

# MIDWEST KORIBA LDA

*Audited Financials*

**2024-25**

## **Independent Auditor's Report**

The Board of Directors  
**MIDWEST KORIBA, LDA.**

We have audited the financial statements of MIDWEST KORIBA, LDA (the "Institution"), which comprise the financial position from April 01, 2024 to March 31, 2025, the financial performance, the statement of changes in liquid assets for the period in question, and notes, including a summary of significant accounting policies and explanatory information.

### **Opinion**

In our opinion, the financial statements of the Institution for the period in question ended March 31, 2025 are prepared fairly, in all material respects, in accordance with the financial reporting standards applicable in Mozambique (PGC - PE) as described in the explanatory notes.

### **Basis for Opinion**

We carry out our audit in accordance with the International Audit Standards (ISAs). Our responsibilities under these standards are described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Institution in accordance with the ethical requirements of the Code of Ethics for Professional Accountants, issued by the Order of Accountants and Auditors of Mozambique (OCAM) that are relevant to our audit of the financial statements, and we comply with other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis on Matter - Basis of Accounting and Restriction of Use**

The financial statements are prepared on a voluntary basis for the purpose of complying with the Financial Regulation of MIDWEST KORIBA, LDA. As a result, financial statements can be used for Accounts consolidation purpose of holding company, regulatory purpose.

## **Responsibilities of the Administration and Those Charged with Governance for the Financial Statements**

The administration is responsible for the preparation and fair presentation of the financial statements according to the accounting basis described in the explanatory notes and for the internal control that the administration determines is necessary to allow the preparation of financial statements that are free of material distortions, whether due to fraud or error.

The administration is responsible for assessing the Institution's ability to continue as a continuity company, disclosing, as applicable, issues related to the continuity company and using the accounting continuity basis, unless the administration intends to liquidate the Institution or cease operations or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Institution's financial reporting process.

## **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain a reasonable assurance on whether the financial statements as a whole are free from material distortions, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The reasonable guarantee is a high level of guarantee, but it is not a guarantee that an audit carried out in accordance with the International Audit Standards (ISAs) will always detect a material error when it exists. The distortions may arise from fraud or error and are considered relevant if, individually or in aggregate form, they can reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with the International Audit Standards (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material distortion of financial statements, whether due to fraud or error, design and execute audit procedures responsive to these risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting an incorrect statement material resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, falsification, intentional omissions.
- Obtain an understanding of the 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 Institution's internal control.

- Evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the administration;
- Conclude on the adequacy of the administration's use of the accounting continuity base and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may raise significant doubts about the Institution's ability to continue as a continuity company. If we conclude that there is material uncertainty, we are obliged to draw attention in our auditor's report to the disclosures related to the financial statements or, if such disclosures are inappropriate, 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 Institution to cease to continue as a continuous company.

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

Maputo, July 29, 2025



*Bemat, Z. H - (The Auditor)*

**BALANCE SHEET AS AT 31 MARCH, 2025**  
*(Amounts expressed in Meticais unless otherwise Specified)*

Description	Notes	31-Mar-25	31-Mar-24
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Tangible assets</b>			
Intangible assets	5	1,667,122	1,201,010
		<b>1,667,122</b>	<b>1,201,010</b>
<b>Current assets</b>			
<b>Clients</b>			
Other current assets	6	173,845	156,363
<b>Cash and cash equivalents</b>	<b>7</b>	<b>8,594</b>	<b>7,938</b>
		<b>182,439</b>	<b>164,301</b>
<b>Total Assets</b>		<b>1,849,561</b>	<b>1,365,311</b>
<b>Equity and liabilities</b>			
<b>Share Capital</b>	<b>8</b>	<b>25,000</b>	<b>25,000</b>
<b>Retained earnings</b>		-	-
<b>Net result for the year</b>			
<b>Total equity</b>		<b>25,000</b>	<b>25,000</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Intercompany loans	9	1,773,378	1,297,028
<b>Current liabilities</b>			
<b>Suppliers</b>			
Unpaid tax	10	-	935
Other current liabilities	11	51,183	42,349
<b>Total liabilities</b>		<b>1,824,561</b>	<b>1,340,311</b>
<b>Total Equity and Liabilities</b>		<b>1,849,561</b>	<b>1,365,311</b>

**INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2025***(Amounts expressed in Meticais)*

Description	Notes	31-Mar-25	31-Mar-24
<b>Sales</b>			
<b>Other income</b>			
<b>Total operating income.....</b>		-	-
<b>Personnel costs</b>		-	-
<b>Supplies and external services</b>		-	-
<b>Taxation</b>		-	-
<b>Amortization and depreciation for the year</b>		-	-
<b>Other operating gains and losses</b>		-	-
<b>Total operating costs.....</b>		-	-
<b>Operating results.....(a)</b>		-	-
<b>Financial income</b>		-	-
<b>Financial expenses</b>		-	-
<b>Financial results.....(b)</b>		-	-
<b>Loss before tax.....(c) = + (a) + (b)</b>		-	-
<b>Income tax expense</b>	<b>(d)</b>		
<b>Net loss for the year.....(e) = (c) - (d)</b>		-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Introduction

<i>Designation of the entity</i>	MIDWEST KORIBA, LDA		
<i>Head Office</i>	Av. Emília Daússe, nº 34, 1º andar.		
<i>Object</i>	Exploration and Trade of Minerals and Metals		
<i>Date of constitution</i>	March 08, 2012		
<i>Legal entity registration number</i>	100281422		
<i>NUIT - Tax registration number</i>	400359946		
	<i>Description</i>	<i>Value</i>	<i>%</i>
<i>Structure of Partners</i>	Maven Holdings Limited	24.500,00	98
	Midwest Holdings Limited	500,00	2
		<b>25.000,00</b>	<b>100</b>

#### 1.1 Bases of preparation and declaration of compliance

These financial statements, which refer to the date of April 01, 2024 to March 31, 2025, were prepared in accordance with the General Accounting Plan for Small and Other Enterprises (PGC-PE), as a result, based on the principle of historical cost. The financial statements were also prepared on the basis of the principles of increase and continuity.

In the preparation of these financial statements, no provision of the PGC-PE has been derogated and there are no situations that affect the comparability of the various accounting items.

The changes in accounting policies relating to the adoption for the first time of the PGC-PE were applied prospectively.

### 2. Accounting Principles

#### 2.1 Tangible assets

Tangible assets are not recognized in the present financial statements.

Despite the company not having reported any Tangible assets during the year, if they are acquired in the future, they will be recorded based on the acquisition cost which includes and the price paid for the ownership of the asset and all costs directly incurred

to put it in the operating state. Subsequent costs are recognized as a separate asset only if they are likely to result in future economic benefits for the entity.

Amortization will be calculated by the method of constant quotas and recorded by twelfths, from the date on which the goods come into operation, in return for the heading "Amortization and depreciation" of the income statement.

## **2.2 Intangible assets**

The entity's intangible assets in the course of its activity are recorded at the acquisition cost, deducted from depreciation and accumulated impairment losses.

All expenses till the date of Commencement of or ready to use of the Mine are capitalized.

The entity performs impairment tests whenever events or circumstances indicate that the book value exceeds the recoverable value, and the difference, if any, is recognized in results. The recoverable value is determined as the highest between its net selling price and its use value, which is calculated on the basis of the current value of the estimated future cash flows that are expected to be obtained from the continued use of the asset and its disposal at the end of its useful life.

## **2.3 Inventories**

Inventories are not recognized in the present financial statements.

## **2.4 Customers and third-party debts**

They are recognized initially for fair value and subsequently for the amortized cost, deducted from the provision for impairment in order to reflect their achievable value.

## **2.5 Cash and Cash equivalents**

The amounts included in the item "Cash and cash equivalents" correspond to cash values, current and term bank deposits and other treasury investments due less than three months and for which the risk of change in value is not significant.

## **2.6 Loans**

Loans are recorded in liabilities at their nominal value. Any expenses with the issuance of these loans are recorded in other current or non-current assets. Loans are initially recognized at their fair value deducted from transaction costs, after initial recognition for the amortized cost using the effective interest method.

