REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

STATE MINING CORPORATION (STAMICO)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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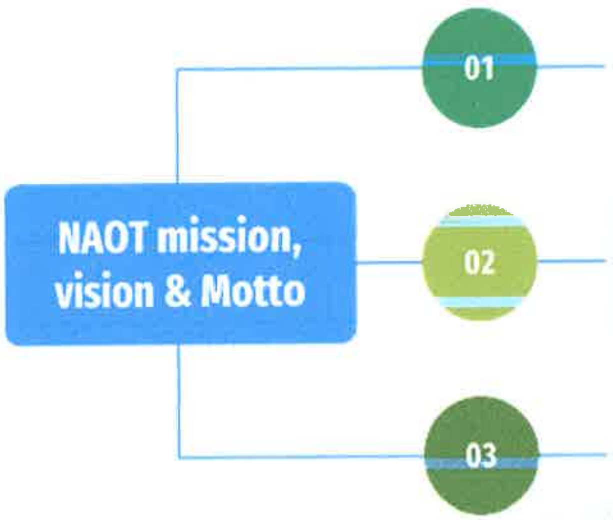
February 2024

AR/PA/STAMICO/2022/23

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, [Cap 418R.E 2020]



Mission

To provide high-quality audit services through the modernisation of functions that enhance accountability and transparency in the management of public resources.

Vision

To be a credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Motto

Modernising External Audit for Stronger Public Confidence

Independence and objectivity

We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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ABBREVIATIONS

CAG	Controller and Auditor General
CGU	Cash-Generating Unit
CSR	Corporate Social Responsibilities
IFRS	International Financial Reporting Standards
NBAA	National Board of Accountants and Auditors
PAC	Public Accounts Committee
PPA	Public Procurement Act, Cap. 410
PPR	Public Procurement Regulations, 2013
SML	Special Mining License
STAMICO	State Mining Corporation
TML	Tanzanite One Mining Limited
TSF	Tailings Storage Facility

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of Board of Directors,
State Mining Corporation,
P.O. Box 4958,
Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the consolidated and separate financial statements of State Mining Corporation, which comprise the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly in all material respects, the financial position of State Mining Corporation as at 30 June 2023, and its profit or loss and other comprehensive income and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the below section entitled, "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of State Mining Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Director's Report or any other equivalent report and the Declaration by the Head of Finance but does not include the consolidated and separate financial statements and my audit report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the consolidated and separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 my 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of works, goods and services

I performed a compliance audit on procurement of works, goods and services in the State Mining Corporation for the financial year ended 30 June 2023 as per the Public Procurement Laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of works, goods and services of State Mining Corporation is generally in compliance with the requirements of the Public Procurement laws.

(i) Weakness noted in Tender No. PA/133/2022-23/HQ/G/13 for Lot 1 and Lot 2

(a) Entering into procurement agreement without sufficient budget

According to Regulation 69(3) of the Public Procurement Regulations, 2013 [R.E 2016], procuring entities must accurately forecast their requirements for works, particularly those already programmed in the annual work plan and included in the annual estimate. Similarly, Regulation 75 mandates that funds be allocated or committed before commencing procurement proceedings.

Upon reviewing Tender No. PA/133/2022-23/HQ/G/13, which involved the supply of building materials for Kisarawe (awarded to Mocave Technologies Ltd) and Kiwira (awarded to M/s Asem Tz Company Ltd), I observed that, STAMICO initiated procurement processes and signed contracts for both lots without ensuring budget availability. Notably, the budgeted amount for executing the tender in the financial year 2022/23 was only TZS 4,000,000 for both lots, representing a mere 0.004% of the awarded amount.

(b) Contradicting payment terms

Further examination of Contract No. PA/133/2022-23/HQ/G/13 for lots 1 and 2 revealed conflicting payment terms. While Illustration No. 11 in the preliminary contract information stipulated that, all payments should occur after the supplier issues an invoice to the purchaser within 30 days of goods receipt (supported by an acceptance certificate), Clause 18 of the special conditions within the same contract presented different payment provisions.

(ii) Anomalies noted regarding submission of performance security bonds

- **Signed contracts before submission of performance security**

  According to Para 11.2 of the Guideline for Securities in Public Procurement issued in February 2022 requires that, procuring entities must ensure that performance security or a performance securing declaration is submitted by the tenderer before a contract is signed. Failure to comply with this requirement may result in penalties under Section 104 of the Public Procurement Act, 2011.

  My review of contract management revealed that, STAMICO entered into four contracts worth TZS 1,748,285,171 for the procurement of various goods, works, and services prior to obtaining the required performance security. Furthermore, from the review of other three contracts worth TZS 2,247,762,722, I noted that the suppliers failed to submit the performance security from the date of acceptance of tender up to the time of audit.

(iii) Non-application of TANePS in procurement of goods, works and services

My review of procurement management revealed that, despite the introduction of the Tanzania National e-Procurement System (TANePS) by the Public Procurement Regulatory Authority (PPRA) in March 2018, STAMICO failed to utilize the system for procurement of goods, works, and services. TANePS was established to enhance efficiency and transparency in public procurement, in line with regulations outlined in the Public Procurement Regulations of 2013. Despite a directive from the Ministry of Finance and Planning requiring all procuring entities to utilize TANePS for procurements starting from 1 January 2020, STAMICO conducted 197 procurement tenders totalling TZS 16,285,516,646 outside the system.

(iv) **Procurement of chemical and explosive worth TZS 6,104,518,062 without following formal procurement processes**
Contrary to requirement of Regulation 149 (1)-(2) of the Public Procurement Regulations, 2013 [R.E 2016], STAMICO procured chemicals and explosives totalling TZS 6,104,518,062 during the financial year 2022/23 without adhering to the prescribed procurement procedures. These items were not initially included in the annual procurement plan but were added in May 2023 during a revision without following the formal procurement process.

(v) **Procurement of spare parts without tender board approval - TZS 367,381,200**
Contrary to Section 57 (3) of the Public Procurement Act, 2013 [R.E 2016], STAMICO procured spare parts (Reverse Circulation consumable) totalling TZS 367,381,200 from M/s Oakley Company Limited through direct procurement without approval from the tender board. I noted that, the tender documents and procurement method were not authorized by the tender board. Additionally, as of the audit conducted on 29 September 2023, the procured items had not been delivered, indicating a delay of almost three months without formal follow-up from STAMICO or a request for contract extension from the supplier.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution
I performed a compliance audit on budget formulation and execution in the State Mining Corporation for the financial year ended 30 June 2023 as per the Budget Act and other Budget Guidelines.

Conclusion
Based on the audit work performed, I state that budget formulation and execution of State Mining Corporation is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.

February 2024

GENERAL INFORMATION

The Corporation was established in 1972 under the State Mining Corporation (STAMICO), Establishment Order, 1972. The Corporation has been restructured and assigned new roles by the Government by amending its Establishment Order published on 1 May 2015 through Government Note 171 of 2015 with the aim of increasing the contribution of the mineral sector to the national economy and creating employment opportunities to Tanzanians.

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2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

2.1 INTRODUCTION

The Directors present their report together with the consolidated and separate financial statements for the year ended 30 June 2023 which disclose the state of financial affairs of State Mining Corporation ("the Corporation") and the Group, comprising the Corporation and its subsidiary, STAMIGOLD Company Limited.
The Consolidated and Separate Financial statements comprise; the consolidated and separate statement of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated and separate financial statements, comprising significant accounting policies and other explanatory information.

2.2 Incorporation

The Corporation was established in 1972 under the State Mining Corporation (STAMICO), Establishment Order, 1972. The Corporation has been restructured and assigned new roles by the Government by amending its Establishment Order published on 1 May 2015 through Government Notice No. 171 of 2015.

2.3 Principal activities

According to Public Corporation (State Mining Corporation Establishment/Amendment Order of 2015) para 4(1), the functions of the Corporation are: -

i. To acquire by agreement and hold interests in any undertaking, enterprise or project associated with the exploration, prospecting and mining of minerals and for such purposes to obtain, exercise, carry out and use any mining lease, license, concession, franchise, authority, power, right or privilege which any government, public body or other authority may be empowered to grant;

ii. To acquire mineral rights and conduct or engage in mineral prospecting and mining operations including drilling, surveying, exploration, testing, appraisal, extraction;

iii. Quarrying, producing, treatment, processing, grading, cutting, storing, transportation and such other related activities, as the Board may, from time to time decide;

iv. To carry out consultancy services, contract works, feasibility studies and environmental studies in accordance with any relevant laws and to perform mine designing, development and management of matters provided for under this Order;

v. To establish corporate entities or firms for the purposes of carrying out projects or engaging in mining of, prospecting, refining, grading, producing, cutting, processing, buying or selling or marketing of minerals whether alone or in joint venture with strategic investors;

vi. To acquire shares or interests in any firm, The Corporation or other body of persons, whether corporate or unincorporated.; engaged in the mining of, or in prospecting, refining, grading, producing, cutting, processing, buying or selling or marketing of minerals;

vii. To participate in any stock market as the Board may determine;

viii. Promote, facilitate or support transformation of artisanal and small-scale mining into well organized, sustainably productive and environmentally conscious to medium scale mining operations

ix. To import, export, manufacture and maintain mining equipment and machinery; to manage the affairs of any corporation, The Corporation, firm or other body of persons whose interests are transferred to or acquired by the Corporation under the Act or this Order;

x. To carry on its business, operations and activities either within the United Republic of Tanzania or elsewhere, whether as principal agent, contractor or otherwise, and either alone or in collaboration with any other person, firm or body corporate;

2.4 Core values

The Corporation Management and Staff will uphold the following core values: -

What drive us?	*What bind us?*	*What guide us?*
Teamwork	Mutual trust and respect; and Visionary leadership.	Corporate vision and mission, guidelines and policies; and Government laws and regulations.
Community	Mutual trust and rule of Laws Societies wellbeing	Policies; and Acts and Regulations
Safety and heath	Safe and friendly working environment; Heath and Better living and wellbeing of people.	Policies; and Acts and Regulation.
Integrity	Honesty and objectivity; and Mentorship.	Corporate management tools such as Financial Regulations, Staff Regulations, ICT Regulations and Schemes of Service; Anti-corruption policy; and Codes of ethics and conduct.
Accountability	Clear roles and responsibilities; Motivation; and Openness and transparency.	Effective use of HR Plan, OPRAS; and Corporate Performance Contract.
Results Driven	Clear objectives and targets; Strong leadership; and Professionalism.	Corporate Plan, MTEF, and Client service charter

2.5 Vision

A Gateway to Mineral Driven Economy in Tanzania.

2.6 Mission

To participate strategically in the exploitation of mineral resources through investment in entire mineral value chain for social economic development.

2.7 Operational and financial performance for the year

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Corporations Act and

Tanzania Financial Reporting Standards 1 issued by NBAA. The accounting policies have been applied consistently as well as the adoption of new or revised accounting standards.

2.8 Operating review

2.8.1 Strategies for the financial year 2022/23

During the Financial Year 2022/23, the Corporation has prioritized to implement the following: -

i. Continuing with massive coal production at Kabulo-Kiwira to meet domestic and external market;
ii. Operationalization of 200MW Coal to Power Project at Kiwira;
iii. Operationalization of Gold Refinery Project;
iv. Development and Operationalization of Buhemba Hard Rock Mining Project;
v. Development and Operationalization of Chigongwe Quarry,Coal Briquette, Chemical and Explosive Projects;
vi. Strengthen Drilling Services and improving environmental Consultancy service delivery;
vii. Facilitate development and improvement of Corporation Assets;
viii. Management of ASM Demonstration Centres (Lwamgasa, Katente and Itumbi) and Purchase resources required to improve Drilling Services for ASM, Strengthening Construction of new centres;
ix. Strengthening oversight management of Corporation Joint Venture, Subsidiaries Companies and other business venture;
x. Staff training and skills development; and
xi. Improving Staff Welfare and working environment.

2.8.2 Achievements

During the Financial Year 2022/23, the Corporation attained some of its planned targets and activities. Some of the successes are highlighted below:

- Generated **TZS 60.35 billion** internally, equivalent to 86.21% of the target of **TZS 70 billion.**
- Signed a drilling contract worth **TZS 55.25 billion** with GGM for **96,000 meters.**
- Commenced installation activities for two Briquette Plants (20 tonnes/hour) at Kisarawe Pwani and Kiwira Songwe.
- Procured 5 small-scale rigs for Artisanal Miners, and successfully signed MOUs with Azania Bank and NBC to facilitate loans to Artisinal Miners.
- Emerged as the overall winner in the Creativity category during the 2022 DITF (Sabasaba).
- Procured various equipment, including wheel loaders, low beds, stone quarry plants, coal crushers, laboratory equipment, and two new briquette plants.
- Continued implementation of the new approved Staff Regulations, Financial Regulations, and Incentive Scheme from April 2023.
- Celebrated the 50-year anniversary since the establishment of the Corporation
- Payment of dividend amounting to TZS 2.2 billion.

