AfriTin Mining Limited

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

Unaudited Interim Results

for the six months ended 31 August 2021

AfriTin Mining Limited (AIM: ATM), an African tech-metals mining company with a portfolio of production, development and exploration assets in Namibia in tin, lithium and tantalum, is pleased to announce its unaudited interim results for the six months ended 31 August 2021.

Financial and Operational Highlights:

- **Revenue of £5.1 million, an increase of 468% over the corresponding six-month period ended 31 August 2020 with gross profit margin recorded of 22%;**
- **Positive free cash flow generated of £560k during the six-month period;**
- **Cash and cash equivalents of £6.3 million at period end; debt free following the remaining 2019 and 2020 convertible loan notes settled during the period;**
- **Phase 1 pilot processing plant exceeded targets and nameplate producing 368 tonnes of tin concentrate (227 tonnes of contained tin) for the six-month period;**
- **313 tonnes of tin concentrate (199 tonnes of contained tin) shipped to offtake partner, Thaisarco, during the six-month period;**
- **Commencement of Uis Phase 1 expansion project with commissioning expected to be completed Q2 2022;**
- **Lithium and tantalum test work programmes have been designed to increase the confidence levels of their by-product potential;**
- **Process flow design for a pilot tantalum concentrate production facility at Uis, with implementation planned for Q4 of 2021; and**
- **Since the end of the period under review, outline terms for a NAD 90 million (£4.5 million) Senior Secured Term Loan has been agreed with Standard Bank Namibia Ltd subject to final documentation.**

Chief Executive Officer's Statement

Against a backdrop of the COVID-19 pandemic and maintaining the health and safety of all our employees as a priority, the AfriTin team has once again managed to produce an impressive half-yearly performance. The Company has continued to exceed production targets at the Uis Tin Mine, resulting in a marked increase in revenue during the period. Whilst a firm focus has been on exceeding steady-state production and ensuring the Phase 1 pilot processing plant cost base becomes more efficient, attention has also been directed to the potential for additional revenue streams and consolidating our tech-metal exposure. We believe the Erongo region will become a globally significant metallogenic province for new technology metals, allowing for significant revenues and potentially substantial economies of scale within the licence areas and region.

During the period, the operation of the Phase 1 pilot processing plant achieved production of 368 tonnes of tin concentrate (227 tonnes of contained tin), with 313 tonnes of tin concentrate (199 tonnes of contained tin) shipped to our offtake partner Thaisarco, resulting in revenues of £5.1 million. This represents a 468% increase from the corresponding six-month period ended 31 August 2020 with an average tin price achieved of US$ 33 794 and a gross profit margin recorded of 22%. Tin is a critical component of the decarbonisation revolution, and an increased need for semi-conductors has seen the demand for tin increase significantly. On the supply side, COVID-related smelter closures, shipping delays and decades of underspending on exploration and mine development have resulted in supply constraints, the net effect of which is the unprecedented prices that were sustained throughout the period. We expect these strong prices to continue in the period ahead.

With a firm focus on the Phase 2 operation, a key milestone on the Company's growth path was the publication in May 2021 of the Definitive Feasibility Study ("DFS") for the expansion of the Uis Phase 1 pilot processing plant. The robust economics of the DFS provides us with an opportunity to increase the production of tin concentrate by 67%, thereby increasing the revenue and profit margin of the current operation while importantly de-risking the expansion of the project into the much larger Phase 2 operation. The expansion project has since commenced with the ordering of long-lead items, the appointment of a project implementation team and engineering detailing to facilitate procurement and fabrication. Post-period end, headline terms for a NAD 90 million (approximately £4.5 million) Senior Secured Term Loan were agreed with Standard Bank Namibia Ltd to finance the Phase 1 expansion.

The Company also plans to capitalise on the opportunity to develop additional revenue streams to the Company's tin concentrate product by expediting the lithium and tantalum by-product test work programmes. The launch of a new technology metal regional expansion programme in the second half of the financial year is a step toward unlocking the potential of a new metallogenic province that is the Erongo region of Namibia. While the current JORC (2012) Ore Reserve estimate over the V1 and V2 pegmatites only considers tin mineralisation, the Company intends to add the potential by-product minerals of tantalum and lithium oxide in due course. In this vein, the period under review saw the commencement of a larger exploration focus with the initiation of 8,000 metre lithium and tantalum exploration drilling programme over the V1/V2 ore body to run over the next 12 months. This will lead to the existing Ore Reserve Estimate for tin to be updated for tantalum and lithium oxide.

In tandem with the exploration focus, lithium and tantalum extraction test work programmes have been designed to increase the confidence levels of their by-product potential. This is a significant step in the movement towards the realisation of additional revenue streams. While optimisation test work continues, the Company will proceed with the process flow design for a pilot tantalum concentrate production facility, with implementation planned for Q4 of 2021.

In May 2021, the Company announced the placing of 216 666 667 ordinary shares to raise £13 million (before expenses). The capital raised enables the Company to commence the Phase 1 expansion of our flagship Uis Tin Mine and develop the inherent value of our Namibian licence portfolio through the unlocking of its metallurgy and exploration potential. The 2019 convertible loan notes and 2020 loan notes were also settled during the period.