Loans are classified as current liabilities, unless the entity has an unconditional right to defer the settlement of the liability for more than 12 months after the balance sheet date.

## **2.7 Cost of loans obtained**

Financial charges related to loans obtained are generally recognized as cost as they are incurred. The financial charges of loans obtained directly related to the acquisition, construction or production of fixed assets is capitalized as part of eligible assets. The capitalization of these charges begins with the preparation of the construction or development activities of the asset and is interrupted after the start of use or at the end of production or construction of the asset or when the project in question is in a suspension phase.

## **2.8 Provisions**

The provisions are recognized when, and only when, the entity has a present obligation (legal or implicit) resulting from a past event and it is likely that, for the resolution of this obligation, an outflow of resources will occur and that the amount of the obligation can be reasonably estimated. The provisions are reviewed on the date of each balance sheet and are adjusted to reflect the best estimate at that date.

## **2.9 Income Tax**

The current tax is the tax expected to be paid on the taxable revenues of the year, using the tax rates stipulated by law or substantially stipulated by law on the balance sheet date and any adjustment to the tax payable for previous years.

Deferred taxes are calculated on the basis of the balance sheet liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and their respective amounts for taxation purposes.

Deferred active taxes are recognized only when there are reasonable expectations of sufficient future tax profits to use these deferred active taxes. At the end of each financial year, a review of deferred taxes recorded, as well as unrecognized taxes is carried out, and they are reduced whenever their future use or registered is no longer likely, provided that, and to the extent that, it becomes likely to generate taxable profits in the future that will allow their recovery.

## **2.10 Specialization of exercises and income**

Expenses and Income are accounted for in the year to which they relate, regardless of the date of their payment or receipt. The Expenses and the Income whose real value is not known is accounted for by estimate.

In the headings of "Other current assets" and "Other current liabilities" are recorded the Expenses and Income attributable to the current year and whose expenses and revenues will only occur in future exercises, as well as the expenses and revenues that have already occurred, but that relate to future years and that will be imputed to the results of each of these years, by the amount that corresponds to them.

The revenues from the services provided are recognized in the period in which they occur. The billing of these services is made on a monthly basis.

Income from sales is recognized in the income statement when the significant risks and advantages inherent in the ownership of the assets are transferred to the buyer and the amount of income can be reasonably quantified. Sales are recognized net of taxes and discounts.

### **2.11 Employee benefits**

The contributions defined for the Social Security System are usually financed by employees (in 3% of gross salary) and by the company (in 4% of gross salary). The company has no additional obligations whenever the contributions have been paid. Contributions are recognized as expenses with employee benefits when they are due.

### **2.12 Contingencies**

Contingent liabilities are not recognized in the financial statements and are disclosed in the annex, unless the possibility of an outflow of funds affecting future economic benefits is remote. A contingent asset is not recognized in the financial statements, but disclosed in the annex when the existence of a future economic benefit is likely.

### **2.13 Subsequent events**

Events occurring after the balance sheet date that provide additional information on conditions that existed at the balance sheet date ("adjusting events") are reflected in the financial statements. Events after the balance sheet date that provide information on conditions that occur after the balance sheet date ("non-adjusting events"), if material, is disclosed in the annex to the financial statements.

## **3. Main judgments, estimates and accounting assumptions**

In the preparation of the consolidated financial statements, in accordance with the SCE, the Board of Directors of the entity adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the Income and Expenses incurred for the reported periods. All estimates and assumptions made by the Board of Directors were made on the basis of its best existing knowledge, on the date of approval of the financial statements, events and ongoing transactions. The most significant accounting estimates reflected in the financial statements include:

### **a) Useful life of tangible and intangible assets**

The entity continuously reassesses its estimates of the useful life of tangible and intangible assets. The remaining useful life estimates are based on the experience, state and operating condition of the asset. If deemed necessary, these estimates are supported by technical opinions issued by independent experts.

***Impairment of tangible and intangible assets***

Tangible and intangible assets are reviewed for impairment purposes whenever there are facts or circumstances that indicate that their recorded amount exceeds the recoverable amount.

