271 578 and February 2020: £1 797 379).

9. Loss per share from continuing operations

The calculation of a basic loss per share of 0.15 pence (August 2019: loss per share of 0.10 pence and February 2020: loss per share of 0.29 pence), is calculated using the total loss for the period attributable to the owners of the Company of £999 434 (August 2019: £624 551 and February 2020: £1 781 962) and the weighted average number of shares in issue during the period of 677 705 520 (August 2019: 599 566 233 and February 2020: 623 591 330).

Due to the loss for the period, the diluted loss per share is the same as the basic loss per share. The number of potentially dilutive ordinary shares, in respect of share options, warrants and shares to be issued as at 31 August 2020 is 89 723 725 (August 2019: 50 536 891 and February 2020: 69 080 819). These potentially dilutive ordinary shares may have a dilutive effect on future earnings per share.

10. Intangible assets

	Exploration and evaluation assets	Computer software	Total
	£	£	£
As at 31 August 2019	**7 525 269**	**71 463**	**7 596 732**
Additions for the period	28 236	55 595	83 831
Exchange differences	(229 011)	(10 534)	(239 545)
As at 29 February 2020	**7 324 494**	**116 524**	**7 441 018**
Additions for the period	78 664	3 534	82 198
Exchange differences	(264 148)	(11 807)	(275 955)
As at 31 August 2020	**7 139 010**	**108 251**	**7 247 261**

The Company's subsidiary, Greenhills Resources Limited has the following:

i) a 74% interest in Renetype Pty Limited ("Renetype") which holds an interest in Prospecting Right 2205.
ii) an 85% interest in Uis Tin Mining Company Pty Limited (“UTMC") which holds an interest in mining rights, ML129, ML133 and ML134.
iii) a 50% interest in Jaxson 641 Pty Limited ("Jaxson") which holds an interest in Prospecting Right 428.
iv) a 74% interest in Zaaiplaats Mining Pty Limited ("Zaaiplaats") which holds an interest in Prospecting Right 183.

The Company has a 100% interest in Tantalum Investment Pty Limited ("Tantalum") which holds an interest in Exclusive Prospecting Licence 5445 and Exclusive Prospecting Licence 5670.

11. Property, plant and equipment

	Land	Mining asset under construction	Decommissioning asset	Right-of-use Asset	Computer Equipment	Furniture	Vehicles	Total
Cost								
As at 31 August 2019	**13 514**	**8 777 273**	**75 600**	**289 922**	**99 396**	**88 880**	**85 982**	**9 430 567**
Additions for the period	-	4 188 741	10 863	(11 909)	3 168	3 179	-	4 194 042
Exchange differences	(1 076)	(965 085)	(6 966)	(22 049)	(8 191)	(7 311)	(6 847)	(1 017 525)
As at 29 February 2020	**12 438**	**12 000 929**	**79 497**	**255 964**	**94 373**	**84 748**	**79 135**	**12 607 084**
Additions for the period	-	1 674 884	-	-	3 952	-	-	1 678 836
Exchange differences	(1 251)	(1 126 683)	(7 998)	(25 751)	(9 588)	(8 471)	(7 961)	(1 187 703)
As at 31 August 2020	**11 187**	**12 549 130**	**71 499**	**230 213**	**88 737**	**76 277**	**71 174**	**13 098 217**
Accumulated Depreciation								
As at 31 August 2019	-	-	-	**43 488**	**24 417**	**11 712**	**17 915**	**97 532**
Charge for the period	-	-	-	15 304	19 603	8 546	10 835	54 288
Exchange differences	-	-	-	(4 905)	(3 681)	(1 648)	(2 370)	(12 604)
As at 29 February 2020	-	-	-	**53 887**	**40 339**	**18 610**	**26 380**	**139 216**
Charge for the period	-	-	-	24 819	16 155	7 586	9 111	57 671
Exchange differences	-	-	-	(6 007)	(4 476)	(2 015)	(2 869)	(15 367)
As at 31 August 2020	-	-	-	**72 699**	**52 018**	**24 181**	**32 622**	**181 520**
Net Book Value								
As at 31 August 2020	**11 187**	**12 549 1302**	**71 499**	**157 514**	**36 719**	**52 096**	**38 552**	**12 916 697**
As at 29 February 2020	**12 438**	**12 000 929**	**79 497**	**202 077**	**54 034**	**66 138**	**52 755**	**12 467 868**
As at 31 August 2019	**13 514**	**8 777 273**	**75 600**	**246 434**	**74 979**	**77 168**	**68 067**	**9 333 036**

