



29 September 2023

**African Pioneer Plc**  
(“African” or the “Company”)

### **Interim Results for the Six Months Ended 30 June 2023**

African Pioneer Plc a company engaging in development of natural resources exploration projects in Sub-Saharan Africa, announces its unaudited interim results for the six months ended 30 June 2023 as set out below. A copy of the Interims is available on the Company's website <https://africanpioneerplc.com/>

#### **OPERATIONAL, FINANCIAL CORPORATE and STRATEGY REVIEWS**

##### **1. Operational Review**

The Company completed an Initial Public Offering (IPO) on the Standard List of the London Stock Exchange and the acquisition of its projects in Namibia, Zambia and Botswana in 2021 and in 2022 granted an option to First Quantum in relation to 4 of the 5 Zambian exploration licences held by African Pioneer Zambia more details of which are provided in the Corporate Highlights section of this review.

The Company's main focus during the period was on evaluating and advancing its 85% owned Namibian Projects, including the Ongombo mining licence application, and those Zambian and Botswana Projects that are not the subject of Options.

**2. Technical review of Projects:** After the IPO and having acquired its projects in Namibia, Zambia and Botswana, the Company commenced technical reviews and / or programmes on its projects located in Namibia and Zambia. The primary metal in all countries is copper with by-product potential in all of our projects. In Zambia we have potential for cobalt, in Botswana for silver and in Namibia for gold.

**2.1 Namibia:** During the period on the dates indicated the Company announced;

On 25 April 2023 the successful completion of a key regulatory requirement, the award of an Environmental Clearance Certificate (“ECC”) for the 85% owned Ongombo (copper-gold) Project located within Exclusive Prospecting Licence EPL 5772, 40km NE of the capital city, Windhoek, Khomas Region, Namibia.

On 16 May 2023 the Company announced an updated mineral resource estimate that increased the global resource tonnage from 12.05Mt @ 1.39% Cu (30 September 2021) to 29Mt @ 1.1% Cu Eq. The updated estimate included an open pit component that is expected to be developed ahead of future underground mining.

##### **Highlights**

- Increase in Mineral Resource to 29Mt at 1.1% Cu Eq including 5.7Mt Indicated comprising 4.7Mt underground resource @ 1.1% Cu Eq and a further 0.93Mt open pit resource @ 0.68% Cu Eq. An additional 23Mt of Inferred underground resource has been defined and is expected to increase in both tonnage and grade with further increases in drillhole density and assays for gold where a large proportion of the current resource was not historically analysed for by-product gold.
- Award of an Environmental Clearance Certificate, the last significant permitting hurdle in the pathway to production
- Ongombo Mining Licence granted subject to completion of Environmental and Social Impact Assessment (“ESIA”)

- Highly successful drill programme and new Mineral Resource Estimate resulted in an additional 100,000 tonnes in contained copper metal and an additional 84,000 oz of gold across all Resource categories.
- Expenditure of approximately US\$480,000 on direct drilling costs ahead of the most recent Mineral Resource update represents a unit resource development cost for the additional 100,000 tonnes of contained copper metal of approximately US\$4.8 per tonne of contained metal.
- The Ongombo mineralization remains open at depth with scope for the addition of further tonnage and based on recent twinned drilling, potential for significantly enhanced gold grades in the East - Ost shoots.

The Ongombo Copper - Gold Project was granted a Mining Licence (ML 240) in September 2022 and has now been awarded an *Environmental Clearance Certificate (ECC)* (No. 23000285: dated 16 April 2023) by the Ministry of Environment, Forestry and Tourism (MEFT): Department of Environmental Affairs (DEA). The award of a production-related ECC is an important step as it achieves compliance with the *Environmental Management Act No.7 (2007)* and its associated 2012 regulations, and means that the Project has now surmounted the last significant permitting hurdle in the pathway to production, initially by way of low-cost, open-pit extraction of the surface copper gold resource.

In compliance with the requirements of the ECC, an *Environmental and Social Impact Assessment (ESIA)* is ongoing as is initial delivery of the now Ministry-approved *Environmental Management Plan* that is to accompany mine development and ore processing operations.

Updated and amended design plans will now be finalised for the initial open-pit mine and a likely combination of ore sorting, dry magnetic and gravity separation to produce a high-grade copper-gold concentrate for sale.

The updated Indicated and Inferred Mineral Resource Estimate for the Ongombo copper project in Namibia, was completed by independent consultants Addison Mining Services Ltd ("AMS") and reported in accordance with the JORC Code 2012 edition. Resources are of Indicated and Inferred categories and include a total Indicated Resources of 5.7 million tonnes at 1.1 % Cu Equivalent ("CuEq"), 0.94 % Cu, 0.23 g/t Au and 4.4 g/t Ag, for 53,000 t Cu, 42,000 oz Au and 800,000 oz Ag, including an open pit Resource of 0.93 million tonnes at 0.68% CuEq, 0.57 % Cu, 0.19 g/t Au and 2.6 g/t Ag, for 5,300 t Cu, 5,700 oz Au and 78,000 oz Ag, above a cut-off grade of 0.25% CuEq and a further underground Resource of 4.7 million tonnes at 1.2% CuEq, 1.0% Cu, 0.24 g/t Au and 4.7 g/t Ag, for 48,000 t Cu, 36,000 oz Au and 72,000 oz Ag, above a cut-off grade of 0.5% CuEq. A further Inferred underground resource of 23 million tonnes at 1.1% CuEq, 0.95% Cu, 0.24 g/t Au and 5.8 g/t Ag, for 220,000 t Cu, 180,000 oz Au and 4.3 million oz Ag, above a cut-off grade of 0.5% CuEq has also been estimated by AMS.

In addition, AMS has highlighted a number of areas both down-plunge and down-dip of defined mineralisation where the external consultant believes the delineation of further mineralisation is extremely likely. In addition, a large proportion of the drilling and assaying undertaken on the East-Ost Shoot did not assay for gold. Therefore, AMS also indicates that scope for a further increase in the Cu Eq grade of the East - Ost Shoot is likely once infill or twin drilling is undertaken. This is potentially significant as the East-Ost Shoot is notably thicker than the Central Shoot and offers an easier more efficient mining target than the narrower Central Shoot. Addition of gold at East - Ost Shoot may increase the global resource tonnage as the addition of further value will increase the Cu Eq grade above the 1% cu cut-off currently being used for resource estimation.

The pending renewal application for EPL 5772 which expired on 8 March 2023 is now reflected on the Namibian Mines and Energy Cadastre Map Portal and is for an additional two-year extension. A conditional Environmental Clearance Certificate for mining activities was granted on EPL 5772 and is valid until 16 April 2026. A 20 Year Mining Licence, ML 240, was granted on 10 August 2022 and covers a portion of EPL 5772 and approximately one third of the open pit resource. An extension to the Mining Licence was submitted on 6 September 2022 to encompass the wider Resource Area.

The company is in advanced discussions with several parties that have expressed interest in non-equity based funding of the capital requirements of the Ongombo Project. The Company will update shareholders in relation to these matters, project advancement and milestones as they are progressed.