Financial result highlights

DESCRIPTION	CONSOLIDATED		SEPARATE	
	2022/23	2021/22	2022/23	2021/22
	TZS 'M;	TZS 'M;	TZS 'M'	TZS 'M'
Revenue	103,424	75,350	59,945	38,629
Other income	5,384	8,784	4,741	4,817
Corporate tax	9,994	4,334	9,621	3,969
Profit before tax	**33,314**	**14,447**	**32069**	**13,230**
Profit after tax	**23,320**	**10,113**	**22,448**	**9,261**

2.9 Investments

1.1.1 The Corporation has investments as follows:

i) Subsidiaries-STAMIGOLD Company Ltd

STAMIGOLD is a Subsidiary Company owned 100% by STAMICO. The Company responsible for operating the Biharamulo Gold Mine. The Company was incorporated on 28 October 2013 with the purpose of engaging into prospecting, exploration, development, production, processing and market gold within the country and to foreign markets. Currently the Company is operating gold mining in the Special Mining Licenses (SML 157/03) and has other Prospecting Licenses that are aimed for further exploration and development. STAMIGOLD possess gold tailings deposits of about 8,600,000 tonnes consisting a recoverable 200,000 Ounces of gold at a grade of 0.72 g/tAu. Associates including Buhemba Gold Company Limited, Buckreef Gold Mine Company Limited and Mwanza Precious Metals Refinery Company Limited. Refer Note 6.

ii) Associates

Buhemba Gold Company Ltd is located at Buhemba village in Butiama District-Mara Region in the Northern part of Tanzania. STAMICO owns 35% shares of the Company. The Buhemba Hard Rock Project is estimated to possess over 610,590 ounces of gold in hard rocks as indicated resources.

Buckreef Gold Mining Company is a Company formed between TANZAM 2000 Ltd (55% shares) and State Mining Corporation (45% shares) with operation centre at Mnekezi Village in the Lwamgasa area in Geita Region. The project site is located approximately 110km Southwest of the city of Mwanza. The gold project is expected to deliver an average gold production of 51,000oz a year.

Mwanza Precious Metal Refinery Co.Ltd is a company owned by 25% by State Mining Corporation. It is a state-of-the-art automated gold refinery plant in Mwanza Region. The plant ranks number three in Africa in terms of processing capacity as it has capacity of refining 480kgs of Gold per day with international standards by 999.9 purity Corporation's Projects

Kabulo Coal Project

Located within Songwe Kiwira Coalfield situated about 100km South of Mbeya (Ivogo Ridge and Kabulo Ridge), estimated coal resources is over 85 million tons with a minimum life span of more than 40 years. The Corporation is currently mining and supplying coal to manufacturing industries and other customers.

Chigongwe Quarry

The project aims at supplying quality aggregates at competitive prices to large and small construction projects such as residential and office buildings, roads, airports and other projects.

Coal Briquette

Coal Briquette is a by-product of Kabulo-Kiwira Coal from the Songwe Region. This is an alternative source of energy for domestic and industrial usage and a close substitute to charcoal and firewood. The coal briquettes is smokeless compact; stable with more forms of usage, portable, easy to transport and less expensive to extend its accessibility. The coal briquettes will be distributed to commercial outlets including shops, supermarkets, Charcoal wholesalers, institutions and other outlets.

Drilling Works and Consultancy services

Commercial Services

STAMICO offers to various local and international oil and gas or mining companies contract services at competitive and affordable rates in Drilling Services ranging from Diamond Drilling (DD); Reserve Circulation (RC); Rotary Air Blast (RAB) and Air Core.

Environmental Consultancy Services

The Corporation provides Environmental Consultancy services for mining and other projects which include Environment and Social Impact Assessment (ESIA), Mine closure plan, occupational health and safety compliance, ecological and land rehabilitation. Other Consultancy Services: Ranges from Geological, Mining and Mineral Processing.

2.10 Challenges faced by the corporation during the financial year 2022/23

Despite the achievements attained the Corporation encountered the following challenges;

i. Lengthy procurement processes caused mostly by some procurement rules and regulations which are not facilitative to a commercial enterprise that STAMICO is.The Corporation is in discussion with PPRA to find ways that makes it easier for STAMICO to do business in a private sector and competitive environment and at the same time comply with basic tenets of best public procurement principles.

ii. Inadequate staffing (deficit of 117 staff) caused by delay in securing recruitment permits as well as overdue acting positions of Managerial posts. This is also another area that needs to be reviewed in the spirit of making STAMICO more enabled to efficiently compete with other players, that are largely private sector and flexible in their operations.

2.11 Capital structure

According to the Public Corporation (State Mining Establishment/Amendment Order of 2015) Para 5:

The authorized share capital of the Corporation is Fifty Billion Shillings divided into Five Million Ordinary Shares having a par value of Ten Thousand Shillings each.

The snapshot of Corporations' Capital Structure for the year under review is shown below

Details	2022/23 TZS 'M'	2021/22 TZS 'M'
Authorized Share Capital:		
5,000,000 Ordinary shares of TZS 10,000 each	50,000	50,000
Issued and Fully Paid-Up Capital:		65
6,500 Ordinary shares of TZS 10,000 each held by Treasury Registrar	65	
	65	65

The Government of United Republic of Tanzania has advanced STAMICO a total of TZS 183.2 billion (TZS 82.4 Billion in 2021/22) as Capital Contribution. Management has initiated discussion with Treasury Registrar to convert the advanced amount to Shareholders' Capital Shareholding.

All issued and fully paid shares are owned by the Government of United Republic of Tanzania through Treasury Registrar. Directors 'interest in shares of the Corporation- none of the directors has beneficial interest in the share capital of the Corporation.

2.12 Dividends

The Corporation has paid interim dividend of TZS 2.5 billion for the Financial Year 2022/23 (TZS 2.2 billion in 2021/22).

Corporate Governance

The Board consists of 10 members including the Chairman, who is appointed by the President and nine members who are appointed by the Minister of Minerals. The Board ordinarily meets for the transaction of its business at the times and places determined by the Board, but it is required to meet at least once every three months, that is four times in a year. The functions of the Board are provided for under Section 8 of the Public Corporation Act. Without prejudice to Section 8 of the Act, the Board shall oversee the general management of the Corporation. The current Directors of the Corporation are listed below:

S/N	Name	Qualification/ Discipline	Age	Position	Appointmen t date	End date
1	Maj. Gen. Michael J. Isamuhyo (Rtd)	High Command Defense Studies	68	Chairman	06 Dec 202021	02 Dec 2024
2	Ms.Janeth W. Luponelo	MENG in MRM. PGDBM. B. MSc in Geology	51	Member	25 Jan 2021	04 Dec 2024
3	Mr. Said A. Nzori	LLB, LLM	60	Member	8 Apr 2021	04 Dec 2024
4	Mr.Emmanuel M. Subbi	BCOM, MBA, MA in Security and Strategic Studies	54	Member	25 Jan 2021	04 Dec 2024
5	Ms. Prisca B. Lwangili	BA PSPA, MSC HRM, Uongozi Certificate	42	Member	25 Jan 2021	04 Dec 2024
6	Mr. Lucas L. Selelii	Certificate in Agriculture	63	Member	25 Jan 2021	04 Dec 2024
7	Mr. Abdul-Razaq I. Badru	BA, MBA	55	Member	25 Jan 2021	04 Dec 2024
8	CPA. Leonard C. Kitoka	MBA, BCOM Finance, CPA-PP,	54	Member	25 Jan 2021	04 Dec 2024

S/N	Name	Qualification/ Discipline	Age	Position	Appointment date	End date
		PGD in Poverty Analysis				
9.	Yokbeth F. Myumbilwa	PGD in Geological Survey: BSC in Geology	61	Member	25 Jan 2021	04 Dec 2024

The Board delegates the day-to-day management of the business to the Managing Director assisted by Senior Management. Senior Management is invited to attend board meetings and facilitates the effective control of all Corporations' operational activities, acting as a medium of communication and coordination between all the various business units. The Board takes overall responsibility for the Corporation, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

During the financial year 2022/23, the following board meetings were held and the Directors who served during the year and their attendance at Board and Committee meetings are set out in the table below:

		Number Meetings			
S/N	Name	Board 6	ARC 6	SROC 4	TSBDC 4
1	Maj. Gen. Michael Isamuhyo (Rtd)	4	-	-	-
2	Ms. Janeth W. Luponelo	6	-	-	4
3	Mr. Said A. Nzori	1	2	-	-
4	Mr. Emmanuel M. Subbi	5	-	3	-
5	Ms. Prisca B. Lwangili	5	-	3	-
6	Mr. Lucas L. Selelii	5	5		3
7	Mr. Abdul-Razaq I. Badru	4		3	-
8	CPA. Leonard C. Kitoka	6	6	-	-
9.	Ms. Yokbeth F. Myumbilwa	6	-	-	4

2.13 Board Meetings and deliberations made

i. 107th Ordinary Meeting of the Board on 26 October, 2022
   a. Resolved to adopt SRO, TSBD & ARC committees' Reports resolved to implement Honorable Vice President Dr. Philip Izidory Mpango directives given during 50 years anniversary of STAMICO.

ii. 108th Ordinary Meeting of the Board on 16 February 2023
   a. Resolved to adopt SRO, TSBD & ARC committees' reports.
   b. Approved budget reallocation for the financial year 2022/2023 worth TZS.5, 417, 433,180.04.
   c. Plan Approved amendment of Annual Procurement Plan for the financial year 2022/23 that changed the total cost of the original plan from TZS 52,851,329,257 to TZS. 56,719,381,428.

iii. 109th Ordinary Meeting of the Board on 27 April 2023
   a. Resolved to adopt SRO, TSBD & ARC committees' reports.
   b. The Board noted the report that management letter for the financial year 2022/23 was approved by CAG and the Corporation got unqualified opinion.

iv. 110th Ordinary Meeting of the Board on 21 July 2023
   a. Resolved to adopt SRO, TSBD & ARC committees' reports.

- **COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has the following Board Committees to ensure a high standard of corporate governance and oversight:

1. Audit and Risk Management Committee (ARC).
2. Strategy, Resources and Operations Committee (SROC).
3. Technical Services and Business Development Committee (TSBDC).

2.13.1 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee members of the Board were appointed by the Board of Directors from among themselves as in accordance with the Public Corporation (State Mining Establishment/amendment order of 2015). The Audit and Risk Management Committee met six (6) times during the period covering July 2022 to June 2023.The Corporation's Audit and Risk Management Committee has been in operation during the year.

The roles and responsibilities of Audit and Risk Management Committee

The role of Audit and Risk Management committee has been defined in the Audit and Risk Management Committee Charter. The Corporation's Audit and Risk Management Committee has conducted its meetings as per action plan scheduled during the reporting period ended 30 June 2023.The Audit and Risk Management Committee members are:-

A	Name	Qualification	Nationality	Position
1	CPA. Leonard C. Kitoka	BCOM, MBA, CPA-PP	Tanzanian	Chairman
2	Mr. Said A. Nzori	LLB, LLM	Tanzanian	Member
3	Mr. Lucas L. Selelii	Certificate in Agriculture	Tanzanian	Member

2.13.2 STRATEGY, RESOURCES AND OPERATIONS COMMITTEE

The committee's members listed below are charged with the functions of advising the board on investment opportunities, planning and assist the board in reaching the functions and strategic goals of the Corporation and it reports to the full board. The Strategy, Resources and Operations Committee met four (4) times during the period covering July 2022 to June 2023. Resolved to approve the budget reallocation of TZS 5,417,433,180.04 *in Corporation budget for the financial year 2022/23 for the purpose* of procuring consumables in bulks.

Resolved to approve Amendment of Annual Procurement Plan for the financial year 2022/23.

The Strategy, Resources and Operations Committee members are:

S/N	Name	Qualification	Nationality	Position
1.	Ms. Prisca B. Lwangili	BA in Human Resource Management, MSC	Tanzanian	Chairperson
2.	Mr. Abdul-Razaq I. Badru	BA, MBA	Tanzanian	Member
3.	Mr. Emmanuel M. Subbi	BCOM, MBA, MA in Security and Strategic Studies	Tanzanian	Member

2.13.3 Technical Services and Business Development Committee

The committee's members listed below are charged with the functions of advising the board on technical matters including mining, geology and consultancy services. The Technical Services and Business Development Committee met four (4) times in the period between July 2022 and June 2023.

