

ORANGE RIVER PEGMATITE (PTY) LTD

(Registration Number 2018/0020)

**Annual Financial Statements
for the year ended 29 February 2020**

Audited Financial Statements

in compliance with Companies Act XXXXXXX

Prepared by: Daniël J Ellis

Professional designation: Professional Accountant (SA)

Reviewed by: SGA Registered Accountants and Auditors

Professional designation: Chartered Accountants (Namibia)

ORANGE RIVER PEGMATITE (PTY) LTD

(Registration Number 2018/0020)

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General Information

Country of Incorporation and Domicile	Namibia
Nature of Business and Principal Activities	Exploration and mining surveys, mapping, sampling, drilling, bulk sampling, mining extraction, processing, transport and all related to the objects of the company
Directors	JH Wessels P Le Roux L Pius
Registered Office	Erf 30 Corner Of Eugene Marais And Keller Street Eros, Windhoek Namibia
Business Address	12 De Monte Street Auasblick Windhoek Namibia
Bankers	First National Bank of Namibia Limited
Income Tax Registration Number	8036413-01-1
Independent Auditors	SGA Registered Accountants and Auditors Chartered Accountants (Namibia)
Company Secretary	Daniël J Ellis 3 Marmer Street Stellenridge Bellville South Africa



CHARTERED
ACCOUNTANTS
& AUDITORS

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PRACTICE NUMBER 9417

Independent Auditor's Report

To the Shareholders of Orange River Pegmatite (Pty) Ltd

Opinion

We have audited the annual financial statements of Orange River Pegmatite (Pty) Ltd set out on pages 8 to 20, which comprise of the directors' report, statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Orange River Pegmatite (Proprietary) Limited as at 29 February 2020, and its financial performance and cash flows for the year ended in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with section 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 3 in the directors' report and note 20 to the annual financial statements with regard to significant external factors. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SGA

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

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

**2 December 2020
Windhoek ... Namibia**

7 December 2020

To the Directors of ORANGE RIVER PEGMATITE (PTY) LTD

PRACTITIONER'S COMPILATION REPORT

I have compiled the accompanying annual financial statements of ORANGE RIVER PEGMATITE (PTY) LTD based on the information you have provided. These annual financial statements comprise the statement of financial position of ORANGE RIVER PEGMATITE (PTY) LTD as at 29 February 2020, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of Namibia. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to compile these annual financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of Namibia.



DJ Ellis
Professional Accountant (SA)
SAIPA number: 21354



ORANGE RIVER PEGMATITE (PTY) LTD

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is beyond reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, SGA Chartered Accountants and Auditors, who has been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. The external auditor's audit report is presented on page 3 - 4.

The annual financial statements as set out on pages 7 to 20 were approved by the board on 1 December 2020 and were signed on their behalf by:



L Pius

P Le Roux

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Directors' Report

The directors present their report for the year ended 29 February 2020.

1. Review of activities

Main business and operations

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 statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Since 29 February 2020, the consequences of the COVID-19 outbreak have not affected the supply and demand for the Company's primary products and therefore, its operating results were not impacted.

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

3. Events after reporting date

Since 29 February 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services, have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and the central bank have responded with monetary and fiscal interventions to stabilise economic conditions. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 29 February 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

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Directors' Report

5. Authorised and issued share capital

During the current financial year 899 ordinary shares were issued on a one for one basis at an average of N\$1 per share. In addition, the shareholders loans amounting to N\$4,546,039 were capitalised to share premium. The intention of the shareholders is equity funding to procure funding for the operations of the company and do not deem a repayment to be necessary. The secretarial lodgement of the share premium was effectively agreed by the shareholders on 28 February 2020 and was lodged with the Business and Intellectual Property Authority subsequent to year end.

6. Borrowing limitations

In terms of the Articles of Association of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

7. Dividends

No dividends were declared nor paid to shareholders during the year.

8. Directors

The directors of the company during the year and to the date of this report are as follows:

JH Wessels
P Le Roux
L Pius

9. Secretary

The company's designated secretary is Daniël J Ellis.

10. Independent Auditors

SGA Registered Accountants and Auditors were the independent auditors for the year under review.

