



# **Orange River Pegmatite (PTY) LTD**

## **2018/0020**

FINANCIAL REPORT FOR THE 10 MONTHS ENDED

31 DECEMBER 2020

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# ORANGE RIVER PEGMATITE (PTY) LTD

## DIRECTORS' REPORT

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The Directors of Orange River Pegmatite (Pty) Ltd present their report, together with the interim financial statements for the 10 months ended 31 December 2020.

It is recommended that the directors' report be read in conjunction with the annual financial statements for the period 29 February 2020 and considered together with any public announcements made by the company during the period and up to the date of this report.

### 1. DIRECTORS

The names of the company's directors who held office during the period and until the date of this report are set out below. The directors were in office for this entire period unless otherwise stated.

Name	Appointment
Mr Jurie Hendrik Wessels	Appointed on 18 January 2018
Mr Philip Le Roux	Appointed on 18 January 2018
Mr Lisias Pius	Appointed on 18 January 2018

### 2. REVIEW OF OPERATIONS AND ACTIVITIES

The principal activity of the company is exploration and mining surveys, mapping, sampling, drilling, bulk sampling, mining extraction, processing, transport and all related to the objects of the company and there were no major changes herein during the year. The operating results and statement of financial position of the company are fully set out in the attached financial report and do not in our opinion require any further comment.

### 3. SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

There were no significant changes in the state of the affairs of the company occurred during the period.

### 4. FINANCIAL RESULTS

The financial results of the company for the period ended 31 December 2020 are:

	31 Dec 2020	29 Feb 2020
Cash and cash equivalents (\$)	19,410	43,255
Net assets (\$)	10,012,439	4,547,439

Shareholder loans amounting to N\$ 5 465 000 (2020: N\$ 4 546 039) was capitalised to share premium. The intention of the shareholders is equity funding to procure funds for the operations of the company and they do not deem a repayment to be necessary. The secretarial lodgement of the share premium will be lodged with the Business and Intellectual Property Authority subsequent to the date of this report.

ORANGE RIVER PEGMATITE (PTY) LTD  
DIRECTORS' REPORT

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**5. EVENTS OCCURRING AFTER REPORTING DATE**

No events occurred between 31 December 2020 and the date the directors approved the financial statements that would have a material impact on the results as disclosed in the financial report as set out below or the continued existence of the company as a going concern.

This report is signed in accordance with a resolution of the Board of Directors.



**P Le Roux**  
**Director**

**2 February 2021**

# ORANGE RIVER PEGMATITE (PTY) LTD

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 N\$	29 Feb 2020 N\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Exploration and evaluation assets	3	10,404,134	5,084,764
Plant and equipment		187,456	233,276
Other receivables	5	105,000	45,000
		<b>10,696,590</b>	<b>5,363,040</b>
<b>Current Assets</b>			
Cash and cash equivalents		19,410	43,255
Trade and other receivables		33,332	42,230
		<b>52,742</b>	<b>85,485</b>
<b>TOTAL ASSETS</b>		<b>10,749,332</b>	<b>5,448,525</b>
<b>EQUITY</b>			
Issued capital	4	10,012,439	4,547,439
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Borrowings	6	736,893	653,143
<b>Current Liabilities</b>			
Trade and other payables		0	247,943
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,749,332</b>	<b>5,448,525</b>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

# ORANGE RIVER PEGMATITE (PTY) LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE 10 MONTHS ENDED 31 DECEMBER 2020

	Issued Capital N\$	Share premium N\$	Total Equity N\$
<b>At 1 March 2019</b>	<b>501</b>	<b>-</b>	<b>501</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued	899	4,546,039	4,546,938
<b>At 1 March 2020</b>	<b>1,400</b>	<b>4,546,039</b>	<b>4,547,439</b>
<b>Transactions with owners in their capacity as owners:</b>			
Shares issued	-	5,465,000	5,465,000
<b>Balance at 31 December 2020</b>	<b>1,400</b>	<b>10,011,039</b>	<b>10,012,439</b>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

# ORANGE RIVER PEGMATITE (PTY) LTD

## STATEMENT OF CASH FLOWS FOR THE 10 MONTHS ENDED 31 DECEMBER 2020

	31 Dec 2020	29 Feb 2020
	N\$	N\$
<b>Cash flows from in operating activities</b>		
Decrease/(increase) in trade and other receivables	8,898	(42,230)
(Decrease)/increase in trade and other payables	(247,941)	200,876
<b>Net cash flows used in operating activities</b>	<b>(239,043)</b>	<b>158,646</b>
<b>Cash flows from investing activities</b>		
Payments for capitalised exploration and evaluation	(5,273,552)	(4,616,353)
Payments for plant and equipment	-	(233,276)
<b>Net cash flows used in investing activities</b>	<b>(5,273,552)</b>	<b>(4,849,629)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	5,465,000	4,546,938
Advances in / (Repayment of) loan receivable	23,750	(3,303,857)
Repayment of shareholders' loans	-	(11,938)
<b>Net cash flows provided by financing activities</b>	<b>5,488,750</b>	<b>1,231,143</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(23,845)</b>	<b>(3,459,840)</b>
Cash and cash equivalents at the beginning of the year	43,255	3,503,095
<b>Cash and cash equivalents at the end of the year</b>	<b>19,410</b>	<b>43,255</b>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements for the 10 months reporting period ended 31 December 2020 are presented in Namibia Dollars, which is the functional currency of the company. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' and the requirements of the Companies Act of Namibia. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements for the year ended 29 February 2020.

