

30 September 2022

African Pioneer Plc
("African" or the "Company")

Interim Results for the Six Months Ended 30 June 2022

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 2022 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

Operational Review

The Company completed an Initial Public Offering (IPO) on the Standard List of the London Stock Exchange on 1 June 2021. From the IPO the Group has been engaged in development of natural resources exploration projects in Sub-Saharan Africa, and it has projects in Namibia, Zambia and Botswana.

Since 19 January 2022 four of our five 80% owned Zambian exploration licences are the subject of an option agreement with First Quantum Minerals Ltd (listed on the Toronto Stock Exchange FM.TO) (the "**First Quantum Option Agreement**") and since 2 October 2021 four of our eight wholly owned Botswanan prospecting licences have been the subject of an option agreement with Sandfire Resources Limited (ASX:SFR) (the "**Sandfire Option Agreement**") (together the "**Options**") as further described under the Corporate 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. Post the period end on 29 September 2022 the Company announced, in relation to its Ongombo project in Namibia, the granting of a mining licence and drilling results in relation to 26 drill holes targeting an additional open pit mineral resource to complement the existing underground resource.

Technical review of Projects: The primary metal of all the Company's projects in Namibia, Zambia and Botswana is copper with by-product potential in all of our projects. In Namibia we have the potential for gold, Zambia for cobalt, and in Botswana potential for silver. During the period the Company continued its technical reviews and / or programmes on its projects.

Namibia: In Namibia, the Company commenced a drilling programme and continued its data review subsequent to applying for a mining licence for the Ongombo licence which is located on the Matchless Copperbelt in late 2021. Post period end on 29 September 2022 the Company announced the issue of a mining licence in relation to its Ongombo licence subject to the completion of an environmental and social impact assessment ("ESIA").

Work has been ongoing at Ongombo with a focus on a near-surface drill programme to test the up-dip extensions of known mineralisation with a view to defining a potential open pit copper – gold resource.

Engineering consultant Practara (Pty) Limited along with project design engineers Nurizon, have both validated the Scoping Study assumptions based on a detailed assessment of the Ongombo Project following a site visit and as a result recommended changes to the proposed mine layout. Subject to the results of near-surface drilling, a box cut and portal excavated in the floor of any future open pit will provide a convenient location for underground access and, could result in a meaningful reduction

in total metres of development and a corresponding reduction in capital expenditure. This information has been passed onto the external environmental consultant to include in the ESIA.

Simple, well-understood processing technologies are expected to be implemented at Ongombo and the current preferred plant design offers a model that is being successfully applied in similar mining scenarios elsewhere in Africa.

Zambia: The Zambian project portfolio consists of four large copper/cobalt licences in Northwest Zambia (the “**First Quantum Option Projects**”) which since 19 January 2022 have been the subject of the First Quantum Option Agreement and one more licence in the Lusaka province. The Northwest projects are considered to be highly prospective resembling the geology of the DRC which is in close proximity in the North. The licences have been flown for air borne geophysics as well as ground geochemistry and post the period end on 23 August 2022 the Company reported on the subsequent exploration programme entered into by First Quantum which highlighted the initial exploration work undertaken by First Quantum on the First Quantum Option Projects since 19 January 2022:

- pXRF assay results for the first two batches of soil samples over targets within the Licences resulted in First Quantum reporting “significant copper anomalies”.
- Sufficient mapping and sampling completed on the initial anomalies to trigger immediate follow-up Air-Core drilling to pre-define targets for detailed diamond drilling.
- Targets defined to date represent a significant cumulative strike length of anomalous copper in soils.
- Targets are associated with rock types and regional structures diagnostic of Copperbelt type mineralisation.
- Completion of soil geochemical survey and mapping underway and expected to outline further targets of merit.
- Planned work as part of the First Quantum Option Agreement, includes completion of the soil geochemical surveys and associated pXRF in soils, continued mapping of new target areas, Air-core drilling and RC/diamond drilling.

