



Karibib Pegmatite Exploration (PTY) LTD

2018/0021

FINANCIAL REPORT FOR THE 10 MONTHS ENDED

31 DECEMBER 2020

Directors' Report	3
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	12
Independent Auditor's Review Report	13-14

The Directors of Karibib Pegmatite Exploration (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
Mr Hendrik Schloemann	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 (N\$)	3,403	3,471
Net liabilities (N\$)	796,572	292,500

KARIBIB PEGMATITE EXPLORATION (PTY) LTD
DIRECTORS' REPORT

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

KARIBIB PEGMATITE EXPLORATION (PTY) LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 10 MONTHS ENDED 31 DECEMBER 2020

	Note	10 months ended 31 Dec 2020 N\$	Year ended 29 Feb 2020 N\$
Consulting and legal fees		(153,250)	-
Other expenses		(350,822)	(4,321)
(Loss) before income tax for the period		(504,072)	(4,321)
Income tax expense		-	-
(Loss) after income tax for the period		(504,072)	(4,321)
Total comprehensive loss for the period attributable to members of Karibib Pegmatite Exploration (Pty) Ltd		(504,072)	(4,321)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

KARIBIB PEGMATITE EXPLORATION (PTY) LTD
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 Dec 2020 N\$	29 Feb 2020 N\$
ASSETS			
Non-Current Assets			
Unlisted investments	3	850	850
Other receivables	5	188,486	180,333
		189,336	181,183
Current Assets			
Cash and cash equivalents		3,403	3,471
TOTAL ASSETS		192,739	184,654
EQUITY			
Issued capital	4	1,100	1,100
Accumulated losses		(797,672)	(293,600)
		(796,572)	(292,500)
LIABILITIES			
Non-Current Liabilities			
Loans from shareholders	7	24,988	24,988
Borrowings	6	951,310	452,166
		976,298	477,154
Current Liabilities			
Trade and other payables		13,013	-
TOTAL EQUITY AND LIABILITIES		192,739	184,654

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

KARIBIB PEGMATITE EXPLORATION (PTY) LTD

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

	Issued Capital N\$	Accumulated Losses N\$	Total Equity N\$
At 1 March 2019	1,100	(289,279)	(288,179)
Transactions with owners in their capacity as owners:			
Loss for the year		(4,321)	(4,321)
At 1 March 2020	1,100	(293,600)	(292,500)
Transactions with owners in their capacity as owners:			
Loss for the 10 months ended	-	(504,072)	(504,072)
Balance at 31 December 2020	1,100	(797,672)	(796,572)

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

KARIBIB PEGMATITE EXPLORATION (PTY) LTD

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

	31 Dec 2020	29 Feb 2020
	N\$	N\$
Cash flows from in operating activities		
Loss for the period	(504,072)	(4,321)
Increase / (decrease) in trade and other payables	13,013	(1,667)
Net cash flows used in operating activities	(491,059)	(5,988)
 Cash flows from financing activities		
Advances in / (repayments of) borrowings	490,991	(18,333)
Net cash flows provided by financing activities	490,991	(18,333)
 Net decrease in cash and cash equivalents	(68)	(24,321)
Cash and cash equivalents at the beginning of the year	3,471	27,792
Cash and cash equivalents at the end of the year	3,403	3,471

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.

Karibib Pegmatite Exploration (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 incurred a loss of N\$504,072 and had net cash outflows from operating activities of N\$491,059. As at 31 December 2020, the company had cash of N\$3,403 and net current liabilities of N\$796,592. 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: UNLISTED INVESTMENTS

	31 Dec 2020	29 Feb 2020
Goas Pegmatite Exploration (Pty) Ltd		
- number of shares	850	850
- proportion owned	85%	85%

It is the decision of the directors not to prepare consolidated financial statements.

NOTE 4: ISSUED CAPITAL

	31 Dec 2020 N\$	29 Feb 2020 N\$
Issued and paid up Capital		
Ordinary Shares issued	1,100	1,100

NOTE 5: OTHER RECEIVABLES

	31 Dec 2020 N\$	29 Feb 2020 N\$
Orange River Pegmatite (Pty) Ltd	176,333	180,333
Goas Pegmatite Exploration (Pty) Ltd	12,153	-
	188,486	180,333

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

NOTE 6: BORROWINGS

	31 Dec 2020 N\$	29 Feb 2020 N\$
Bitterwasser Lithium Exploration (Pty) Ltd	130,000	-
Davy Corp Pty Ltd	452,166	452,166
Arcadia Minerals Limited	339,144	-
Lexrox Management Services (Pty) Ltd	30,000	-
	951,310	452,166

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: LOANS FROM SHAREHOLDERS

JH Wessels	7,794	7,794
H Schloemann	4,730	4,730
P Le Roux	7,794	7,794
Russel Brooks Ltd	4,670	4,670
	24,988	24,988

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

NOTE 8: CONTINGENCIES AND COMMITMENTS

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

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.

KARIBIB PEGMATITE EXPLORATION (PTY) LTD

DIRECTORS' DECLARATION FOR THE 10 MONTHS ENDED 31 DECEMBER 2020

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

Telephone: +264 61 276 000 | Facsimile: +264 61 232 309
Email: windhoek@sga-na.com | www.sga.com.na
Physical: 24 Urban Street, Klein Windhoek, Windhoek, Namibia
Postal: PO Box 30, Windhoek, Namibia, 10005

PRACTICE NUMBER 9417

INDEPENDENT REVIEWER'S REPORT

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

To: The Shareholders of Karibib Pegmatite Exploration (Pty) Ltd

We have performed a review on the Interim Financial Report of Karibib Pegmatite Exploration (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 Karibib Pegmatite Exploration (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**