ORANGE RIVER PEGMATITE (PTY) LTD

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Statement of Financial Position

Figures in N\$	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	3	233,276	-
Intangible assets	4	5,084,764	468,411
Loan receivable	5	45,000	-
		5,363,040	468,411
Current Assets			
Trade and other receivables	6	42,230	-
Cash and cash equivalents	7	43,255	3,503,095
		85,485	3,503,095
Total Assets		5,448,525	3,971,506
Equity and Liabilities			
Equity			
Share capital	8	4,547,439	501
Non-Current Liabilities			
Loans from shareholders	9	-	11,938
Borrowings	10	653,143	3,912,000
		653,143	3,923,938
Current Liabilities			
Trade and other payables	11	247,943	47,067
Total Equity and Liabilities		5,448,525	3,971,506

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Statement of Changes in Equity

Figures in N\$	Share capital	Share premium	Total
Balance at 1 March 2018	-	-	-
Issue of share capital	501	-	501
Balance at 28 February 2019	501	-	501
Balance at 1 March 2019	501	-	501
Issue of share capital	899	4,546,039	4,546,938
Balance at 29 February 2020	1,400	4,546,039	4,547,439
Note	8		

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Statement of Cash Flows

Figures in N\$	Note(s)	2020	2019
Cash flows from operating activities			
Operating cash flow before working capital changes		-	-
<i>Working capital changes</i>			
Increase in trade and other receivables		(42,230)	-
Increase in trade and other payables		200,876	47,067
Net cash flows from operations		158,646	47,067
Net cash flows from operating activities		158,646	47,067
			-
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(233,276)	-
Intangible assets acquired	4	(4,616,353)	(468,411)
Net cash flows used in investing activities		(4,849,629)	(468,411)
Cash flows from financing activities			
Capital issued		4,546,938	501
(Repayment of) / Advance in borrowings		(3,303,857)	3,912,000
Advance in shareholders loans		(11,938)	11,938
Net cash flows from financing activities		1,231,143	3,924,439
Net (decrease) / increase in cash and cash equivalents		(3,459,840)	3,503,095
Cash and cash equivalents at beginning of the year		3,503,095	-
Cash and cash equivalents at end of the year	7	43,255	3,503,095

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Accounting Policies

1. General information

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

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board and the requirements of the Companies Act of Namibia. The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These annual financial statements have been prepared under the historical cost convention and are presented in Namibia Dollars.

2.1 Income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the taxable profit / (tax loss) of the periods in which it expects the deferred taxation asset to be realised or the deferred taxation liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been significant change from the previous estimates.

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Accounting Policies

Summary of significant accounting policies continued...

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Motor vehicles	5 years
Other fixed asset	5 years
IT equipment	3 years

2.3 Intangible assets

2.3.1 Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

2.4 Impairment of non-current assets

At each balance sheet date, the carrying amounts of tangible and intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If the fair value less costs to sell of an asset (or group of assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or group of assets) is reduced to its fair value less costs to sell. An impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of assets) is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

2.7 Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Accounting Policies

Summary of significant accounting policies continued...

2.8 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.9 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

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Notes to the Annual Financial Statements

Figures in N\$	2020	2019
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3. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Motor vehicles	230,000	(38,333)	191,667	-	-	-
Other fixed asset	19,832	(3,305)	16,527	-	-	-
IT equipment	25,082	-	25,082	-	-	-
	274,914	(41,638)	233,276	-	-	-

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	-	191,667	-	-	191,667
Other fixed asset	-	16,527	-	-	16,527
IT equipment	-	25,082	-	-	25,082
	-	233,276	-	-	233,276

4. Intangible assets

	Cost	Accumulated amortisation	2020 Carrying value	Cost	Accumulated amortisation	2019 Carrying value
Exploration and evaluation assets	5,084,764	-	5,084,764	468,411	-	468,411

The carrying amounts of intangible assets can be reconciled as follows:

	Carrying value at beginning of year	Additions	Amortisation	Disposals	2020 Carrying value at end of year
Exploration and evaluation assets	468,411	4,616,353	-	-	5,084,764

	Carrying value at beginning of year	Additions	Amortisation	Disposals	2019 Carrying value at end of year
Exploration and evaluation assets	-	468,411	-	-	468,411

Exclusive Prospecting Licences held under EPL5047 (Swanson Project) and EPL5047, EPL6940 and EPL 7295 (Kum-Kum Project) which provides exclusive exploration rights allowing systematic prospecting for a period of 3 years.

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Notes to the Annual Financial Statements

Figures in N\$	2020	2019
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5. Loan receivable

Bitterwasser Lithium Exploration (Pty) Ltd	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.

6. Trade and other receivables

Prepaid expenses	42,230	-
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7. Cash and cash equivalents

Favourable cash balances

Bank balances	43,255	3,503,095
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The company's bank accounts are held at First National Bank of Namibia Limited.

8. Share capital

Authorised

4,000 Ordinary par value shares of N\$1 each	4,000	4,000
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Issued

1,400 Ordinary par value shares of N\$1 each	1,400	501
Share premium	4,546,039	-
	4,547,439	501

During the year under review, shareholder loans in amount of R4,546,039 were capitalised as share premium.

The directors are authorised, until the forthcoming annual general meeting, to dispose of the unissued shares for any purpose and upon such terms and conditions as they deem fit.