**2.2 Zambia:** As described at paragraph 4.5 below on 19 January 2022 African Pioneer Zambia Ltd, which is 80% owned by the Company, entered into an option agreement with First Quantum (listed on the Toronto Stock

Exchange [FM TO](#)) over 4 of the 5 Zambian exploration licences held by a subsidiary company, African Pioneer Zambia.

On 6 June 2023 the Company provided an update on the ongoing exploration activities undertaken by First Quantum during Q1 2023, an update on progress in 2022 and the exploration plans and priorities for 2023 for the 4 Zambian licences subject to the Option Agreement and these are summarized below.

### Highlights

- Exploration has demonstrated that the geological setting, regional geology and architectural vectors evident on the JV licences show apparent similarities to that needed to facilitate the large-scale deposition of high-grade copper mineralisation of the Kamoá-Kakula-type.
- Sufficient drilling and geophysics have been completed by First Quantum to generate a 3D model of the Western Foreland, the regional setting evident at Kamoá-Kakula in the DRC.
- Multiple high-grade copper intercepts peaking at 8m @ 1.25% Cu in the Fold and Thrust Belt to the east of the Foreland will be followed up on the Turacao prospect.
- High-grade cobalt mineralisation has also been identified peaking at 0.23% Co over 4m within the Fold and Thrust Belt terrain offering potential for a future significant value-add by-product.
- Further aircore drilling in 2023 is expected at Chibwika and Chipopa targets and on the other cumulative >35km of anomalous soil geochemical targets broadly defined and reported at the end of the 2022 field season where First Quantum has noted that mineralisation is of the Kolwezi-type.

### **First Quantum's Update on Progress in 2022**

The 4th Quarter 2022 report to African Pioneer from Joint Venture partner FIRST QUANTUM announced on 6 February 2023 confirmed encouraging copper oxide intercepts at three shallow drill targets and potentially significant copper mineralisation in two holes on a separate licence being explored for geological settings similar to those that host the giant Kamoá-Kakula deposits of Ivanhoe Mines Limited located in the Democratic Republic of Congo (DRC).

Analyses from two diamond drillholes at the Ikatu target, IKDD001A and IKDD002, returned peak grades of 1% Cu and 19.3g/t Ag over 1.1m (IKDD001A) and 0.22% Cu and 541ppm Co over 1.3m and 0.14% Ni and 541ppm Co over 4.3m (IKDD002). Lithogeochemical assessment of these results further support the view that the oxidised diamictite unit intersected is likely to be Petit Conglomerat, whilst the tuff unit logged near the base of IKDD001A has elevated Nb/Ti, a characteristic diagnostic of the Grand Conglomerate elsewhere in the Katangan. These results were sufficiently encouraging alongside the regional mapping completed to define the location of the Western Foreland for First Quantum to commit to further deep drilling targeting Kamoá-style mineralisation in 2023.

During 2022, aircore drilling at Turaco target within the Fold-and-Thrust Belt domain, intersected several significant copper intercepts, including an oxide mineralised zone with 8 m @ 1.19% Cu (pXRF assay) from 5 m. A selection of samples, previously analysed in-house by pXRF only, were subject to external analysis by ALS Laboratories in Johannesburg to check for cobalt and other pathfinders, as well as to verify pXRF data. Results for Cu were consistent with those previously reported by pXRF (Table 2). Furthermore, several significant Co intercepts were identified, the best being 4 m @ 0.23% and 10 m @ 0.14% Co in drillhole TUAC012 (Table 1). The results are subject to ongoing review but are an encouraging indicator of prospective shallow resources of the Kolwezi-type within the Fold-and-Thrust belt, which is renowned for Cu-Co deposits in the DRC.

**Table 1 : Cobalt grades (by ICP) and intercepts from drillhole TUAC012**

Target	Hole	From (m)	To (m)	Interval (m)	Co (ppm)
Turaco	TUAC012	10	20	10	1447
		incl	11	15	4
			28	38	10
			51	54	3
			57	63	6
			65	66	1
			70	71	1
					760

**Table 2 : Copper grades (by ICP and pXRF) and intercepts from drillhole TUAC012**

Target	Hole	From (m)	To (m)	Interval (m)	Cu % (ICP)	Cu % (pXRF)
Turaco	TUAC012	5	20	15	0.83	0.80
		incl	5	13	1.25	1.19
			30	36	0.34	0.34
			44	57	0.89	0.73
			61	75	0.68	0.57

### 2023 Exploration Plans and Priorities

First Quantum has advised African Pioneer of its forthcoming Audio-magneto telluric (AMT) geophysical exploration and combined diamond core (DDH) and air core (AC) drill programme for the 2023 field season.

A priority focus is further AMT at Ikatu target, within the Western Foreland domain, aimed at better constraint of the basin architecture and evaluation of interpreted NW-SE trending structures. At Kamo-Kakula, there is evidence that NW-SE trending structures are important for controlling the sedimentary facies, thickness of units and grades of mineralisation. In addition to Ikatu, AMT work planned by First Quantum will target the Fold- and Thrust Belt at the Chipopa and Chibwika prospects, both within licence 27771-HQ-LEL where substantial copper in soil anomalies have already been broadly defined.

Further aircore drilling will test the northern and southern extents of the copper in soil anomalies at Turaco target in licence 27770-HQ-LEL along with further follow up of the Chibikwa and Chipopa targets both located in licence 27771-HQ-LEL.

Later in the 2023 field season, 4000m of diamond drilling (DDH) by First Quantum is scheduled. The main objectives will be to test for thicker, reduced diamictite facies at Ikatu target along strike from Kamo in the Western Foreland, and also test depth extent of mineralization at Turaco and other targets looking for Kolwez-type mineralisation within the Fold and Thrust Belt.

The Company is expecting the further updates from First Quantum to be very encouraging.

The Lusaka licence is under review and remains prospective for gold.

**2.3 Botswana:** The Botswana projects are in the Kalahari Copperbelt and are considered highly prospective since they are in the general area of mining development being carried out by Sandfire Resources of Australia. Sandfire subscribed to a Pre-IPO funding round and earned a 15% interest in the Company post IPO as a result of the funding. Since 2 October 2021 four of our eight wholly owned Botswanan prospecting licences have been the subject of a two year Sandfire Option Agreement further details of which are set out at paragraph 4.6 below.

During the period on 29 March 2023 the Company announced an update on exploration completed and planned by Sandfire over the Kalahari Copper Belt Licences, Botswana:

#### Highlights

- PL101/2020 – Assays pending for a soil survey with further surveys planned over copper surface sample anomalies together with a scheduled Airborne Gravity Gradiometry survey (“AGG”) over the Kuke Prospect
- Sandfire planned to mobilise a diamond rig to the Kuke Prospect to drill test a copper soil anomaly coincident with the Kuke Fault

- PL100/2020 – Ongoing target generation and a scheduled AGG survey over the licence
- Sandfire also planned to undertake drilling on this licence to test the Lower D'kar/Ngwako Pan contact zone which is the horizon hosting most of the Kalahari Copperbelt deposits

The Company is yet to receive a subsequent update from Sandfire on the exploration activities during the period on the four licences subject to the Sandfire Option Agreement. Sandfire has now notified the Company that it will not be exercising its option under the Sandfire Option Agreement – please refer to paragraph 7.2 below for further information.

