ARCH SRF LISTED HOLDCO LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

ARCH SRF LISTED HOLDCO LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors:	Andrew Whittaker	
	Katy Victoria Hodgetts	
	Cameron Robert Dowling	(Resigned 24 July 2023)
	Amanda van Dyke	(Appointed 24 July 2023)
Listing Sponsor:	Carey Olsen Corporate Finance Limited Carey House Les Banques St Peter Port Guernsey GY1 4BZ	
Secretary:	Alter Domus (Guernsey) Limited	
Registered Office:	Alter Domus (Guernsey) Limited North Suite, First Floor Regency Court Glategny Esplanade St Peter Port Guernsey GY1 1WW	
Registered Number:	70659	
Legal Advisers:	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey GY1 4BZ	
Independent Auditor:	PricewaterhouseCoopers CI LLP PO Box 321 Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND	
Bankers:	Alpha Group Brunel Building 2 Canalside Walk London W2 1DG	

ARCH SRF Listed HoldCo Limited (hereafter the "Company") is a Limited company established in Guernsey on 19 May 2022 with company number 70659.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of holding an investment in a royalty which involves a right of the Company to receive a cash payment of some portion of the proceeds from the sale of minerals sold from production of the property to which the royalty relates. The Company is entitled to a 1.7% royalty rate of any proceeds from the sale of minerals from Chilalo Project in Tanzania.

RESULTS

The results of the Company for the year ended 31 December 2023 are shown in the Statement of Comprehensive Income on page 5.

ASSESSING GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis. After reviewing the Company's performance projections and expected activity going forward, the Directors have a reasonable expectation that the Company has adequate access to resources to enable it to meet its current and ongoing obligations for at least the next 12 months and to continue in operational existence for the foreseeable future. During the year ended 31 December 2023, the Company recorded a total comprehensive loss of USD 1,197 (2022: total comprehensive loss of USD 257,715) and had net current assets of USD 167,433 (2022: net current liabilities of USD 257,714).

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

INDEPENDENT AUDITOR

The Independent Auditor, PricewaterhouseCoopers CI LLP was appointed during the year and has expressed their willingness to continue in office. The prior year financial statements were unaudited.

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) ("IFRS"). Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

ARCH SRF LISTED HOLDCO LIMITED
DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a Director at the date of approval of the financial statements confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each Director has taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of The Companies (Guernsey) Law, 2008, as amended.

KHodgetts
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Katy Hodgetts
Director

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Andrew Whittaker
Director

Independent auditor's report to the members of ARCH SRF Listed Holdco Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of ARCH SRF Listed Holdco Limited (the "company") as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Audit scope

- We performed an audit of the complete financial information of the company in Guernsey.
- We tailored the scope of our audit taking into account the types of assets within the company, the accounting processes and controls, and the industry in which the company operates.

Key audit matters

- Carrying value of intangible asset

Materiality

- Overall materiality: USD 39,700 based on 2.5% of net assets.
- Performance materiality: USD 29,775.

Independent auditor's report to the members of ARCH SRF Listed Holdco Limited (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Carrying value of intangible asset The company's royalty right in the Chilalo project in Tanzania (the "Royalty") is classified as an intangible asset under IAS 38-Intangible Assets ("IAS 38"). The Royalty is held at cost and amortised over it's useful life less any impairment. The Royalty is subject to an impairment assessment at the earlier of the end of each accounting period and when an indicator of impairment is identified per the requirements of IAS 36. The directors are provided with an internally generated fair value model on a quarterly basis, if the fair value is below the carrying value this would be considered a indicator of impairment. The directors determine the useful life of the Royalty at acquisition using the expected life of the projected cashflows based on the definitive feasibility study. (see Note 4). The Royalty represents a significant proportion of the net asset value of the company and given the consideration of impairment is a significant accounting estimate there is a heightened risk of misstatement. As a result, the carrying value of intangible assets is considered to be a key audit matter.	• We understood the controls and processes over the accounting for intangible assets, including impairment reviews. • We obtained the year end impairment review model (the "model") for the Royalty. • We obtained an understanding of the key estimates and assumptions used in the model. • Through engagement with our auditor's valuation expert, we independently recalculated and validated the components of the discount rate applied to external sources. • Through engagement with our auditor's valuation expert, we also evaluated and challenged the appropriateness of the overall valuation methodology and reasonableness of the development risk factor, price forecast and expected life of the Royalty. • We obtained the net sales return royalty deed and the definitive feasibility study and reconciled the inputs impacting the projected cash flows in the model to these supporting documents. • We checked the mathematical accuracy of the model. We have no issues to report in respect of this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Independent auditor's report to the members of ARCH SRF Listed Holdco Limited (continued)

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	USD 39,700
How we determined it	2.5% of net assets.
Rationale for the materiality benchmark	We believe that net assets is the most appropriate benchmark because this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to USD 29,775 for the company financial statements.