Technical Services and Business Development Committee members are:

S/N	Name	Qualification	Nationality	Position
1.	Ms. Yokbeth F. Myumbilwa	PGD in Geological Survey: BSC in Geology	Tanzanian	Chairperson
2.1.	Mr. Lucas L. Selelii	Certificate in Agriculture	Tanzanian	Member
2.	Ms. Janeth William Luponelo	MENG in MRM. PGD BM. B. MSc in Geology	Tanzanian	Member

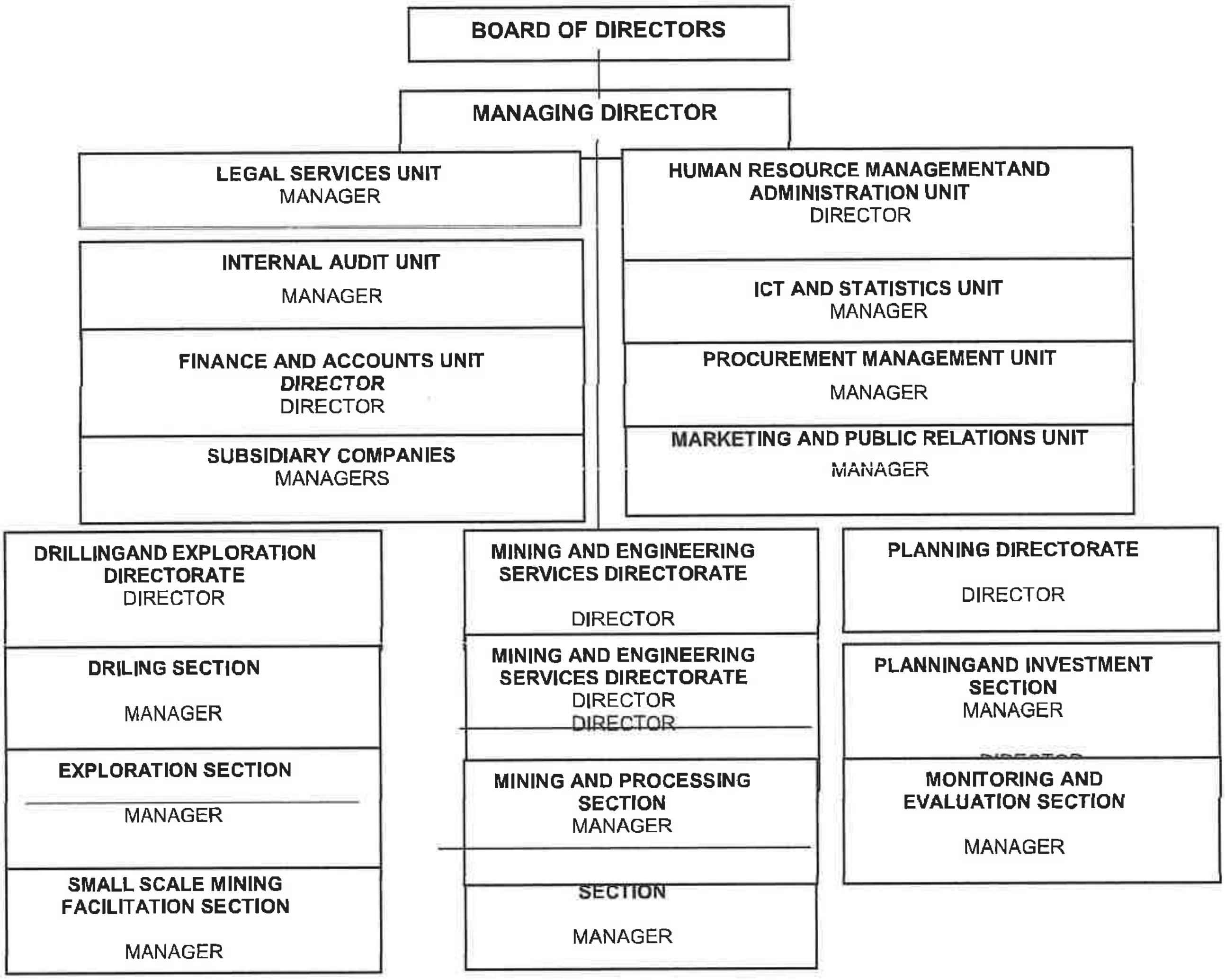
2.14 Management Structure

According to the Public Corporation Act the Corporation is headed by the Managing Director who is the Accounting Officer, who is vested with the overall powers of Management of daily activities of the Corporation. The Managing Director is the Chief Executive Officer of the Corporation and is responsible for ensuring that the functions of the Corporation are carried out competently and honestly.

The Managing Director reports directly to the Board of Director and also is assisted by Directors and Heads of Units. The Corporation comprises three departments and seven independent Units.

STATE MINING CORPORATION (STAMICO)

Below is the Corporation's new Organization Structure, effective from 1 May 2022



2.15 Directorates and their responsibilities

i) Exploration and Drilling Directorate

The Exploration and Drilling Directorate is responsible for identifying new prospective areas for mines development and to generate Corporation's income through provision of exploration and drilling services. The Directorate has two departments namely; Exploration and Drilling departments.

ii) Mining and Engineering Services Directorate

The Mining and Engineering Services Directorate is responsible for developing and operating mines and mineral processing and engineering services. The Directorate has four departments namely, Mining, Mineral Processing Engineering Services, Small Scale Mining, and Safety and Environment departments.

iii) Planning Directorate

The Investment and Marketing Directorate is responsible for planning and advising on investments, marketing and promotion of the Corporation activities. The directorate has two departments namely; Planning and Investments and Marketing and Public Relations Marketing and Public Relations departments.

2.16 Units and their responsibilities

i) Internal Audit

This unit is responsible for auditing, reporting and advising on physical and financial resources management of the Corporation. Internal Audit administratively reports to Managing Director and functionally to the Audit and Risk Management Committee.

ii) Legal Services

This unit is responsible for attending to all legal matters pertaining to the Corporation and its subsidiaries.

iii) Procurement Management Unit

This unit is responsible for advising on economical procuring and disposal of Corporation's assets.

iv) Human Resources Management and Administration Unit

The Human Resources Management and Administration Directorate are responsible for advising on management of human resource and administration. The Division has two departments namely; Human Resource Management and Administration.

v) Finance and Accounts Unit

The Finance Directorate is responsible for the managing of financial resources of the Corporation. The Directorate is divided into two departments namely; Finance and Accounts departments.

vi) Information and Communication Technology

This unit is responsible for studying and developing Information and Communication Technology (ICT) systems to be used by the Corporation in service provision.

vii) Marketing and Public Relations Unit

To market the Corporation's products and services and provide information to the public. This Unit will perform, among other things, the Preparations and implement sales and marketing annual plans and budget. To Prepare, implement, monitor and evaluate Corporate Public Relations Strategies.

2.17 Management Team

The following were the senior management team for the year ended 30 June, 2022

S/N	Name	Designation	Qualifications and Experience
1	Dr.Venance B Mwasse	Managing Director,	Certified Public Accountant (CPA-T), Doctor in Business Administration (Accounting and Finance), master's in public finance and Tax, bachelor's in commerce in Accounting Dr Venance Mwasse is a Managing Director at State Mining Corporation from October 2019 to date. *Dr Venance Mwasse worked as Director*, Minerals Audit and Trade at the Tanzania Mining Commission from December 2018 to October 2019 He worked as a General Manager at STAMIGOLD Company Ltd from December 2017 to December 2018.
2	Tuna B. Bandoma	Manager Small Scale Mining Facilitation Section.	Masters in Mineral Economics, bachelor's degree Science in Geology Mr Tuna is the Manager of SmallScale Mining at State Mining Corporation since 2014. Mr Tuna worked as Resident Mining Officer at the Ministry of Energy and Minerals from 2002 to 2014.
3	Deusdedith G. Magala	Director of Human Resources and Administration	Master's Degree in Public Administration (HRM), Bachelor Degree in Public Administration with nineteen (19) years' work experience in diplomatic mission and Government owned entities. Mr. Magala is a HR and Admin Specialist and he is Director of Human Resources and Administration at State Mining Corporation since June 2014.
4	CPA.ChristopherA. Nditolo	Acting Director of Finance and Accounts	Certified Public Accountant (CPA-T), Masters of Business Administration and Degree in Accounting. CPA Christopher is the Acting Director of Finance and Accounts at State Mining Corporation CPA Christopher worked as a Chief Accountant from September 2017 to November 2023, before that He worked as Senior Accountant at State Mining Corporation from April 2014 to August 2017 a He also worked with Tanzania Investment Centre for five years as an Accountant from 2009 to March 2014.
5	CPA Titus R. Saideya	Manager internal Audit Unit	Certified Public Accountant (CPA-T), Masters in Business Administration in Finance and Bachelor of Commerce in Accounting. CPA Titus is the Chief Internal Auditor at State Mining Corporation since 2020. *CPA Titus worked as Assistance Auditor General* at the National Audit Office from 2012 to 2020.
6	Winifrida Matunda	Manager Procurement Management Unit	Masters in Science of Procurement and Supply Chain Management and Bachelor degree in Procurement and supply Management. Ms Winifrida is the Manager of Procurement Management Unit at State Mining Corporation since November 2023,before that She was Acting HPMU at State Mining Corporation since 2020. Winifrida worked as a Principal Procurement Officer at State Mining Corporation from January 2015 to

STATE MINING CORPORATION (STAMICO)

S/N	Name	Designation	Qualifications and Experience
			September 2020 and as a Senior Suppliers Officer at the Eastern Africa Statistical Training Centre from September 2012 to December 2014.
7	Mudrikat Kiobya	Manager Legal Services Unit	Masters degree in Laws and Bachelor degree in Laws. Mr Mudrikat is the Corporation Secretary at State Mining Corporation from 2014 to date. Mr Mudrikat also worked as a State Attorney at the office of the Director of Public Prosecution in Zanzibar from 2003 to 2012. He worked as a Legal Officer at the American Embassy in Dar-es-salaam from 2012 to 2014.
8	Nsalu L.Nzowa	Manager-Planning and Investment Section	Masters degree in Development Economics and Bachelor degree Business Administration in Economics. Ms Nsalu is the Manager of Planning and Investment since November 2023, before she worked as Acting Manager of Planning and Investment at State Mining Corporation since 2016. Before joining STAMICO Ms Nsalu Nzowa worked as a Senior Economist at the Ministry of Energy and Minerals from 2005 to 2015.
9	Godfrey R.Meena	Manager of Marketing and Public Relations	Masters of Business Administration in International Business and Bachelor degree of Commerce in Marketing. Mr Godfrey is the Manager in Marketing and Public Relations at State Mining Corporation since 2018. Mr Meena worked as a Marketing Manager at the Tanzania Tourist Board from 2008 to 2018.
10	Ibrahim D.Lwenyagira	Mining Manager	Masters of Mining Engineering, Bachelor Degree of Science in Mining Engineering. Eng Ibrahim is the Mining Manager since November 2023, before that He was the Acting Mining Manager at State Mining Corporation since 2021 Engineer Ibrahim Lwenyagira also worked as a Principal Mining Engineer at State Mining Corporation from 2014 to 2021 and as Mining Engineer at TANCOAL Company Ltd from 2009 to 2014.
11	Mr Fredrick Mangasini	Acting Exploration Manager	Masters in Integrated Environmental Management, Masters in Business Administration, Bachelor of Science in Geology. Mr. Mangasini is an Acting Manager Exploration. He was the Acting Principal of the Mineral Resources Institute (2019 - 2022). Between 2017 and 2019 was the Deputy Principal Academics, Research and Consultancy of the Mineral Resources Institute; and between 2014 and 2017 Mr. Mangasini worked as Senior Geologist for the State Mining Corporation.
12	Ms Rose Makene	Environmental and Safety Manager	Masters of Integrated Water Resources Management, Bachelor of Science in Environmental Sciences and Management, Rose Makene is the Manager of safety and Environment since November 2023, before that she was the Acting Manager Safety and Environment since 1st March 2023, Worked at STAMICO as Seniour Environmental Scientist from 2021 to March 2023 and also worked at National Environment Management Council (NEMC) as Seniour Environmental Management Officer from March 2021 to Dec 2021. Rose is also a Registered Environmental Impact Assessment (EIA) and Environmental Audit

S/N	Name	Designation	Qualifications and Experience
13	Mr David Semeo	Manager Monitoring and Evaluation Section.	Master's degree in Economics and Finance for Development and Bachelor degree in Economics and Statistics. Mr. Semeo is the Manager of Monitoring and Environment since November 2023 before that He was the Acting Manager of Monitoring and Evaluation at State Mining Corporation since March, 2023. Before joining STAMICO Mr. David Semeo worked as a Senior Planning Officer at Ardhi University (ARU) from 2010 to 2021

2.18 Risk Management and Internal Control

The Board of Directors is responsible for the adequacy and effectiveness of the STAMICO risk management and internal control system. This system is designed to ensure the Corporation's key areas of risks are managed within an acceptable risk profile in order to increase the likelihood that the STAMICO's policies and business objectives will be achieved. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board is of the view that the system of risk management and internal control in place for the year under review and up to the date of issuance of these consolidated and separate financial statements is sound regarding;

- The safeguarding of the Corporation's assets;
- Compliance with applicable laws and regulations;
- The effectiveness and efficiency of operations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions;
- Responsible behaviors towards all stakeholders.