Whilst the exploration to date on the licences which were the subject of the Sandfire Option Agreement does not currently indicate prospectivity for a large scale mining operation the Board believes that there is prospectivity for a smaller to medium sized mining operation targeting in the range of 5,000 to 10,000 tonnes of contained copper per annum. Although too small for a large scale miner a mine of this size would fit very well into the demand for small to medium mines to help bridge the gap in the predicted shortfall of copper to meet future projected demand. Once exploration information has been delivered by Sandfire, the Company will assess potential in the context of surrounding geology, any recent copper discoveries and the results of in-house exploration undertaken by African Pioneer before deciding on the next phase of exploration.

In addition all the Company's Botswana prospecting licences are being reviewed by an external geological consultant with specific expertise of Botswana copper geology and further work will be based on recommendations generated by the review.

### 3. Financial Review

#### 3.1 Financial highlights:

- £301K loss after tax (2021: £331K)
- Approximately £390K cash at bank at the period end (Dec 2022: £72k).
- Fundraising Debtors £414k at 30 June 2023 received post period end
- The basic and diluted losses per share are summarised in the table below

Loss per share (pence)	2023	2022
Basic	Note 3 (0.16)p	(0.17)p
Diluted	Note 3 (0.13)p	(0.15)p

- The net asset value as at 30 June 2023 was £5.24m (31 December 2022 £5.24m)

#### 3.2 Fundraisings:

On 19 June 2023 the Company announced a fundraising of £790,000 at 2.25 pence per Ordinary Share through the issue of 35,111,111 new Ordinary Shares from existing shareholders, new investors and Directors to facilitate drilling at Ongombo and exploration in the Kalahari Cu belt. The Company also issued 1,222,222 ordinary shares to settle £27,500 of accrued consultancy fees.

Directors' participation in Fundraising: Three Directors participated in the Fundraising. Colin Bird, the Company's Executive Chairman and Christian Cordier, the Company's Commercial Director through Coreks Super Pty Ltd, a company controlled and owned by him, have each subscribed £50,000 for 2,222,222 Fundraising Shares, and Raju Samtani, the Company's Finance Director subscribed £40,000 for 1,777,778 Fundraising Shares. The Directors' Share Subscriptions represented in aggregate 17.7 per cent. of the gross Fundraising proceeds.

#### 3.3 Liquid Investments:

The Company disposed of the remainder of its listed investments during the period for the sum of £441,000 making a profit of £35,000 in order to generate additional liquidity.

### 4. Corporate Review

**4.1 Company Board:** The Board of the Company comprises Colin Bird, Executive Chairman Raju Samtani, Finance Director Christian Cordier, Business Development Director Kjeld Thygesen, Independent Non-executive Director James Nicholas Cunningham-Davis, Non-executive Director

**4.2 Listing:** The Company was admitted to the Official List (Standard Segment) and commenced trading on the Main Market for listed securities of the London Stock Exchange on 1 June 2021 (the “**Listing**” or “**IPO**”).

**4.3 Corporate Acquisitions and Group:** As previously reported the Company completed the acquisition of projects based in Namibia, Zambia, and Botswana and on 27 August 2021 announced that it had acquired a further 15% interest in its Namibian Projects. During the period the Company did not make any corporate acquisitions and as at the period end it owns;

1) 100% of Zamcu Exploration Pty Ltd (“**Zamcu**”). Zamcu via its subsidiaries holds a 85 per cent. interest in two Namibia Exclusive Prospecting Licenses (“**EPLs**”) located within the Matchless amphibolite Belt of central Namibia (the “**Namibian Projects**”);

2) 80% of African Pioneer Zambia Limited (“**APZ**”). APZ holds a 100 per cent. interest in five Zambian Prospecting Licenses (**PLs**) located in two areas namely the Central Africa Copperbelt (Copperbelt), which comprises four PLs which are the subject of the First Quantum Option Agreement and the Zambezi area which comprises one PL (the “**Zambian Projects**”); and

3) 100% of Resource Capital Partners Pty Ltd (“**RCP**”). RCP which holds a 100 per cent. interest in eight Botswana Prospecting Licenses (“**PLs**”) located in two areas namely (1) the Kalahari Copperbelt (KC), which comprises six PLs , four of these six PLs are the subject of the Sandfire Option Agreement and (2) the Limpopo Mobile Belt (Limpopo), which comprises two PLs (the “**Botswanan Projects**”) (together the “**Projects**”) (the “**Subsidiaries**”) (together the “**Group**”).

**4.4 Lock Up and Orderly Market:** All the Ordinary Shares issued to vendors at Listing to acquire Zamcu, APZ and RCP were subject to a 12 month lock up from the IPO followed by a 12 month orderly market arrangement.

**4.5 First Quantum Option Agreement:** The First Quantum Option Agreement was announced on 20 January 2022 and the highlights of the agreement are:

- The four exploration licences the subject of the Option Agreement are in the highly prospective Central Africa Copperbelt in northwest Zambia which is the largest and most prolific mineralized sediment-hosted copper province in the world and are located less than 100km from First Quantum’s giant Sentinel copper mine.
- The exploration licenses include geological formations similar in age and rock type to that hosting the major copper deposits of the Copperbelt.
- During the initial 18 month option period First Quantum has the right but not the obligation to spend US500,000 on each of the exploration licences 27767-HQ-LEL, 27768-HQ-LEL, 27770-HQ-LEL, and 27771-HQ-LEL (the “First Quantum Projects”). At this stage First Quantum will not have earned any shares in African Pioneer Zambia, just the right to proceed to take one or more of the properties into the First Earn In Period by issuing an Option Exercise Notice.
- During the First Earn In Period, First Quantum then has 2 years when it has the right but not the obligation to prepare a Technical Report in respect of the Zambian Projects demonstrating an Indicated Mineral Resource of at least 300,000 tonnes of contained copper (the “Technical Report Requirement”). First Quantum is to fund the Technical Report. Once the Technical Report is issued First Quantum has the right to be issued shares equal to a 51% shareholding in African Pioneer Zambia. This will also trigger the Second Earn-In Period.
- In the Second Earn-In Period First Quantum shall have the right but not the obligation to complete all necessary mining, metallurgical and development studies to establish a mine at the Property and make a public announcement that it intends to proceed towards commercial development of a Mine on the Property (a “Decision to Mine”). First Quantum is to fund all costs related to the Decision to Mine. Once First Quantum announces a Decision to Mine First Quantum has the right to be issued shares in African Pioneer Zambia to increase their 51% shareholding in African Pioneer Zambia to 75%.