Namibia continues to be an incredibly gracious host country within which to operate. An overarching theme in all decisions and corporate strategy is the safety, health and wellbeing of all employees and those in the surrounding communities where we operate. We remain conscious of the environment and its people, and this will continue to be built into our corporate DNA as we strive to become a significant African multi-commodity tech-metals producer.

The 2022 financial year continues to be an exciting one for AfriTin. We look forward to updating the market on the expansion of the Phase 1 pilot processing plant which is expected to complete in Q2 2022.

Anthony Viljoen

CEO

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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 open cast tin mine.

AfriTin is managed by an experienced board of directors and management team with a current strategy to ramp-up production at the Uis Tin Mine in Namibia to 10,000 tonnes of concentrate in a Phase 2 expansion, having reached Phase 1 commercial production in 2020. The Company strives to capitalise on the solid supply/demand 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 2021

	Notes	6 months ended 31 August 2021 (unaudited) £	6 months ended 31 August 2020 (unaudited) £	12 months ended 28 February 2021 (audited) £
Continuing operations				
Revenue	5	5 073 337	1 083 996	4 985 107
Cost of Sales		(3 959 149)	(1 070 239)	(4 987 696)
Gross Profit		**1 114 188**	**13 757**	**(2 589)**
Impairment of exploration licences		**-**	-	(3 069 232)
Other administrative expenses	6	(1 390 177)	(946 182)	(2 539 762)
Total administrative expenses		**(1 390 177)**	**(946 182)**	**(5 608 994)**
Operating loss		**(275 989)**	**(932 425)**	**(5 611 583)**
Finance income		-	14	-
Finance cost	7	(228 285)	(109 410)	(184 300)
Loss before tax		**(504 274)**	**(1 041 821)**	**(5 795 883)**
Income tax expense	8	-	-	-
Loss for the period		**(504 274)**	**(1 041 821)**	**(5 795 883)**
Other comprehensive income/(loss)				
Items that will or may be reclassified to profit or loss:				
Exchange differences on translation of share-based payment reserve		1 180	(4 342)	(531)
Exchange differences on translation of foreign operations		658 735	(1 293 490)	(526 231)
Exchange differences on non-controlling interest		(7 788)	6 213	1 390
Total comprehensive income/(loss) for the period		**147 853**	**(2 333 440)**	**(6 321 255)**
Profit/((loss) for the period attributable to:				
Owners of the parent		(692 252)	(999 434)	(5 694 962)
Non-controlling interests		187 978	(42 387)	(100 921)
		(504 274)	**(1 041 821)**	**(5 795 883)**
Total comprehensive income/(loss) for the period attributable to:				
Owners of the parent		(32 337)	(2 297 266)	(6 221 724)
Non-controlling interests		180 190	(36 174)	(99 531)
		147 853	**(2 333 440)**	**(6 321 255)**
Loss per ordinary share				
Basic and diluted loss per share (in pence)	9	(0.07)	(0.15)	(0.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2021
Company number: 63974

	Notes	31 August 2021 (unaudited) £	31 August 2020 (unaudited) £	28 February 2021 (audited) £
Assets				
Non-current assets				
Intangible assets	10	6 195 625	7 247 261	5 240 461
Property, plant and equipment	11	15 095 878	12 961 697	13 634 701
Total non-current assets		**21 291 503**	**20 163 958**	**18 875 162**
Current assets				
Inventories	12	1 429 694	610 171	996 698
Trade and other receivables	13	1 136 053	362 756	1 188 152
Cash and cash equivalents	14	6 290 694	2 578 612	1 351 200
Total current assets		**8 856 441**	**3 551 539**	**3 536 050**
Total assets		**30 147 944**	**23 715 497**	**22 411 212**
Equity and liabilities				
Equity				
Share capital	19	38 297 431	23 604 665	25 608 001
Convertible loan note reserve		-	3 770 645	2 170 645
Accumulated deficit		(10 733 570)	(5 364 934)	(10 030 679)
Warrant reserve	20	192 632	215 956	211 348
Share-based payment reserve		769 658	729 808	743 615
Foreign currency translation reserve		(1 402 604)	(2 828 598)	(2 061 339)
Equity attributable to the owners of the parent		**27 123 547**	**20 127 542**	**16 641 591**
Non-controlling interests		28 846	(87 986)	(151 344)
Total equity		**27 152 393**	**20 039 556**	**16 490 247**
Non-current liabilities				
Environmental rehabilitation liability	17	202 242	80 968	180 917
Lease liability	18	232 858	140 527	260 512
Total non-current liabilities		**435 100**	**221 495**	**441 429**
Current liabilities				
Trade and other payables	16	1 890 700	894 008	1 484 482
Borrowings	15	505 267	2 517 536	3 869 489
Lease liability	18	164 484	42 902	125 565
Total current liabilities		**2 560 451**	**3 454 446**	**5 479 536**
Total equity and liabilities		**30 147 944**	**23 715 497**	**22 411 212**

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 [xxx]

ANTHONY VILJOEN
Chief Executive Officer
[xxx]