12. Inventories

	31 August 2020 £	31 August 2019 £	29 February 2020 £
Run-of-mine stockpile	261 424	-	-
Tin concentrate on hand	285 971	-	185 338
Consumables	62 776	26 441	61 572
	610 171	**26 441**	**246 910**

13. Trade and other receivables

	31 August 2020 £	31 August 2019 £	29 February 2020 £
Trade receivables	164 573	32 440	42 772
Other receivables	100 690	177 528	111 614
VAT receivables	97 493	782 422	494 336
	362 756	**992 390**	**648 722**

14. Borrowings

	31 August 2020 £	31 August 2019 £	29 February 2020 £
Working capital facility	763 543	85 465	1 230 961
Loan note facility	1 753 993	-	-

	2 517 536	**85 465**	**1 230 961**

On 16 August 2019, a working capital facility of N$35m (approximately £1.6m) and a VAT facility for N$8m (approximately £358k) was entered into between the Company's subsidiary, AfriTin Mining (Namibia) Pty Limited and Nedbank Namibia.

The VAT facility is secured by assessed/audited VAT returns (refunds) which have not been paid by Namibia Inland Revenue. Nedbank Namibia provides a facility amounting to 70% of the total unpaid refunds. Any drawdowns against this facility are repaid to the bank upon receipt of cash from Namibia Inland Revenue.

The working capital facility and the VAT facility were reviewable on 31 July 2020 and were renewed for a further 12-month period. Interest accrues on these loans at the prime rate charged by Nedbank Namibia.

Both AfriTin, as the parent company of AfriTin Mining (Namibia) Pty Limited, and Bushveld Minerals Limited ("Bushveld"), a shareholder holding approximately 8% of the Company, provide collateral in the form of a joint suretyship.

In addition to the facility amount of N$35m (approx. £1.6m) , Nedbank Namibia have provided AfriTin Mining (Namibia) Pty Limited with a N$4.1m (approx. £184k) guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power. As a result of the guarantee provided by Nedbank Namibia, no cash was paid over for the deposit.

On 5 May 2020, £2.05m financing was secured by way of a new loan note facility. The notes, which are issued in tranches of £50k, bear an interest rate of 10% per annum to be accrued and payable in full on redemption, either in cash or through the issue of shares by mutual agreement between the Company and the loan note holders and have a 12-month term. At 31 August 2020, the company had drawn down on £1.8 million of these notes. As part of the facility agreement, the loan note holders received 10 warrants for each £1 subscribed and paid for, each warrant giving the holder the right to subscribe for one share in AfriTin. The warrants can be exercised at any time from the date of issue and will lapse on 4 May 2023. The exercise price of the warrants is 1.95p.

15. Trade and other payables

	31 August 2020	31 August 2019	29 February 2020
	£	£	£
Trade payables	676 674	616 505	570 779
Other payables	109 690	109 335	71 117
Accruals	107 644	37 467	252 934
	894 008	**763 307**	**894 830**

16. Environmental rehabilitation liability

	£
Balance at 31 August 2019	**75 600**
Increase in provision	10 864
Interest expense	7 127
Foreign exchange differences	(7 585)
Balance at 29 February 2020	**86 005**
Increase in provision	-
Interest expense	3 705
Foreign exchange differences	(8 742)
Balance at 31 August 2020	**80 968**

Provision for future environmental rehabilitation and decommissioning costs are made on a progressive basis. Estimates are based on costs that are regularly reviewed and adjusted appropriately for new circumstances. The environmental rehabilitation liability is based on disturbances and the required rehabilitation as at 31 August 2020.

The rehabilitation provision represents the present value of decommissioning costs relating to the dismantling of mechanical equipment and steel structures related to the Phase 1 pilot plant, the demolishing of civil platforms and reshaping of earthworks. A provision for this requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. In calculating the appropriate provision, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof are prepared. These forecasts are then discounted to their present value using a risk-free rate specific to the liability. In determining the amount attributable to the rehabilitation liability, management used a discount rate of 9.35%, an inflation rate of 5.5% and an estimated mining period of 38 years. Actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for the necessary rehabilitation works and timing of when the mine ceases operation.

17. Lease liability

A lease liability is raised for the rental of an office building. The lease commenced on 1 December 2018 and has a term of 5 years.