**4.6 Sandfire Option Agreement:** The Sandfire Option Agreement was announced on 4 October 2021 and the highlights of the agreement are:

- the option is for two years from 2 October 2021 and relates to PL 100/2020, PL 101/2020, PL 102/2020 and PL 103/2020.
- Sandfire paid US\$500K and issued 107,272 Sandfire ordinary shares to the Company.
- Exercise and Option Period: The option can then be exercised within 2 years of the Option Agreement (the “Option Period”) to acquire the Included Licences for US\$1. Sandfire has the right to extend the Option Period by 1 year by the payment of a US\$500,000 option extension fee.
- Exploration Commitment: Sandfire to fund US\$1 million of exploration expenditure by the Company on the Included Licences (the “Exploration Commitment”) within the Option Period with 60% of the Exploration Commitment to be on drilling and assay costs and if the US\$1 million is not spent, any shortfall will be paid to African Pioneer. Sandfire can withdraw from the Option Agreement at any time after meeting the Exploration Commitment.
- A Success Payment: a one-off success payment to be paid to the Company for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the “First Ore Reserve”) in the range of US\$10 million to US\$80 million depending on the amount of contained copper in the First Ore Reserve (the “Success Payment”).

## 5. Strategy Review

The Company's short to medium term strategic objectives are to enhance the value of its mineral resource Projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements (such as the First Quantum Option Agreement) with a view to establishing the Projects can be economically mined for profit. With a positive global outlook for both base and precious metals, the Directors believe that the Projects provide a base from which the Company will seek to add significant value through the application of structured and disciplined exploration.

## 6. Outlook

**Outlook for Copper:** Our assessment of the outlook for copper has not changed since we reported in the 2022 accounts that during the second half of 2022 and into 2023 the copper price has recovered and forecasts for the price of copper and its by-product metals remain positive in the range of US\$10-US\$15,000 per tonne. During the period there was no new major positive news on copper supply so the outlook for copper supply remains quite pessimistic but we anticipate and from mid '24 onwards this will lead to both smaller but profitable mines being developed, and junior mining companies with good copper resources in reliable jurisdictions becoming potential targets for acquisitions by major mining companies. As a result, the Company believes it is well positioned with all its projects, to take part in a potential acquisition boom or alternatively to attract financing for its own operations which might not otherwise have been available.

The major mining companies are seeking new projects for acquisition and all our projects have the fundamentals which may attract the attention of larger companies as reflected in the fact that as reported below under Post Period Events we are in negotiations with First Quantum in relation to them exercising their options over certain of the Zambian Projects.

We feel that there is a strong possibility that the current inflationary pressures and higher interest rates may slow down stock markets but these conditions will be beneficial for the smaller metal producers who have historically outperformed under these economic conditions.

## 7. Post Period Events

**7.1** The Company is in negotiations with First Quantum as to;

- a) the basis on which First Quantum will exercise its Option on exploration Licences XE27767-HQ – LEL and XE27771-HQ – LEL so commencing the First Earn In Period under the First Quantum Option Agreement for these two exploration licences. During the First Earn In Period, First Quantum has 2 years when it has the right but not the obligation to prepare a Technical Report in respect of the Zambian Projects demonstrating an Indicated Mineral Resource of at least 300,000 tonnes of contained copper (the “Technical Report”

**Requirement").** First Quantum is to fund the Technical Report. Once the Technical Report is issued First Quantum has the right to be issued shares equal to a 51% shareholding in African Pioneer Zambia. This will also trigger the Second Earn-In Period referred to above; and

- b) an extension of the initial option period under the First Quantum Option Agreement on exploration Licences XE27770HQ – LEL and XE27776HQ – LEL. During the extended initial period First Quantum has the right but not the obligation to spend US\$500,000 and it is envisioned that during the extended period First Quantum will fund further work to assess the prospectivity of these two exploration licences with First Quantum having the right to exercise its option over these two licences at the end of the extended initial option period.

**7.2** Sandfire has notified the Company that it will not be exercising its option under the Sandfire Option Agreement and the Company is awaiting an expenditure report from Sandfire for the option period so it can review Sandfire's Exploration Commitment which was to fund US\$1 million of exploration expenditure on the Included Licences (the "**Exploration Commitment**") within the Option Period with 60% of the Exploration Commitment to be on drilling and assay costs. If the Exploration Commitment is not spent, any shortfall is due to be paid by Sandfire to African Pioneer. Sandfire have confirmed that they will provide Exploration Information that it holds in relation to the Licences.

All the Botswana licences are currently under review by the Company in cooperation with its external geological consultant with specific expertise of Botswanan copper geology. The region represents a significant copper exploration and resource development destination and as such all exploration ground has potential strategic importance particularly in the case of African Pioneer which has several licences in the general area.

Whilst the exploration to date on the licences which were the subject of the Sandfire Option Agreement does not currently indicate prospectivity for a large scale mining operation the Board believes that there is prospectivity for a smaller to medium sized mining operation targeting in the range of 5,000 to 10,000 tonnes of contained copper per annum. Although too small for a large scale miner a mine of this size would fit very well into the demand for small to medium mines to help bridge the gap in the predicted shortfall of copper to meet future projected demand.

Once exploration information has been delivered by Sandfire, the Company will assess potential in the context of surrounding geology, any recent copper discoveries and the results of in-house exploration undertaken by African Pioneer before deciding on the next phase of exploration.

In Namibia the Ongombo Mining Licence has been granted subject to the completion of the ESIA which is approximately 85% complete and well within the permitted timeframe for completion and the Company are now undertaking detailed metallurgical test work, mine design and mining method design with the objective of leading to a more detailed financial model and therefore the inclusion of Modifying Factors that will assist with the conversion of Mineral Resources to Mineral Reserves.

#### **INTERIM MANAGEMENT REPORT**

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authorities ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Directors consider the preceding Operational, Financial, Corporate and Strategy Review of this Half Yearly Financial Report provides details of the important events which have occurred during the period and their impact on the financial statements as well as the outlook for the Company for the remaining six months of the year ended 31 December 2023.

The following statement of the Principal Risks and Uncertainties, the Related Party Transactions, the Statement of Directors' Responsibilities and the Operational, Financial, Corporate and Strategy Review constitute the Interim Management Report of the Company for the six months ended 30 June 2023.

#### **Principal Risks and Uncertainties**

The principal risks that are specific to the Company were detailed under this heading in Part 1 Summary of the Company's prospectus which was published on 26 May 2021 (the "**Prospectus**") which is available on the Company's website at <https://africanpioneerplc.com/company-documents-circulars-and-notices/> . Part II Risk factors of the Prospectus provides more details of risk factors specific and material to the Group and to the Natural Resources Sector. The Strategic Report in the 2022 Annual Accounts also provided a detailed summary of the principal risks and uncertainties faced by the Company, a copy of the 2022 Annual Accounts are available on the Company's website at <https://africanpioneerplc.com/financial-reports/> .

The Board are of the opinion that these risk factors will continue to remain unchanged for the forthcoming six-month period.