In determining the performance materiality, we considered a number of factors – risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above USD 3,970, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Report and Audited Financial Statements (the "Annual Report") but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the directors responsibilities, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of ARCH SRF Listed Holdco Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Independent auditor's report to the members of ARCH SRF Listed Holdco Limited (continued)

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

Under Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Jonathan Mauger
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants Recognised Auditor
Guernsey, Channel Islands
27 March 2024

ARCH SRF LISTED HOLDCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in United States Dollars)

	1 JANUARY 2023 TO 31 DECEMBER 2023 USD	19 MAY 2022 TO 31 DECEMBER 2022 (UNAUDITED) USD
EXPENSES		
Administration fees	(8,053)	(19,460)
Amortisation	(83,744)	
Audit fees	(40,052)	-
Bank charges	(7,933)	-
Directors fees	(34,792)	-
Organisational fees	226,609	(238,272)
Professional fees	(49,854)	-
TOTAL EXPENSES	**2,181**	**(257,732)**
OPERATING INCOME /(LOSS)	**2,181**	**(257,732)**
(Loss)/gain on foreign exchange	(3,378)	17
LOSS FOR THE YEAR/PERIOD	**(1,197)**	**(257,715)**

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The notes on pages 14 to 21 form an integral part of these financial statements.

ARCH SRF LISTED HOLDCO LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in United States Dollars)

	Notes	31 DECEMBER 2023 USD	31 DECEMBER 2022 (UNAUDITED) USD
NON-CURRENT ASSETS			
Intangible assets	**4**	1,423,656	-
CURRENT ASSETS			
Trade and other receivables	**5**	56,930	1
Cash and cash equivalents		157,549	-
TOTAL CURRENT ASSETS		**214,479**	**1**
TOTAL ASSETS		**1,638,135**	**1**
CURRENT LIABILITIES			
Trade and other payables	**6**	(47,046)	(257,715)
NET CURRENT ASSETS/(LIABILITIES)		**167,433**	**(257,714)**
TOTAL NET ASSETS/ (LIABILITIES)		**1,591,089**	**(257,714)**
CAPITAL AND RESERVES			
Share capital	**7**	1,850,001	1
Reserves		(258,912)	(257,715)
		1,591,089	**(257,714)**

The financial statements on pages 10 to 21 were approved at a meeting of the Board of Directors on 25 March 2024 and signed on its behalf by

KHodgetts
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Katy Hodgetts
Director

AR Whittaker
....
Andrew Whittaker
Director

The notes on pages 14 to 21 form an integral part of these financial statements.

ARCH SRF LISTED HOLDCO LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in United States Dollars)

	Share Capital USD	Reserves USD	Total Equity USD
Balance at 19 May 2022 (Unaudited)	**-**	**-**	**-**
Share capital issued	1	-	1
(Loss) for the period	-	(257,715)	**(257,715)**
Balance at 31 December 2022 (Unaudited)	**1**	**(257,715)**	**(257,714)**
Balance at 1 January 2023	**1**	**(257,715)**	**(257,714)**
Share capital issued	1,850,000	-	**1,850,000**
Income for the year	-	(1,197)	**(1,197)**
Balance at 31 December 2023	**1,850,001**	**(258,912)**	**1,591,089**

The notes on pages 14 to 21 form an integral part of these financial statements.

ARCH SRF LISTED HOLDCO LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in United States Dollars)

	Notes	31 DECEMBER 2023 USD	31 DECEMBER 2022 (UNAUDITED) USD
Loss for the year/period		(1,197)	(257,715)
Adjusted for:			
Amortisation	**4**	83,744	
Increase in trade and other receivables	**5**	(56,929)	(1)
Decrease/increase in trade and other payables	**6**	(210,669)	257,715
Net cash used in operations		**(185,051)**	**(1)**
Cashflows from financing activities			
Share capital issued	**7**	342,600	1
Cash flows provided by financing activities		**342,600**	**1**
Net increase in cash and cash equivalents		**157,549**	**-**
Cash and cash equivalents at the beginning of the year/period		-	-
Cash and cash equivalents at the end of the year/period		**157,549**	-

The notes on pages 14 to 21 form an integral part of these financial statements.