The Board has assurance that the Corporation's risk management and internal control system is operating adequately and effectively in all material aspects based on the existing risk management and internal control system of the Corporation.

2.19 Political

The Corporation did not make any political for the year under review.

2.20 Risk management and internal control

The Board accepts final responsibility for risk management and internal control system of the Corporation.

The management ensures that adequate financial and operational controls systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following

- Safeguarding of shareholders interest and the Corporation's assets;
- Effectiveness and efficiency of operations;
- Compliance with applicable laws and regulations;
- Reliability of accounting records and financial information;
- Sustainability of the Corporation's operations under normal and adverse conditions; and

- Responsive behaviors towards key stakeholders.

The efficiency of an internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, The Corporation's system is designed to provide the directors with reasonable assurance that procedures in place are operating effectively. The directors have assessed the internal control system and generally satisfied as explained below.

The Corporation has various policies through which it manages its risks. These includes; Financial and accounting policy, procurement policy, Health Safety and Environment Policy as well Human Resource Policy.

2.20.1 Operational Risk

Operational risk is the risk that The Corporation will incur losses caused by flaws or failed processes, policies, systems, or events that disrupt business operations.

i. People risk: The Corporation has in place a good recruitment policy through President Office-Public Servant Management (PO-PSM) that leads to hiring qualified personnel in different disciplines.

ii. Process risk: The Corporation has in place standard operating procedures (SOPs) which directs our process flows from procurement of materials and services to the production of final product and delivery. This mitigates our process risk in meeting our The Corporation objectives.

iii. System risk: The Corporation has implemented MUSE Accounting Package with different levels of authorization, which is in use from August 2021 hence mitigating System risk.

iv. Legal and compliance risk: We operate in accordance with the mining laws (mining Act 2014) and regulations, internal policies and prescribed best practices in mining industry.

v. External event risk: We have in place all mitigation factors for events which can be foreseen like accidents/disease at place of work, except for natural calamities or act of God.

2.20.2 Human Resources Risk

The nature of the activities of The Corporation calls for a multidisciplinary team of staff with specialized knowledge in the key operational areas. In order to address this risk, The Corporation ensures that it invests in capacity building for its staff members and contracted employees and revises its compensation structure periodically.

2.20.3 Reputational Risk

The Corporation has an obligation to ensure that it performs its functions and maintains its reputation as Corporation operating in applicable laws and regulations. In this endeavor, the board and management ensure that they fulfill their fiduciary responsibilities by applying principles of sound corporate governance and adopting best practices.

2.20.4 Legal and compliance risk

The Corporation is exposed to several laws and regulations for which it has an obligation to ensure that it full comply to them, also the ongoing regulatory and policies changes expose the Corporation to high compliance costs. To mitigate this Corporation has employed suitably experienced and qualified staff and, when required engaged with external advisors to ensure full compliance. Also maintaining productive and active relationship with the regulators.

2.20.5 Environmental, Social and Governance

Were main conscious of Environmental, Social and Governance issues and have identified better ways of measuring what we have been doing. The Corporation has committed itself to "go green" by working on paper less environment and allocating our activities in companies that comply with environmental and safety rules.

2.21 Stakeholders' relationship

2.21.1 Employees

The Corporation ensures an employees have access to;

- An empowering and enabling environment that embraces diversity and inclusivity;
- Fair remuneration, effective performance management, and recognition. A workplace where employees can be productive and achieve their potential;
- Self-led development and an opportunity for career progression;
- Ethical behavior and employment at a The Corporation with a strong brand; and
- A safe and healthy work environment.

2.21.2 Regulators

The Corporation maintains strong engagement with Tanzania Revenue Authority (TRA), Mining Commission, Ministry of Minerals the Government and other regulators and Policy makers by ensuring the following;

- Fair and ethical engagement;
- Active participation and contribution to industry;
- Compliance with all legal and regulatory requirements; and
- Being a responsible taxpayer in all jurisdictions where we conduct business.

2.22 Corporate Social Responsibility

Corporate social responsibility requires Corporations and organizations to take into consideration the interests of the society. This is achieved when Corporations accept responsibility of the impact of their operations on their customers, employees, communities and environment. STAMICO is engaged in carrying out various CSRs in and around its mining project areas.

2.23 Going concern

The group had a net profit after tax of **TZS23.32** billion **(TZS 10,11billion** in 2022 and Corporation had a net profit after tax of **TZS 22,45 Billion (TZS 9.26billion** in 2022). These conditions indicate that group and Corporation continue as a going concern. The Board of Directors believes that given the performance during the year and future projections of the business, the Group remains in sound position and will remain so in the foreseeable future.

Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to a going concern.

2.24 Employee's welfare

The Corporation has the following employees' welfare arrangements:

a) Health and safety

The Corporation continued to assure safety standards as required by factory ordinance and provided safe working environment for employees.

b) Retirement benefits

The Corporation pays employers' contribution to the publicly administered Pension Funds on mandatory basis which qualifies to be a defined contribution plan. The Corporation contributes to the Public Sector Social Security Fund (PSSSF) as per the Public Service Social Security Act, 2018.

2.25 Persons with disabilities

The Corporation gives equal opportunities to disabled persons for vacancies they are able to fill.

2.26 Gender Parity

STAMICO exercise gender equality to her employees. As at 30 June 2023 the company had 127 employees out of which 37 are female and 90 males (2022 total of 122 employees of which 33 were female and 89 males).

2.27 HIV/AIDS Policy

The Corporation's HIV/AIDS policy focuses on creating awareness on HIV/AIDS among staff members by providing them with updating information on HIV/AIDS with emphasis on the preventive strategies and education against the pandemic.

2.28 Related party transactions

All related party transactions and balances are disclosed in note11 to the Financial Statements.

2.29 Resources

The Corporation creates value to stakeholders through the mix of different resources such as financial, human, intellectual, social, and relationships. The Corporation applies a combination of all the resources without disregarding the other to maximize value in the longer term.

Financial resource - our shareholders (The Government of URT) provides us a strong financial capital base that supports our operations and growth.

Human resource - we deliver success through a purpose-driven and inclusive culture. Staffs' skill sets, expertise and industry knowledge constitute our human capital. We further enhance our human capital through continuous training and development programs.

Intellectual resources - knowledge and expertise incorporated within our systems, processes and procedures constitute our intellectual capital. We have invested in a strong brand and strategic partnerships.

Social and relationship - we value the views of our stakeholders because they play a significant role in shaping our response to business and societal issues. We continuously strive to deliver a meaningful value exchange and manage their expectations.

2.31 Use of funds available

Cash and cash equivalents held by the Corporation are used to settle maturing obligations.

2.32 Responsibility of those charged with governance

It is the directors' responsibility to ensure that the financial statements give a true and fair view of affairs of The Corporation as at the end of the financial year and the results of its operations and cash flows for the period then ended, inconformity with International Financial Reporting Standards and applicable rules, regulations and legal provisions.

2.33 Statement of compliance

As required by TFRS 1, the Directors of The Corporation confirm compliance with the provisions of this Standard and all other statutory legislations relevant to the entity.

2.34 Auditor

The Controller and Auditor General (CAG) is the statutory auditor of STAMICO by virtue of Article 143 of the Constitution of the United Republic of Tanzania, amplified in section 10 (1) of the Public Audit Act, [Cap 418 R.E. 2020].

BY ORDER OF THE BOARD

Maj. Gen. Michael Isamuhyo (Rtd)
CHAIRPERSON

Date: 16/02/2024

3.0 STATEMENT OF BOARD DIRECTOR'S RESPONSIBILITIES

The Corporation's Directors are responsible for overseeing the Corporation's financial reporting process and preparation of Consolidated and Separate financial statements of State Mining Corporation comprising the Consolidated and Separate Statement of financial position as at 30June 2023, and the Consolidated and Separate Statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the Consolidated and Separate financial statements, which include a summary of significant accounting policies and other explanatory information, that give a true and fair view in accordance with International Financial Reporting Standards and in a manner required by Public Corporation Act, 1992.

The directors are also responsible for such internal control as the directors determine it is necessary to enable the preparation of Consolidated and Separate financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The auditors are responsible for reporting on whether the Consolidated and Separate financial statements give a true and fair view in accordance with the International Financial Reporting Standards (IFRS).

Approval of Consolidated and Separate Financial Statements

The draft Consolidated and separate financial statements of State Mining Corporation, as identified in the first paragraph, were approved and authorized for issue by the Board of Directors on August 2023.

BY ORDER OF THE BOARD

CPA. Leonard Chacha Kitoka Date: 16/02/2024
DIRECTOR

Maj. Gen. Michael Isamuhyo (Rtd) Date: 16/02/2024
CHAIRPERSON

4.0 DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) upon to the powers conferred under the Aauditors and Accountants (registration) Act number 33 of 1972 as amended by Act number 2 of 1995, requires financial statements to be accompanied with a Statement of Declaration issued by the Head of Finance responsible for the preparation of the financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view position of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibilityis statement.

I, Christopher Alex Nditolo, being Acting Chief Accountantof State Mining Corporation (STAMICO) hereby acknowledge my responsibility of ensuring that the Consolidated and Separate financial statements for the year ended 30June 2023 have been prepared in compliance with International Financial Reporting Standards (IFRS) and statutory requirements.

I thus confirm that the consolidated and separatefinancial statements comply with applicable accounting standards and statutory requirement as on that date and that they have been prepared based on properly maintained financial records.

Signature Alex

Name: Christopher Alex Nditolo

Position: Ag.Director of Finance and Accounts

NBAA Membership No: ACPA3207

Date: 16/02/2024

5.0 FINANCIAL STATEMENTS

5.1 CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Consolidated 2022/23 TZS 'M'	2021/22 TZS 'M'	STAMICO 2022/23 TZS 'M'	2021/22 TZS 'M'
Non-current assets					
Property, plant and equipment	4	156,553	55,122	125,883	22,643
Exploration and evaluation assets	8	1,372	1,372		-
Intangible assets	20	12	18	12	18
Investment properties	5	23,435	23,435	23,435	23,435
Investment in associates	6	41,367	30,970	41,367	30,970
Investment in subsidiaries	7			6,521	6,521
Total Non-Current Assets		**222,739**	**110,917**	**197,218**	**83,587**
Current assets					
Inventories	9	22,209	13,234	9,543	5,250
Trade and other receivables	10	46,295	25,534	29,281	14,785
Cash and bank balances	12	10,910	6,371	10,891	6,295
Total Current Assets		**79,414**	**45,139**	**49,715**	**26,330**
Total Assets		**302,153**	**156,056**	**246,933**	**109,917**
Equity and liabilities					
Equity					
Share capital	13	65	65	65	65
Advance towards share capital	14	183,226	82,361	183,226	82,361
Other reserves	18	36,765	36,765	12,135	12,135
Retained earnings	19	(37,160)	(58,280)	(4,339)	(24,587)
Equity attributable to owners of the Corporation		**182,896**	**60,911**	191,087	69,974
Total equity		**182,896**	**60,911**	**191,087**	**69,974**
Non-current liabilities					
Reclamation liability	15	18,132	18,413		-
Deferred income	17	13,174	10,016	13,174	10,016
Deferred tax	25	693	693	693	693
		31,999	**29,122**	**13,867**	**10,709**
Current liabilities					
Trade and other payables	16	72,931	61,689	28,390	25,265
Tax payable	16B	14,328	4,334	13,590	3,969
		87,259	66,023	41,980	29,234
Total liability		**119,257**	**95,145**	**55,846**	**39,943**
Total equity and liability		**302,154**	**156,056**	**246,934**	**109,917**

The Financial Statements were approved by the Board of Directors and signed on its behalf by:

CPA. Leonard Chacha Kitoka
DIRECTOR

Date: 16/02/2024

MAJ. Gen. Michael Isamuhyo (Rtd)
CHAIRPERSON

Date: 16/02/2024

5.2 CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	STAMICO 2022/23 TZS 'M'	STAMICO 2021/22 TZS 'M'
Revenue	21	103,424	75,350	59,945	38,629
Cost of sale	22	(62,369)	(47,403)	(32,159)	(18,336)
Gross profit		**41,055**	**27,947**	**27,786**	**20,293**
Other income	23	5,384	8,784	4,741	4,817
Administrative expenses (restated)	24	(22,474)	(24,048)	(9,807)	(13,644)
Impairment loss on trade receivables	10	(614)	(1,362)	(614)	(1,362)
Share of Profit/(loss) of equity-accounted investees, net of tax	6	10,397	3,126	10,397	3,126
Loss on disposal of assets		(434)	-	(434)	
Profit before tax (restated)		**33,314**	**14,447**	**32,069**	**13,230**
Income tax charge (restated)	25	(9,994)	(4,334)	(9,621)	(3,969)
Profit after tax for the year		**23,320**	**10,113**	**22,448**	**9,261**
Other comprehensive income					
Total comprehensive profit		**23,320**	**10,113**	**22,448**	**9,261**
Profit attributable to:					-
Owners of the Corporation		**23,320**	**10,113**	**22,448**	**9,261**
Non-controlling interests					-

The financial statements were approved by the Board of Directors and signed on its behalf by:

CPA.Leonard Chacha Kitoka
DIRECTOR

Date: 16/02/2024

Maj. Gen. Michael Isamuhyo (Rtd)
CHAIRMAN

Date: 16/02/2024

5.3 CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

Consolidated	Share capital TZS 'M'	Capital contribution TZS 'M'	Revaluation reserve TZS 'M'	Accumulated losses TZS 'M'	Total equity TZS 'M'
Balance as at 1 July 2021	65	65,514	29,376	(70,342)	24,613
Profit for the year	-	-	-	10,113	10,113
Consolidated reserve			7,389		7,389
Contribution from owners	-	16,847	-	-	16,847
Intercompany consolidation				3,149	3,149
Dividend (restated)				(1,200)	(1,200)
Balance as at 30 June 2022	**65**	**82,361**	**36,765**	**(58,280)**	60,911
Balance as at 1 July 2022	65	82,361	36,765	(58,280)	60,911
Profit for the year	-	-	-	23,320	23,320
Contribution from owners	-	100,865	-	-	100,865
Dividend				(2,200)	(2,200)
Balance as at 30 June 2023	**65**	**183,226**	**36,765**	**(37,160)**	**182,896**
STAMICO (Separate)					
Balance as at 1 July 2021	65	65,514	12,135	(32,648)	45,066
Profit for the year				9,261	9,261
Contribution from owners-Note 14		16,847			16,847
Dividend (restated)				(1,200)	(1,200)
Balance as at 30 June 2022	**65**	**82,361**	**12,135**	**(24,587)**	**69,974**
Balance as at 1 July 2023	65	82,361	12,135	(24,587)	69,974
Profit for the year				22,448	22,448
Contribution from owners-Note 14		100,865			100,865
Dividend				(2,200)	(2,200)
Balance as at 30 June 2023	**65**	**183,226**	**12,135**	**(4,339)**	**191,087**

The financial statements were approved by the Board of Directors and signed on its behalf by:

CPA. Leonard Chacha Kitoka
DIRECTOR

Date: 16/02/2024

MAJ. Gen. Michael Isamuhyo (Rtd)
CHAIRMAN

Date: 16/02/2024

5.4 STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2023

	NOTE	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	Separate 2021/22 TZS 'M'
Cash Flows From Operating Activities					
Receipts					
Cash received from Customers	26	89,842	63,265	48,845	26,753
Government subvention (OC)	26		1,045		1,045
Government Subvention (Development)	26	4,160	3,020	4,160	3,020
		94,002	**67,330**	**53,005**	**30,818**
Payments					
Cash paid to suppliers and staff	27	(71,358)	(64,984)	(30,711)	(28,382)
Tax Paid			(226)		
Net Cash Flows From Operating Activities		**22,644**	**2,120**	**22,294**	**2,436**
Cash Flows from Investing Activities					
Purchase of fixed assets	4	(7,178)	(4,348)	(6,770)	(3,702)
Advance payment	10	(8,728)		(8,728)	
Net Cash Flows From Investing Activities		**(15,906)**	**(4,348)**	**(15,498)**	**(3,702)**
Cash Flows From Financing Activities					
Dividend paid to the Government		(2,200)	(1,200)	(2,200)	(1,200)
Net Cash Flows from Financing Activities		**(2,200)**	**(1,200)**	**(2,200)**	**(1,200)**
Net (decrease)/increase in cash and cash equivalents		4,538	(3,428)	4,596	(2,466)
Cash and cash equivalent at the beginning of the year		6,371	9,799	6,295	8,761
Cash and Cash Equivalent at the end of the year		**10,909**	**6,371**	**10,891**	**6,295**

The financial statements were approved by the Board of Directors and signed on its behalf by:

CPA. Leonard Chacha Kitoka
DIRECTOR

Date: 16/02/2024

MAJ. Gen. Michael Isamuhyo (Rtd)
CHAIRPERSON

Date: 16/02/2024

6.0 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. Reporting entity

State Mining Corporation is a wholly owned state corporation, domiciled in Dodoma Tanzania with its head office at Milembe Street P.O Box 981; and Dar-es-Salaam office in Upanga Plot number 417/418, United State Road, P. O. Box 4958.

2. Basis of preparation

a) Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Public Corporation Act, 1992.These Financial Statements are consolidated and separate financial statements hence they comprise the entities subsidiary (STAMIGOLD Company Limited) and non-controlling interest in Associates (Buhemba Gold Mine, Buckreef Company Limited and Mwanza Precious Metal Refinery Company). Details of the Corporation's accounting policies are included in Note 3.

b) Functional and Presentation Currency

These consolidated and separate financial statements are presented in Tanzanian Shillings, which is also the Corporation's functional currency. Financial information presented in Tanzanian Shillings has been rounded to the nearest millions (TZS '000,000') unless otherwise indicated.

c) Basis of Measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the Investment Property and Financial Instruments that are measured at fair value at each reporting date.

d) Use of Estimates and Judgements

The preparation of consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes: Note 13 through to note 16 Investment - whether the Corporation has control over an investee and accounting policy 2 (f) basis of consolidation.

ii) Assumptions and estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in below:

Asset useful lives

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each balance sheet date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

The Corporation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Taxes

The Corporation operates in a jurisdiction with complex tax laws and regulations, which are evolving over time. The Corporation has taken certain tax positions in its tax filings and these filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax impact may differ from that estimated and recorded by management.

This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Fair value information and classification

e) Going Concern

The group had a net profit after tax of **TZS 23.32** Billion (**TZS 10,113 billion** in 2022 and Corporation had a net profit after tax of **TZS 22.45 Billion (TZS 9.26 billion** in 2022). These conditions indicate that group and Corporation continue as a going concern.

During the year under review construction of the Mwanza Gold Refinery was completed and gold refining process started in May 2021. The refinery can process gold up to 999.9 purity standard and its current refining capacity is 480 kg of gold per day. Furthermore, the Corporation started implementing development of the Buhemba Gold project during the year under review and the Buckreef Gold Project started production.

Also, the Corporation started developing new strategic projects including Coal Briquette Project located in Dar-es-salaam and Quarry Aggregate Project located in Dodoma. The Corporation managed to get extension of the drilling contract at the GGM Mine and secured a new drilling contract at TGDC. The two contracts are worth TZS 17.5 billion. With regard to funding, the Corporation managed to get funds from the government amounting to TZS 4.16 billion for procurement of Briquette plant and ASM Rigs for small scale miners and has been reported in the financing section of the cash flow statement. The other charges received during the year amounting to TZS 1.045 billion has been reported in the operating section of the cashflow statement.

The group through its subsidiary Company, STAMIGOLD Co. Ltd, As of 30 June, 2023, the reserve within SML157/2003 was **2,303,148** tons of ore with a grade of **0.98g/t Au** which is equivalent to **72,875 ounces of gold. East Pit Project**: The mine has potential reserve of **42,132t @ 21.06g/t** equivalent to **28,534 Oz** located at East Pit. The proposed mining design for this project is the Underground method, pending the results of geotechnical reviews. The mine is currently tendering for geotechnical review services.

At a production rate of 1,500oz per month, the reserve will sustain the mine for approximately five years and nine months (5.6) years, that is from July 2023 to December, 2029.

Location	Ore (tonnes)	Grade(g/t)	Ounces
MEGA Pit	2,040,703	0.96	63,157
Pit 08	244,320	1.21	8,695
Shingo Pit	285,843	1.17	10,792
Total	**2,550,866**	**1.01**	**82,644**

Connection to the National Electricity Grid
The mine has successfully connected to the National Grid on April 26, 2023. This will significantly reduce energy costs, resulting in an estimated monthly savings of TZS 700m for the company.

This project was divided into two phases for its execution:
The construction of 100km, 33kV transmission from Geita to the mine site started in September 2020, and was completed in April 2021.

The construction of 2 x 10MVA, 33/6.6kV and 5MVA, 6.6/0.415kV sub-station, whereby Civil Works started in September 2021 and were completed in August, 2022.

Development works,
MEGA Pit South East Extension
The mine has inferred mineral resource inventory of 1,473,244 tones at 0.88g/t equivalent to 41,682 ounces at MEGA Pit Southeast Extension. A drilling program was undertaken to investigate the potential continuity of the ore body down dip. The program consisted of ten Reverse Circulation (RC) holes, with a total of 1,086 meters. The estimation process will be carried out and plans for additional **three (3) diamond drilling (DD) holes** for structural analysis are currently underway.

West Zone Main Pit
The mine has an inferred mineral resource inventory of 1,093,808 tonnes at 1.35g/t, which is equivalent to 47,519 ounces in the West Zone Main Pit. This mineral resource represents a down dip extension of the previously mined area in the Main Pit. The company will conducting a drilling program to further explore the mineral potential, where the initial plan to drill 1250 meters to test the down dip continuity.

f) Subsidiaries and basis of Consolidation

i) Subsidiaries

Subsidiary is the entity controlled by the Corporation. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated and separate financial statements from the date on which control commences until the date on which control ceases. In these consolidated and separate financial statements, the investment in subsidiary is carried at cost.

ii) Non - controlling interest (NCI)

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii)Loss of control

When the Corporation loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv)Transaction eliminated on consolidation

Related party balances and transactions, and any unrealized income and expenses arising from related party transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Corporation's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

g) Joint operations and joint ventures

The Corporation accounts for its share of the assets, liabilities, revenue, and expenses for the joint operations. Where the Corporation acts as Operator to the joint operation, the gross liabilities of the joint operation are included in the Corporation's statement of financial position, with the debit representing the partners' share recognised in amounts due from joint operating partners. Refer to note 15 of the consolidated and separate financial statements.

Joint ventures are equity-accounted for in the consolidated and separate financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Corporation's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

The Group recognizes the share of losses from the joint ventures up to the point where the investment equals zero. After this point, the liability is recognised only to the extent that the Group incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Revenue recognition
The Corporation has complied to IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

Gold doré sales

Gold doré is an unrefined gold bullion bar that is refined to pure gold. The sale of gold doré is classified as a single performance obligation, and revenue is recognized at a point in time when control has passed to the customer. 100% of revenue from sale of gold and its *co-product which is silver* is recorded soon after control has passed to the buyer.

Sale of Coal
The Corporation operates Kabulo Coal Mine in Mbeya region. The mine is located near Kiwira Coal mine, mining operations started in April 2017. The Corporation is currently mining and selling coal to various customers locally and internationally. During the year a total of TZS 1.26billion has been generated from sells of coal.

Drilling Income
The Corporation generates revenue from drilling activities carried to various customers. Revenue from drilling is recognized on a meter drilled basis and when all the terms in the contract have been met.

Rental Income
Corporation owns various apartments that are rented to Customers. The rental income is recognized on performance basis. Contracts entered cover a period of one year; rental income is then recognized on monthly performance basis.

(b) Other income
Other income comprises of government subvention, rental income from investment properties, increase in fair value of investment properties, amortization of deferred income and other miscellaneous income.

(c) Cost of sales
Cost of sales consists of direct mining, drilling and production costs (which include personnel costs, energy costs (principally diesel fuel and electricity), operating supplies, external services, and depreciation related to revenues for the period. Cost of sales emanating from inventory is based on average costing for contained or recoverable ounces of Gold or tones of Coal sold. All costs are net of any impairment to reduce inventory to its net realizable value.