The principal risks and uncertainties facing the group are as follows:

- There are significant risks associated with any exploration project and the ability of the Company to explore, develop and generate operational cashflows from its projects
- No assurances can be given that minerals will be discovered in economically viable quantities at the Company's projects
- Adverse foreign exchange fluctuations
- Volatility in financial markets and commodity markets

#### **Related Party Transactions during the period**

Three Directors participated in the Fundraising announced on 19 June 2023. Colin Bird, the Company's Executive Chairman and Christian Cordier, the Company's Commercial Director through Coreks Super Pty Ltd, a company controlled and owned by him, each subscribed £50,000 for 2,222,222 Fundraising Shares, and Raju Samtani, the Company's Finance Director subscribed £40,000 for 1,777,778 Fundraising Shares. The Directors' Share Subscriptions represented in aggregate 17.7 per cent. of the gross Fundraising proceeds.

The table below shows the shareholdings of Directors and their related parties after the Directors' Share Subscriptions and as at 30 June 2023.

Director & Position	Prior to Share Subscriptions	Shares Subscriptions	Resultant shareholding	% at 30 June 2023
Colin Bird: Chairman	21,061,728	2,222,222	23,283,950	10.21%
Raju Samtani: Finance Director	16,061,728	1,777,778	17,839,506	7.82%
Christian Cordier Commercial Director	15,000,000	2,222,222	17,222,222	7.55%
Kjeld Thygesen: Non Executive	200,000	–	200,000	0.09%
James Cunningham-Davis: Non Executive	–	–	–	Nil

Directors' Letters of Appointment and Service Agreements as disclosed in the Prospectus, and which remained in force during the period:

- (a) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of James Cunningham-Davis as a Director. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. James Cunningham-Davis is entitled to director's fees of £12,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties which will be invoiced by Cavendish Trust Company Ltd an Isle of Man Trust Company that James Cunningham-Davis is a founder and managing director of. James Cunningham-Davis is not entitled to any pension, medical or similar employee benefits. The agreement replaces all previous agreements with James Cunningham-Davis and/or Cavendish Trust Company Ltd in relation to the appointment of James Cunningham-Davis as a director of the Company.
- (b) Pursuant to an agreement dated 24 May 2021, the Company appointed Kjeld Thygesen as a non-executive Director with effect from the date of the IPO. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing and Kjeld Thygesen is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses

incurred during the performance of his duties. Kjeld Thygesen is not entitled to any pension, medical or similar employee benefits.

- (c) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of Colin Bird as a Director. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Colin Bird is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Colin Bird is not entitled to any pension, medical or similar employee benefits. The agreement replaces all previous agreements with Colin Bird in relation to his appointment as a director of the Company.
- (d) Pursuant to a consultancy agreement dated 24 May 2021, the Company has, with effect from the date of the IPO, appointed Colin Bird as a consultant to provide technical advisory services in relation to its current and future projects including but not limited to assessing existing geological data and studies, existing mine development studies and developing exploration programs and defining the framework of future geological and mine study reports (the "Colin Bird Services"). The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Colin Bird is entitled to fees of £3,500 per month for being a consultant to the Company plus reasonable and properly documented expenses incurred during the performance of the Colin Bird Services.
- (e) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of Raju Samtani. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Raju Samtani is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Raju Samtani is not entitled to any pension, medical or similar employee benefits. The agreement replaces all previous agreements with Raju Samtani in relation to his appointment as a director of the Company.
- (f) Pursuant to a consultancy agreement dated 24 May 2021, the Company has, with effect from the date of Admission, appointed Raju Samtani as a financial consultant to provide financial advisory services to the Company (the "Raju Samtani Services"). The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Raju Samtani is entitled to fees of £2,667 per month for being a consultant to the Company plus reasonable and properly documented expenses incurred during the performance of the Raju Samtani Services.
- (g) Pursuant to an agreement dated 24 May 2021, the Company appointed Christian Cordier as a Director with effect from the date of Admission. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Christian Cordier is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Christian Cordier is not entitled to any pension, medical or similar employee benefits.
- (h) Pursuant to a consultancy agreement dated 24 May 2021, with Mystic Light Pty Ltd a personal service company of Christian Cordier the Company has secured the services of Christian Cordier, with effect from the date of the IPO, as a business development consultant to provide business development I advisory services to the Company in relation to its existing and future projects (the "Christian Cordier Services"). The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Mystic Light Pty Ltd is entitled to fees of £1,000 per month for providing the Christian Cordier Services plus reasonable and properly documented expenses incurred during the performance of the Christian Cordier Services.
- (i) The Company entered into a contract, dated first August 2013 with Lion Mining Finance Limited ("LMF") a company controlled by Colin Bird, under which LMF provides administrative services to the Company for £750 plus VAT per calendar month

#### **Related Party transactions described in the annual report to 31 December 2022**

Other than disclosed above and the intra group loans made by Company to its subsidiaries to finance their ongoing activities there have been no changes in the related parties transactions described in the annual report

for the year ended 31 December 2022 that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

#### **Responsibility Statement**

The Directors, whose names and functions are set out in this report under the heading Company Board, are responsible for preparing the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR') and with International Accounting Standard 34 on Interim Financial reporting (IAS34). The Directors confirm that, to the best of their knowledge, this Unaudited Interim Condensed Consolidated Report, which has been prepared in accordance with IAS34, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the interim management report includes a fair review of the information required by DTR 4.2.7 R and by DTR 4.2.8 R, namely:

- an indication of key events occurred during the period and their impact on the Unaudited Interim Condensed Consolidated Financial Statements and a description of the principal risks and uncertainties for the second half of the financial year; and
- material related party transactions that have taken place during the period and that have materially affected the financial position or the performance of the business during that period.

For and on behalf of the Board of Directors

#### **Colin Bird**

Executive Chairman  
29 September 2023

#### **African Pioneer Plc**

+44 (0) 20 7581 4477

Colin Bird  
*Executive Chairman*

#### **Beaumont Cornish (Financial Adviser)**

Roland Cornish/Asia Szusciak +44 (0) 20 7628 3396

#### **Novum Securities Limited (Broker)**

Jon Belliss +44 (0) 20 7399 9400

or visit <https://africanpioneerplc.com/>

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").*

**Group Statement of Profit and Loss**  
**For the six months ended 30 June 2023**

	Notes	Unaudited Six months ended 30 June 2023	Unaudited Six months ended 30 June 2022
		£	£
<b>Income</b>			
Dividend receivable		-	911
Realised gain on sale of investments		34,799	-
Unrealised gain/(loss) on investments		-	(119,857)
<b>Total income</b>		<b>(34,799)</b>	<b>(118,946)</b>
Operating expenses		<b>(336,176)</b>	<b>(211,960)</b>
<b>Group operating loss</b>		<b>(301,377)</b>	<b>(330,906)</b>
Interest costs		<b>(3)</b>	-
<b>Loss before taxation</b>		<b>(301,380)</b>	<b>(330,906)</b>
Taxation		-	-
<b>Loss for the period</b>		<b>(301,380)</b>	<b>(330,906)</b>
<b>Loss per share (pence)</b>			
Basic	3	<b>(0.16)p</b>	(0.17)p
Diluted	3	<b>(0.13)p</b>	(0.15)p