First Quantum are continuing with their exploration programme and have reported that detailed geochemical sampling completed earlier in 2022 defined three (3) targets within the project area. The three high priority targets Turaco, Eagle and Kanyika were selected for follow up with aircore drilling. A total of 34 holes (27 holes at Turaco and 7 holes at Eagle) for 2,593 metres were completed by the end of August, for which analytical results are currently awaited. Visual sulphide mineralisation (chalcopyrite) was encountered in one hole on the Turaco target.

An audiomagnetic (AMT) survey completed earlier in 2022 has been used to target a diamond drill hole that will help to define the structural framework and stratigraphic context of the target area. Drilling is currently in progress with an expected depth/metres of 700m.

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

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 projects have been the subject of the Sandfire Option Agreement. The Botswana prospecting licences which are not the subject of the Sandfire Option Agreement are being reviewed

by external geological consultants with vast experience operating in the Country and further work will be based on recommendations generated by the review.

Financial Review

Financial highlights:

- £331K loss after tax (2021: £184K)
- Approximately £762K cash at bank at the period end (Dec 2021: £1.19m).
- The basis and diluted losses per share are summarised in the table below

Loss per share (pence)		2022	2021
Basic	Note 3	(0.17)p	(0.45)p
Diluted	Note 3	<u>(0.15)p</u>	<u>(0.39)p</u>

- The net asset value as at 30 June 2022 was £5.7m (31 December 2021 £6.06m)

Fundraisings:

In light of the funds raised at IPO on 1 June 2021 the Company did not raise any funds during the period.

Liquid Investments:

As at 30 June 2022 the Company held £382,599 of listed investments at market value. 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.

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.

Corporate Review

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

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**”).

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 Licences (“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”).

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.

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 US\$500,000 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%.

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 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”).

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 and the Sandfire 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.

Outlook

Outlook for Copper: Whilst the future price forecasts for copper are extremely positive as is the forecast for the by-product metals stockmarkets are currently down from highs as they digest the effect of significant spikes in oil and gas prices and the increased cost of living in the U.K. and elsewhere plus the recent run on sterling in the foreign exchange markets. The outlook for copper supply has not improved and we are likely to see more smaller mines being developed since many large mining copper projects have been shelved for political or economic reasons. Thus the Company is well positioned with all its projects, to take part in an acquisition boom or alternatively be a subject which attracts financing which might not have been available in the immediate past.

As with last year the major mining companies are seeking new projects for acquisition and all of our projects have fundamentals which may attract the attention of larger companies and we have already entered into option agreements with First Quantum in relation to four of our Zambian Projects and Sandfire in relation to four of our Botswana Projects.

Last year inflation was seen as a distant issue but it and the cost of living are now front and centre of financial headlines. This has already slowed down major stock markets but may be good for the small mines sector since as in such times they have been seen to outperform.

The Board remains confident they have assembled an enviable portfolio of projects and are pleased that Sandfire have elected to take a position in the Company and that we have entered into option agreement with both First Quantum and Sandfire. We look forward to advancing all our projects in the second half and providing our shareholders with the prospects of enhanced value flowing into next year.

Post Period Events

On 29 September 2022 the Company announced in relation to its Ongombo project in Namibia the granting of a mining licence and positive drilling results in relation to 26 drill holes.

On 23 August 2022 the Company reported on the subsequent exploration programme entered into by First Quantum since 20 January 2022 which highlighted the initial exploration work undertaken by First Quantum on the First Quantum Option Projects under the First Quantum Option Agreement.

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 2022.

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 2022.