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 August 2021

	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 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)**
Total comprehensive income/(loss)	**-**	**-**	**(999 434)**	**-**	**(4 342)**	**(1 293 490)**	**(2 297 266)**	**(36 174)**	**(2 333 440)**
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**
Loss for the period	-	-	(4 695 528)	-	-	-	**(4 695 528)**	(58 534)	**(4 754 062)**
Other comprehensive income/(loss)	-	-	-	-	3 811	767 259	**771 070**	(4 824)	**766 246**
Total comprehensive income/(loss)	**-**	**-**	**(4 695 528)**	**-**	**3 811**	**767 259**	**(3 924 458)**	**(63 358)**	**(3 987 816)**
Transactions with owners:									
Share-based payments	-	-	-	-	106 815	-	**106 815**	-	**106 815**
Issue of shares	403 336	-	-	-	(96 819)	-	**306 517**	-	**306 517**
Share issue costs	-	-	-	25 175	-	-	**25 175**	-	**25 175**
Conversion of convertible loan notes	1 600 000	(1 600 000)	-	-	-	-	-	-	**-**
Warrants expired	-	-	29 783	(29 783)	-	-	-	-	**-**
Total equity at 28 February 2021	**25 608 001**	**2 170 645**	**(10 030 679)**	**211 348**	**743 615**	**(2 061 339)**	**16 641 591**	**(151 344)**	**16 490 247**
Loss for the period			(692 252)				**(692 252)**	187 978	**(504 274)**
Other comprehensive income/(loss)	-	-		-	1 180	658 735	**659 915**	(7 788)	**652 127**
Total comprehensive income/(loss)	**-**	**-**	**(692 252)**	**-**	**1 180**	**658 735**	**(32 337)**	**180 190**	**(147 853)**
Transactions with owners:									
Issue of shares	13 019 672	**-**	-	-	(10 000)	-	**13 009 672**	-	**13 009 672**
Share issue costs	(823 447)	-	-	-	-	-	**(823 447)**	-	**(823 447)**
Share-based payments	-	-	-	-	34 863	-	**34 863**	-	**34 863**

Warrants exercised	63 150		18 716	(18 716)	-	-	**63 150**		**63 150**
Issue costs reclassified to accumulated deficit	-	29 355	(29 355)	-	-	-	**-**	**-**	**-**
Settlement of convertible loan note in shares	430 055	(430 055)	-	-	-	-	**-**	**-**	**-**
Settlement of convertible loan note in cash	-	(1 769 945)	-	-	-	-	**(1 769 945)**	**-**	**(1 769 945)**
Total equity at 31 August 2021	**38 279 431**	**-**	**(10 733 570)**	**192 632**	**769 658**	**(1 402 604)**	**27 123 547**	**28 846**	**27 152 393**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 August 2021

	Notes	Period ended 31 August 2021 (unaudited) £	Period ended 31 August 2020 (unaudited) £	Year ended 28 February 2021 (audited) £
Cash flows from operating activities				
Loss before taxation		**(504 274)**	**(1 041 821)**	**(5 795 883)**
Adjustments for:				
Fair value adjustment to customer contract	5	(15 238)	-	(205 635)
Depreciation of property, plant and equipment	11	736 792	181 520	898 528
Depreciation of intangible assets		6 086	-	-
Impairment of exploration licences		-	-	3 069 232
Share-based payments		22 527	114 385	217 407
Equity-settled transactions	19	9 672	320 743	618 260
Finance income		-	(14)	-
Finance costs	7	228 285	109 410	184 300
Changes in working capital:				
Decrease/(increase) in receivables	13	124 981	232 192	(352 953)
Increase in inventory	12	(382 786)	(397 485)	(753 688)
Increase in payables	16	334 662	81 600	619 573
Net cash generated/(used) in operating activities		**560 707**	**(399 470)**	**(1 500 858)**
Cash flows from investing activities				
Finance income		-	14	-
Purchase of intangible assets	10	(822 753)	(72 828)	(964 191)
Purchase of property, plant and equipment	11	(1 511 632)	(1 751 822)	(1 990 856)
Net cash used in investing activities		**(2 334 385)**	**(1 824 636)**	**(2 955 047)**
Cash flows from financing activities				
Finance costs	7	(157 458)	(1 881)	(37 612)
Lease payments	18	(91 258)	(30 700)	(128 600)
Net proceeds from issue of shares	19	12 239 703	2 796 683	2 796 683
Settlement of convertible loan notes		(1 769 945)	-	-
Proceeds from borrowings	15	5 298 880	3 834 387	7 908 028
Repayment of borrowings	15	(8 700 696)	(2 501 805)	(5 378 742)
Net cash generated from financing activities		**6 819 226**	**4 096 684**	**5 159 757**
Net decrease in cash and cash equivalents		**5 045 548**	**1 872 578**	**703 852**
Cash and cash equivalents at the beginning of the period		1 351 200	574 600	574 600
Exchange differences		(106 054)	131 434	72 748
Cash and cash equivalents at the end of the period		**6 290 694**	**2 578 612**	**1 351 200**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 August 2021

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 PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH and 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 2021 and the comparative figures for the 6 month period ended 31 August 2020 and for the year ended 28 February 2021 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.

As at 31 August 2021, 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.

The Group's key subsidiaries, AfriTin Namibia and UTMC, use the Namibian Dollar (N$) as their functional currency. The year-end spot rate used to translate all Namibian Dollar balances was £1 = N$20.08 and the average rate for the period was £1 = N$20.07.

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU adopted IFRS"). 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 2022 and which were applied in the Group's statutory financial statements for the year ended 28 February 2021.