1. General information

ARCH SRF Listed HoldCo Limited (the "Company") is a non-cellular company limited by shares incorporated on 19 May 2022 in Guernsey under the Companies (Guernsey) Law, 2008, as amended and is registered in Guernsey. The address of the Company's registered office is North Suite, First Floor, Regency Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WW and the Company's registration number is 70659. The Company is listed on The International Stock Exchange.

The principal activity of the Company is to hold a net sales royalty which entitles the Company to a fixed portion of the net revenues received from the sales of mineral production from after the deduction of certain off-site realisation costs from its investment in Chilalo Project in Tanzania.

2. Summary of material accounting policy information

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the International Financial Reporting Standards (IFRS) The Company has elected to present a single Statement of Comprehensive Income and presents its expenses by nature. The Company reports cash flows from operating activities using the indirect method.

Going concern

The financial statements of the Company have been prepared on a going concern basis. After reviewing the Company’s performance projections, the Directors have a reasonable expectation that the Company will have adequate access to resources to enable it to meet its current and ongoing obligations and continue in operational existence for the foreseeable future. During the period ended 31 December 2023, the Company recorded a total comprehensive loss of USD 1,197 (2022: total comprehensive loss of USD 257,715) and had net current assets of USD 167,433 (2022: net current liabilities of USD 257,714) at 31 December 2023.

New and amended standards and interpretations

A number of new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and these have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future periods and foreseeable future transactions.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates. The primary activity of the Company is to hold a net sales royalty which entitles the Company to a fixed portion of the net revenues received from the sales of mineral production. The asset and the sector predominantly operates in USD.

The Directors of the General Partner considers USD the currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions, further details have been disclosed in Note 3.1 Critical judgements.

2. Summary of material accounting policy information (continued)

Foreign currency translations

Monetary assets and liabilities denominated in currencies other than USD are translated into USD at the exchange rates ruling at the reporting date in the Statement of Financial Position.

The Company does not isolate the portion of the results of the operations resulting from foreign exchange rate changes on investments from the fluctuations arising from changes in fair value of investments. Such fluctuations are included within the net unrealised gains or losses from investments.

Transactions in foreign currencies are translated into USD at the rates approximating those in effect at the transaction date.

Intangible assets

The Company holds a net sales royalty which entitles the Company to a fixed portion of the net revenues received from the sales of mineral production from after the deduction of certain off-site realisation costs from its investment in Chilalo Project in Tanzania. Intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, intangible assets are subject to impairment testing. The intangible asset has been assessed for impairment as discussed in note 3.1 and the Directors of the Company have concluded that it is not impaired as the assumptions made on investment are still applicable at period end.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Trade and other receivables

Trade and other receivables are initially measured at fair value (being the transaction price at formation) plus incremental direct transaction costs and subsequently measured at amortised cost using the effective interest method, adjusted for provisions for impairment. Expected credit losses are measured on the simplified model as the trade receivables do not contain a significant financing component. The simplified model allows the loss allowance in relation to trade receivables to be measured at initial recognition and throughout its life at an amount equal to lifetime expected credit loss. No loss allowance has been recognised for this year end.

Trade and other payables

Trade and other payables are initially recognised at fair value plus incremental direct transaction costs and subsequently measured at amortised cost using the effective interest method, adjusted for provisions for impairment.

Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

2. Summary of material accounting policy information (continued)

Taxation

The Company is not subject to tax in Guernsey. No provision has been made in the financial statements of the Company for taxation.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires the Directors to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and judgements made by the Directors are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date may cause material adjustments to the carrying amounts of assets and liabilities within the next financial reporting periods. The Directors of the Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Directors. Such changes are reflected in the assumptions when they occur.

1. Critical judgements

The Directors of the Company consider USD the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The capital is raised in United States Dollar ("USD") and the fees charged to the Company are a combination of USD and other currencies. The primary investment cashflows are expected to be in various global currencies depending on the investments and intangible assets held at any one time as the investment portfolio grows therefore there is no consistent currency that the Company will invest and receive distributions. Currently the investment portfolio includes USD investments. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. Therefore, the Directors have used their judgement and concluded that the USD is its functional currency.

Impairment tests on intangible assets are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

The significant judgements and estimates involved in the impairment test review performed by the directors include but not limited to:
- discount rate;
- projected cash flows; and
- development risk factor.

4. Intangible assets

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD UNAUDITED
Opening balance	-	-
Additions	1,507,400	-
Amortisation expense	(83,744)	-
Closing balance	**1,423,656**	**-**

On 22 February 2023, Arch Sustainable Resources Fund LP transferred its holding of the Ngwenya Royalty rights which were valued USD 1,507,400 as consideration for shares in the Company. ARCH Sustainable Resources Fund LP has a payable of USD 142,600 as consideration for shares in the Company. The Company has amortised the asset on a straight-line basis over an estimated useful life of 18 years as discussed in note 2.