	£
Balance at 31 August 2019	**262 475**
Additions	-
Interest expense	16 232
Lease payments	(35 841)
Exchange differences	(19 193)
Balance at 29 February 2020	**223 673**
Additions	**-**
Interest expense	12 528
Lease payments	(30 700)
Exchange differences	(22 072)
Balance at 31 August 2020	**183 429**

The following is the split between the current and the non-current portion of the liability:

	31 August 2020 **£**	**31 August 2019** **£**	**29 February 2020** **£**
Non-current liability	140 527	262 475	181 544
Current liability	42 902	-	42 129
	183 429	**262 475**	**223 673**

18. Share capital

	Number of ordinary shares of no par value issued and fully paid	**Share Capital** **£**
Balance at 31 August 2019	**644 201 599**	**20 223 173**
Shares issued to Hannam & Partners	327 868	10 000
Shares issued to directors/employees	8 616 906	262 816
Share issue costs	-	(8 750)
Balance at 29 February 2020	**653 146 373**	**20 487 239**
Capital Raise - 3 August 2020	145 238 089	3 050 000
Shares issued to suppliers	15 273 480	320 743
Share issue costs	-	(253 317)
Balance at 31 August 2020	**813 657 942**	**23 604 665**

Authorised: 966 302 399 ordinary shares of no par value
Allotted, issued and fully paid: 813 657 942 ordinary shares of no par value

On 10 December 2019, 8 616 906 ordinary shares of no par value were issued to various directors and employees in lieu of payment of director fees and part settlement of salaries. Furthermore 327 868 shares were issued to Hannam and Partners, in accordance with the terms of their broker agreement with the Company. These shares were issued at a price of 3.05 pence per share.

On 3 August 2020, the Company completed an equity fundraising by way of a placing and direct subscription of 145 238 089 ordinary shares of no par value in the Company at a price of 2.1 pence per share.

On 3 August 2020, 15 273 480 ordinary shares of no par value were issued to various suppliers as settlement of fees for services rendered. These shares were issued at a price of 2.1 pence per share.

19. Warrant reserve

The following warrants were granted during the period ended 31 August 2020:

Date of grant	7 July 2020	31 May 2020	5 May 2020
Number granted	2 500 000	2 500 000	13 000 000
Contractual life	2.8 years	2.9 years	3 years
Estimated fair value per warrant (£)	0.0122	0.00679	0.00691

The following warrants were granted during the year ended 28 February 2019:

Date of grant	23 January 2019
Number granted	3 800 000
Contractual life	2 years
Estimated fair value per warrant (£)	0.01286

The following warrants were granted during the period ended 28 February 2018:

Date of grant	9 November 2017
Number granted	1 871 939
Contractual life	3 years
Estimated fair value per warrant (£)	0.01591

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Date of grant	7 July 2020	31 May 2020	5 May 2020	23 January 2019	9 November 2017
Share price at grant date (pence)	2.55	1.80	1.80	4.15	3.90
Exercise price (pence)	1.95	1.95	1.95	4.50	3.90
Expected life	2.8 years	2.9 years	3 years	2 years	3 years
Expected volatility	60%	60%	60%	60%	60%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%	1.24%	1.24%

The warrants in issue during the period are as follows:

Outstanding at 31 August 2019	**5 671 939**
Exercisable at 31 August 2019	**5 671 939**
Granted during the period	-
Expired during the period	-
Exercised during the period	-
Outstanding at 29 February 2020	**5 671 939**
Exercisable at 29 February 2020	**5 671 939**
Granted during the period	18 000 000
Expired during the period	-
Exercised during the period	-
Outstanding at 31 August 2020	**23 671 939**
Exercisable at 31 August 2020	**23 671 939**

The warrants outstanding at period-end have an average exercise price of £0.0251, with a weighted average remaining contractual life of 2.11 years.

In the period ended 31 August 2020, a warrant charge of £137 305 was accounted for in relation to warrants issued as part of the May 2020 loan note facility.

20. Events after balance sheet date

There are no events after balance sheet date to disclose.

21. Related-party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Bushveld Minerals Limited ("Bushveld") is a related party due to Anthony Viljoen, Chief Executive Officer, being a Non-Executive Director on the Bushveld Board. During the period, Bushveld charged the Group £39 556 (August 2019: £33 794 and February 2020: £85 596) for the use of office space. At period end, the Group owed Bushveld £95 391 (August 2019: £33 794 and February 2020: £71 762). Furthermore, Bushveld provide joint suretyship of N$30m (approx. £1.34m) as collateral for the Nedbank Namibia working capital facility.