(d) Exploration and Evaluation Assets

i) **Mineral Exploration Cost**
Exploration and Evaluation expenditure include costs incurred by the Corporation in relation to exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral are demonstrable.

Exploration and evaluation costs related to an area of interest are carried forward only when mineral rights of tenure to the area of interest are current and provided that one of the following conditions is met: -

- Costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
- Exploration and/or evaluation activities in the area of interest have not yet reached a state which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

ii) Impairment of Capitalized Exploration and Evaluation Expenditure

The future recoverability of capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Corporation decides to exploit the related right or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of reserves and resources, future technical changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profit and not assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalized if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that the capitalized expenditure should be written off, this reduce profits and net assets in the period in which determination is made.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and subsequently they are stated at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized at a rate of 33.3% per annum. The amortization of intangible asset is charged to profit or loss on a straight-line basis.

(f) Government subvention

Funds disbursed by the Government to STAMICO to assist in carrying out its functions are credited to the financial statement of profit or loss and other comprehensive income. Those disbursed in the form of assets are credited in the capital fund.

(g) Property, Plant and Equipment

After initial recognition as an asset at historical cost of fair value, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revalued amount is based on periodic valuations (every 3 years) by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross asset.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to revaluation reserves in shareholder's equity net of deferred tax. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to profit or loss. Depreciation is calculated on the straight-line basis at the rates that will write off the cost of the assets to their residual values over their useful lives. The following annual depreciation rates are used:

Particulars	Rates per annum
Buildings	2.00 %
Motor vehicles	25.00 %
Office and house furniture and equipment	12.50 %
Computer equipment	33.33 %
Field equipment	10.00 %

Land is not depreciated. Assets acquired during the year are depreciated from the date when they are available for use and cease to be depreciated at the earlier date that the asset is classified as held for sale and the date the assets is derecognized. Gain or losses on revaluation are determined by comparing the last year net book value and revalued amount which are charged into statement of financial position and changes in equity.

Useful lives and residual values are reassessed at the end of each reporting period and adjusted where deemed necessary.

(h) Investment Property

Property held for long-term rental yields that is not occupied by the Corporation itself for business use is classified as investment property and comprises of leasehold land and buildings.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. The Corporation engages an independent valuation expert annually to determine the fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the Corporation for its business use.

The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

(i) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets (if any) that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are joined together into the smallest corporation of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Corporations of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any Goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Corporation of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Inventories

Material extracted from the mine is classified as either ore or waste. Ore represents material that we expect can be processed into saleable form and sold at a profit. Ore is recorded as an asset that is classified within inventory at the point is extracted from the mine. Ore is accumulated on stockpiles that are subsequently processed into gold/silver or coal in a saleable form under a mine plan that takes into consideration optimum scheduling of production of the mine reserves, present plant capacity, and the market price of gold/silver or coal.

Gold, silver and Coal ore contained in stockpile is measured by estimating the number of tons added and removed from stockpile and associated estimate of gold contained therein (based on assay data) and applying estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to ore stockpiles based on quantities of material stockpiled using current mining costs incurred up to the point of stockpiling the ore and including allocations of waste mining costs, overheads, depreciation, depletion and amortization relating to mining operations.

As ore is processed, costs are removed based on recoverable quantities of gold or coal and each stockpile's average cost per unit. Ore stockpiles are reduced by provisions required to reduce inventory to net realizable value. Costs are removed from inventory and recorded in cost of sales and amortization expense based on the average cost per ounce of gold or tons of coal in inventory. Mine operating supplies are recorded at lower of purchase cost and market value.

Other items of inventory such as consumables, reagents, fuel and spares are measured at the lower of cost and net realizable value. Cost is determined on a weighted average basis, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Provisions is recorded to reduce the inventory to net realizable value, to reflect changes in economic factors that impact inventory value or to reflect current intentions for the use of slow moving and obsolete supplies inventory.

(k) Cash and cash equivalents

Cash and Cash Equivalents are carried in the balance sheet at face value. For cash flows statement, cash and cash equivalents comprise cash on hand; demand deposits held on call and short-term deposits.

(l) Provisions

Provisions are recognized when Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligations and reliable estimates of the amount can be made. When the Corporation expects a provision to be reimbursed, for example, under insurance contracts, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

(m) Employee benefits

i) Defined contribution plans

The Corporation, through the Ministry of Finance submits on monthly basis all employees' contributions to PSSSF.

ii) Short term benefits

The cost of all short-term employees, benefits such as salaries, employee's entitlement to leave pay, medical assistance, long services awards, other contributions etc. are recognized during the period in which the employees render the related services.

iii) Terminal benefits

Terminal benefits are payable whenever an employee`s employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Corporation recognizes terminal benefits when it is constructive obliged to either terminate the employment formal plan without possibility of withdrawal or to provide terminal benefits because of an offer made to encourage voluntary redundancy.

(n) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes except differences relating to initial recognition of assets and liabilities which affect neither accounting nor taxable profit. Deferred tax is not recognized for the temporary differences to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Current taxation is provided on the results for the year shown in the financial statements adjusted in accordance with tax legislation.

(o) Foreign currency transactions

Foreign currency balances are translated at the rates ruling at the balance sheet date. Transactions during the period are translated at the rates ruling at the dates of the transactions. Gains or losses on exchange are taken to the income statement.

(p) Interests in equity-accounted investees

The Corporation's interests in equity-accounted investees comprise interests in associates and a joint venture. These are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated and separate financial statements include the Corporation's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(q) Government grant and deferred income

The Corporation recognizes an unconditional government grant in profit or loss as other comprehensive income when the grant becomes receivable. Other government grants are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received, and the Corporation will comply with the conditions associated with the grant; they are then recognized in profit or loss as other comprehensive income on a systematic basis over the useful life of the asset.

Grants that compensate the Corporation for expenses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognized.

Government grants received in terms of assets are included in non-current liabilities as deferred income and credited to profit or loss in other income on a straight-line basis over the expected useful lives of the related assets.

(r) Operating leases

Leases where substantially all of the risks and rewards of ownership are not transferred to the Corporation are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss within other operating expenses on a straight-line basis over the period of the lease.

(s) Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares is shown in equity as a deduction, net of tax, from the proceeds.

(t) Capital contribution

Cash Proceeds from the Government towards share capital and assets received from government in its capacity as shareholder are accounted as capital contribution until conversion to share capital.

(u) Provision for environmental rehabilitation costs

Long-term provisions for environmental rehabilitation costs are based on the Corporation's environmental management plans, in compliance with applicable environmental and regulatory requirements.

Rehabilitation work can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation, including compliance with and monitoring of environmental regulations, security and other site-related costs required to perform the rehabilitation work and operations of equipment designed to reduce or eliminate environmental effects.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The unwinding of the obligation is accounted for in profit or loss as finance cost and results in an increase in the amount of the provision.The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

Changes in estimates are capitalized or reversed against the relevant asset, except where a reduction in the provision is greater than the remaining net book value of the related asset, in which case the value is reduced to nil and the remaining adjustment is recognized in profit or loss. In the case of closed sites, changes in estimates and assumptions are recognized in profit or loss. Estimates are discounted at the risk-free rate in the jurisdiction of the obligation.

Increases due to additional environmental disturbances are capitalized and amortized over the remaining lives of the mines. These increases are accounted for on a net present value basis.

(v) Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets and impairment assessment.

i. Recognition and initial measurement.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group and Corporation becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group and Corporation may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group and Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group and Corporation makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's and Corporation's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

i. *Classification and subsequent measurement (Continued)*

Financial assets -assessment whether contractual cash flows are solely payment of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Corporation consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension feature; and
- Terms that limit the Group's and Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group and Corporation classify its financial instruments into one of the following categories:

- Trade receivables: These are measured at amortized cost using effective interest method
- Held to maturity financial assets: These are measured at amortized cost using effective interest method.

Financial liabilities-Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on Principal4343on is also recognized in profit or loss.

ii. *De-recognition*

Financial assets

The Group and Corporation de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Corporation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

b. *De-recognition*

Financial assets (continued)

The Group and Corporation enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group and Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group and Corporation also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On principal on of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

i) New and amended standards which became effective during the year

Amendments to IAS 1 and IAS 8
The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of *materiality throughout International Financial Reporting Standards and the Conceptual Framework* for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.
- The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected t0-o influence'.
- The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of these amendments have no effect on the Company's financial statements.
Definition of a Business - Amendments to IFRS 3
The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The amendment had no impact on the financial statements of the Company.

Interest Rate Benchmark Reform - Amendments to IFRS 7, IFRS 9 and IAS 39
The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The Company does not have hedging accounting therefore adoption of the amendments did not have an impact to their financial statements.

Revised Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- *increasing the prominence of stewardship in the objective of financial reporting*
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition.
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework. The revision had no impact on the financial statements of the Company.

(ii) New standards and interpretations that are not yet effective and have not been early adopted.

Standard	Key requirement	Effective Date
Presentation of Financial statement - Amendments to IAS 1	IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	1 Jan 2023
Accounting Policies, Changes in Accounting estimates and Errors IAS 8	IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that *result in relevant and reliable information. Changes in* accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.	1 Jan 2023

IFRS 17 - Insurance Contracts	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 - Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The Company is still assessing the impact of amendments to IFRS 17.	1 January 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	The narrow-scope amendments to IAS 1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non- current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.	1 January 2022 [possibly deferred to 1 January 2023]

4. Property, Plant and Equipment-Consolidated

	Land & Buildings	Plant & machinery	Motor vehicles	Furniture &fittings	Computers	Tailings & Mine Construction	Mining assets	Rehabilitation assets	WIP	TOTAL
Cost	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M	TZS'M
At 1 July 2021	17,992	36,591	3,047	2,821	871	3,031	2,287	9,927	-	76,567
Additions	255	7,074	1,138	31	14	-	540	-	136	9,188
At 30 June 2022	**18,247**	**43,665**	**4,185**	**2,852**	**885**	**3,031**	**2,827**	**9,927**	**136**	**85,755**
At 1 July 2022	**18,247**	**43,665**	**4,185**	**2,852**	**885**	**3,031**	**2,827**	**9,927**		**85,619**
Additions	254	5,311	337	123	156				997	7,178
Disposal		(354)	(72)	(5)	(3)					(434)
Owner contribution-KIWIRA Mine	87,280	13,315	168	99	3					100,865
At 30 June 2023	**105,781**	**61,937**	**4,618**	**3,069**	**1,041**	**3,031**	**2,827**	**9,927**	**997**	**193,228**
Depreciation and impairment										
At 1 July 2021	1,536	14,614	2,047	1,758	754	265	2,305	3,581	-	26,860
Charge for the year	228	2,696	502	179	74	93		1	-	3,773
At 30 June 2022	**1,764**	**17,310**	**2,549**	**1,937**	**828**	**358**	**2,305**	**3,582**	-	**30,633**
At 1 July 2022	1,764	17,365	2,549	1,937	828	358	2,305	3,582	-	30,688
Charge for the year	226	3,725	557	186	110	105	20	1,058	-	5,987
At 30 June 2023	**1,990**	**21,090**	**3,106**	**2,123**	**938**	**463**	**2,325**	**4,640**	-	**36,675**
Net book value										
At 30 June 2022	**16,483**	**26,355**	**1,636**	**915**	**57**	**2,673**	**522**	**6,345**	**136**	**55,122**
At 30 June 2023	**103,791**	**40,847**	**1,512**	**946**	**103**	**2,568**	**502**	**5,287**	**997**	**156,553**

Property, Plant and Equipment-Separate

	Land and buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Computers	WIP	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cost							
At 1 July 2021	7,289	8,504	404	121	116		16,434
Additions	21	2,432	1,081	18	14	136	3,702
Transfer from the Ministry	51	4,788					4,839
At 30 June 2022	**7,361**	**15,724**	**1,485**	**139**	**130**	**136**	**24,975**
At 1 July 2022	7,361	15,724	1,485	139	130		24,839
Additions	254	5,256	142	29	92	997	6,770
Owner contribution-KIWIRA Mine	87,280	13,315	168	99	3	-	100,865
Disposal		(354)	(72)	(5)	(3)		(434)
At 30 June 2023	**94,895**	**33,941**	**1,723**	**262**	**222**	**997**	**132,040**
Depreciation							
At 1 July 2021	19	534	46	12	22		633
Charge for the year	42	1,217	297	76	67		1,699
Depreciation adjustments							
At 30 June 2022	**61**	**1,751**	**343**	**88**	**89**	**-**	**2,332**
At 1 July 2022	61	1,751	343	88	89	-	2,332
Charge for the year	40	3,254	354	81	96		3,825
At 30 June 2023	**101**	**5,005**	**697**	**169**	**185**	**-**	**6,157**
At 30 June 2022	**7,300**	**13,973**	**1,142**	**51**	**41**	**136**	**22,643**
At 30 June 2023	94,794	28,936	**1,026**	**93**	**37**	**997**	**125,883**

5. INVESTMENTS PROPERTIES

	Land	Buildings	Total
Particulars	**TZS 'M'**	**TZS 'M'**	**TZS 'M'**
Cost/Revaluation			
As at 1 July 2020	**7,169**	775	**7,944**
Increase/(decrease) in fair value	*(1,170)*	*(187)*	(1,357)
As at 30 June 2021	**5,999**	**588**	**6,587**
As at 1 July 2021	**5,999**	**588**	**6,587**
Increase/(decrease) in fair value	0	0	0
Additions	16,848		16,848
As at 30 June 2022	**22,847**	**588**	**23,435**
As at 1 July 2022	**22,847**	**588**	**23,435**
Increase/(decrease) in fair value	0	0	0
Additions	0	0	0
As at 30 June 2023	**22,847**	**588**	**23,435**

Investment property comprises a number of commercial properties (Buildings) that are leased to third parties. The properties are located in Dar-es-salaam (Upanga at Undali Street and Masaki), Morogoro, Dodoma, Kyerwa district and Monduli in Arusha and Mwanza. Changes in fair values are recognized as gains in profit or loss and included in other comprehensive income.