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-notice/>. 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 2021 Annual Accounts also provided a detailed summary of the principal risks and uncertainties faced by the Company, a copy of the 2021 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

2. 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 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

2. Related Party transactions described in the annual report to 31 December 2021

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 2021 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
30 September 2022

African Pioneer Plc

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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 2022

	Notes	Unaudited Six months ended 30 June 2022 £	Unaudited Six months ended 30 June 2021 £
Income			
Dividend receivable		911	139
Realised loss on sale of investments		-	-
Unrealised (loss)/gain on investments		(119,857)	16,942
Total income		(118,946)	17,081
Operating expenses		(211,960)	(195,900)
Group operating loss		(330,906)	(178,819)
Interest costs		-	(4,830)
Loss before taxation		(330,906)	(183,649)
Taxation		-	-
Loss for the period		(330,906)	(183,649)
Loss per share (pence)			
Basic	3	(0.17)p	(0.45)p
Diluted	3	(0.15)p	(0.39)p

Group Statement of Other Comprehensive Income
For the six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022 £	Unaudited Six months ended 30 June 2021 £
Other comprehensive income:		
Loss for the period	(330,906)	(183,649)
<i>Items that may be reclassified to profit or loss:</i>		
Foreign currency reserve movement	(18,209)	-
	<hr/>	<hr/>
Total comprehensive loss for the period	(349,115)	(183,649)

GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital	Capital contribution	Retained earnings	Foreign exchange reserve	Warrant reserve	Non Controlling interest	Total equity
	£	£	£	£	£	£	£
Unaudited – six months ended 30 June 2022							
Balance at 1 January 2022	5,490,271	-	(156,622)	34,339	8,834	687,348	6,064,170
Current period loss	-	-	(330,906)	(18,209)	-	-	(349,115)
Total comprehensive loss for the period	-	-	(330,906)	(18,209)	-	-	(349,115)
Share based payment charge	(7,572)	-	-	-	7,572	-	-
Balance at 30 June 2022	5,482,699	-	(487,528)	16,130	16,406	687,348	5,715,055
As at 1 January 2021	452,983	186,446	(552,315)	-	-	-	87,114
Unaudited – six months ended 30 June 2021							
Balance at 1 January 2021	452,983	186,446	(552,315)	-	-	-	87,114
Current period loss	-	-	(183,649)	-	-	-	(183,649)
Total comprehensive loss for the period	-	-	(183,649)	-	-	-	(183,649)
Net proceeds from shares issued	1,844,431	-	-	-	-	-	1,844,431
Acquisition of subsidiaries	2,962,500	-	-	-	-	-	2,962,500
Loan notes converted into shares	186,446	(186,446)	-	-	-	-	-
As at 30 June 2021	5,446,360	-	(735,964)	-	-	-	4,710,396

Group Balance Sheet
As at 30 June 2022

		Unaudited	Audited
		30	31
		June	December
		2022	2021
	Notes	£	£
ASSETS			
Non-current assets			
Investments	4	382,599	502,456
Exploration and evaluation assets	6	4,724,118	4,432,962
Total non-current assets		5,106,717	4,935,418
Current assets			
Trade and other receivables		39,416	21,722
Cash and cash equivalents		762,094	1,190,979
Total current assets		801,510	1,212,701
TOTAL ASSETS		5,908,227	6,148,119
LIABILITIES			
Current liabilities			
Trade and other payables		193,172	83,949
Total current liabilities		193,172	83,949
NET CURRENT ASSETS		608,338	1,128,752
Non-current liabilities			
Loans		-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		193,172	83,949
NET ASSETS		5,715,055	6,064,170
EQUITY			
Share capital	7	5,482,699	5,490,271
Warrant reserve		16,406	8,834
Foreign exchange reserve		16,130	34,339
Retained earnings		(487,528)	(156,622)
		5,027,707	5,376,822
Non controlling interest		687,348	687,348
TOTAL EQUITY		5,715,055	6,064,170

Group Statement of Cash Flows
For the six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022 £	Unaudited Six months ended 30 June 2021 £
Cash flows from operating activities		
Loss before tax	(330,906)	(183,649)
Adjustments for:		
Dividends received	(911)	(139)
Loss on sale of investments	-	-
Unrealised loss/(gain) on investments	119,857	(16,942)
(Increase)/decrease in receivables	(17,693)	(41,112)
Increase in payables	109,223	119,656
Net cash inflow from operating activities	(120,430)	(122,186)
 Cash flows from/(used) in investing activities		
Dividends received	911	139
Net movement in Investments held	-	-
Purchase of Exploration and Evaluation assets	(291,156)	(3,152,373)
	(290,245)	(3,152,234)
 Cash flows from financing activities		
Proceeds from Issue of shares, net of issue costs	-	1,844,431
Shares issued to acquire subsidiaries	-	2,962,500
	-	4,806,931
 (Decrease)/Increase in cash	(410,675)	1,532,511
Effect of foreign exchange rate changes	(18,210)	
Cash and cash equivalents at beginning of period	1,190,979	87,462
 Cash and cash equivalents at end of period	762,094	1,619,973