The Group has adopted the standards, amendments and interpretations effective for annual periods beginning on or after 1 March 2021. 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 2021 is unaudited and does not constitute statutory financial information. The statutory accounts for the year ended 28 February 2021 are available on the Company's website. The auditors' report on those accounts was unqualified.

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 2021, the company had cash in the bank of £6.3m and had drawn down £0.5m of the £2m Nedbank working capital facility.

Subsequent to period end, a N$90m (c. £4.5m) term loan has been agreed with Standard Bank Namibia to finance the Phase 1 expansion. This term loan has a term of five years and incurs an interest of 3-month JIBAR (currently 3.67%) plus 4.5% (currently 8.17%). Furthermore, the Group's £2m working capital and VAT facility has been transferred from Nedbank Namibia to Standard Bank Namibia. These short-term banking facilities will incur an interest rate of Namibian prime lending rate (currently 7.5%) minus 1%.

Management have prepared a detailed cash flow forecast for the period to 30 September 2022 and 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:

- Prices have been set at $28,100 per tonne of tin.
- The base case forecast assumes continuing steady state production for the current mining and processing facility and expanded production from May 2022 onwards.
- The base case forecast includes capital expenditure required for the Phase 1 expansion.
- The base case forecast includes exploration drilling programme expenditure for lithium and tantalum.

In addition, the Board have considered the risks and uncertainties associated with COVID-19 on the Group's operations including the potential impact of production stoppages as a result of potential outbreaks of the virus at the operation as well as downside scenarios in relation to commodity pricing and production across the period. The scenarios demonstrated that the Group will be able to maintain liquidity.

Accordingly, the Directors have concluded that the going concern basis in the preparation of the financial statements is appropriate and that there are no material uncertainties that would cast doubt on that basis of preparation.

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. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements are described 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 levels of production, operating costs and capital expenditure requirements. Additionally, judgement has been applied in assessing the risks associated with COVID-19, together with mitigating steps available to the Group if required. Refer to going concern considerations noted earlier in Note 2 for further details.

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 17) 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 2021 was £202 242 (August 2020: £80 968 and February 2021: £180 917). In determining the amount attributable to the rehabilitation liability, management used a discount rate of 12.8% (August 2020: 9.35% and February 2021: 12.8%), an inflation rate of 6% (August 2020: 5.5% and February 2021: 6%) and an estimated mining period of 18 years, being the Phase 1 expansion life of mine.

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, environmental and regulatory restrictions, and the successful renewal of licences. The Group considers the South African exploration and evaluation assets to be non-core as it continues to primarily focus on developing its Namibian assets. Accordingly, the capitalised exploration and evaluation expenditure relating to the South African assets was impaired to nil in the 2021 financial year, on the basis that the Group does not intend to incur any further expenditure on its South African licences. The directors have concluded that there are no indications of impairment in respect of the carrying value of Namibian intangible assets at 31 August 2021 based on planned future development of the Namibian 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 have reviewed the Uis mine for indicators of impairment and have considered, among other factors, the operations to date at the Uis mine, planned Phase 1 Stage II expansion of the Uis operations, forecast commodity prices and market capitalisation of the group. In undertaking the indicator review, management have also reviewed the underlying LoM valuation model for Uis and have concluded that no indicators of impairment have been noted at 31 August 2021. The LoM valuation model is on a fair value less cost to develop basis and includes 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, and operating and capital costs. The discounted cash flows use a discount rate of 11.7% post tax nominal. Under the base case forecast using a forecast tin price of $23 889 rising to $24 505 by 2025 and forecast tantalum price of $150 000, the forecast indicates headroom as at 31 August 2021. Whilst the valuation based on the operations limited to the Phase 1 Stage II expansion is sensitive to pricing with a 6% reduction being required to reach break-even point, the planned additional expansion indicates significant headroom and reduced pricing sensitivity.

v) ***Depreciation***

Judgement is applied in making assumptions about the depreciation charge for mining assets when using the unit-of-production method in estimating the ore tonnes held in reserves. The relevant reserves are those included in the current approved LoM plan which relates to the Phase 1 expansion. Judgement is also applied when assessing the estimated useful life of individual assets and residual values. The assumptions are reviewed at least annually by management and the judgement is based on consideration of the LoM plan, as well as the nature of the assets. The reserve assumptions included in the LoM plan are evaluated by management.

vi) ***Commercial production***

Judgement is required to determine when a construction asset is in the location and condition intended. No specific guidance exists within IFRS, particularly as to what it means for an asset to be "in the location and condition necessary for it to be capable of operating as intended by management", but it is common to simply refer to the achievement of "commercial production" as the point at which the assets are commissioned, i.e. ready for their intended use.

In determining the commercial production date, management uses certain criteria that are required to be met before commercial production is achieved. Commercial production is determined to have been reached when the asset is operating at its designed production level. The Uis Tin Mine achieved commercial production based on production levels at 1 December 2020 and commercial production was declared. At that date, capitalisation of cost to the mining asset ceased and depreciation commenced.

vii) ***Determination of ore reserves***

The estimation of ore reserves primarily impacts the depreciation charge of evaluated mining assets, which are depreciated based on the quantity of ore reserves. Reserve volumes are also used in calculating whether an impairment charge should be recorded where an impairment indicator exists.