**b) Provisions**

The provisions constituted to deal with probable losses in judicial proceedings in which the entity is an interested party are constituted, given the expectation of loss of the Administration, based on the information provided by its legal advisors, being the subject of an annual review.

**c) Taxes**

Income taxes (current and deferred) are determined by the entity on the basis of the rules defined by the tax framework. However, in some situations, tax legislation is not sufficiently clear and objective and may give rise to different interpretations. In these cases, the recorded values result from the entity's better understanding of the proper framework of its operations, which is likely to be questioned by the Tax Authorities.

On the other hand, the Tax Authorities have the power to review the tax position of the entity for a period of 10 years, which may result, due to the different interpretations and/or non-compliance with the tax legislation, namely in the area of IRPC and VAT, possible corrections.

The Administration believes it has complied with all the tax obligations to which the entity is subject, so any corrections to the declared tax base, arising from these revisions, they are not expected to have a significant effect on the financial statements.

The estimates were determined on the basis of the best information available at the time of the preparation of the financial statements and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods that, not being predictable to date, have not been considered in these estimates. Changes to these estimates, which occur after the date of the financial statements, will be corrected in the income statement in a prospective manner, as provided by NCRF4 - Accounting Policies, Changes in Accounting Estimates and Mistakes.

**4. Changes in accounting policies, estimates and errors**

In the years ended March 31, 2025 and 2024, there were no changes in accounting policies that had an effect on the comparability of these exercises.

## 5. Intangible assets

This heading has the following breakdown:

Description	31-Mar-25	Additions	Disposals	31-Mar-24
<b>Cost</b>				
Development Cost	1,667,122	466,112		1,201,010
<b>License fees</b>				
<b>Others works means</b>				
	<b>1,667,122</b>	<b>466,112</b>	-	<b>1,201,010</b>

## 6. Trade and other debtors

This heading has the following breakdown:

Description	Note	31-Mar-25	31-Mar-24
Income tax		90,000	90,000
State Debtors	7.1	58,845	41,363
Maven Holdings Ltd		24,500	24,500
Midwest Holdings Ltd		500	500
		<b>173,845</b>	<b>156,363</b>

## 7. Cash and Cash equivalent

This heading has the following breakdown:

Description	Currency	31-Mar-25	31-Mar-24
<b>Cash</b>			
Petty Cash	MZN	6,862	7,497
Petty Cash	USD		
		<b>6,862</b>	<b>7,497</b>
<b>Banks</b>			

**Current Account****Local Currency**

Standard Bank Acc. n° 105.838.863.1009	1,732	441
	<b>1,732</b>	<b>441</b>
<i>Total</i>	<b>8,594</b>	<b>7,938</b>

**8. Equity**

This heading has the following breakdown:

Description	Capital	Reserves	Retained earnings	Total equity
Balance at 31 March 2023	25,000	-	-	25,000
Loss for the period	-	-	-	-
Balance at 31 March 2024	25,000	-	-	25,000
Loss for the period	-	-	-	-
Balance at 31 March 2025	25,000	-	-	25,000

**9. Intercompany loans**

This heading has the following breakdown:

Description	31-Mar-25	31-Mar-24
Midwest Africa LDA	1,773,378	1,297,028
	<b>1,773,378</b>	<b>1,297,028</b>

**10. Unpaid Tax**

This heading has the following breakdown:

Description	31-Mar-25	31-Mar-24
IRPS	-	935
	<b>-</b>	<b>935</b>

## **11. Other current liabilities**

This heading has the following breakdown:

Description	31-Mar-25	31-Mar-24
Benefits payable to Employee	23,993	42,349
Other creditors	27,190	-
	<b>51,183</b>	<b>42,349</b>

## **11. Responsibilities and contingencies**

The entity has no contingency or liability to report the balance sheet date.

## **12. Subsequent events**

After the balance sheet date and until the date on which the financial statements were authorized for issuance, there were no favorable or unfavorable events for the entity that affect these financial statements or that require disclosure in them.

## **13. Approval of the financial statements**

The financial statements were approved by the Board of Directors in 29th of July 2025.



Ramachandra Kollareddy - Director