Notes to the interim financial information
For the six months ended 30 June 2022

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 2022 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 2021 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 2021.

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 2022 after tax of £331,000 (2021: £184,000), had negative cash flows from operations and is currently not generating revenues. However, the Company raised £1,750,000 at the time of the Company’s Listing in May 2021 and £365,000 by a share subscription by Sandfire Resources Limited and Cash and cash equivalents were £762,000 as at 30 June 2022, which will enable the Company to continue its exploration activities on its projects. 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.

3. Earnings per share

	Unaudited 30 June 2022 £	Unaudited 30 June 2021 £
(Loss) attributable to equity holders of the Company	(330,906)	(183,649)
Weighted average number of shares	191,707,845	41,187,791
Weighted average number of shares and warrants	227,181,925	47,440,119
Basic loss per ordinary share	(0.17)p	(0.45)p
Diluted loss per ordinary share	(0.15)p	(0.39)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
	836,649
Fair value of assets and liabilities acquired	
- Assets	-
- Liabilities	(262)
	(262)
Deemed fair value of exploration assets acquired	836,911
Additional 15% acquired	331,240
Total 85% acquisition value	1,168,151
Attributable to non-controlling interest	206,098
Gross fair value of exploration assets acquired	1,374,249

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:

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

Deemed fair value of exploration assets acquired	1,965,462
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Attributable to non-controlling interest	481,250
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Gross fair value of exploration assets acquired	2,446,712
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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:

	Oct 2020
	£
Consideration	
Equity consideration	
- Ordinary shares (issued)	<u>350,000</u>
Fair value of assets and liabilities acquired	
- Assets	-
- Liabilities	-
	<u>-</u>
Deemed fair value of exploration assets acquired	<u>350,000</u>

6. Exploration and evaluation assets

	30 June 2022	31 Dec 2021
	£	£
Balance at beginning of period	-	-
Acquisitions during the period		
- Namibia Projects (note 5)	1,374,279	1,374,249
- Zambia Projects (note 5)	2,446,712	2,446,712
- Botswana Projects (note 5)	350,000	350,000
- Exploration expenditure	553,127	262,001
Carried forward at end of period	<u>4,724,118</u>	<u>4,432,962</u>

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):

As announced on 20 December 2021 the Ongombo Mineral Resource in the Measured & Indicated category is 10.47Mt @ 1.4% Cu, 7g/t Ag at a cut-off of 1.0% Cu, with 0.35g/t Au categorised as Inferred following a JORC (2012) compliant review by external consultant, Red Bush Analytics.

The Company's' main focus is on evaluating and advancing the Namibian Projects and the Zambian Projects as the Botswana Projects which are not the subject of the First Quantum Option Agreement or the Sandfire Option Agreement described below.

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 US\$500,000 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%.

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 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”).

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 2022	
	Number	£
Authorised:		
1,000,000,000 ordinary shares of no par value	1,000,000,000	n/a
	<hr/>	
	30 June 2022	
	Number of	Share
Group	shares	capital
		£
As at 1 January 2022	191,707,845	5,490,271
Share based payment charge	-	(7,572)
As at 30 June 2022	191,707,845	5,482,699

8. Concert party

At the period end the Concert Party held an aggregated interest of 51.72% further details of which were disclosed in the Company’s prospectus dated 26 May 2021.

9. Subsequent events

On 29 September 2022 the Company announced the issue of a mining licence in relation to its Ongombo licence subject to the completion of an environmental and social impact assessment (“ESIA”).