The Group estimates its ore reserves and mineral resources based on information, compiled by appropriately qualified persons, relating to geological and technical data on the size, depth, shape and grade of the ore body and related to suitable production techniques and recovery rates. The estimate of recoverable reserves is based on factors such as tin prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. Consequently, assumptions that are valid at the time of estimation may change significantly if or when new information becomes available.

viii) ***Waste stripping cost capitalised***

Judgement is required in determining a suitable production measure to allocate waste stripping cost incurred between waste stripping that provided access to ore mined in the current period and waste stripping that provides access to ore that is expected to be mined in future periods. The Group capitalises waste stripping costs based on waste mining that has occurred related to future phases of the mineral reserve estimate.

ix) ***Valuation of inventories***

Judgement is applied in making assumptions about the value of inventories and inventory stockpiles, including tin prices, plant recoveries and processing costs, to determine the extent to which the Group values inventory and inventory stockpiles. The Group uses forecast tin prices to determine the net realisable value of the run-of-mine stockpile and the tin concentrate inventory on hand at period end. Inventory stockpiles are measured using actual mining and processing costs.

x) ***Determining the lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise, or not to exercise, an extension option. Extension options are only included in the lease term where the company is reasonably certain that it will extend or will not terminate the lease when the lease expires. For all leases, the most relevant factors include:

- If there are significant penalties to terminate, the group is typically reasonably certain to extend.
- The group considers other factors including historical lease durations, related costs and the possible business disruption as a result of replacement of the leased asset.

The lease term is reassessed on an ongoing basis, especially when the option to extend becomes exercisable or on occurrence of a significant event or a significant change in circumstances which affects this assessment, and that is within the control of the group.

xi) ***Determining the incremental borrowing rate to measure lease liabilities***

The interest rate implicit in leases is not available, therefore, the group uses the relevant incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is estimated to be the interest rate that the group would pay to borrow:

- over a similar term
- with similar security
- the amount necessary to obtain an asset of a similar value to the right of use asset
- in a similar economic environment

The IBR, therefore, is considered to be the best estimate of the incremental rate and requires management's judgement as there are no observable rates available.

xii) ***Determining the fair value of trade receivables classified at fair value through profit or loss***

The consideration receivable in respect of certain sales for which performance obligations have been satisfied at period end and for which the Group has received prepayment under the terms of the offtake agreement, remain subject to pricing adjustments with reference to market prices at the date of finalisation. Under the Group's accounting policies, the fair value of the consideration is determined, and the remaining receivable is adjusted to reflect fair value. Management estimated the forward price based on the London Metal Exchange (LME) 3-month tin price at period end. As at 31 August 2021 the Group recognised a receivable at fair value through profit or loss of £465 529 (August 2020: nil and February 2021: £531 583).

3. Adoption of new and revised standards

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

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

The adoption of these amendments did not have a material impact on the financial statements of the Group.

Accounting standards and interpretations not applied

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

Annual Improvements to IFRS: 2018-2020 Cycle

Amendments to IFRS 3 "Business Combinations": Conceptual Framework for Financial Reporting
Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IAS 16 "Property, Plant and Equipment": Proceeds before Intended Use
IFRS 17 "Insurance Contracts"
Amendments to IAS 1 "Presentation of Financial Statements": Classification of Liabilities as Current or Non-Current
Amendment to IFRS 16 "Leases": COVID-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2

The Directors anticipate that the adoption of these standards and interpretations 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 2021, 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 2021			
Results			
Revenue	17 778	5 055 559	5 073 337
Associated costs	(2 006)	(4 498 287)	(4 500 293)
Segmental profit/(loss)	**15 772**	**557 271**	**573 044**
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)**
Year ended 28 February 2021			
Results			
Revenue	34 863	4 950 244	4 985 107
Associated costs	(8 786)	(5 715 954)	(5 724 740)
Impairment of exploration licence	(3 069 232)	-	(3 069 232)
Segmental loss	**(3 043 155)**	**(765 710)**	**(3 808 865)**

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

	Period ended 31 August 2021	Period ended 31 August 2020	Year ended 28 February 2021
	£	£	£
Segmental loss	573 044	(303 802)	(3 808 865)
Unallocated costs	(849 033)	(628 623)	(1 802 718)
Finance income	-	14	-

Finance costs	(228 285)	(109 410)	(184 300)
Loss before tax	**(504 274)**	**(1 041 821)**	**(5 795 883)**

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

Other segmental information

	South Africa	Namibia	Total
	£	£	£
As at 31 August 2021			
Intangible assets	12 718	6 182 907	6 195 625
Other reportable segmental assets	98 119	17 326 294	17 424 413
Other reportable segmental liabilities	(63 974)	(2 080 988)	(2 144 962)
Unallocated net asset	-	-	5 677 317
Total consolidated net assets	**46 863**	**21 428 214**	**27 152 393**
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 28 February 2021			
Intangible assets	11 309	5 229 152	5 240 461
Other reportable segmental assets	76 460	15 494 907	15 571 367
Other reportable segmental liabilities	(62 302)	(1 651 016)	(1 713 318)
Unallocated net liabilities	-	-	(2 608 263)
Total consolidated net assets	**25 467**	**19 073 043**	**16 490 247**