**Group Statement of Other Comprehensive Income**  
**For the six months ended 30 June 2023**

	<b>Unaudited</b> <b>Six months</b> <b>ended</b> <b>30 June</b> <b>2023</b> <b>£</b>	Unaudited Six months ended 30 June 2022 £
<b>Other comprehensive income:</b>		
Loss for the period	(301,380)	(330,906)
<i>Items that may be reclassified to profit or loss:</i>		
Foreign currency reserve movement	(25)	(18,209)
<b>Total comprehensive loss for the period</b>	<b>(301,405)</b>	<b>(349,115)</b>
<b>Attributable</b>		
<i>Owners of the Company</i>	(301,405)	(349,115)
<i>Non-controlling interest</i>	-	-
	<b>(301,405)</b>	<b>(349,115)</b>

**GROUP STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2023

	Share capital	Capital contribution	Retained earnings	Foreign exchange reserve	Warrant reserve	Non Controlling interest	Total equity
	£	£	£	£	£	£	£
<b>Unaudited – six months ended 30 June 2023</b>							
<b>Balance at 1 January 2023</b>							
Balance at 1 January 2023	<b>5,475,204</b>	-	(949,716)	2,083	23,901	<b>687,348</b>	<b>5,238,820</b>
Current period loss	-	-	(301,380)	(25)	-	-	(301,405)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(301,380)</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>(301,405)</b>
Share based payment charge	(7,129)	-	-	-	7,129	-	-
Net proceeds from shares issued	746,100	-	-	-	-	-	746,100
<b>Balance at 30 June 2023</b>	<b>6,214,175</b>	-	<b>(1,2512,096)</b>	<b>2,058</b>	<b>31,030</b>	<b>687,348</b>	<b>5,683,515</b>
 <b>Unaudited – six months ended 30 June 2022</b>							
<b>Balance at 1 January 2022</b>							
Balance at 1 January 2022	<b>5,490,271</b>	-	<b>(156,622)</b>	<b>34,339</b>	<b>8,834</b>	<b>687,348</b>	<b>6,064,170</b>
Current period loss	-	-	(330,906)	(18,209)	-	-	(349,115)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(330,906)</b>	<b>(18,209)</b>	<b>-</b>	<b>-</b>	<b>(349,115)</b>
Share based payment charge	(7,572)	-	-	-	7,572	-	-
<b>As at 30 June 2022</b>	<b>5,482,699</b>	-	<b>(487,528)</b>	<b>16,130</b>	<b>16,406</b>	<b>687,348</b>	<b>5,715,055</b>

**Group Statement of Financial Position**

**As at 30 June 2023**

	Notes	Unaudited 30 June 2023	Audited 31 December 2022
		£	£
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	6	<b>5,235,797</b>	5,112,856
<b>Total non-current assets</b>		<b>5,235,797</b>	5,112,856
<b>Current assets</b>			
Trade and other receivables		<b>21,785</b>	11,023
Fundraising debtor		<b>414,600</b>	-
Cash and cash equivalents		<b>389,519</b>	71,674
Available -for-sale investments	4	-	395,750
<b>Total current assets</b>		<b>825,904</b>	478,447
<b>TOTAL ASSETS</b>		<b>6,061,701</b>	5,591,303
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		<b>255,964</b>	230,260
Taxation		<b>122,222</b>	122,222
<b>Total current liabilities</b>		<b>378,186</b>	352,482
<b>NET CURRENT ASSETS</b>		<b>447,718</b>	125,965
<b>Non-current liabilities</b>			
Loans		-	-
<b>Total non-current liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>378,186</b>	352,482
<b>NET ASSETS</b>		<b>5,683,515</b>	5,238,820
<b>EQUITY</b>			
Share capital	7	<b>6,214,175</b>	5,475,204
Warrant reserve		<b>31,030</b>	23,901
Foreign exchange reserve		<b>2,058</b>	2,083
Retained earnings		<b>(1,251,096)</b>	(949,716)
Non controlling interest		<b>4,996,167</b>	4,551,472
<b>TOTAL EQUITY</b>		<b>687,348</b>	687,348
		<b>5,683,515</b>	5,238,820

**Group Statement of Cash Flows**  
**For the six months ended 30 June 2023**

	<b>Unaudited Six months ended 30 June 2023</b>	<b>Unaudited Six months ended 30 June 2022</b>
	£	£
<b>Cash flows from operating activities</b>		
Loss before tax	(301,380)	(330,906)
Adjustments for:		
Dividends received	-	(911)
(Gain)/Loss on sale of investments	34,799	-
Unrealised loss/(gain) on investments	-	119,857
(Increase)/decrease in receivables	(425,362)	(17,693)
Increase in payables	25,704	109,223
<b>Net cash inflow from operating activities</b>	<b>(666,239)</b>	<b>(120,430)</b>
<b>Cash flows from/(used) in investing activities</b>		
Dividends received	-	911
Net movement in Investments held	360,950	-
Purchase of Exploration and Evaluation assets	(122,941)	(291,156)
	<b>238,009</b>	<b>(290,245)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issue of shares, net of issue costs	746,100	-
Shares issued to acquire subsidiaries	-	-
	<b>746,100</b>	<b>-</b>
<b>(Decrease)/Increase in cash</b>	<b>317,870</b>	<b>(410,675)</b>
Effect of foreign exchange rate changes	(25)	(18,210)
<b>Cash and cash equivalents at beginning of period</b>	<b>71,674</b>	<b>1,190,979</b>
<b>Cash and cash equivalents at end of period</b>	<b>389,519</b>	<b>762,094</b>

**Notes to the interim financial information  
For the six months ended 30 June 2023**

**1. General information**

This financial information is for African Pioneer Plc ("the Company") and its subsidiary undertakings. The principal activity of African Pioneer Plc (the 'Company') and its subsidiaries (together the 'Group') is the development of natural resources exploration projects in Sub-Saharan Africa. The Company is a public limited company and was listed on to the Official List (Standard Segment) and commenced trading on the Main Market for listed securities of the London Stock Exchange on 1 June 2021. The Company is domiciled in the Isle of Man and was incorporated on 20th July 2012 under the Isle of Man Companies Act 2006 with company registration number 00859IV, and with registered address being 34 North Quay, Douglas, Isle of Man, IM1 4LB.

**2. Basis of preparation**

The unaudited interim financial information set out above, which incorporates the financial information of the Company and its subsidiary undertakings (the "Group"), has been prepared using the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS").

These interim results for the six months ended 30 June 2023 are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial statements for the year ended 31 December 2022 were audited and the auditors' report on those financial statements was unqualified and contained a material uncertainty pertaining to going concern.

The same accounting policies, presentation and methods of computation have been followed in these unaudited interim financial statements as those which were applied in the preparation of the company's annual financial statements for the year ended 31 December 2022.