9. Loans from shareholders

JH Wessels	-	8,163
Russel Brooks (Pty) Ltd	-	3,775
	-	11,938

The loans are unsecured and interest free. The loans have no fixed terms of repayment, but by intent, of a long term nature.

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Figures in N\$	2020	2019
10. Borrowings		
SPH Kundalila (Pty) Ltd	-	3,500,000
The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.		
Karibib Pegmatite Exploration (Pty) Ltd	180,333	162,000
The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.		
Davy Corp Pty Ltd	452,610	250,000
The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.		
Lexrox Management Services (Pty) Ltd	20,200	-
The loan is unsecured and interest free. The loan has no fixed terms of repayment, but by intent, of a long term nature.		
	<u>653,143</u>	<u>3,912,000</u>
11. Trade and other payables		
Trade creditors	<u>247,943</u>	<u>47,067</u>
12. Income tax expense		
No provision has been made for tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income amounts to:	4,882,154	468,411
13. Directors' emoluments		
No emoluments have been awarded to the directors for the year under review.		
14. Contingent liabilities		
No known contingent liabilities existed at 29 February 2020 that would have a material effect on the results of the financial statements as set out on pages 7 to 20 or the continued existence of the company as a going concern.		
15. Event after the balance sheet date		
No events occurred between 29 February 2020 and the date the directors approved the financial statements that would have a material impact on the results as disclosed in the financial statements as set out on pages 7 to 20 or the continued existence of the company as a going concern.		

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Notes to the Annual Financial Statements

Figures in N\$	2020	2019
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16. Related party transactions

Name	Amounts owed (to) / by the related party at year-end	
	2020	2019
<i>Amounts included in Loans</i>		
- Karibib Pegmatite Exploration (Pty) Ltd	180,333	162,000
- Lexrox Management Services (Pty) Ltd	20,200	-
- Bitterwasser Lithium Exploration (Pty) Ltd	(45,000)	-
<i>Amounts included in Other receivables</i>	-	-
- SPH Kundalila (Pty) Ltd	26,000	-
<i>Amounts included in Trade payables</i>	-	-
- Laubser Pepler	-	20,000

JH Wessels, P le Roux and L Pius are directors of and shareholders in Karibib Pegmatite Exploration (Pty) Ltd and Bitterwasser Lithium Exploration (Pty) Ltd. JH Wessels and P le Roux are directors of and shareholders in Lexrox Management Services (Pty) Ltd.

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Notes to the Annual Financial Statements

Figures in N\$	2020	2019
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17. Financial instruments

17.1 The company has classified its financial assets in the following categories:

	Fair value through profit loss	Debt instruments at amortised cost	Equity instruments	Total
2020				
Non-current financial assets				
Loan receivable (refer note 5)	-	45,000	-	45,000
Current financial assets				
Cash and cash equivalents (refer note 7)	-	43,255	-	43,255

	Fair value through profit loss	Debt instruments at amortised cost	Equity instruments	Total
2019				
Current financial assets				
Cash and cash equivalents (refer note 7)	-	3,503,095	-	3,503,095

The company has classified its financial liabilities in the following categories

	Fair value through profit loss	Loan commitments at cost less impairment	Amortised cost	Total
2020				
Non-current financial liabilities				
Borrowings (refer note 10)	-	-	653,143	653,143
Current financial liabilities				
Trade and other payables (refer note 11)	-	-	247,943	247,943

	Fair value through profit loss	Loan commitments at cost less impairment	Amortised cost	Total
2019				
Non-current financial liabilities				
Loans from shareholders (refer note 9)	-	-	11,938	11,938
Borrowings (refer note 10)	-	-	3,912,000	3,912,000
Current financial liabilities				
Trade and other payables (refer note 11)	-	-	47,067	47,067

ORANGE RIVER PEGMATITE (PTY) LTD

(Registration Number 2018/0020)

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Figures in N\$	2020	2019
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Financial instruments continued...

17.2 Liquidity risk

The company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

Summary quantitative data

	Less than 1 year	Between 1 and 5 years	Over 5 years	Undated
2020				
Borrowings (refer note 10)	-	-	-	653,143
Trade and other payables (refer note 11)	247,943	-	-	-
2019				
Loans from shareholders (refer note 9)	-	-	-	11,938
Borrowings (refer note 10)	-	-	-	3,912,000
Trade and other payables (refer note 11)	47,067	-	-	-

18. Comparative figures

The comparative figures are for a period of 13 months.

19. Statement of Comprehensive Income

No Statement of Comprehensive Income has been presented as the company did not trade during the year.

20. Going Concern

The directors believe that the company will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.

Since 29 February 2020, the consequences of the COVID-19 outbreak have not affected the supply and demand for the Company's primary products and therefore, its operating results were not impacted.

21. Approval of annual financial statements

These annual financial statements were approved by the board of directors and authorised for issue on 25 November 2020.