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 2021	Period ended 31 August 2020	Year ended 28 February 2021
	£	£	£
Revenue from the sale of tin	5 040 321	1 070 239	4 744 609
Revenue from the sale of sand	17 778	13 757	34 863
Total revenue from customers	**5 058 099**	**1 083 996**	**4 779 472**
Other revenue – change in fair value of customer contract	15 238	-	205 635
Total revenue	**5 073 337**	**1 083 996**	**4 985 107**

6. Other administrative expenses

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

	Period ended 31 August 2021	Period ended 31 August 2020	Year ended 28 February 2021
	£	£	£
Staff costs	506 904	381 625	1 201 489
Depreciation of property, plant & equipment	97 166	57 671	275 987
Professional fees	132 991	67 044	127 902

Travelling expenses	56 969	9 128	44 793
Uis administration expenses	230 007	218 759	361 509
Auditor's remuneration	1 500	1 500	69 250
Other costs	364 641	210 455	458 832
	1 390 177	**946 182**	**2 539 762**

7. Finance cost

	Period ended 31 August 2021 £	**Period ended 31 August 2020 £**	**Year ended 28 February 2021 £**
Interest on lease liability	21 060	12 528	39 691
Interest on environmental rehabilitation liability	12 173	3 704	7 593
Bank interest	60 891	-	31 696
Interest on loan notes	68 836	52 096	49 863
Amortisation of warrant charge	37 594	39 202	49 541
Other interest	27 731	1 880	5 916
	228 285	**109 410**	**184 300**

8. Taxation

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

	Period ended 31 August 2021 £	**Period ended 31 August 2020 £**	**Year ended 28 February 2021 £**
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	(504 274)	(1 041 821)	(5 795 883)
Loss before taxation multiplied by the Guernsey Corporation tax charge rate of 0%	-	-	-
Effects of:			
Differences in tax rates (overseas jurisdictions)	(452 848)	(188 301)	(549 615)
Tax losses carried forward	452 848	188 301	549 615
Tax for the period	-	-	-

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £3 919 522 (August 2020: £2 180 918 and February 2021: £3 244 873).

9. Loss per share from continuing operations

The calculation of a basic loss per share of pence 0.07 (August 2020: loss per share of 0.15 pence and February 2021: loss per share of 0.76 pence), is calculated using the total loss for the period attributable to the owners of the Company of £692 251 (August 2020: £999 434 and February 2021: £5 694 962) and the weighted average number of shares in issue during the period of 1 016 465 204 (August 2020: 677 705 520 and February 2021: 749 085 933).

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 2021 is 84 895 572 (August 2020: 89 723 725 and February 2021: 86 882 728). 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**

Cost	£	£	£
As at 31 August 2020	**7 139 010**	**108 251**	**7 247 261**
Additions for the period	899 133	1 064	**900 197**
Impairment for the year	(3 069 232)	-	**(3 069 232)**
Exchange differences	155 775	6 460	**162 235**
As at 28 February 2021	**5 124 686**	**115 775**	**5 240 461**
Additions for the period	835 088	-	835 088
Exchange differences	120 295	5 862	126 157
As at 31 August 2021	**6 080 069**	**121 637**	**6 201 706**
Accumulated Depreciation			
As at 31 August 2020	-	-	-
Charge for the period	-	-	-
Exchange differences	-	-	-
As at 28 February 2021	-	-	-
Charge for the period	-	6 086	**6 086**
Exchange differences	-	(5)	**(5)**
As at 31 August 2021	-	**6 081**	**6 081**
Net Book Value			
As at 31 August 2021	**6 080 069**	**115 556**	**6 195 625**
As at 28 February 2021	**5 124 686**	**115 775**	**5 240 461**
As at 31 August 2020	**7 139 010**	**108 251**	**7 247 261**

11. Property, plant and equipment

	Land	Mining asset under construction	Mining Asset	Mining Asset - Stripping	Decommissioning asset	Right-of-use Asset	Computer Equipment	Furniture	Vehicles	Total
Cost	£	£	£	£	£	£	£	£	£	£
As at 31 August 2020	**11 187**	**12 549 130**	-	-	**71 499**	**230 213**	**88 737**	**76 277**	**71 174**	**13 098 217**
Additions for the period		353 125	123 803	-	90 323	259 957	42 591	21 598	-	**891 397**
Disposals for the period	-	-	-	-	-	-	(1 955)	-	-	**(1 955)**
Transfer between categories of assets		(13 550 114)	(13 550 114)	-	-	-	-	-	-	-
Exchange differences	675	647 859	1 236	-	5 221	16 501	5 685	4 790	4 299	**686 266**
As at 28 February 2021	**11 862**	-	**13 675 153**	-	**167 043**	**506 671**	**135 058**	**102 665**	**75 473**	**14 673 925**
Additions for the period	-	390 218	332 990	746 257	-	61 909	31 081	14 147	-	**1 576 602**
Disposals for the period	-	-	-	-	-	-	(3 060)	-	-	**(3 060)**
Exchange differences	601	-	621 259	(502)	8 458	25 613	6 819	5 161	3 821	**671 230**
As at 31 August 2021	**12 463**	**390 218**	**14 629 402**	**745 755**	**175 501**	**594 193**	**169 898**	**121 973**	**79 294**	**16 918 697**
Accumulated Depreciation										
As at 31 August 2020	-	-	-	-	-	**72 699**	**52 018**	**24 181**	**32 622**	**181 520**
Charge for the period	-	-	717 864	-	-	83 975	19 467	9 980	9 571	**840 857**
Exchange differences	-	-	6 118	-	-	4 600	2 948	1 346	1 835	**16 847**
As at 28 February 2021	-	-	**723 982**	-	-	**161 274**	**74 433**	**35 507**	**44 028**	**1 039 224**