6. Equity Accounted Investees-Buckreef Gold Mine, Buhemba Gold Mine and Mwanza Precious Metal Refinery Co.Ltd

Investment in equity-accounted investees includes investments in associates as summarized below;

			2022/23	**2021/22**
	Percentage ownership	**Percentage ownership**	**TZS 'M'**	**TZS 'M'**
Buckreef Gold Mine Company Limited	45	45	30,970	27,844
Mwanza Precious Metals Refinery Company Limited	25	25		
Buhemba Gold Company Ltd	35	35		
Profit/(Loss) from associate-MPMR				(1,672)
Profit /(Loss) from associate-Buckreef			10,397	4,798
Total Profit /(loss) from associates				3,126
			41,367	**30,970**

a) Buckreef Gold Mine Company Limited

In 20 November 2009 the Government handed over to STAMICO Mining License No. SML 04/92 and twelve (12) Prospecting Licenses. The total cost of exploration and evaluation of the handed over the licenses was USD 37,072,195 equivalent to TZS 48,230,926,072 by then on 24 October 2011 STAMICO entered into an agreement with Tanzam (2000) Limited and formed a company, Buckreef Gold Mine Company. On registration of Buckreef Gold Mine Company Limited, STAMICO obtained 45 percent interest in share capital worth TZS 27 billion in exchange of exploration assets received from the Government. STAMICO accounts for the investment as an associate in its books as explained in note 2 of these financial statements. The following table summarizes the financial information of Buckreef as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Buckreef.

b) Mwanza Precious Metals Refinery Company Limited

In January 2020, Mwanza Precious Metals Refinery Company Limited (MPMRCL) was incorporated and STAMICO, being the Government's hand on mining sector in Tanzania, acquired twenty five percent (25 percent) share ownership of MPMRCL valued at TZS 1,150,000,000.

Since incorporation the Company has invested in constructing a state-of-the-art refinery with a capacity to refine 480 kg of gold per day. The Company started operations in the year 2021 and is expected to operate massively after obtaining international certification.

c) Buhemba Gold Mine Company Limited

In the year 2020 the Corporation acquired 35% shares of Buhemba Gold Company. The total value of Corporation shares acquired is TZS 2,572,422,358.Buhemba Gold Company is currently in the exploration activities to improve reserve through RC and DD drilling activities and civil works are expected to commence in preparation of installation of processing plant .

MUNDARARA RUBY MINE

The Corporation, through its subsidiary Tanzania Germstone Industries (TGI) owns a a ruby mine at Mundarara area in Arusha Region. STAMICO owns 50% of the mine, these shares were previous owned by its TGI Subsidiary before privatisation, and the other 50% are owned by Turn ruby Company Ltd.The Corporation has not consolidated its 50% shares held in the Ruby Mine as the operator of the mine has not yet produced audited financial statements.

7. Investment in Subsidiaries

The Corporation acquired Tulawaka Gold mining Company from Pangea Mining Company, a subsidiary of then Acacia Mining Company in 2013.Since then the Company has been in operations gold mining being its principal activity. To date STAMICO investment in the subsidiary is valued at TZS 6.5 billion.

	STAMIGOLD TZS 'M'
Balance 1 July 2021	6,521
Balance 30 June 2022	**6,521**
Balance 1 July 2022	6,521
Balance 30 June 2023	**6,521**

As of 30 June 2023, in the SML157/2003 there was a reserve of 2,550,866 tonnes of ore with a grade of 1.01g/t Au which is equivalent to 82,644 ounces of gold. At a production rate of 1,500oz *per month, the reserve will sustain the mine for approximately five* (5) years.

Location	Ore (tonnes)	Grade(g/t)	Ounces
MEGA Pit	2,041	0.96	63
Pit 08	244	1.21	9
Shingo Pit	286	1.17	11
Total	**2,571**	**1.01**	**83**

8. Exploration and Evaluation Assets

Exploration and evaluation expenditure encompasses expenditure incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. For each area of interest, expenditure incurred in the acquisition of rights to explore, and exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is capitalized as incurred.

These expenditures are held un-depleted until such time as the exploration phase on the licence is fully completed and commercial reserves have been developed. Expenses relating to audit fees, penalties and fines are charged to profit or loss as incurred. Exploration and evaluation assets are reviewed regularly for indicators of impairment and costs are written off where circumstance indicates that the carrying value might not be recoverable. If there are no developed and producing properties, the impaired costs of exploration and evaluation assets are charged immediately to the profit or loss.

Balance as at 1 July	2,599	2,599
Balance as at 30 June,	**2,599**	**2,599**
Accumulated Impairment losses		
Balance as at 1 July	1,227	1,227
Balance as at 30 June	**1,227**	**1,227**
Carrying Amount	**1,372**	**1,372**

Capitalized exploration and evaluation expenditure relate to the drilling activities carried out at the Corporation's subsidiary (STAMIGOLD Company Limited) during the year.

9. INVENTORIES

	Consolidated		Separate	
	2022/23	2021/22	2022/23	2021/22
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Ore in stockpiles	3,535	2,931		
Gold in process	4,089	3,916		
Gold doré	39	39		
Reagents	571	741		
Fuel	1,218	287	732	17
Coal	3,972	2,835	3,972	2,835
Chemical & explosives	634	161	634	161
Consumables	8,151	2,324	4,205	2,237
	22,209	**13,234**	**9,543**	**5,250**

10. TRADE AND OTHER RECEIVABLES

	Consolidated 2022/23 TZS 'M'	2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	2021/22 TZS 'M'
Trade receivable	19,328	9,441	17,790	9,441
Due from related parties			6,973	5,547
Current year provision for impairment of receivable	(614)	(1,362)	(614)	(1,362)
Previous years Provision for impairment of receivables	(3,694)	(3,694)	(3,694)	(3,694)
Net trade receivable	**15,020**	**4,385**	**20,455**	**9,932**
Other receivables				
Value Added Tax (VAT) receivable	14,696	12,303		-
Receivable from Pangea	1,421	1,421	1,421	1,421
Provision for doubtful debts - Pangea	(1,421)	(1,421)	(1,421)	(1,421)
Advance Payment	16,322	3,864	8,728	3,864
Other receivables	257	4,982	97	989
Total other receivables	**31,275**	**21,149**	**8,826**	**4,853**
Total trade and other receivables	**46,295**	**25,534**	**29,281**	**14,785**

11. Related Party Transactions

The parent entity is State Mining Corporation (STAMICO). STAMICO is a Tanzanian public parastatal ("Corporation") under the Ministry of Minerals established by the Public Corporation Act, CAP 257 through State Mining Corporation Establishment Order No. 163 of 1972 as amended in 2014.

Related party transactions

a) Trading transactions

The Corporation charges Management fees to its subsidiary (STAMIGOLD Company Limited) for every gold gross sale. During the year a total of TZS 1.477 billion (TZS 0.942 billion in 2022) has been generated as Management fees.

The Corporation has a trading agreement with the subsidiary to supply chemicals and explosives used in mining operations. During the year a total of TZS 8.109 billion has been generated from the sale of Chemicals and Explosives to the Subsidiary. The Corporation has received a total of TZS 400,000,000 for the extended a loan worth TZS 1,715,110,282 as working capital to the Subsidiary making a balance of TZS 1,315,110,282

Entitlement to Senior Management

During the year a total of **TZS 546,000,000** has been paid to the members of Management as Personal Emoluments.

b) Directors' fees and remunerations

The Directors of the Board are entitled to the directors' fees paid annually. During the year the Corporation has paid a total of TZS 92 million as Directors' fees

In addition, Board Members are all entitled per diem for every meeting of the Board and Committees. Per Diem rates are TZS 250,000 and USD 600 per day for local and international travel respectively. The directors are not entitled to any sitting allowances.

12. Cash and Cash Equivalents

	Consolidated		Separate	
	2022/23	2021/22	2022/23	2021/22
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash at bank	10,899	6,367	10,891	6,295
Cash on hand	11	4		
Cash and cash equivalents	**10,910**	**6,371**	**10,891**	**6,295**

13. Capital Structure and Shareholding

Capital Structure

The groups and corporation's capital structure for the year under review is shown below:

	Consolidated		Separate	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Authorized share capital:	50,000	50,000	50,000	50,000
5,000,000 Ordinary shares of TZS 10,000 each				
Issued and fully paid-up capital:				
6,500 Ordinary shares of TZS 10,000 each held by Treasury Registrar	65	65	65	65

Shareholding

The Government of United Republic of Tanzania through Treasury Registrar owns all the issued and fully paid shares.

Directors interest in shares of the Corporation

None of the directors has beneficial interest in the share capital of the Corporation.

14. Capital Contribution

SHAREHOLDER'S PRIOR YEAR CAPITAL INJECTION

a) The Government of United Republic of Tanzanian, in the year 2009 handed over to STAMICO exploration and evaluation asset worth TZS 48,230,926,000 for Buckreef Gold Mine. STAMICO and TANZAM formed a company called BUCKREEF GOLD COMPANY LTD in which STAMICO acquired 45% shares and TANZAM acquired 55% shares of the joint Company.

b) The Government of URT, in the year 2013 handled over to STAMICO Mining Assets worth TZS 17,283,000,000 that was initially owned by PANGEA Company Ltd.STAMICO formed a subsidiary Company called STAMIGOLD Company Ltd.

The shareholders are STAMICO that owns 49,999 shares and the Treasury Registrar that owns 1 share. The company was given a key role of developing the STAMIGOLD Biharamulo Mine (SBM) after Pangea Minerals Limited and ABG Exploration Limited and the State Mining Corporation "STAMICO" executed a Transfer Agreement of the Tulawaka Gold mine. STAMICO received the licenses which were under the control and ownership of Pangea Minerals Company Limited Including License No. SML 157/2003.

c) The Government, in the year 2021/22 through the Ministry of Finance and Planning handled over to STAMICO land and property worth TZS 16,847,000,000 for construction of a Gold Refinery. The Plots are currently being leased to Mwanza Precious Metal Refinery Co.Ltd.

Up to the end of financial year 2021/22 the Government of the United Republic of Tanzania injected a total of TZS 82,360,926,000.

SHAREHOLDER'S CURRENT YEAR CAPITAL INJECTION

During the financial year 2022/23 the Corporation engaged a Valuer Nasia Consultants to conduct asset valuation at its Kiwira coal Mine project which were handled over by the government to STAMICO. The Valuer report is summarized here under.

COAL MINE
INVESTMENT PROPERTY VALUATION-2023
8.0: STAMICO: SUMMARY

S/N	ASSET CATEGORY	DRC/FAIR MARKET VALUE (TZS)
1	OFFICE FURNITURE	98,759,930.00
2	EQUIPMENT	4,808,200.00
3	ICT EQUIPMENT	3,286,950.00
4	PLANT AND MACHINERY	13,310,559,247.55
5	MOTOR VEHICLES	167,600,000.00
6	LAND	9,519,547,500.00
7	BUILDINGS	77,760,675,000.00
	TOTAL VALUE	**100,865,236,827.55**

The Corporation has integrated the valuation values in the Corporations Financial Statement for the year 2023 making a total capital contribution of TZS 183.2 billion (TZS 82.3 billion in 2021/22).

Government capital contributions	2021/22
	TZS 'M'
Exploration and evaluation asset for Buckreef Gold Mine	48.23
STAMIGOLD Capital contribution	17.28
Land and property for construction of Mwanza refinery	16.85
capital contribution end of year 2021/22	**82.36**
Opening balance	82.36
Add: Valuation of Kiwira coal mine project	100.87
Total capital contribution end of year 2022/23	**183.23**

15. Environmental Rehabilitation Obligation

Long-term provisions for environmental rehabilitation costs are based on the Company's environmental management plans, in compliance with applicable environmental and regulatory requirements.

Rehabilitation work can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation, including compliance with and monitoring of environmental regulations, security and other site-related costs required to perform the rehabilitation work and operations of equipment designed to reduce or eliminate environmental effects. Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The unwinding of the obligation is accounted for in profit or loss as finance cost and increase in the amount of the provision.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or plant clean-up at closure.

Changes in estimates are capitalized or reversed against the relevant asset, except where a reduction in the provision is greater than the remaining net book value of the related asset, in which case the value is reduced to nil and the remaining adjustment is recognized in profit or loss. In the case of closed sites, changes in estimates and assumptions are recognized in profit or loss. Estimates are discounted at the risk-free rate in the jurisdiction of the obligation. Increases due to additional environmental disturbances are capitalized and amortized over the remaining lives of the mines. These increases are accounted for on a net present value basis.

	2022/23 TZS 'M'	2021/22 TZS'M'
RECLAMATION LIABILITY (ARO)		
At 1 July	18,413	19,945
Change in estimate	(281)	(1,532)
Unwinding of discount	-	-
At 30 June	**18,132**	**18,413**

16. TRADE AND OTHER PAYABLES

	Consolidated		Separate	
	2022/23	2021/22	2022/23	2021/22
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Trade payables	57,909	40,889	13,968	2,387
	57,909	**40,889**	**13,968**	**2,387**
Other payables	11,652	17,705	916	9,104
Payable to STAMIGOLD			11,240	11,240
Payable to Pangea	2,266	2,266	2,266	2,266
Accruals	1,104	829		268
Sub Total Trade and other payables	72,931	61,689	28,390	25,265
Tax payable Note 25	14,328	4,334	13,590	3,969
Total Trade and other payables	**87,259**	**66,023**	**41,980**	**29,234**

17. Deferred Revenue

The Government of Tanzania has issued monetary and non-monetary grants to the Corporation to enable smooth operations of the mining and exploration activities.

	Consolidated and Separate	
	2022/23	2021/22
	TZS 'M'	TZS 'M'
Non-current deferred income		
Opening balance	10,016	3,270
Additions during the year	4,160	3,020
Transfer from the Ministry		4,839
Amortization during the year	(1,002)	(1,113)
Deferred income - Current	**13,174**	**10,016**

18. *Other Reserves*

During the financial year 2022/23 the Corporation's reserves valued at TZS 12.14 billion compared to (TZS 12.14 billion in 2021/22). Consolidated reserves valued at TZS 36.77 billion compared to (TZS 36.77 in 2021/22)

Retained Earning

During the financial year 2022/23 the Corporation's retained earning valued at TZS (4.34) billion compared to (TZS (24.59) billion in 2021/22). Consolidated retained earning valued at (TZS (37.16)) Billion compared to (TZS (58.28) billion in 2021/22). The Corporation has made profit in three consecutive years hence improving the retained earning significantly.

Consolidated	2022/23	2021/22
	TZS 'M'	TZS 'M'
Other reserve	36.77	36.77
Retained earning	37.16	58.28
Separate		
Other reserve	12.14	12.14
Retained earning	4.34	24.59

19. Intangible Asset

	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	Separate 2021/22 TZS 'M'
Cost				
At 1 July	18	30	18	30
At 30 June	**18**	**30**	**18**	**30**
Amortization				
At 1 July				
Charge for the year	6	12	6	12
At 30 June	**12**	**12**	**12**	**12**
Net book value at 30 June	**12**	**18**	**12**	**18**

20. Revenue

	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	Separate 2021/22 TZS 'M'
Sale of chemicals	3,012	954	3,012	954
Drilling income	32,700	30,857	32,700	30,853
Processing fees	882	847	882	847
Management fees	1,403		2,806	949
Sales of coal	14,973	1,178	14,973	1,178
Sales of explosives	5,098	3,117	5,098	3,117
Sales of briquette	474	26	474	26
Sale of Gold	44,849	38,294		705
Sale of Silver	33	77		
	103,424	**75,350**	**59,945**	**38,629**

21. Cost of Sales

	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	Separate 2021/22 TZS 'M'
Diesel	2,640	1,703	2,640	1,703
Direct labour	5,933	4,685	3,101	1,479
Drilling Consumables	4,246	12,717	4,246	12,717
Mining costs	35,101	24,383	8,599	1,220
Depreciation plant and machinery	4,907	2,792	3,254	1,217
Inventory charge	(777)	1,123		
Purchase of coal	2,254		2,254	
Purchase of Chemicals	3,933		3,933	
Purchase of explosives	4,132		4,132	
	62,369	**47,403**	**32,159**	**18,336**

22. Other Income

	Consolidated 2022/23 TZS 'M'	Consolidated 2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	Separate 2021/22 TZS 'M'
Government subvention (PE)	2,998	2,502	2,998	2,502
Government subvention (OC)		1,045		1,045
Rental income	85	94	85	94
Gain or loss in exchange rate	80	137		63
Miscellaneous income	798	2,325	656	
ARO amount -discount rate change	421	1,568		
Release from Government Grant	1,002	1,113	1,002	1,113
	5,384	**8,784**	**4,741**	**4,817**

23. Administration Expenses

	Consolidated 2022/23 TZS 'M'	2021/22 TZS 'M'	Separate 2022/23 TZS "M"	2021/22 TZS "M"
Depreciation and amortization	1,087	979	578	494
Audit fee	214	170	114	70
Staff cost	8,694	8,937	5,224	5,477
Operating expenses	12,479	15,162	3,891	8,803
	22,474	**25,248**	**9,807**	**14,844**
Less Dividend expensed in previous year		(1200)		(1200)
	22,474	**24,048**	**9,807**	**13,644**
Depreciation expense is split as follows				
- Relating to cost of sales (note 21)	4,907	2,792	3,254	1,217
- Relating to operating expenses	1,087	979	578	482
	5,994	**3,771**	**3,832**	**1,699**

24. Taxation

	Consolidated	Separate
Opening Balance at 1 July	4,334	3,969
Tax during the year	9,994	9,621
Balance at 30 June 2023	14,328	13,590
Deferred Tax Asset		
Balance at 1 July	693	693
Credit during the year	0	0
Balance at 30 June 2023	693	693

25. Cash Receipts from Customers and Government

	Consolidated 2022/23 TZS 'M'	2021/22 TZS 'M'	Separate 2022/23 TZS 'M'	2021/22 TZS 'M'
A. Receipts from Customers				
Management fees	1,403	345	2,144	345
Drilling income	28,936	22,696	28,936	22,696
Coal sales	5,090	745	5,090	745
Gold sales	37,830	37,216		704
Rental income	85	94	85	94
Miscellaneous income	1,056	-	1,056	
Receipt from sale of Mining Chemical	2,642	304	2,642	304
Receipt from Sale of Explosive	4,217	1,138	4,217	1,138
Sale of Briquettes	10	26	10	26
Mining and Mineral Processing Consultancy	882	701	882	701
Receivables paid	7,691		3,783	
	89,842	**63,265**	**48,845**	**26,753**
B. Government subvention				
Other Charges (recurrent exchequer)	-	1,045	-	1,045
Government Subvention (Development)	4,160	3,020	4,160	3,020
Total	**94,002**	**67,330**	**53,005**	**30,818**

26. Cash paid to suppliers and staff

	Consolidated		Separate	
	2022/23	2021/22	2022/23	2021/22
Cost of Sale	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Diesel	2,640	1,703	2,640	1,703
Direct labour	5,933	4,685	2,786	1,479
Drilling Consumables	4,246	12,717	4,246	9,630
Mining costs	26,835	21,611	1,492	1,220
Purchase of coal	2,253		2,253	
Purchase of Chemicals	3,933		3,933	
Purchase of explosives	4,132		4,132	
	49,972	40,716	21,482	14,032
Operating Expenses				
Audit fee	214	170	114	70
Staff cost	8,694	8,937	5,224	5,477
Operating expenses	12,478	15,161	3,891	8,803
	21,386	24,268	9,229	14,350
Total	**71,358**	**64,984**	**30,711**	**28,382**

27. CASH RECONCILIATION

		Consolidated			
		2022/23	2021/22	2022/23	2021/22
	Note	TZS 'M'	TZS 'M'		TZS 'M'
Profit before tax		33,314	14,447	32,069	13,230
<u>Adjustment for non-Cash items</u>					
Adjustment of restated profit			1,187		1200
Depreciation	4	5,987	3,771	3,832	1,699
Amortization	20	6	12	6	12
Profit from associates	6	(10,397)	(3,126)	(10,397)	(3,126)
(Gain)/Loss in foreign exchange	23	*(80)*	*(137)*		(63)
Rehabilitation unwinding cost	16	(421)	(1,568)		
Grant amortization		(1,002)	(1,113)	(1,002)	(1,113)
Impairment loss on receivable	10	614	1,362	614	1,362
Loss on disposal		434		434	
-		28,455	14,835	25,556	13,201
<u>Movement in working capital</u>	11				
Increase in Inventory	10	(8,974)	(2,611)	(4,293)	(3,914)
Increase in Trade & Other Receivables	10	(18,074)	(11,540)	(10,289)	(11,649)
Increase in Trade Payables	16	21,236	1,435	12,746	4,798
Decrease in Due to related party	10			(1,426)	
		(5,812)	**(12,716)**	**(3,262)**	**(10,765)**
Total cash flow from operating activities		22,643	2,119	22,294	2,436

28. PREVIOUS YEAR' RESTATEMENT JUNE 2023

	Consolidated 2021/22	Separate 2021/22
Profit before tax	13,247	12,030
Adjustments		
Add: back Dividend wrongly charged in administrative expenses	1,200	1,200
Restated profit before tax	**14,447**	**13,230**
Restated corporate tax charged	4,334	3,969
Profit after tax	10,113	9,261
Retaining earning previous reported	**(57,920)**	**(24,587)**
Less dividend paid	1,200	1,200
Add: charged profit (TZS 7,954 instead of TZS 9,261)	(1,328)	
Add: previous under reported profit	(232)	(840)
Restated retaining earning	**(58,280)**	**(24,227)**

29. Financial Risk Management

The Corporation has no exposure to the following risks arising from financial instruments:

a) Credit risk
b) Liquidity risk
c) Currency risk
d) Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Board has established Audit Committee which is responsible for developing and monitoring the Corporation's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Corporation Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor adherence to risk limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Corporation's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Corporation's Audit Committee is assisted in its oversight role by Internal Audit. Internal

Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Corporation's exposure to risk, its objectives, policies and processes for managing the risk and the methods used to measure it have been consistently applied in the years presented, unless otherwise stated.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these financial statements.

a) Credit risk
Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's trade and other receivables.

Credit risk arises from cash at bank and trade and other receivables. The Corporation has policies in place to ensure that debts are recoverable within 90 days after invoice is issued to customers. Credit risk arising from cash at bank is managed by having deposits with more than one bank with good reputation.

b) Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

c) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc. will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns. Market risk can further be divided into currency risk and interest rate risk.

30. Capital Risk Management

The Corporation monitors capital using a ratio of return on capital. The ratio is calculated *as net operating income divided by total shareholders' equity.*

	Consolidated		**Separate**	
	2022/23	**2021/22**	**2022/23**	**2021/22**
	TZS 'M'	**TZS 'M'**	**TZS 'M'**	**TZS 'M'**
Net operating profit/(loss)	23,320	10,113	22,448	9,261
Total shareholders' equity	182,896	60,911	191,087	69,974
Return on equity	**12.75%**	**16.60%**	**11.75%**	**13.23%**

The Corporation's approach to capital management during the year has improved significantly from 11.97% in last year to 18.06% for the Corporation and has has increased from 18.440% for the group in last year to 19.66% in the year 2022/23

31. Capital Commitments and Contingent Liabilities

The Directors confirm that there are no capital commitments against the Corporation as at 30 June 2021. During the end of the year, there were no contingent liabilities towards the Corporation.

32. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted in these financial statements, the effects of which are considered immaterial.

33. Ultimate Holding Entity

STAMICO is ultimately owned by the Government of United Republic of Tanzania.

34. Events after reporting period

There were no events after the reporting date that required disclosure or recognition in these financial statements.