5. Trade and other receivables

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD UNAUDITED
Receivable from Arch Sustainable Resources Fund LP	56,930	1
	56,930	**1**

6. Trade and other payables

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD UNAUDITED
Payable to ARCH Sustainable Resources Fund LP	-	237,053
Administration fees payable	6,993	19,460
Audit fee payable	40,053	-
Other payables	-	1,202
	47,046	**257,715**

7. Share capital

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD UNAUDITED
Ordinary shares issued to Arch Sustainable Resources Fund LP of USD 1 each	1,850,001	1
	1,850,001	1

The Directors may, with the sanction of an ordinary resolution, issue an unlimited number of shares or grant rights to subscribe for, or convert any security into shares.

8. Financial risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are:

- Credit risk
- Market risk
- Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

The Company holds a cash balance with Alpha Group of USD 157,549 at 31 December 2023 (2022: USD nil). The Company has a receivable of USD 56,930 (2022: USD 1) from Arch Sustainable Resources Fund LP which is a related party.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk arises from investments, open positions in interest and non-interest-bearing assets and liabilities, to the extent that those are exposed to general and specific market movements. The foreign currency risk is disclosed as below.

(a) Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The table below shows the Company's exposure to foreign exchange risk at period end.

9. Financial risk management objectives and policies (continued)

Market risk (continued)

As at 31 December 2023

Trade and other liabilities	**GBP**	**USD**
Payable to ARCH Sustainable Resources Fund LP	-	-
Audit fee payable	31,500	40,053
Administration fees payable	5,500	6,993
	37,000	**47,046**

As at 31 December 2022

	GBP	**USD**
Administration fees payable	16,182	19,460
	16,182	**19,460**

Although fees are invoiced in GBP, they are not significant enough for hedging arrangements to need to be put in place.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates. The Company does not hold high cash balances therefore there is no interest income earned and it has been deemed cash and cash equivalents are non-interest bearing.

The Company's assets and liabilities are all non-interest bearing. The Company does not directly invest in assets affected by interest rate movements.

(c) Price risk

Price risk is the risk that investments will fluctuate because of changes in market price. The Company holds a royalty right in Chilalo Project in Tanzania, a pre-production mine, the price risk is specific to any fluctuations in mine run off, to date no indicators of adverse price or demand have been noted.

(d) Capital risk management

The capital of the Company is represented by the equity assets attributable to the shareholders.

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for Investors, benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. In accordance with the Company’s investment policy, the Directors monitor and review the broad structure of the Company’s capital on an on-going basis. The Directors monitor capital on the basis of the value of capital attributable to the shareholders.

9. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company'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 Company's reputation.

The table below shows an analysis of the contractual undiscounted cash flows receivable and payable as at 31 December 2023. None of these assets are past due and they have not been impaired as at 31 December 2023.

As at 31 December 2023	On demand	1-3 months	3-12 months	1 year +	Total
	USD	USD	USD	USD	USD
Financial assets					
Other receivables	-	-	56,930	-	**56,930**
Cash and cash equivalents	157,549	-	-	-	**157,549**
Total financial assets	**157,549**	-	**56,930**	-	**214,479**
Financial liabilities					
Trade and other payables	(47,046)	-	-	-	**(47,046)**
Total financial liabilities	**(47,046)**	-	-	-	**(47,046)**

As at 31 December 2022 (Unaudited)	On demand	1-3 months	3-12 months	1 year +	Total
	USD	USD	USD	USD	USD
Financial assets					
Other receivables	-	-	1	-	1
Cash and cash equivalents	-	-	-	-	-
Total financial assets	-	-	1	-	1
Financial liabilities					
Trade and other payables	(257,715)	-	-	-	**(257,715)**
Total financial liabilities	**(257,715)**	-	-	-	**(257,715)**

9. Related parties

Parties are considered to be related if one party has control, joint control or exercise significant influence over the party in making financial or operational decisions.

On 22 February 2023, ARCH Sustainable Resources Fund LP transferred to the Company its holding of the Ngwenya Royalty rights which were valued USD 1,507,400. On the same date, there was a cash consideration of USD 142,600 for more shares in the Company.

The Company has a receivable of USD 56,930 (2022: USD 1) from Arch Sustainable Resources Fund LP.

10. SUBSEQUENT EVENTS

There are no material events to be disclosed or adjusted for in these financial statements