Charge for the period	-	-	622 781	-	4 778	68 404	19 514	11 397	9 918	**736 792**
Exchange differences	-	-	30 918	-	(3)	8 120	3 774	1 772	2 223	**46 803**
As at 31 August 2021	**-**	**-**	**1 377 680**	**-**	**4 775**	**237 798**	**97 721**	**48 676**	**56 169**	**1 822 819**
Net Book Value										
As at 31 August 2021	**12 463**	**390 218**	**13 251 722**	**745 755**	**170 726**	**356 395**	**72 177**	**73 297**	**23 125**	**15 095 878**
As at 28 February 2021	**11 862**	**-**	**12 951 171**	**-**	**167 043**	**345 397**	**60 625**	**67 158**	**31 445**	**13 634 701**
As at 31 August 2020	**11 187**	**12 549 130**	**-**	**-**	**71 499**	**157 514**	**36 719**	**52 096**	**38 552**	**12 916 697**

12. Inventories

	31 August 2021 £	31 August 2020 £	28 February 2021 £
Run-of-mine stockpile	962 781	261 424	373 310
Tin concentrate on hand	167 367	285 971	427 423
Consumables	299 546	62 776	195 965
	1 429 694	**610 171**	**996 698**

13. Trade and other receivables

	31 August 2021 £	31 August 2020 £	28 February 2021 £
Trade receivables	120 042	164 573	185 451
Trade receivables at fair value through profit or loss	465 529	-	531 583
Other receivables	165 475	100 690	204 779
VAT receivables	385 007	97 493	266 339
	1 136 053	**362 756**	**1 188 152**

14. Cash and cash equivalents

	31 August 2021 £	31 August 2020 £	28 February 2021 £
Cash on hand and in bank	**6 290 694**	**2 578 612**	**1 351 200**

15. Borrowings

	31 August 2021 £	31 August 2020 £	28 February 2021 £
Working capital facility	505 267	763 543	1 710 247
Loan note facility	-	1 753 993	2 159 242
	505 267	**2 517 536**	**3 869 489**

On 16 August 2019, a working capital facility of N$35 000 000 (c. £1.659 million) and a VAT facility for N$8 000 000 (c. £379 000) was entered into between the Company's subsidiary, AfriTin Mining (Namibia) Proprietary 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.

In addition to the facility amount of N$35 000 000, Nedbank Namibia have provided AfriTin Mining (Namibia) Pty Limited with a N$4 117 500 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, £2.05 million financing was secured by way of a loan note facility. The notes, which were issued in tranches of £50 000, accrued interest at a rate of 10% per annum which was payable in full on redemption, and had a 12-month term. These notes were settled in full in cash in May 2021.

16. Trade and other payables

	31 August 2021	31 August 2020	28 February 2021
	£	£	£
Trade payables	1 436 435	676 674	1 094 390
Other payables	78 520	109 690	141 677
Accruals	375 745	107 644	248 415
	1 890 700	**894 008**	**1 484 482**

17. Environmental rehabilitation liability

	£
Balance at 31 August 2020	**80 968**
Increase in provision	90 323
Interest expense	3 888
Foreign exchange differences	5 738
Balance at 28 February 2021	**180 917**
Increase in provision	-
Interest expense	12 173
Foreign exchange differences	9 152
Balance at 31 August 2021	**202 242**

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 2021.

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 12.8% (August 2020: 9.35% and February 2021: 12.8%), an inflation rate of 6% (August 2020: 5.5% and February 2021: 6%) and an estimated mining period of 18 years, being the Phase 1 expansion life of mine. 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.

18. Lease liability

The Company assessed all rental agreements and concluded that the following rentals fall within the scope of IFRS 16: Leases and therefore a lease liability has been recognised:

	Lease term	Option to extend/terminate	Incremental borrowing rate
Office building	5 years	Option to extend not specified in contract. Term of lease determined to be 5 years.	13.75%
Workshop facility	2 years	Option to extend not specified in contract. Term of lease determined to be 2 years.	7.5%
Residential housing	5 years	The lease will continue automatically after the initial period for an open-ended period. Either party must provide written notice if they wish to terminate. Lease term determined to be 5 years.	8.5%

	Office Building	Workshop	Housing	Total
	£	£	£	£
Balance at 31 August 2020	**183 429**	**-**	**-**	**183 429**
Additions	-	108 252	151 705	276 547
Interest expense	11 891	3 923	11 349	33 128

Lease payments	(33 501)	(30 319)	(34 080)	(68 015)
Foreign exchange differences	11 323	818	1 287	(17 987)
Balance at 28 February 2021	**173 142**	**82 674**	**130 261**	**386 077**
Additions	61 909	-	-	61 909
Interest expense	13 193	2 611	5 256	21 060
Lease payments	(45 150)	(27 595)	(18 513)	(91 258)
Foreign exchange differences	8 747	4 202	6 605	19 554
Balance at 31 August 2021	**211 841**	**61 892**	**123 609**	**397 342**