The interim consolidated financial information incorporates the financial statements of African Pioneer Plc and its subsidiaries.

**Going concern basis of accounting**

The Group made a loss from all operations for the six months ended 30 June 2023 after tax of £301,000 (2022: £331,000), had negative cash flows from operations and is currently not generating revenues. During the period, on 19 June 2023 the Company raised £790,000 (gross). On 30 June 2023 Cash and cash equivalents were £390,000 and monies due from the capital raise were £414,000. The £414,000 has been received post the period end. An operating loss is expected in the year subsequent to the date of these accounts and as a result the Company will need to raise funding to provide additional working capital to finance its ongoing activities. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

Based on the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can continue in operational existence for the foreseeable future. For these reasons the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The management team has successfully raised funding for exploration projects in the past, but there is no guarantee that adequate funds will be available when needed in the future.

There is a material uncertainty relating to the conditions above that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

This financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

### 3. Earnings per share

	Unaudited 30 June 2023 £	Unaudited 30 June 2022 £
(Loss) attributable to equity holders of the Company	(301,380)	(330,906)
Weighted average number of shares	191,908,586	191,707,845
Weighted average number of shares and warrants	229,640,660	227,181,925
Basic loss per ordinary share	(0.16)p	(0.17)p
Diluted loss per ordinary share	(0.13)p	(0.15)p

The use of the weighted average number of shares in issue in the period recognises the variations in the number of shares throughout the period and is in accordance with IAS 33.

### 4. Investments

The company has adopted the provisions of IFRS9 and has elected to treat all available for sale investments at fair value with changes through the profit and loss.

Available-for-sale investments under IFRS9 are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IFRS 13. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. All gains and losses are taken to profit and loss.

The Company's intention following its Listing is not to purchase any new investments and to hold its residual portfolio as realisable investments as a source of liquidity to cover explorations costs and general overheads of the Company.

### 5. Acquisition of subsidiaries

#### Acquisition of Zamcu Exploration Pty Limited (Namibian Projects)

On 1 June 2021 the Company completed the acquisition of 100% of Zamcu Exploration Pty Ltd ("Zamcu"), which via its subsidiaries, holds a 70 per cent. interest in two Namibian Exclusive Prospecting Licenses ("EPLs") comprising the Ongombo and Ongeama projects, located within the Matchless amphibolite Belt of central Namibia that hosts copper-gold mineralization. On 27 August 2021 the Company entered into an agreement to acquire a further 15% interest in its Ongombo Project and Ongeama Project in Namibian (the "Namibian Projects") increasing its interest in the Namibian Projects to 85%

The fair value of the assets and liabilities acquired were as follows:

Consideration	£
Equity consideration	
- Ordinary shares (issued)	687,500
Cash consideration	149,149
	<hr/>
	836,649

Fair value of assets and liabilities acquired	-
- Assets	-
- Liabilities	<u>(262)</u>
	<u>(262)</u>
<b>Deemed fair value of exploration assets acquired</b>	<b>836,911</b>
Additional 15% acquired	331,240
Total 85% acquisition value	<u>1,168,151</u>
Attributable to non-controlling interest	<u>206,098</u>
Gross fair value of exploration assets acquired	<b><u>1,374,249</u></b>

**Acquisition of African Pioneer Zambia Limited (“APZ”) (Zambia Projects)**

On 1 June 2021 the Company completed the acquisition of 80% of APZ, which holds a 100 per cent. interest in five Zambian Prospecting Licenses (PLs) located in two areas namely (i) the Central Africa Copperbelt (Copperbelt), which is the largest and most prolific mineralized sediment- hosted copper province known on Earth and which comprises four PLs and (ii) the Zambezi area located within the Zambezi Belt of southern Zambia that hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences and which comprises one PL

The fair value of the assets and liabilities acquired were as follows:

	<b>Oct 2020</b>
	£
Ordinary shares (issued)	1,925,000
Fair value of assets and liabilities acquired	
- Assets	743
- Loan for exploration licenses	<u>(41,205)</u>
	<u>(40,462)</u>

<b>Deemed fair value of exploration assets acquired</b>	<b>1,965,462</b>
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Attributable to non-controlling interest	481,250
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Gross fair value of exploration assets acquired	<b>2,446,712</b>
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**Resource Capital Partners Pty Ltd (“RCP”) (Botswana Projects)**

On 1 June 2021 the Company completed the acquisition of 100% of Resource Capital Partners Pty Ltd (“RCP”), which holds a 100 per cent. interest in eight Botswana Prospecting Licenses (“PLs”) located in two areas namely (i) the Kalahari Copperbelt (KC) that contains copper-silver mineralisation and which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny and which comprises six PLs and (ii) the Limpopo Mobile Belt (“Limpopo”) set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south which comprises two PLs;

The fair value of the assets and liabilities acquired were as follows:

	<b>Oct 2020</b>
	£
<b>Consideration</b>	
Equity consideration	
- Ordinary shares (issued)	<u>350,000</u>

Fair value of assets and liabilities acquired	
---	--

- Assets	-
- Liabilities	-
	<hr/>
<b>Deemed fair value of exploration assets acquired</b>	<b><u>350,000</u></b>
	<hr/>

## 6. Exploration and evaluation assets

	30 June 2023	31 Dec 2022
	£	£
Balance at beginning of period	<b>5,112,856</b>	4,432,962-
Acquisitions during the period	-	-
Exploration expenditure in period	<b>122,941</b>	679,894
<b>Carried forward at end of period</b>	<b><u>5,235,797</u></b>	<b><u>5,112,856</u></b>

### 6.1. Exploration assets

The Company's principal business is to explore opportunities within the natural resources sector in Sub-Saharan Africa, with a focus on base and precious metals including but not limited to copper, nickel, lead and zinc. The Company has acquired the Namibia Projects, Zambia Projects and Botswana Projects (see Note 5 for details):

On 16 May 2023 the Company announced an updated Indicated and Inferred Mineral Resource Estimate for the Ongombo copper project in Namibia, was completed by independent consultants Addison Mining Services ("AMS"). AMS has highlighted a number of areas both down-plunge and down-dip of defined mineralisation where the external consultant believes the delineation of further mineralisation is extremely likely. In addition, a large proportion of the drilling and assaying undertaken on the East-Ost Shoot did not assay for gold. Therefore, AMS also indicates that scope for a further increase in the Cu Eq grade of the East - Ost Shoot is likely once infill or twin drilling is undertaken. This is potentially significant as the East-Ost Shoot is notably thicker than the Central Shoot and offers an easier more efficient mining target than the narrower Central Shoot. Addition of gold at East - Ost Shoot may increase the global resource tonnage as the addition of further value will increase the Cu Eq grade above the 1% cu cut-off currently being used for resource estimation.

The Company's' main focus during the period was on evaluating and advancing its 85% owned Namibian Projects and those Zambian and Botswana Projects which are not the subject of either the First Quantum Option Agreement or the Sandfire Option Agreement described at paragraphs 4.5 and 4.6 of the Corporate Review above.