Orange River Pegmatite (Pty) Ltd is a private company incorporated and domiciled in Namibia.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**Significant accounting judgements and key estimates**

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**New or amended Accounting Standards and Interpretations adopted**

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the company:

- Amendments to IAS 1: Disclosure initiative
- Amendments to IAS 8: Disclosure initiative
- Amendments to IAS 12: Income Taxes: Annual Improvements to 2015 – 2017 cycle
- Amendments to IFRS 10 and IAS 28: Sale or contribution of Assets between investor and its associate or joint venture
- Long-term Interests in Joint Ventures and Associates – Amendments to IAS 28
- IFRS 6: Exploration and Evaluation of Mineral Resources
- Amendments to IFRS 9: Financial instruments
- IFRIC 23: Uncertainty over Income Tax Treatments

**Impact of adoption**

The transition from the International Financial Reporting for Small and Medium-Sized Entities to the International Financial reporting Standards (full IFRS) is not expected to materially impact the financial results and no restatement to comparative figures or additional disclosures are deemed necessary.



**Note 2: Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company had net cash outflows from operating and investing activities of N\$239,043 and N\$5,273,552 respectively. As at 31 December 2020, the company had cash of N\$19,410 and net assets of N\$10,012,439. The ability of the company to continue as a going concern and being able to continue to fund its operating activities is dependent on raising additional equity.

The directors believe that the company will be a going concern in the year ahead. Accordingly, the directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

**NOTE 3: EXPLORATION AND EVALUATION ASSETS**

	31 Dec 2020 N\$	29 Feb 2020 N\$
Opening Balance	5,084,764	468,411
Exploration cost capitalised during the period	5,319,370	4,616,353
	<b>10,404,134</b>	<b>5,084,764</b>

**NOTE 4: ISSUED CAPITAL**

<b>Issued and paid up capital</b>		
Ordinary shares issued	1,400	1,400
Share premium	10,011,039	4,546,039
	<b>10,012,439</b>	<b>4,547,439</b>

**NOTE 5: OTHER RECEIVABLES**

Bitterwasser Lithium Exploration (Pty) Ltd	105,000	45,000
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The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.

**NOTE 6: BORROWINGS**

	<b>31 Dec 2020</b>	<b>29 Feb 2020</b>
	<b>N\$</b>	<b>N\$</b>
Karibib Pegmatite Exploration (Pty) Ltd	<b>176,333</b>	180,333
Davy Corp Pty Ltd	<b>452,610</b>	452,610
Lexrox Management Services (Pty) Ltd	<b>20,200</b>	20,200
Arcadia Minerals Limited	<b>87,750</b>	-
	<b>736,893</b>	653,143

The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.

**NOTE 7: CONTINGENCIES AND COMMITMENTS**

There are no changes in the company's contingencies and commitments from 29 February 2020.

**NOTE 8: STATEMENT OF COMPREHENSIVE INCOME**

No Statement of Comprehensive Income has been presented as all exploration and evaluation assets have been capitalised to intangible assets.

**NOTE 9: DIVIDENDS**

No dividends were paid or proposed to be paid to shareholders during the period ended 31 December 2020.

**NOTE 10: EVENTS AFTER THE END OF THE INTERIM PERIOD**

There are no other matters or circumstances which have arisen since the end of the interim report which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial periods.

ORANGE RIVER PEGMATITE (PTY) LTD

DIRECTORS' DECLARATION FOR THE 10 MONTHS ENDED 31 DECEMBER 2020

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In the directors' opinion:

- the attached financial report and notes comply with the Companies Act of Namibia, IAS 34 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial report and notes give a true and fair view of the company's financial position as at 31 December 2020; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



**P Le Roux**  
Director

2 February 2021



CHARTERED  
ACCOUNTANTS  
& AUDITORS

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PRACTICE NUMBER 9417

## INDEPENDENT REVIEWER'S REPORT

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Name of component: Orange River Pegmatite (Pty) Ltd  
Group: Arcadia Minerals Limited Group of Companies  
Period: 10 months ended 31 December 2020

**To: The Shareholders of Orange River Pegmatite (Pty) Ltd**

We have performed a review on the Interim Financial Report of Orange River Pegmatite (Pty) Ltd, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the 10 months period ended 31 December 2020 and the notes to the Interim report, including a summary of significant accounts policies. The review is performed solely for the purpose of assisting RSM Corporate Australia Pty Ltd with their Investigating Accountants Report in pursuance of the listing of the parent company, Arcadia Minerals Limited on the Australian Stock Exchange.

### Directors' Responsibility for the Interim Financial Report

Management is responsible for the preparation and presentation of the interim financial information for the 10 month period ended 31 December 2020 in accordance with IAS 34 – *Interim Financial Reporting* and the requirements of the Companies Act of Namibia. It is the responsibility of the directors to ensure that the Interim Financial Report fairly present the state of affairs of the company at the end of the reporting period.

### Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the interim financial results based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of a Financial Report by the Independent Auditor*.

ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Financial Report is not prepared in all material respects in accordance with the Companies Act of Namibia and the applicable financial reporting framework including giving a fair view of the company's state of affairs at the end of the reporting period.

This Standard also requires us to comply with the relevant ethical requirements.

A review is a limited assurance engagement and consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less in scope than those performed in an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Financial Report.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Report does not fairly present, in all material respects, the financial position of Orange River Pegmatite (Pty) Ltd as at 31 December 2020, and its financial performance and cash flows for the 10 months ended 31 December 2020 in accordance with IAS 34 – *Interim Financial Reporting* and the requirements of the Companies Act of Namibia.



**SGA**

**Registered Accountants and Auditors  
Chartered Accountants (Namibia)**

**Per: A.J. Esterhuizen  
Partner**

**Windhoek ... Namibia  
3 February 2021**