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

	31 August 2021 **£**	**31 August 2020** **£**	**28 February 2021** **£**
Non-current liability	232 858	140 527	260 512
Current liability	164 484	42 902	125 565
	397 342	**183 429**	**386 077**

19. Share capital

	Number of ordinary shares of no par value issued and fully paid	**Share Capital** **£**
Balance at 31 August 2020	**813 657 942**	**23 604 665**
Shares issued to directors/employees	16 133 440	403 336
Loan note conversion	44 898 630	1 600 000
Balance at 28 February 2021	**874 690 012**	**25 608 001**
Warrants exercised - 22 April 2021	1 686 666	63 150
Capital raise - 13 May 2021	216 666 667	13 000 000
Share issue costs	-	(823 447)
Convertible loan note settled - 25 May 2021	18 963 699	430 055
Shares issued to broker	327 868	19 672
Balance at 31 August 2021	**1 112 334 912**	**38 297 431**

Authorised: 1 220 486 913 ordinary shares of no par value
Allotted, issued and fully paid: 1 112 334 912 shares of no par value

On 4 January 2021, 16 133 440 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. These shares were issued at a price of 2.5 pence per share.

On 15 February 2021, AfriMet Resources AG elected to convert its portion of outstanding convertible loan notes, totalling £1 600 000 into fully paid ordinary shares.

On 22 April 2021, warrant holders exercised 1 186 666 warrants at an exercise price of 4.5 pence and 500 000 warrants at an exercise price of 1.95 pence.

On 12 May 2021, 216 666 667 ordinary shares of no par value were issued as a result of an accelerated bookbuild. These shares were issued at a price of 6 pence per share.

On 25 May 2021, 18 963 699 ordinary shares of no par value were issued to various holders to settle a portion of the outstanding convertible loan note (the remainder of the convertible loan note was settled in cash on this date).

On 25 May 2021, 327 868 ordinary shares of no par value 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 6 pence per share.

20. Warrant reserve

The following warrants were granted during the year ended 28 February 2021:

Date of grant	10 December 2020	7 July 2020	31 May 2020	5 May 2020
Number granted	2 500 000	2 500 000	2 500 000	13 000 000
Contractual life	2.4 years	2.8 years	2.9 years	3 years
Estimated fair value per warrant (£)	0.0101	0.0122	0.0068	0.0069

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

Date of grant	10 December 2020	7 July 2020	31 May 2020	5 May 2020
Share price at grant date (pence)	2.35	3	1.8	1.8
Exercise price (pence)	1.95	1.95	1.95	1.95
Expected life	2.4 years	2.8 years	2.9 years	3 years
Expected volatility	60%	60%	60%	60%
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	1.24%	1.24%	1.24%	1.24%

The warrants in issue during the year are as follows:

Outstanding at 31 August 2020	**23 671 939**
Exercisable at 31 August 2020	**23 671 939**
Granted during the period	2 500 000
Expired during the period	(1 871 939)
Exercised during the period	-
Outstanding at 28 February 2021	**24 300 000**
Exercisable at 28 February 2021	**24 300 000**
Granted during the period	-
Expired during the period	-
Exercised during the period	**(1 686 666)**
Outstanding at 31 August 2021	**22 613 334**
Exercisable at 31 August 2021	**22 613 334**

The warrants outstanding at the end of the period have an average exercise price of 2.4 pence, with a weighted average remaining contractual life of 1.63 years.

In the period ended 31 August 2021, there was no charge accounted for due to the issue of warrants (August 2020: £137 305 and February 2021: £162 480).

On 22 April 2021, notice was received from warrant holders to exercise 1 186 666 warrants at an exercise price of 4.5 pence and 500 000 warrants at an exercise price of 1.95 pence.

21. Events after balance sheet date

Standard Bank Term Loan and short-term banking facilities

A credit approved term sheet for a term loan to finance the Phase 1 expansion of NAD 90 million (c. GBP 4.5 million) was agreed with Standard Bank on 20 September 2021. The final agreement is subject to legal opinion and negotiation of documents.

Once executed, the term of the loan will be 5 years and will incur an interest rate of 3-month JIBAR (currently 3.67%) plus 4.5% (currently equal to 8.17%) and will be ranked as senior secured debt.

The term loan has certain financial covenants which require measurement at the operating company level. Management are currently assessing the financial covenant definitions and their applicability as part of the final documentation.

In addition to the term loan, Standard Bank will re-finance the Company's existing short-term banking facilities (working capital facilities) with Nedbank Namibia totalling NAD 43 million (approximately GBP 2.2 million). These facilities will incur an interest rate of Namibian prime lending rate (currently 7.50%) minus 1.00%.

Furthermore, it is intended that Standard Bank will provide AfriTin Mining (Namibia) Pty Limited with a NAD 5 million guarantee to Namibia Power Corporation Pty Limited in relation to a deposit for the supply of electrical power.

22. 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 £38 305 (August 2020: £39 556 and February 2021: £82 423) for the use of office space. At period end, the Group owed Bushveld £71 906 (August 2020: £95 391 and February 2021: £112 962).