### 6.2. Exploration assets accounting policy

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are transferred to development assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

## 7. Share Capital

The share capital of African Pioneer Plc consists only of fully paid ordinary shares with no par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

	30 June 2023	
	Number	£
<b>Authorised:</b>		
1,000,000,000 ordinary shares of no par value	1,000,000,000	n/a
	<hr/>	<hr/>
	30 June 2023	
	Number of	Share
<b>Group</b>	<b>shares</b>	<b>capital</b>
	<hr/>	<hr/>
As at 1 January 2023	191,707,845	5,475,204
Shares issued during the period	36,333,333	817,500
Share issue costs	(71,400)	
Share based payment charge	-	(7,129)
As at 30 June 2023	<hr/>	<hr/>
	228,041,178	6,214,175

  

<b>Movement in shares issued during the period</b>		
Shares issued from placing and subscription	35,111,111	790,000
Adviser's fees settled by shares	1,222,222	27,500
<b>Total</b>	<b>36,333,333</b>	<b>817,500</b>

The Company issued the following warrants during the period

On 23 January 2023 the Company announced that in aggregate, 16,850,000 options over ordinary shares of no par value in the capital of the Company ("Ordinary Shares") have been granted fully vested pursuant to the Executive Share Option Scheme (the "Options"). Of the 16,850,000 Options, 6,600,000 have been awarded to directors of the Company, as detailed further below and the balance of 10,250,000 to other eligible participants. The exercise price is at 4.5p with an expiry date of 22 January 2033 and the vesting conditions upon being granted. The Company has not previously issued any Options.

<b>Directors</b>	<b>No. of Options</b>
Colin Bird Executive Chairman	5,000,000
Raju Samtani	600,000
Christian Cordier	500,000
Kjeld Thygesen	500,000
<b>Total Directors</b>	<hr/>
	6,600,000

The Company also issued further warrants during the period in line with the fundraising as follows

<b>Number</b>	<b>Date granted</b>	<b>Exercise price</b>	<b>Expiry</b>	<b>Vesting conditions</b>
1,755,556	30/06/2023	2.25p	30 Jun 26	upon being granted

On 19 June 2023 the Company announced a £790,000 fundraising before expenses (the “Fundraising”) at 2.25 pence per Ordinary Share through the issue of 35,111,111 new Ordinary Shares (the “Fundraising Shares”) The Fundraising comprised of a placing of 18,444,444 Fundraising Shares raising £415,000 via the Company’s broker Novum Securities Limited, and the Company arranged share subscriptions for 16,666,667 Fundraising Shares raising £375,000. The Company also issued 1,222,222 ordinary shares at the Fundraising price to settle £27,500 of accrued consultancy fees.

## 8. Concert party

At the period end the concert party, as defined and further details of which were disclosed in the Company’s prospectus dated 26 May 2021, held an aggregated interest of 45.3%.

## 9. Subsequent events

On 29 August 2023 Wilhelm Shali a member of the concert party sold 3,333,335 ordinary shares of no par value each in the Company (“Shares”) (“Share Sale”) at 1.8 pence per Share reducing his shareholding in the Company to 3,657,817 Shares representing 1.6% of the Company’s issued share capital (“Total Voting Rights”). Of the Shares sold by Wilhelm Shali 2,222,223 Shares representing in aggregate 0.97% of the Total Voting Rights were acquired by the Company’s Directors Colin Bird (833,334 Shares for £15,000), Raju Samtani (555,556 Shares for £10,000) and Kjeld Thygesen (833,334 Shares for £15,000) (“Directors’ Share Purchases”). As a result of the Share Sale and the Directors’ Share Purchases, the aggregated Concert Party interest has been reduced from 45.3% to 44.8%.

The table below shows the shareholdings of Directors and their related parties and their shareholdings as a percentage of Total Voting Rights following the Directors’ Share Purchases as at the date of these accounts:

Shareholdings				
Director & Position	Current	Directors’ Share Purchases	Resultant shareholding	% of TVR
Colin Bird	23,283,950	833,334	23,283,950	10.58%
Raju Samtani	17,839,506	555,555	17,839,506	8.07%
Christian Cordier	17,222,222	–	17,222,222	7.55%
Kjeld Thygesen	200,000	833,334	1,033,334	0.45%
James Cunningham-Davis	–	–	–	Nil

As disclosed in the Operational, Financial, Corporate and Strategy reviews accompanying these unaudited accounts for the six month period ended 30 June 2023:

- The Company is in negotiations with First Quantum as to;
- a) the basis on which First Quantum will exercise its Option on exploration Licences XE27767-HQ – LEL and XE27771-HQ – LEL so commencing the First Earn In Period under the First Quantum Option Agreement for these two exploration licences. During the First Earn In Period, First Quantum has 2 years when it has the right but not the obligation to prepare a Technical Report in respect of the Zambian Projects demonstrating an Indicated Mineral Resource of at least 300,000 tonnes of contained copper (the “Technical Report Requirement”). First Quantum is to fund the Technical Report. Once the Technical Report is issued First Quantum has the right to be issued shares equal to a 51% shareholding in African Pioneer Zambia. This will also trigger the Second Earn-In Period referred to above; and
- b) an extension of the initial option period under the First Quantum Option Agreement on exploration Licences XE27770HQ – LEL and XE277768HQ – LEL. During the initial period First Quantum has the right

but not the obligation to spend US\$500,000 and it is envisioned that during the extended period First Quantum will fund further work up to assess the prospectivity of these two exploration licences with First Quantum having the right to exercise its option over these two licences at the end of the extended initial option period .

- Sandfire has notified the Company that it will not be exercising its option under the Sandfire Option Agreement and the Company is awaiting an expenditure report from Sandfire for the option period so it can review Sandfire's Exploration Commitment which was to fund US\$1 million of exploration expenditure on the Included Licences (the "**Exploration Commitment**") within the Option Period with 60% of the Exploration Commitment to be on drilling and assay costs. If the Exploration Commitment is not spent, any shortfall is due to be paid by Sandfire to African Pioneer. Sandfire have confirmed that they will provide Exploration Information that it holds in relation to the Licences.

The Botswana licences are currently under review by the Company in cooperation with its external geological consultant with specific expertise of Botswanan copper geology. The region represents a significant copper exploration and resource development destination and as such all exploration ground has potential strategic importance particularly in the case of African Pioneer which has other licences in the general area.

Whilst the exploration to date on the licences which were the subject of the Sandfire Option Agreement does not currently indicate prospectivity for a large scale mining operation the Board believes that there is prospectivity for a smaller to medium sized mining operation targeting in the range of 5,000 to 10,000 tonnes of contained copper per annum. Although too small for a large scale miner a mine of this size would fit very well into the demand for small to medium mines to help bridge the gap in the predicted shortfall of copper to meet future projected demand.

Once exploration information has been delivered by Sandfire, the Company will assess potential in the context of surrounding geology, any recent copper discoveries and the results of in-house exploration undertaken by African Pioneer before deciding on the next phase of exploration.

Other than the matters above no significant events have occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements.