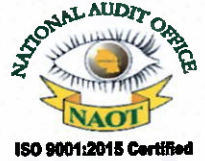




**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



**STATE MINING CORPORATION
(STAMICO)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

Controller and Auditor General
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March 2026

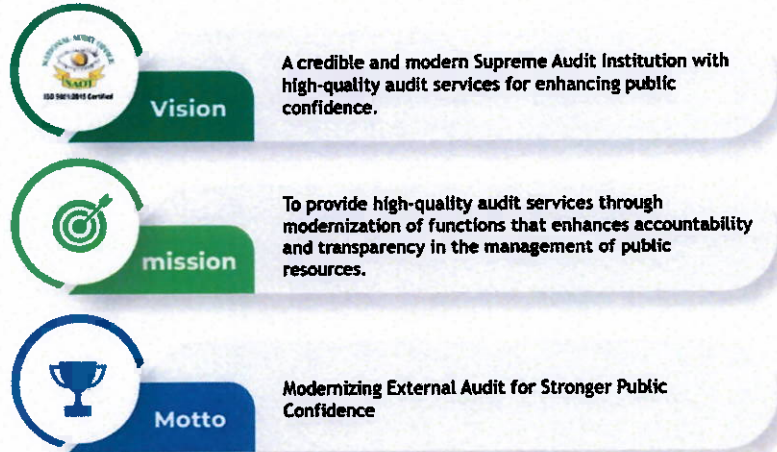
AR/PA/STAMICO/2024/25

About the National Audit Office

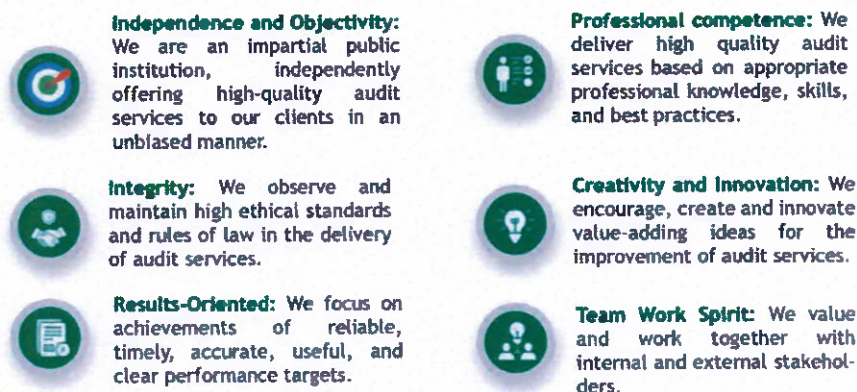
Mandate

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

NAOT Vision, Mission & Motto



Core Values



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TABLE OF CONTENTS

Abbreviations..... iii

GENERAL INFORMATIONiv

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL..... 1

**2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE
2025 5**

3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED BY GOVERNANCE25

4.0 DECLARATION OF THE DIRECTOR OF FINANCE AND ACCOUNTS26

5.0 FINANCIAL STATEMENTS27



Abbreviations

ASM	Artisanal and Small-scale Miners
CAG	Controller and Auditor General
CGU	Cash-Generating Unit
CIL	Carbon in Leach
ECL	Expected Credit Loss
ESG	Environmental, Social and Governance
GGM	Geita Gold Mine
GSO	Government Security Office
IFRS	International Financial Reporting Standards
NBAA	National Board of Accountants and Auditors
NeST	National e-Procurement System of Tanzania
PAC	Public Accounts Committee
PAD	Public Authorities Division
PD	Probability of Default
PPE	Property Plant and Equipment
RC	Reverse Circulation
SML	Special Mining License
STAMICO	State Mining Corporation
TML	Tanzanite One Mining Limited
TSF	Tailings Storage Facility
USD	United States Dollar
VAT	Value Added Tax



GENERAL INFORMATION

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

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1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the consolidated financial statements of State Mining Corporation, which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, as well as the notes to the financial statements, including a summary of material accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of State Mining Corporation as at 30 June 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and as required by the Public Finance Act, Cap. 348.

Basis for Opinion

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

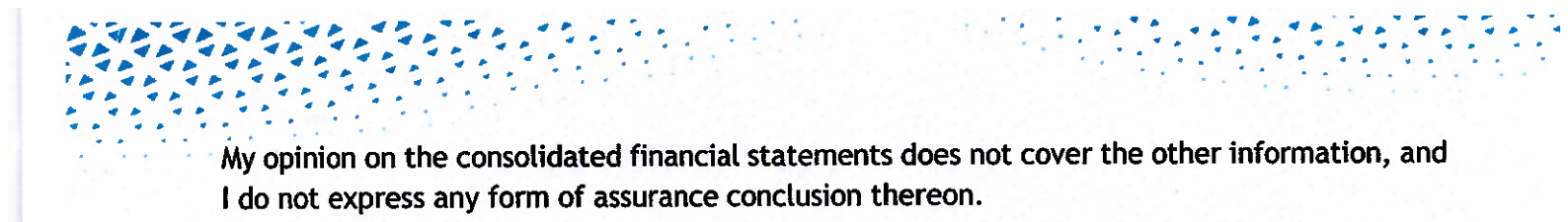
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, statement of management responsibility and the Declaration by the Head of Finance but does not include the consolidated financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.



My opinion on the consolidated financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB)) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

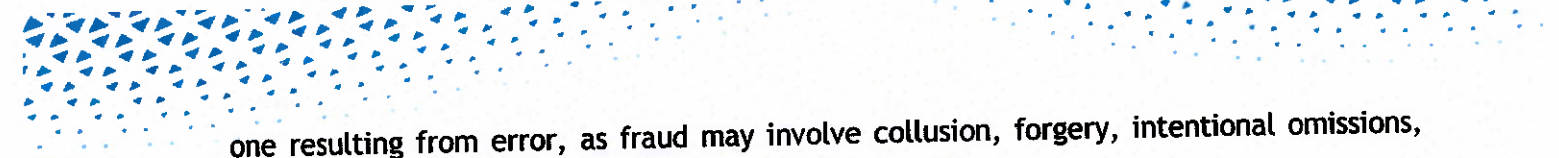
Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

My 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 audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for



one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- 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.

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I conducted a compliance audit of the procurement of works, goods and services at State Mining Corporation for the year ended 30 June 2025 as per the Public Procurement Act, the Public Procurement Regulations, 2024 and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that State Mining Corporation complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

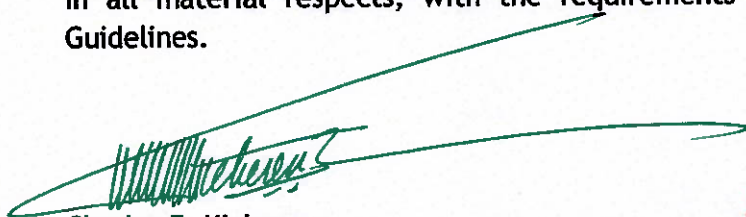
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at State Mining Corporation for the year ended 30 June 2025 as per the Public Finance Act (Budget Act), Cap. 348, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that State Mining Corporation complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

2.1 INTRODUCTION

The Directors present their report together with the consolidated financial statements for the year ended 30 June 2025, which disclose the state of financial affairs of State Mining Corporation ("the Corporation") and the Group, comprising the Corporation and its subsidiary, STAMIGOLD Company Limited.

The consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

2.2 INCORPORATION

The Corporation was established in 1972 under the State Mining Corporation (STAMICO), Establishment Order, 1972. The Corporation has been restructured and assigned new roles by the Government by amending its Establishment Order published on 1 May 2015 through Government Notice No. 171 of 2015. to increase the contribution of the mineral sector to the national economy and create employment opportunities for Tanzanians.

2.3 PRINCIPAL ACTIVITIES

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

- i. To acquire by agreement and hold interests in any undertaking, enterprise or project associated with the exploration, prospecting and mining of minerals and for such purposes to obtain, exercise, carry out and use any mining lease, license, concession, franchise, authority, power, right or privilege which any government, public body or other authority may be empowered to grant;
- ii. To acquire mineral rights and conduct or engage in mineral prospecting and mining operations, including drilling, surveying, exploration, testing, appraisal, and extraction;
- iii. Quarrying, producing, treatment, processing, grading, cutting, storing, transportation and such other related activities, as the Board may, from time to time decide;
- iv. To carry out consultancy services, contract works, feasibility studies and environmental studies in accordance with any relevant laws and to perform mine designing, development and management of matters provided for under this Order;
- v. To establish corporate entities or firms for the purposes of carrying out projects or engaging in mining of, prospecting, refining, grading, producing, cutting, processing, buying or selling or marketing of minerals whether alone or in joint venture with strategic investors;
- vi. To acquire shares or interests in any firm, The Corporation or other body of persons, whether corporate or unincorporated.; engaged in the mining of, or in prospecting,

refining, grading, producing, cutting, processing, buying or selling or marketing of minerals;

- vii. To participate in any stock market as the Board may determine;
- viii. Promote, facilitate or support the transformation of artisanal and small-scale mining into well-organized, sustainably productive and environmentally conscious to medium-scale mining operations
- ix. To import, export, manufacture and maintain mining equipment and machinery; to manage the affairs of any corporation, The Corporation, firm or other body of persons whose interests are transferred to or acquired by the Corporation under the Act or this Order;
- x. To carry on its business, operations and activities either within the United Republic of Tanzania or elsewhere, whether as principal agent, contractor or otherwise, and either alone or in collaboration with any other person, firm or body corporate;

2.4 CORE VALUES

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

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

2.5 VISION

A Gateway to Mineral Driven Economy in Tanzania.

2.6 MISSION

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

2.7 OPERATIONAL AND FINANCIAL PERFORMANCE FOR THE YEAR

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the Public Corporations Act, and Tanzania Financial Reporting Standards 1 issued by NBAA. The accounting policies have been applied consistently, as well as the adoption of new or revised accounting standards.

2.8 OPERATING REVIEW

2.8.1 Strategies for the financial year 2024/25

During the FY 2024/25, the Corporation prioritized to implement the following:

- i. Continuing with the massive production of coal at Kabulo-Kiwira as well as securing markets and other coal licenses;
- ii. Continuing with massive production of rafiki briquette by commissioning four large plants and seeking for more markets;
- iii. Enhancing drilling services by procuring supportive equipment and securing two long-term contracts;
- iv. Strengthening chemicals and explosive trade as well as continuing with production of quarry aggregates at Chigongwe area;
- v. Strengthen management of Corporation Joint Venture, Subsidiaries Companies and other Business Venture;
- vi. Continuing with the implementation of ASM strategy through providing training, operationalization of existing demo centres and finalizing the construction of new centres at Tanga (Limestone) and Lindi (Salt);
- vii. Continuing with the implementation of Corporation's Exploration Strategy; and
- viii. Improve staff welfare and Providing staff with training on various issues and HIV/AIDS, COVID 19 and non-communicable diseases (Non-Communicable Diseases).

2.8.2 Achievements

During the Financial Year 2024/25, the Corporation achieved the following:

- Acquired two critical mineral licenses Nickel, Ntaka Lindi and Rare Earth Elements, Wigu, Morogoro; and
- Acquired drilling contracts for Shanta Chunya Mine worth 3,847,500,000 shillings for reverse circulation (RC) and Geita Greenfield Chamber Dodoma worth 567,000,000 shillings for rotary air blast (RAB);
- Procured a large modern drilling rig (RC rig) that can drill more than 3000 meters.

Financial Highlights

Description	Consolidated		STAMICO	
	2024/25	2023/24	2024/25	2023/24
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Revenue	101,182	103,730	68,155	62,062
Other Income	8,779	18,800	8,337	15,409
Profit before tax	29,530	23,642	29,517	22,375
Profit after tax	20,574	29,390	20,789	17,901

2.9 INVESTMENTS

The Corporation has investments as follows:

i) Subsidiaries - STAMIGOLD Company Ltd

STAMIGOLD is a Subsidiary Company owned 99% by STAMICO. The Company is responsible for operating the Biharamulo Gold Mine. The Company was incorporated on 28 October 2013 with the purpose of engaging in prospecting, exploration, development, production, processing and marketing of gold within the country and to foreign markets. Currently, the Company is operating gold mining in the Special Mining Licenses (SML 157/03) and has other Prospecting Licenses that are aimed for further exploration and development. STAMIGOLD possesses gold tailings deposits of about 8,600,000 tonnes consisting of a recoverable 200,000 Ounces of gold at a grade of 0.72 g/tAu.

In addition, the mine has also continued to conduct exploration in its areas to increase the mine life time. In addition, the mine has continued to make investments by procuring mining equipment worth 288,454,000. The STAMIGOLD mine has also been able to implement CSR projects where it has contributed 12,175,000 shillings to the construction of the toilets of the Mafukwe Primary School in Nyabusozzi County. Associates include Buhemba Gold Company Limited, Buckreef Gold Mine Company Limited and Mwanza Precious Metals Refinery Company Limited. Refer Note 6.

ii) Associates

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

The Buckreef mine continues to carry out Explorations and research to increase its mineral reserves. The mine has also spent 352,065,321.00 shillings on CSR projects in Geita district. The funds have been used to build a staff building at Busanda Hospital, Lwamgasa Health Centre and the construction of 4 classrooms and four (4) toilets at Shikizi, Katangalo and Kaesa Primary Schools.

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

In August 2023, MPMR succeeded in acquiring ISO certifications on the following management systems.

1. ISO 9001:2015 -Quality Management Systems
2. ISO 14001:2015 - Environmental Management Systems
3. ISO 45001:2018 - Occupational Health and Safety Management

Since its commencement in June 2021 to date, MPMR has purchased and refined 1,229,833.55 grams (39,540.06 Ounces) worth USD 82,471,086.51

Additionally, the refinery provides refining service of 2,054,912.15 grams of fine gold (66,066.95 Ounces) at 999.9 purity, with the service charge worth USD 344,071.29 from dealers. The refinery is continuing to develop various strategies to attract remarkable number of gold producers and dealers to sell their gold to the refinery. VAT on local sales hindered full optimization of the plant as it caused a lack of feedstock, but the Government, through the new finance bill 2023/24, has made all the local sales zero-rated. This change of policy has guaranteed enough feedstock to the local refineries and will boost refinery activities as planned.

In addition, the refinery has continued to create strategies to increase gold flow, such as offering competitive prices, promoting refinery incentives, the introduction of advance payments to only genuine mining companies and dealers, and also attracting raw gold imports.

Other Strategic Businesses

a. Kiwira-Kabulo Coal Business

Located within Songwe Kiwira Coalfield, situated about 100km South of Mbeya (Ivogo Ridge and Kabulo Ridge), the estimated coal resources are over 85 million tons with a life span of more than 40 years.

Future Prospects and External Environment:

With global coal demand expected to fluctuate due to increasing environmental regulations and a gradual shift toward renewable energy sources, the project faces medium- to long-term risks related to market trends. However, domestic energy needs and industrial reliance on coal provide a stable market for the foreseeable future. To mitigate the impact of heavy rains that affected production (151,220 tons against a target of 279,000 tons), the Corporation has completed 99% of the construction for upgrading the Landani Road and the bridge over the Mwalisi River. The operational bridge now ensures accessibility throughout the year.

Preparedness for Future Challenges:

Investments in a new mobile plant with a production capacity of 200 tph and the acquisition of trucks and wheel loaders are projected to double production capacity in the next financial year.

Plans to explore advanced drainage and water management systems to address heavy rains.

Continuous monitoring of coal pricing trends and maintaining flexibility to adapt production levels to market conditions.

b. Chigongwe Quarry Business

The Corporation currently owns ten (10) licences for quarry mining at Chigongwe area in Dodoma. Mining activities have started in two licences with an estimated resource of 13.3 million tons of quarry.

Future Prospects and External Environment:

The construction sector in Tanzania continues to grow, driven by government initiatives, infrastructure development, and private sector investments. However, competition in the

aggregate supply market and potential cost fluctuations in transportation and equipment maintenance remain key risks.

Preparedness for Future Challenges:

STAMICO has initiated plant testing for stone crushing and aggregate screening, achieving initial production of 150 cubic meters of aggregates. Contracts expected in the first quarter of 2024/25 will support ongoing construction projects in Dodoma and neighbouring regions, with an initial production projection of 31,600 tons per month. The Corporation is exploring partnerships to expand distribution networks and enhance market reach, including technology upgrades for cost-effective production.

c. Rafiki Briquette Business

Rafiki Briquette is a by-product of Kabulo-Kiwira Coal from the Songwe Region. This is an alternative source of energy for domestic and industrial usage and a close substitute to charcoal and firewood.

Future Prospects and External Environment:

The increasing demand for eco-friendly energy sources aligns well with the Corporation's product offering. However, challenges include market competition, consumer awareness, and logistical bottlenecks in distribution.

Preparedness for Future Challenges:

- i) Two production plants have been established in Kiwira (Songwe Region) and Kisarawe (Coast Region). During the reporting period, production reached 30.7 tons of carbonized and 30.3 tons of non-carbonized briquettes;
- ii) A contract with Tanzania Prison Services to supply briquettes to all prisons in Tanzania is expected to boost revenue significantly in the coming financial year; and
- iii) The Corporation is developing a marketing campaign to enhance product awareness and promote the environmental benefits of briquettes as a renewable energy alternative.

d. Drilling Works and Consultancy services

During the period, STAMICO executed drilling activities, including 2,270 meters of Reverse Circulation (RC) drilling and 3,464.8 meters of Diamond Drilling (DD), achieving partial targets across various projects (e.g., Geita Gold Mine, Buckreef, and Shanta).

Future Prospects and External Environment:

The mining industry remains a critical contributor to Tanzania's GDP, with increasing demand for exploration and consultancy services. However, risks include fluctuations in commodity prices and reliance on external markets for equipment.

Preparedness for Future Challenges:

Procurement of a new Explorer II RC rig, valued at TZS 3 billion, with a drilling capacity of up to 3000 meters, positions STAMICO competitively as the first in Africa to own such equipment.

Plans to diversify drilling services into emerging mineral exploration projects and expand operations beyond Tanzania are under consideration.

The Corporation is implementing measures to improve efficiency, including staff training and predictive maintenance systems to reduce operational downtime.

2.10 CHALLENGES FACED BY THE CORPORATION DURING THE FINANCIAL YEAR 2024/25

Despite the achievements attained, the Corporation encountered the following challenges;

- i. Lengthy procurement processes are caused mostly by some procurement rules and regulations which are not facilitative to a commercial enterprise that is STAMICO. The Corporation is in discussion with PPRA to find ways that make it easier for STAMICO to do business in a private sector and competitive environment and, at the same time, comply with the basic tenets of best public procurement principles;
- ii. Inadequate staffing (deficit of 117 staff) caused by delay in securing recruitment permits. This is also another area that needs to be reviewed in the spirit of making STAMICO more enabled to efficiently compete with other players, who are largely private sector and flexible in their operations.
- iii. Length procedures in access Debt financing, being a government institution, STAMICO is subjected to restrictions in accessing debt financing from financial institutions, making it depend fully on equity financing from the owner.

2.11 CAPITAL STRUCTURE

According to the Public Corporation (State Mining Establishment/Amendment Order of 2015) Para 5: The authorized share capital of the Corporation is Fifty Billion Shillings divided into Five Million Ordinary Shares having a par value of Ten Thousand Shillings each.

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

Details	2024/25	2023/24
	TZS 'M'	TZS 'M'
Authorized Share Capital:		
5,000,000 Ordinary shares of TZS 10,000 each	50,000	50,000
Issued and Fully Paid-Up Capital:		
6,500 Ordinary shares of TZS 10,000 each held by Treasury Registrar	65	65

Up to 2024/25, the Government of the United Republic of Tanzania has advanced STAMICO a total of TZS 180.6 billion as Capital Contribution. All issued and fully paid shares are owned by the Government of the United Republic of Tanzania through the Treasury Registrar. Directors' interest in shares of the Corporation- none of the directors has a beneficial interest in the share capital of the Corporation.

Rationale for Chosen Capital Structure

The Corporation's capital structure, predominantly funded by the Government through equity, reflects its strategic focus on ensuring long-term sustainability while reducing reliance on external debt financing. This approach aligns with STAMICO's mandate to promote resource development and maximize public benefits from mining operations without the burden of excessive debt servicing costs

Key considerations for the chosen structure include:

Equity Financing: The focus on equity over debt allows the Corporation to reinvest profits in strategic projects without the pressure of periodic interest payments, making it well-suited for the long development cycles inherent in mining operations.

Government Ownership: Full ownership by the Government through the Treasury Registrar ensures alignment with national development goals and provides access to stable capital injections as needed.

Balancing Debt and Equity

While the current structure leans heavily toward equity, the Corporation remains open to leveraging debt selectively for large-scale, high-return projects where financing through debt offers better cost-efficiency. Management regularly assesses debt-to-equity ratios to ensure financial health and adherence to fiscal responsibility.

2.12 DIVIDENDS

The Corporation has paid dividends of TZS 1 billion for the Financial Year 2024/25 (TZS 3.5 billion in 2023/24).

2.13 CORPORATE GOVERNANCE

At the beginning of the financial year, the Corporation had a Board whose term ended in December 2024, as shown in the table below.

Table: Board Members

S / N	Name	Qualification/ Discipline	Gender	Age	Position	Appointment date	End date
1	Maj. Gen. Michael J. Isamuhyo (Rtd)	High Command Defense Studies	Male	69	Chairman	25 January 2022	04 December 2024
2	Mr. Lucas L. Seleli	Certificate in Agriculture	Male	64	Vice-Chairman	25 January 2022	04 December 2024
3	Ms. Janeth W. Luponelo	MENG in MRM. PGDBM. B. MSc in Geology	Female	52	Member	25 January 2022	04 December 2024
4	Mr. Said A. Nzori	LLB, LLM	Male	61	Member	25 January 2022	04 December 2024
5	Mr. Emmanuel M. Subbi	BCOM, MBA, MA in Security and Strategic Studies	Male	55	Member	25 January 2022	04 December 2024
6	Ms. Prisca B. Lwangili	BA PSPA, MSC HRM, Uongozi Certificate	Female	43	Member	25 January 2022	04 December 2024
7	Mr. Abdul-Razaq I. Badru	BA, MBA	Male	56	Member	25 January 2022	04 December 2024
8	CPA. Leonard C. Kitoka	MBA, BCOM Finance, CPA-PP, PGD in Poverty Analysis	Male	56	Member	25 January 2022	04 December 2024
9.	Yokbeth F. Myumbilwa	PGD in Geological Survey: BSC in Geology	Male	62	Member	25 January 2022	04 December 2024

As of the reporting date, New Chairperson has been appointed, while the appointment of new Board members by the Minister is still pending.

Table: Board Chairman in office

S / N	Name	Qualification/ Discipline	Gender	Age	Position	Appointment date	End date
1	Ambassador IGP Simon Nyakoro Sirro (Rtd)	BSc.Ed (Hons)	Male	62	Chairman	30 Machi, 2025	29 Machi, 2028

The day-to-day management of the Corporation is vested to the Managing Director, who is supported by Senior Management. Senior Management attends Board meetings and facilitates effective operational control, serving as a communication and coordination link between business units.

The Board retains overall responsibility for the Corporation, including identifying key risks, monitoring investments, overseeing financial matters, and reviewing management's business plans and budgets. It also ensures the implementation of internal control policies and adherence to corporate governance principles. During the 2024/25 financial year, the Board held the following meetings. The table below outlines the Directors who served and their attendance at Board and Committee meetings:

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

2.14 BOARD MEETINGS AND DELIBERATIONS MADE

- i. The 114th Ordinary Meeting of the Board on 29 July 2024
Resolved to adopt SRO, TSBD & ARC committees' Reports.
- ii. Extra Ordinary Meeting of the Board on 9th & 10th September 2024
 - a. Resolved to adopt SRO, TSBD & ARC committees' reports.
 - b. Resolved to approve six business plans (Drilling services, Rafiki Briquette, Kiwira- Kabulo coal Mining, Chigongwe aggregates, chemical and Explosives trade)
 - c. Resolved to approve financial reports for the financial year 2023/2024
- iii. 115th Ordinary Meeting of the Board on 13th November, 2024
 - a. Resolved to adopt SRO, TSBD & ARC committees' reports.
 - b. The Board resolved to approve Buckreef Laona Facility Agreement and appointment of prox for the Buckreef Extra Ordinary shareholders meeting.

• **COMMITTEES OF THE BOARD OF DIRECTORS**

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

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

2.14.1 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee members of the Board were appointed by the Board of Directors from among themselves in accordance with the Public Corporation (State Mining Establishment/amendment order of 2015). The Audit and Risk Management Committee met six (2) times during the period covering July 2024 to June 2025. The Corporation’s Audit and Risk Management Committee has been in operation during the year.

The roles and responsibilities of the Audit and Risk Management Committee

The role of the Audit and Risk Management Committee has been defined in the Audit and Risk Management Committee Charter. The Corporation’s Audit and Risk Management Committee has conducted its meetings as per the action plan scheduled during the reporting period ended 30 June 2025 and met 3 times. The Audit and Risk Management Committee members are: -

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

2.14.2 STRATEGY, RESOURCES, AND OPERATIONS COMMITTEE

The committee’s members listed below are charged with the functions of advising the board on investment opportunities, planning, and assist the board in reaching the functions and strategic goals of the Corporation and its reports to the full board. The Strategy, Resources and Operations Committee met two (2) times during the period covering July 2024 to June 2025.

The Strategy, Resources and Operations Committee members are:

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

2.14.3 Technical Services and Business Development Committee

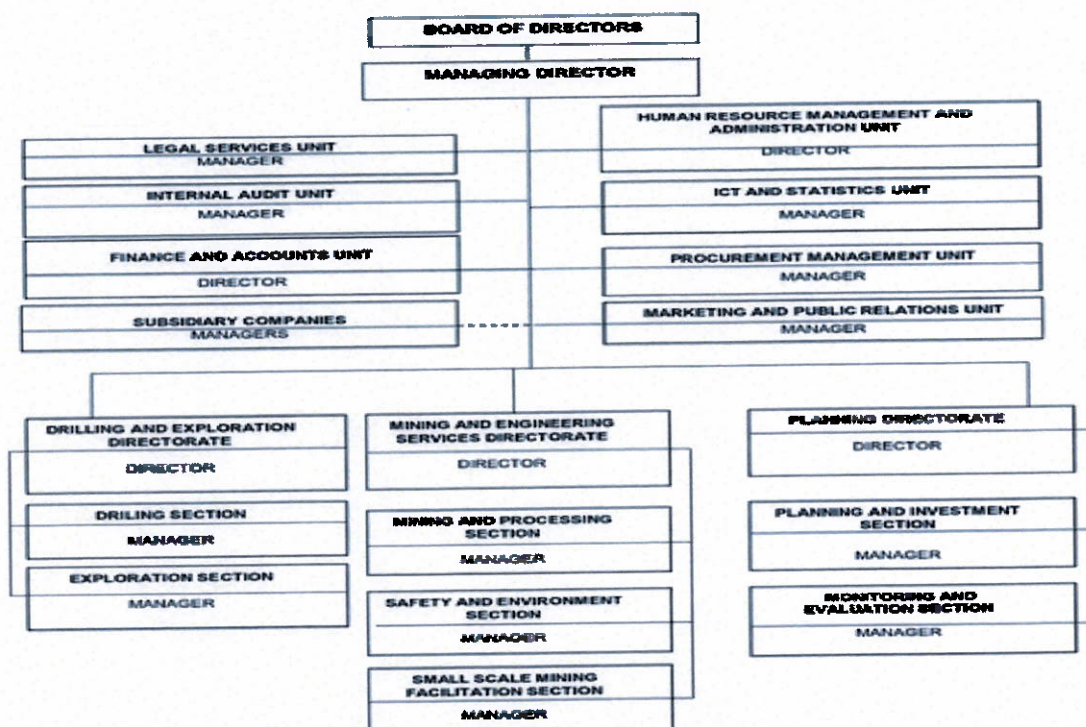
The committee’s members listed below are charged with the functions of advising the board on technical matters, including mining, geology and consultancy services. The Technical Services and Business Development Committee met two (2) times in the period between July 2024 to June 2025.

Technical Services and Business Development Committee members are:

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

2.15 MANAGEMENT STRUCTURE

In accordance with the Public Corporation Act, the Corporation is led by the Managing Director, who serves as both the Accounting Officer and Chief Executive Officer. Below is the Corporation's new Organizational Structure, effective 1 May 2022.



2.16 DIRECTORATES AND THEIR RESPONSIBILITIES

i) Exploration and Drilling Directorate

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

ii) Mining and Engineering Services Directorate

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

iii) Planning Directorate

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

2.17 UNITS AND THEIR RESPONSIBILITIES

i) Internal Audit

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

ii) Legal Services

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

iii) Procurement Management Unit

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

iv) Human Resources Management and Administration Unit

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

v) Finance and Accounts Unit

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

vi) Information and Communication Technology

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

vii) Marketing and Public Relations Unit

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

2.18 MANAGEMENT TEAM

The following where the senior management team for the year ended 30 June 2025

S/N	Name	Designation
1	Dr.Venance B Mwasse	Managing Director,
2	Nchagwa Marwa	Acting Manager Small Scale Mining
3	Deusedith G. Magala	Director of Human Resources and Administration
4	CPA.Christopher A. Nditolo	Acting Director of Finance and Accounts
5	Baraka Manyama	Acting Director Mining and Engineering Services
6	CPA Augustino Ezekiel	Acting Internal Auditor Manager
7	Winifrida Matunda	Management Procurement Unit Manager

S/N	Name	Designation
8	Mudrikat Kiobya	Legal Unit Manager
9	Nsalu L.Nzowa	Planning and Investment Manager
10	Mr Deus Alex	Marketing and Public Relations Unit Manager
11	Ibrahim D.Lwenyagira	Mining Manager
12	Mr Fredrick Mangasini	Acting Exploration Manager
13	Ms Rose Makene	Environmental and Safety Manager
14	Mr David Semeo	Monitoring and Evaluation Manager

2.19 POLITICAL ACTIVITIES

The Corporation did not make any political contributions and did not participate in any political activities during the year under review.

2.20 RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for risk management and the internal control system of the Corporation. The management ensures that adequate financial and operational control systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following:

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

The effectiveness of an internal control system relies on strict adherence to prescribed measures. However, there is always a risk of staff non-compliance. While no system can fully eliminate the risk of misstatements or losses, the Corporation's controls are designed to provide Directors with reasonable assurance of their effectiveness. The Directors have assessed the system and are generally satisfied, as detailed below. The Corporation manages its risks through various policies, including Financial and Accounting, Procurement, Health, Safety and Environment, and Human Resources policies.

2.20.1 Operational Risk

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

- i. People risk
- ii. Process risk
- iii. System risk
- iv. Legal and compliance risk
- v. External event risk

2.20.2 Human Resources Risk

The nature of the activities of The Corporation calls for a multidisciplinary team of staff with specialized knowledge in the key operational areas. To address this, The Corporation invests in capacity building for its employees and revises its compensation structure periodically.

2.20.3 Reputational Risk

The Corporation is committed to fulfilling its functions while upholding its reputation as a law-abiding entity. To achieve this, the Board and Management ensure compliance with applicable laws and regulations by adhering to sound corporate governance principles and adopting best practices.

2.20.4 Legal and compliance risk

The Corporation operates under various laws and regulations and must ensure full compliance. Regulatory and policy changes often lead to high compliance costs. To address this, the Corporation employs skilled professionals, engages external advisors when needed, and maintains a proactive, collaborative relationship with regulators.

2.21 STAKEHOLDERS' RELATIONSHIP

2.21.1 Employees

The Corporation ensures that employees have access to;

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

2.21.2 Regulators

The Corporation maintains strong engagement with the Tanzania Revenue Authority (TRA), Mining Commission, Ministry of Minerals, The Government, and other regulators and policymakers.

2.22 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)


Introduction - Adoption of IFRS Sustainability Disclosure Standards

In accordance with the International Financial Reporting Standards for Sustainability Disclosure (IFRS S1 and IFRS S2), effective from 1 January 2024, reporting entities are required to disclose material sustainability-related risks and opportunities that may reasonably be expected to affect their cash flows, access to finance, or cost of capital.

IFRS S1 establishes a general framework for the identification and disclosure of sustainability-related risks and opportunities relevant to the primary users of general-purpose financial reports. IFRS S2 supplements this framework by setting specific disclosure requirements for climate-related risks and opportunities, including both physical and transition risks.

Following the adoption of these standards, the National Board of Accountants and Auditors (NBAA) issued minor amendments to Tanzania Financial Reporting Standard 1 (TFRS 1) to incorporate sustainability-related financial information and climate-related disclosures within the Report of Those Charged with Governance, which accompanies the financial statements.

During the reporting period, the Corporation disclosed information on identified environmental, social, governance, and climate-related risks and opportunities, as required under applicable reporting standards.



The Corporation's sustainability disclosures are organised under the Environmental, Social and Governance (ESG) pillars and are supported by the identification of sustainability-related and climate-related risks and opportunities, as summarised below.

1.22.1 Environmental Considerations

Sustainable Resource Management - Resource Optimization

The Corporation applies sustainable resource management practices aimed at optimizing mineral extraction while minimizing environmental impacts across the mining lifecycle. Environmental management measures include structured mine rehabilitation and restoration programmes at the Kiwira/Kabulo Coal Mine and its subsidiary STAMIGOLD Company Limited, supported by reforestation and soil conservation initiatives to restore disturbed land and ecosystems.

Environmental Impact Assessments (EIAs)

Environmental risks are managed through the conduct of Environmental Impact Assessments (EIAs) and implementation of approved Environmental Management Plans, which guide mitigation measures throughout project development and operations.

Compliance and Monitoring - Regulatory Compliance:

The Corporation complies with applicable national environmental laws and regulations, including the acquisition and maintenance of required environmental permits and licenses. Environmental performance is monitored to support compliance with statutory requirements.

1.22.2 Social Responsibilities

Community Engagement and Development - Community Investment:

The Corporation undertakes activities aimed at supporting positive social outcomes in communities surrounding its operations.

Stakeholder Collaboration:

Through community engagement and development initiatives, the Corporation supports investments in infrastructure, education, healthcare services, and local economic activities. Engagement with local leaders, community members, and civil society organizations is undertaken to facilitate communication and participation.

Resettlement and Compensation:

Where mining activities require resettlement, compensation and relocation processes are carried out in accordance with applicable laws and established procedures.

Labor Practices and Employee Welfare - Health and Safety:

Labour practices and employee welfare are addressed through occupational health and safety measures, supported by safety procedures, training, and provision of personal protective equipment (PPE).

Fair Employment Practices:

Employment policies promote fairness and non-discrimination, while capacity-building initiatives support skills development and workforce effectiveness.

Mining activities are conducted with consideration for the cultural heritage and rights of indigenous and local communities, supported by ongoing engagement.

Capacity Building: Continuous professional development programs are provided to employees, enhancing skills and improving job satisfaction.

Social Impact on Indigenous Communities - Cultural Sensitivity:

Mining activities are conducted with respect for the cultural heritage of indigenous communities. The corporation engages in dialogue with these communities to mitigate negative impacts and support cultural preservation.

Rights Protection: The corporation actively works to protect the rights of indigenous populations, ensuring that their voices are heard and their concerns addressed.

1.22.3 Governance Practices

a. Corporate Governance Structure - Board Oversight:

The corporation's board of directors includes a diverse range of expertise, with clear roles and responsibilities to oversee ESG practices. Transparency and accountability are core principles of governance.

b. Ethical Conduct: A code of ethics is in place, guiding decision-making processes and ensuring integrity in all operations. Anti-corruption policies and training are regularly enforced.

c. Risk Management: The corporation has implemented a robust risk management framework that includes identifying and mitigating ESG-related risks, such as environmental liabilities and social unrest.

d. Feedback Mechanisms: Feedback from stakeholders is actively sought and incorporated into decision-making processes. Channels for reporting grievances or concerns are accessible and effective.

1.22.4 Sustainability Initiatives

The Corporation undertakes sustainability-related initiatives aimed at supporting environmental protection, social responsibility, and sound governance.

These initiatives include investments in cleaner and alternative energy solutions, such as the Rafiki Briquette initiative, which supports reduced reliance on traditional biomass energy sources.

1.22.5 Long-Term Sustainability Goals- ESG Integration

The Corporation's strategic direction emphasises the integration of ESG considerations into operational and management processes. Sustainability practices are subject to periodic review to reflect regulatory developments and evolving reporting requirements.

1.22.6 Continuous Improvement

The corporation is committed to continuous improvement in its ESG performance, regularly reviewing and updating its policies and practices to align with emerging global standards and stakeholder expectations.

1.22.7 Sustainability-Related Risks and Opportunities

Topic	Type	Description	Time Horizon	Key Effects on STAMICO
Employee health & safety	Risk	Exposure to heat, dust, accidents and hazardous working conditions.	Short	Injuries, operational downtime, regulatory exposure.
ASM encroachment	Risk	Encroachment into licensed areas by artisanal and small-scale miners.	Short-Medium	Production delays, security incidents.
Human rights violations	Risk	Potential risks within operations and supply chain.	Medium	Reputational damage, penalties.
Labour practices gaps	Risk	Skills shortages and workforce capability gaps.	Medium	Reduced productivity.
Weak ESG data systems	Risk	Inconsistent ESG data and reporting.	Short	Audit findings, compliance issues.
Anti-corruption exposure	Risk	Fraud and procurement integrity risks.	Short	Financial and reputational loss.
Workforce wellness	Opportunity	Improved employee wellbeing.	Short	Reduced absenteeism.
Training & development	Opportunity	Strengthening workforce skills.	Medium-Long	Higher operational efficiency.
Community engagement	Opportunity	Improved relations with host communities.	Medium-Long	Reduced operational disruptions.
Human rights promotion	Opportunity	Ethical operations and supply chains.	Medium	Reduced compliance risk.
ESG systems capacity	Opportunity	Improved ESG governance systems.	Short-Medium	Improved reporting quality.
Business ethics	Opportunity	Strong integrity culture.	Short-Medium	Reduced fraud exposure.
Coal asset repurposing	Opportunity	Alternative or cleaner use of coal assets.	Long	Revenue diversification.

1.22.8 Climate-Related Risks and Opportunities

Topic	Climate Category	Type	Description	Time Horizon	Key Effects on STAMICO
Flooding & heavy rainfall	Physical Acute	- Risk	Flooding disrupting pits, roads and stockpiles.	Short	Operational delays, infrastructure damage.
Tailings dam failure	Physical Acute	- Risk	Overtopping and dam stability risk.	Short	Safety and regulatory exposure.
Transport disruptions	Physical Acute	- Risk	Flooded access roads.	Short	Delivery delays, higher OPEX.
Water scarcity	Physical Chronic	- Risk	Reduced water availability.	Medium-Long	Reduced capacity, higher costs.
Acid mine drainage	Physical Chronic	- Risk	Increased acidity of mine waste.	Long	Environmental liabilities.
Coal dump erosion	Physical Chronic	- Risk	Rainfall-induced erosion.	Long	Higher closure liabilities.
GHG & diesel pressure	Transition Regulatory	- Risk	Rising emissions compliance requirements.	Medium	Higher compliance costs.
Decline in coal demand	Transition Market	- Risk	Reduced global coal demand.	Medium-Long	Revenue pressure.
Low-emission technology lag	Transition Technology	- Risk	Continued reliance on inefficient equipment.	Medium	Higher fuel costs.
Flood-resilient infrastructure	Physical Adaptation	- Opportunity	Climate-resilient infrastructure.	Short-Medium	Lower downtime.
Water recycling	Resource Efficiency	- Opportunity	Reduced exposure to water stress.	Short-Medium	Stable operations.
Energy efficiency & renewables	Transition Energy	- Opportunity	Reduced emissions and energy costs.	Medium	Cost savings.
Low-carbon minerals	Transition Market	- Opportunity	Diversification into critical minerals.	Long	Long-term growth.
Climate-resilient mine closure	Physical Long-term Adaptation	- Opportunity	Progressive rehabilitation.	Long	Reduced closure liabilities.

2.23 GOING CONCERN

The Group recorded a net profit after tax of TZS 20.57 billion (TZS 29.39 billion in 2023/24), while the Corporation reported TZS 20.79 billion (TZS 17.90 billion in 2023/24). These results confirm that both the Group and the Corporation continue as going concerns. Based on the year's performance and future business projections, the Board of Directors is confident that the Group remains financially stable and will continue to do so. Accordingly, the financial statements have been prepared using accounting policies applicable to a going concern.

2.24 EMPLOYEE'S WELFARE

The Corporation has the following employees' welfare arrangements:

a) Health and safety

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

b) Retirement benefits

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

2.25 PERSONS WITH DISABILITIES

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

2.26 GENDER PARITY

As at 30 June 2025, the company had 140 employees, out of which 41(29%) are female and 99 (71%) males (2024 total of 141 employees of which 41(29%) were female and 100(71%) males).

2.27 HIV/AIDS Policy

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

2.28 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 30 of the Financial Statements.

2.29 RESOURCES

The Corporation creates value to stakeholders through the mix of different resources such as financial, human, intellectual, social, and relationships. The Corporation applies a combination of all the resources without disregarding the other to maximize value in the longer term. Financial resource - our shareholders (The Government of URT) provide us a strong financial capital base that supports our operations and growth.

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

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

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

2.30 RESPONSIBILITY OF THOSE CHARGED WITH GOVERNANCE

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


2.31 STATEMENT OF COMPLIANCE

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

2.32 AUDITOR

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

BY ORDER OF THE BOARD



Ambassador IGP Simon N. Sirro (Rtd)

Chairperson

Date: 25/03/2026

3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED BY GOVERNANCE

The Corporation's Directors are responsible for overseeing the Corporation's financial reporting process and preparation of Consolidated financial statements of State Mining Corporation comprising the Consolidated Statement of financial position as at 30 June 2025, and the Consolidated Statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the Consolidated financial statements, which include a summary of significant accounting policies and other explanatory information, that give a true and fair view in accordance with International Financial Reporting Standards and in a manner required by Public Corporation Act, 1992.

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

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

Approval of Consolidated Financial Statements

The draft Consolidated financial statements of State Mining Corporation, as identified in the first paragraph, were approved and authorized for issue by the Board of Directors on August 2025.

BY ORDER OF THE BOARD


Ambassador IGP Simon N. Sirro (Rtd)

Chairperson

Date: 25/03/2020

STATE MINING CORPORATION (STAMICO)


4.0 DECLARATION OF THE DIRECTOR OF FINANCE AND ACCOUNTS

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

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

I, Christopher Alex Nditolo, being Acting Director of Finance and Accounts of State Mining Corporation (STAMICO) hereby acknowledge my responsibility of ensuring that the Consolidated financial statements for the year ended 30 June 2024 have been prepared in compliance with International Financial Reporting Standards (IFRS) and statutory requirements.

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

Signature  _____
Name: Christopher Alex Nditolo
Position: Acting Director of Finance and Accounts
NBAA Membership No: ACPA3207

Date: 25/03/2026

STATE MINING CORPORATION (STAMICO)

5.0 FINANCIAL STATEMENTS

5.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Consolidate 2024/25	2023/24 RESTATED	2023/24 TZS 'M'	STAMICO 2024/25	2023/24 RESTATED
	Note	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Non-current assets						
Property, plant and equipment	4	179,100	161,616	156,553	148,344	131,685
Exploration and evaluation assets	5	1,921	1,429	1,373		
Intangible assets	6	22	6	12	22	6
Investment properties	7	24,175	23,435	23,435	24,175	23,435
Investment in associates	8	62,144	47,247	41,367	62,144	47,247
Investment in subsidiaries	9				6,521	6,521
Investment in Financial Instruments	10	500			500	
Deferred tax Asset	25	10,166	10,222			
Total Non-Current Assets		278,028	243,955	222,740	241,706	208,894
Current assets						
Inventories	11	22,771	23,988	22,209	9,095	10,718
Trade and other receivables	12	69,474	77,467	46,295	37,827	44,288
Cash and bank balances	13	(2,340)	(2,044)	10,910	607	380
Total Current Assets		89,905	99,411	79,414	47,529	55,386
Total Assets		367,933	343,366	302,154	289,235	264,280
Equity and liabilities						
Equity						
Share capital	14	65	65	65	65	65
Advance towards share capital	15	180,654	180,654	183,226	180,654	180,654
Other reserves	16	43,179	36,765	36,765	18,549	12,135
Retained earnings	17	14,120	(5,454)	(37,160)	33,639	13,850
Equity attributable to owners of the Corporation		238,018	212,030	182,896	232,907	206,704
Total equity		238,018	212,030	182,896	232,907	206,704
Non-current liabilities						
Reclamation liability	18	17,271	16,780	18,132		
Deferred income	19	10,671	11,857	13,174	10,671	11,857
Deferred tax	25	3,828	-	693	3,828	-
		31,770	28,637	31,999	14,499	11,857
Current liabilities						
Trade and other payables	20	75,252	84,811	72,931	19,107	27,831
Tax payable	25	22,893	17,888	14,328	22,722	17,888
		98,145	102,699	87,259	41,829	45,719
Total liability		129,915	131,336	119,258	56,328	57,576
Total equity and liability		367,933	343,366	302,154	289,235	264,280

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


Dr Venance B. Mwasse

Managing Director

Date...25/03/2026


Ambassador IGP Simon N. Sirro (Rtd)

Chairperson

Date...25/03/2026

STATE MINING CORPORATION (STAMICO)

5.2 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25	2023/24	2024/25	2023/24
		TZS 'M'	RESTATED TZS 'M'	TZS 'M'	RESTATED TZS 'M'
Revenue	21	101,182	103,730	68,155	62,062
Cost of sale	22	(72,249)	(60,325)	(50,468)	(31,255)
Gross profit		28,933	43,405	17,687	30,807
Other income	23	8,779	18,800	8,337	15,409
Administrative expenses	24	(27,845)	(26,431)	(17,092)	(13,975)
Finance costs		(431)	(320)		
Unwinding discount on Reclamation liability		(491)	(1,946)		
Impairment (loss)/ gain on trade receivables	12	7,988	(17,796)	7,988	(17,796)
Share of Profit/(loss) of equity-accounted investees, net of tax	8	14,897	7,930	14,897	7,930
Fair value gain/(loss) on investment property	7	740	-	740	
Loss on revaluation of PPE	4	(3,040)		(3,040)	
Profit before tax		29,530	23,642	29,517	22,375
Income tax charge	25	(8,956)	5,748	(8,728)	(4,474)
Profit after tax for the year		20,574	29,390	20,789	17,901
Other comprehensive income					
Gain on revaluation of intangible assets	4	16		16	
Gain on revaluation of PPE	6	7,837		7,837	
Total comprehensive profit		28,427	29,390	28,642	17,901
Profit attributable to:					
Owners of the Corporation		28,427	29,390	28,642	17,901

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



Dr Venance B. Mwasse

Managing Director

Date 25/03/2026



Ambassador IGP Simon N. Sirro (Rtd)

Chairperson

Date 25/03/2026

STATE MINING CORPORATION (STAMICO)

5.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

CONSOLIDATE

	Share capital TZS 'M'	Capital contribution TZS 'M'	Revaluation reserve TZS 'M'	Accumulated losses TZS 'M'	Total equity TZS 'M'
Balance as at 1 July 2023	65	183,226	36,765	(31,866)	188,190
Impairment of JV		(2,572)			(2,572)
Reversal of prior year loss				522	522
Restated profit for the year ended 30 June 2024				29,390	29,390
Dividend paid				(3,500)	(3,500)
Balance as at 30 June 2024	65	180,654	36,765	(5,454)	212,030
Balance as at 1 July 2024	65	180,654	36,765	(5,454)	212,030
Gain on revaluation of PPE			7,837		7,837
Gain on revaluation of intangible assets			16		16
Revaluation-Deferred tax			(1,439)		(1,439)
Profit for the year				20,574	20,574
Dividend paid				(1,000)	(1,000)
Balance as at 30 June 2025	65	180,654	43,179	14,120	238,018

SEPARATE

	Share capital TZS 'M'	Capital contribution TZS 'M'	Revaluation reserve TZS 'M'	Accumulated losses TZS 'M'	Total equity TZS 'M'
Balance as at 1 July 2023	65	183,226	12,135	(3,339)	192,087
Impairment of JV		(2,572)			(2,572)
Reversal of prior year loss				522	522
Restated profit for year ended June 2024				17,901	17,901
Dividend				(3,500)	(3,500)
Write of Pangea Payable				2,266	2,266
Balance as at 30 June 2024	65	180,654	12,135	13,850	206,704
Balance as at 1 July 2024	65	180,654	12,135	13,850	206,704
Gain on revaluation of PPE			7,837		7,837
Gain on revaluation of intangible assets			16		16
Revaluation-Deferred tax			(1,439)		(1,439)
Profit for the year ended June 2025				20,789	20,789
Dividend				(1,000)	(1,000)
Balance as at 30 June 2025	65	180,654	18,549	33,639	232,907

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


Dr Venance B. Mwashe

Managing Director

Date 25/03/2026


Ambassador YGP Simon N. Sirro (Rtd)

Chairperson

Date 25/03/2026

STATE MINING CORPORATION (STAMICO)

5.4 CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2024/25 TZS 'M'	2023/24 TZS 'M'	STAMICO 2024/25 TZS 'M'	2023/24 TZS 'M'
CASHFLOW FROM OPERATING ACTIVITIES					
Receipts					
Cash received from Customers and Government	26	121,293	106,052	85,434	48,296
		121,293	106,052	85,434	48,296
Payments					
Cash paid to suppliers and staff	27	(95,422)	(97,111)	(62,405)	(38,084)
Tax Paid	25	(1,505)		(1,505)	
Net cashflow generated from operating activities		24,366	8,941	21,524	10,212
CASHFLOW FROM INVESTING ACTIVITIES					
Purchase of fixed assets	4	(22,669)	(11,994)	(19,797)	(11,588)
Advance payment	12	0	(5,635)	0	(5,635)
Purchase of Samia Bonds	10	(500)	0	(500)	0
Exploration Assets acquired	5	(492)	(56)	0	0
Construction of TSF		0	(709)	0	0
Net cashflow used in investing activities		(23,661)	(18,394)	(20,297)	(17,223)
CASHFLOW FROM FINANCING ACTIVITIES					
Dividend to Government		(1,000)	(3,500)	(1,000)	(3,500)
Net cashflow generated from financing activities		(1,000)	(3,500)	(1,000)	(3,500)
Net (decrease)/increase in cash and cash equivalents		(295)	(12,953)	227	(10,511)
Cash and cash equivalent at the beginning of the year		(2,044)	10,909	380	10,891
Cash and cash equivalent at the end of the year		(2,340)	(2,044)	607	380

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



 Dr Venance B. Mwasse

Managing Director

Date 25/03/2026



 Ambassador IGP Simon N. Sirro (Rtd)

Chairperson

Date 25/03/2026

STATE MINING CORPORATION (STAMICO)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. Reporting entity

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

REGISTERED OFFICE

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Tel: +255 262392363

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Legal Advisors,
Attorney General,
Attorney General's Chamber,
P.O. BOX 9050,
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TANZANIA.

Bankers and Financial Institutions

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P.O. Box 2939,
DAR ES SALAAM
TANZANIA.

National Microfinance Bank PLC,
P. O. Box 9213,
DAR ES SALAAM,
TANZANIA.

CRDB Bank PLC,
P.O. Box 34022,
Mikocheni Branch,
DAR-ES-SALAAM,
TANZANIA.

2. Basis of preparation

a) Basis of Accounting

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

b) Functional and Presentation Currency

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

c) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the Investment Property and Financial Instruments that are as per IFRS 9.

d) Use of Estimates and Judgements

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

i) Judgements

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

ii) Assumptions and estimation uncertainties

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

Asset useful lives

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

Impairment of non-financial assets

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

Taxes

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

STATE MINING CORPORATION (STAMICO)

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

Fair value information and classification

e) Going Concern

The group had a net profit after tax of TZS 20.57 billion (TZS 29.39 billion in 2024) and Corporation had a net profit after tax of TZS 20.79 billion (TZS 17.90 billion in 2024). These conditions indicate that group and Corporation continue as a going concern.

During the year under review the Corporation continues to operate drilling activities with three active contracts in Geita Gold Mine, Buckreef Gold Mine and Shanta Gold Mine in Singida with a total value of USD 18.9 Million. Construction of two large Briquette Plants is in their final stage with a total production capacity of 20 tons of carbonised briquettes per day. The Mwanza Gold Refinery continue with its refining activities up to 999.9 purity standard and its current refining capacity is 480 kg of gold per day. Furthermore, the Corporation launched quarry production at Chigongwe quarry plant in Dodoma meanwhile continuing with massive coal production in Kiwira Kabulo Coal Mine and Songea.

The group through its subsidiary Company, STAMIGOLD Co. Ltd, as of 30 June 2024, the reserve within SML157/2003 was 2,030,403.91 tons of ore with a grade of 1.39g/t Au which is equivalent to 92,959.52 ounces of gold. East Pit Project: The Project still under geotechnical and hydrogeology analysis for a reserve of 42,132t @ 21.06g/t equivalent to 28,534 Oz located at East Pit.

At a production rate of 1,500oz per month, the reserve will sustain the mine for approximately five years and two months, that is from July 2024 to September 2029.

Location	Ore (tonnes)	Grade(g/t)	Ounces
MEGA Pit	1,534,228	0.98	48,196
Pit 08	171,130	1.18	6,471
East Pit	42,132	21.06	28,527
Shingo Pit	196,287	1.09	6,874
Project 06	86,626	1.04	2,891
Total	2,030,403	1.42	92,959

Development works,

The company has prioritized brownfield projects within SML with significant potential to add resources to its mineral resource portfolio. These projects collectively contain a total of 2,030,403 tones at an average grade of 1.03 g/t, equivalent to 92,959.52 ounces of gold with a potential to extend the life of mine by an additional five years.

A drilling program is in progress to proceed with the estimation processes, where one (1) diamond drilling (DD) holes was completed for structural analysis. Phase one of the drilling program, consisting of 6,000 meters, is expected to commence in Q1 of FY 2024/2025.

f) Subsidiaries and basis of Consolidation

i) Subsidiaries

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

ii) Non - controlling interest (NCI)

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

iii) Loss of control

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

iv) Transaction eliminated on consolidation

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

g) Joint operations and joint ventures

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

Joint ventures are equity-accounted for in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition,

STATE MINING CORPORATION (STAMICO)

the financial statements include the Corporation's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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

Summary of Significant Accounting Policies

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

(a) Revenue Recognition

The Corporation recognizes revenue in accordance with **IFRS 15: Revenue from Contracts with Customers** is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment which establishes a five-step model for revenue recognition:

1. **Identify the contract with the customer:** A contract is an agreement between two or more parties that creates enforceable rights and obligations. The Corporation ensures that all revenue-generating transactions are supported by valid and enforceable contracts;
2. **Identify the performance obligations:** The Corporation identifies distinct goods or services promised within a contract and accounts for each performance obligation separately if they are distinct;
3. **Determine the transaction price:** The transaction price is the amount of consideration to which the Corporation expects to be entitled in exchange for transferring goods or services. This includes consideration of variable elements, significant financing components, non-cash considerations, and any consideration payable to the customer;
4. **Allocate the transaction price to the performance obligations:** The Corporation allocates the transaction price to each identified performance obligation based on the relative stand-alone selling prices of the goods or services;
5. **Recognize revenue when (or as) performance obligations are satisfied:** Revenue is recognized either over time or at a point in time, depending on when control of the goods or services is transferred to the customer; and

The Corporation applies the principles and criteria outlined in **IFRS 15 paragraphs 31-38** to determine whether revenue is recognized over time or at a point in time.

Additional IFRS 15 Considerations

1. Transaction Price

The Corporation determines the transaction price based on the consideration stated in the contract. Variable consideration (e.g., discounts or penalties) is estimated using the expected value or most likely amount method, and the estimate is constrained to avoid significant reversals.

2. Allocation of Transaction Price

When a contract involves multiple performance obligations, the Corporation allocates the transaction price to each obligation based on their stand-alone selling prices. If stand-alone prices are not directly observable, they are estimated using suitable methods such as adjusted market assessments or cost-plus margin approaches.

3. Control Transfer and Revenue Recognition Timing

Control is determined based on indicators such as legal title, physical possession, significant risks and rewards of ownership, and customer acceptance. For performance obligations satisfied over time, progress is measured using an output or input method, depending on which best reflects the transfer of control.

4. Disclosures

In accordance with IFRS 15 paragraphs 110-129, the Corporation provides the following disclosures:

- Disaggregation of revenue by major product and service lines;
- Details of performance obligations, including significant judgments applied in determining the timing of satisfaction and transaction price allocation;
- Information on contract balances, such as receivables and contract liabilities; and
- Policies for estimating variable considerations and significant financing components.

(b) Other income

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

(c) Cost of sales

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

(d) Exploration and Evaluation Assets

i) Mineral Exploration Cost

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

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

STATE MINING CORPORATION (STAMICO)

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

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

ii) Impairment of Capitalized Exploration and Evaluation Expenditure

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

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

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

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

(e) Intangible assets

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

(f) Government subvention

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

(g) Property, Plant and Equipment

After initial recognition as an asset at historical cost of fair value, an item of property, plant and equipment whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revalued amount is based on periodic

STATE MINING CORPORATION (STAMICO)

valuations (every 3 years) by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross asset.

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

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

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

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

(h) Investment Property

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

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

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

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

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at

STATE MINING CORPORATION (STAMICO)

the date of transfer is recognized in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

(i) Impairment of non-financial assets

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

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

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

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

(j) Inventories

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

Gold, silver and Coal ore contained in stockpile is measured by estimating the number of tons added and removed from stockpile and associated estimate of gold contained therein (based on assay data) and applying estimated metallurgical recovery rates (based on the expected

STATE MINING CORPORATION (STAMICO)

processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to ore stockpiles based on quantities of material stockpiled using current mining costs incurred up to the point of stockpiling the ore and including allocations of waste mining costs, overheads, depreciation, depletion and amortization relating to mining operations.

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

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

(k) Cash and cash equivalents

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

(l) Provisions

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

(m) Employee benefits

i) Defined contribution plans

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

ii) Short term benefits

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

iii) Terminal benefits

Terminal benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Corporation recognizes terminal benefits when it is constructive obliged

STATE MINING CORPORATION (STAMICO)

to either terminate the employment formal plan without possibility of withdrawal or to provide terminal benefits because of an offer made to encourage voluntary redundancy.

(n) Income tax expense

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

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

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

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

(o) Foreign currency transactions

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

(p) Interests in equity-accounted investees

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

(q) Government grant and deferred income

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

STATE MINING CORPORATION (STAMICO)

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

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

(r) Operating leases

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

(s) Share capital

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

(t) Capital contribution

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

(u) Provision for environmental rehabilitation costs

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

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

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

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

STATE MINING CORPORATION (STAMICO)

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

(v) Financial instruments

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

i. Recognition and initial measurement.

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the

STATE MINING CORPORATION (STAMICO)

Group and Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

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

i. Classification and subsequent measurement (Continued)

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on

STATE MINING CORPORATION (STAMICO)

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

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

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

Financial liabilities-Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on Principal4545on is also recognized in profit or loss.

ii. Impairment - Expected Credit Loss Model

The Group and Corporation recognize a loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost or FVOCI, as well as certain loan commitments and financial guarantee contracts.

ECL Measurement: ECLs are measured using a forward-looking approach based on:

12-Month ECLs: Losses resulting from possible default events within 12 months of the reporting date for assets with no significant increase in credit risk.

Lifetime ECLs: Losses from all possible default events over the asset's life when credit risk has significantly increased.

Assessment of Credit Risk: The Group and Corporation assess credit risk using internal and external factors, including historical default rates, current conditions, and forward-looking information.

Simplified Approach: Trade receivables and contract assets without a significant financing component are measured using the simplified approach, which always uses lifetime ECLs.

ii. *De-recognition*

Financial assets

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

b. *De-recognition*

Financial assets (continued)

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

Financial liabilities

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

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

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

Amendments to IAS 1 and IAS 8

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

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

STATE MINING CORPORATION (STAMICO)

- The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.
- The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of these amendments has no effect on the Company's financial statements.

Definition of a Business - Amendments to IFRS 3

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

Interest Rate Benchmark Reform - Amendments to IFRS 7, IFRS 9 and IAS 39

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

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

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

Revised Conceptual Framework for Financial Reporting

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

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

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply

STATE MINING CORPORATION (STAMICO)

the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework. The revision had no impact on the financial statements of the Company.

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

Standard	Key requirement	Effective Date
Presentation of Financial statement - Amendments to IAS 1	<p>IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.</p> <p>IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.</p>	1 January 2024
Accounting Policies, Changes in Accounting estimates and Errors IAS 8	IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.	1 January 2024
IFRS 17 - Insurance Contracts	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 - Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.	1 January 2024

STATE MINING CORPORATION (STAMICO)

	<p>The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The Company is still assessing the impact of amendments to IFRS 17.</p>	
<p><i>Classification of Liabilities as Current or Non-current - Amendments to IAS 1</i></p>	<p>The narrow-scope amendments to IAS 1 <i>Presentation of Financial Statements</i> clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p>	<p>1 January 2022 [possibly deferred to 1 January 2024]</p>

STATE MINING CORPORATION (STAMICO)

4. Property, Plant and Equipment-Consolidated

Cost	Land & Buildings	Plant & machinery	Motor vehicles	Furniture & fittings	Computers	Tailings & Mine Construction	Mining assets	Rehabilitation assets	WIP	TOTAL
At 1 July 2024	106,082	73,098	5,870	3,098	1,289	3,740	2,827	9,927	-	205,931
Additions	1,343	13,490	-	2,575	82	28	-	-	5,151	22,669
Elimination on Depreciation	(1,698)	(8,533)	(1,213)	(222)	(278)	-	-	-	-	(11,944)
Revaluation gains or loss	(3,040)	6,859	568	154	256	-	-	-	-	4,797
At 30 June 2025	102,687	84,914	5,225	5,605	1,349	3,768	2,827	9,927	5,151	221,453
Depreciation and impairment losses										
At 1 July 2024	3,774	24,988	3,816	2,277	1,071	563	2,340	5,486	-	44,315
Charge for the year	1,685	6,432	413	356	126	47	66	11	846	9,982
Elimination of depreciation	(1,698)	(8,533)	(1,213)	(222)	(278)	-	-	-	-	(11,944)
At 30 June 2025	3,761	22,887	3,016	2,411	919	610	2,406	5,497	846	42,353
Net book value										
At 30 June 2024	102,308	48,110	2,054	821	218	3,177	487	4,441	-	161,616
At 30 June 2025	98,926	62,027	2,209	3,194	430	3,158	421	4,430	4,305	179,100

STATE MINING CORPORATION (STAMICO)

Property, Plant and Equipment-Separate

	Land buildings TZS 'M'	and Plant machinery TZS 'M'	and	Motor vehicles TZS 'M'	Furniture and fittings TZS 'M'	Computers TZS 'M'	WIP TZS 'M'	Total TZS 'M'
Cost								
As at 1st July 2024	95,196	44,779		2,976	291	387	-	143,629
Elimination on Acc Depreciation	(1,698)	(8,533)		(1,213)	(222)	(278)	-	(11,944)
Additions	1,343	13,202			19	82	5,151	19,797
Net Revaluation Gain/(loss)	(3,040)	6,859		568	154	256		4,797
Fair Value at 30 June 2025	91,801	56,307		2,331	242	447	5,151	156,279
Depreciation								
At 1st July 2024	1,698	8,533		1,213	222	278	-	11,944
Elimination on Acc Depreciation	(1,698)	(8,533)		(1,213)	(222)	(278)	-	(11,944)
Charge during the year	1,499	6,181		220	11	24		7,935
At 30 June 2025	1,499	6,181		220	11	24	-	7,935
Net Book Value								
At 30 June 2024	93,498	36,246		1,763	69	109	-	131,685
At 30 June 2025	90,302	50,126		2,111	231	423	5,151	148,344

5. Exploration and evaluation assets

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

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

	2024/25 TZS 'M'	2023/24 TZS 'M'
Costs		
Balance as at 1 July	2,656	2,600
Exploration & evaluation expenditure during the year	492	56
Transfers	-	-
Write-off	-	-
Balance as at 30 June,	3,148	2,656
Accumulated Impairment losses	-	-
Balance as at 1 July	1,227	1,227
Impairment loss	-	-
Balance as at 30 June,	1,227	1,227
Carrying Amount	1,921	1,429

Capitalised exploration and evaluation expenditure relates to the drilling activities carried out during the year, of which by year end there was no technical feasibility and commercial viability study.

6. Intangible Asset

	2024/25 TZS 'M'	Consolidated 2023/24 TZS 'M'	STAMICO 2024/25 TZS 'M'	2023/24 TZS 'M'
Cost				
At 1 July	6	12	6	12
Revaluation gain At 30 June	16	22	16	12
Amortization				
At 1 July	6	6	6	6

Reverse of Accumulated Amortization	(6)		(6)	
Net book value at 30 June	22	6	22	6

7. Investments Properties

Particulars	Land TZS 'M'	Buildings TZS 'M'	Total TZS 'M'
Cost/Revaluation			
As at 1 July 2023	22,847	588	23,435
Increase/(decrease) in fair value	0	0	0
Additions	0	0	0
As at 30 June 2024	22,847	588	23,435
AS at 1 July 2024	22,847	588	23,435
Increase/(decrease) in fair value	801	(61)	740
Additions	0	0	0
AS at 30 June 2025	23,648	527	24,175

Investment property comprises a number of commercial properties (Buildings) that are leased to third parties. The properties are located in Dar-es-salaam (Upanga at Undali Street and Masaki), Morogoro, Dodoma, Kyerwa district and Monduli in Arusha and Mwanza. Changes in fair values are recognized as gains in profit or loss and included in other comprehensive income. During the year under review the Corporation did not conduct fair valuation of its investment properties hence there is no gain or loss reported in the other comprehensive income of the profit and loss account. During the financial year 2024/25 the Corporation has performed fair valuation of its investment properties as per IFRS 40. The Corporation had a gain in valuation of TZS 740 million.

8. Equity Accounted Investees-Buckreef Gold Mine and Mwanza Precious Metal Refinery Co. Ltd

DETAILS	Percentage ownership	Opening balance July 2024 TZS 'M'	Profit/loss During the year TZS 'M'	Closing balance TZS 'M'
Name				
Buckreef Gold Mine Company Limited	45	47,247	14,897	62,144
Mwanza Precious Metals Refinery Company Limited	25	0		0
Total Profit /(loss) from associates		47,247	14,897	62,144

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



a) Buckreef Gold Mine Company Limited

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

During the financial year 2024/25 the Corporation share of profit from Buckreef associate is TZS 14.9 billion and TZS 7.93 in the year 2023/24

b) Mwanza Precious Metals Refinery Company Limited

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


Since incorporation the Company has invested in constructing a state-of-the-art refinery with a capacity to refine 480 kg of gold per day. The Company is in the final stages of obtaining international certification and is expected to operate massively due to the current Government initiatives that includes amendment of tax laws in the Value added tax that now allows application of zero rated VAT in local sales of Gold to all refineries. The laws aims to increase local sales of raw gold that will ensure increase in feed stock to the refineries in the country.

During the financial year 2024/25 the Corporation share of profit from MPMR associate is TZS 676 Million which has been used to offset previous losses of TZS (2,478) Million remaining with a current year loss of TZS (1,802) Million.

****Adjustment for Previously Recognized Losses in Associate - Mwanza Refinery**

The investment in Mwanza Refinery, accounted for using the equity method, has been recording cumulative losses since the financial year 2020/21. As of the opening balance for the financial year 2023/24, a cumulative loss of TZS (522) million had been recognized in the financial statements. During the financial year 2023/24, an additional significant loss of TZS (1,956) billion was reported by the associate.

In accordance with the applicable accounting standards (IAS 28 Investments in Associates and Joint Ventures), the investor's share of losses should not exceed the carrying amount of the



investment. Since the carrying amount of the investment in Mwanza Refinery had already reached zero, no further losses should have been recognized. As such, the previously recognized loss of TZS (522) million has been adjusted in the investment in associate and retained earnings during the financial year 2023/24.

c) Buhemba Gold Mine Company Limited

In the year 2020 the Corporation acquired 35% shares of Buhemba Gold Company. The total value of Corporation shares acquired is TZS 2,050,000,000.

****Impairment of Buhemba Gold Company investment**

On 23 April 2024, the Mining Commission, pursuant to Section 63(1) of the Mining Act, CAP 123, cancelled Mining License No. ML646/2021 originally granted to Buhemba Gold Company Limited. The cancellation was due to failure to rectify defaults specified in default notice.

As a result of this cancellation, Buhemba Gold Company Limited ceased operations from April 2024.

Given the cessation of operations and the cancellation of the mining license, the investment in Buhemba Gold Company Limited is no longer expected to generate future economic benefits. Accordingly, the following accounting treatment has been applied in the financial statements for the year ended 30 June 2024:

- **Impairment Assessment:** The carrying amount of the investment in Buhemba Gold Company Limited as of 30 June 2024 has been fully impaired. The total impairment loss recognized amounts to TZS 2,050 billion; and
- **Derecognition:** Since the associate is no longer operational, the investment has been derecognized in the books of the Corporation under investment in associate and advance toward share capital

d) Mundarara Ruby Mine

The Corporation, through its subsidiary Tanzania Germstone Industries (TGI) owns 50% of ruby mine at Mundarara area in Arusha Region and the other 50% are owned by Turn ruby Company Ltd. STAMICO is following up with Treasury Register's office to transfer these shares which were previous owned by its TGI Subsidiary before privatisation.

9. Investment in Subsidiaries

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

	TZS 'M'
1-Jul-22	6,521
Jun-23	6,521
1-Jul-23	6,521
30-Jun-24	6,521
1-Jul-24	6,521
30-Jun-25	6,521

As of 30 June 2024, the reserve within SML157/2003 was 2,091,239 tons of ore with a grade of 1.39g/t Au which is equivalent to 93,183 ounces of gold. East Pit Project: The Project is still under geotechnical and hydrogeology analysis for a reserve of 42,132t @ 21.06g/t equivalent to 28,534 Oz located at East Pit.

10. Investment in Financial Instrument (Samia Bond)

During the year the Corporation has invested a sum of TZS 500,000,000 in Samia Infrastructure bond, with annual interest rate of 12% payable quarterly and is expected to mature in the year 2030. The first interest earned was paid in June 2025.

11. Inventories

	Consolidated		STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'
Ore in stockpiles	6,477	5,924		
Gold in process	2,304	1,978		
Reagents	368	104		
Fuel	345	673	158	85
Coal	3,539	5,529	3,539	5,529
Chemical & Explosives	133	169	133	169
Consumables	3,497	3,307	3,363	3,139
Building Materials	3	148	3	148
Spare parts and Tyres	5,384	5,794	1,178	1,286
IT and Computer Accessories	3	3	3	3
Oil and Lubricants	207	332	207	332
Office stationaries	49	5	49	5
Carbonized and non-coal briquette	291	22	291	22
Quarry	171		171	
	22,771	23,988	9,095	10,718

12. Trade and Other Receivables

	Consolidated		STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'
Trade receivable	44,081	59,439	44,348	55,689
Due from related parties			1,973	609
Net trade receivable	44,081	59,439	46,321	56,298
Other receivables				
Value Added Tax (VAT) receivable	17,982	14,991		
Advance Payment	17,219	20,682	1,314	5,635

Other receivables		151		151
Total other receivables	35,201	35,824	1,314	5,786
Total trade and other receivables	79,282	95,263	47,635	62,084
Allowance for expected credit loss (ECL)				
Opening balance	17,796	-	17,796	-
ECL recognised during the year	(7,988)	17,796	(7,988)	17,796
Closing balance	9,808	17,796	9,808	17,796
Net total receivables	69,474	77,467	37,827	44,288

12a Cash flow receivable and prepayment movement

	Consolidated		STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'
Trade receivables	52,255	56,785	36,513	38,653
Advance payment	17,219	20,682	1,314	5,635
Net total receivables	69,474	77,467	37,827	44,288

13. Cash and cash equivalents

	2024/25 TZS 'M'	Consolidated		STAMICO	
		2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'	2023/24 TZS 'M'
Bank overdraft repayable on demand		(4,628)	-2,515	-1,436	
Cash at bank		2,277	471	2,043	380
Cash on hand		11		0	
Cash and cash equivalents		(2,340)	(2,044)	607	380

14. Capital Structure and Shareholding

Capital Structure

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

	Consolidated		Separate	
	30.6.2025 TZS 'M'	30.6.2024 TZS 'M'	30.6.2025 TZS 'M'	30.6.2024 TZS 'M'
Authorized share capital:				
5,000,000 Ordinary shares of TZS 10,000 each	50,000	50,000	50,000	50,000
Issued and fully paid-up capital:				
6,500 Ordinary shares of TZS 10,000 each held by Treasury Registrar	65	65	65	65



Shareholding

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

Directors interest in shares of the Corporation

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

15. Advance towards share capital

SHAREHOLDER'S PRIOR YEAR CAPITAL INJECTION

To date The Government of the United Republic of Tanzania has advanced STAMICO a total of TZS 180.65 billion as owner's capital contribution. The Government of United Republic of Tanzanian, in the year 2009 handed over to STAMICO exploration and evaluation asset worth TZS 48,230,926,000 for Buckreef Gold Mine. STAMICO and TANZAM formed a company called BUCKREEF GOLD COMPANY LTD in which STAMICO acquired 45% shares and TANZAM acquired 55% shares of the joint Company.

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

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

- b) The Government, in the year 2021/22 through the Ministry of Finance and Planning handled over to STAMICO land and property worth TZS 16,847,000,000 for construction of a Gold Refinery. The Plots are currently being leased to Mwanza Precious Metal Refinery Co. Ltd.
- c) In 2022/23 STAMICO injected a capital of TZS 100.8 billion from the valuation of kiwira asset were Ministry of planning handled over the mining asset to STAMICO on 2011.

16. Other reserves

During the financial year 2024/25 the Corporation's carried out revaluation of its Property Plant and Equipment. The resulted revaluation gain is TZS 7.85 billion. Revaluation gain has increased Corporation's reserve to TZS 18.55 billion after tax compared to TZS 12.14 billion in 2023/24. Consolidated reserves have therefore increased to TZS 43.18 billion compared to TZS 36.77 billion in 2023/24

17. Retained earnings

During the financial year 2024/25 the Corporation's retained earning valued at TZS 33.64 billion compared to (TZS 13.85 billion in 2023/24). Consolidated retained earning valued at TZS 14.12 billion compared to (TZS (5.45) billion in 2023/24). The Corporation has made profit in three consecutive years hence improving the retained earning significantly.

18. Environmental Rehabilitation Obligation

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

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

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

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

	2024/25 TZS'M'	2023/24 TZS'M'
RECLAMATION LIABILITY (ARO)		
At 1 July	16,780	14,834
Change in estimate		
Unwinding of discount	491	1,946
Adjustment after approval of NMCC		
At 30 June,	17,271	16,780

19. Deferred income

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

	STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'
Non-current deferred income		
Opening balance	11,857	13,174
Additions during the year		
Amortization during the year (10%)	(1,186)	(1,317)
Deferred income - Balance	10,671	11,857

20. Trade and Other Payables

	Consolidated		STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'
Trade payables	57,519	70,753	17,700	27,379
Other payables	17,733	12,168	1,407	452
Accruals		1,890		
Sub Total Trade and other payables	75,252	84,811	19,107	27,831
Taxation Note 25	22,893	17,888	22,722	17,888
Total Trade and other payables	98,145	102,699	41,829	45,719

21. Revenue

	Consolidated		STAMICO	
	2024/25 TZS 'M'	2023/24 TZS 'M'	2024/25 TZS 'M'	2023/24 TZS 'M'
Sale of chemicals	2	883	332	883
Drilling income	39,482	22,890	39,482	22,890
Processing fees	1,071	887	1,071	887
Management fees			856	1,068
Sales of coal	24,528	33,589	24,528	33,589
Sales of explosives	272	2,517	295	2,517
Sales of briquette	1,315	228	1,315	228
Sale of Quarry	276		276	
Sale of Gold	34,180	42,680		
Sale of Silver	56	56		
	101,182	103,730	68,155	62,062

22. Cost of Sales

	Consolidated		STAMICO	
	2024/25	2023/24	2024/25	2023/24
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Diesel	6,495	3,649	6,354	3,649
Direct labour	9,320	11,524	5,682	8,136
Drilling Expenses	12,770	6,545	12,770	6,545
Mining costs	36,107	30,917	18,392	6,327
Depreciation plant and machinery	7,699	4,703	6,181	3,371
Inventory charge	(878)	-240		
Purchase of Chemicals	274	1,230	604	1,230
Purchase of explosives	462	1,997	485	1,997
	72,249	60,325	50,468	31,255

23. Other Income

	Consolidated		STAMICO	
	2024/25	2023/24	2024/25	2023/24
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Government subvention (PE)	4,160	3,831	4,160	3,831
Rental income from investment properties	133	127	133	127
Gain or loss in exchange rate	2,575	1,373	2,313	145
Miscellaneous income	725	11,109	545	9,989
Release from Government Grant	1,186	1,317	1,186	1,317
recovery of written off inventory		1,043		
	8,779	18,800	8,337	15,409

24. Administration Expenses

	Consolidated		STAMICO	
	2024/25	2023/24	2024/25	2023/24
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Depreciation	2,283	2,937	1,754	2,416
Audit fee	270	270	150	150
Staff cost	10,064	7,378	5,951	3,286
Operating expenses	15,228	15,846	9,237	8,123
	27,845	26,431	17,092	13,975
Depreciation expense is split as follows				
Relating to cost of sales (note 22)	7,699	4,703	6,181	3,371
Relating to operating expenses (note 24)	2,283	2,937	1,754	2,416
	9,982	7,640	7,935	5,787

25. Taxation

	Consolidated		STAMICO	
	2024/25	2023/24	2024/25	2023/24
	TZS 'M'	RESTATED TZS 'M'	TZS 'M'	TZS 'M'
TAXATION				
a) Tax expense				
Current tax based on adjusted profit (30%)	-	4,474	-	4,290
Corporate Tax AMT (0.5% of Turnover)	171	-	-	-
Previous year's tax	6,339	-	6,339	-
Deferred tax credit/(charge) during the year	2,446	(10,223)	2,389	184
Income Tax charge during the year	8,956	(5,749)	8,728	4,474
b) Reconciliation of Tax expense based on accounting profit				
Profit before Tax	29,529	23,642	29,517	23,375
Tax applicable rate (30%)	8,859	7,093	8,855	7,013
Allowable expenses	(30,165)	(28,996)	(27,608)	6,270
Disallowable expenses	3,549	4,757	1,313	1,631
Taxable loss	(17,757)	(17,146)	(17,440)	14,914
Current tax based on adjusted profit (30%)	-	-	-	4,474
c) Deferred Tax Movements				
Deferred Tax Asset				
Deferred Tax Asset b/f	(10,222)	-	-	-
Reported in previous year	-	69	-	-
Restated Corporate tax liability	-	(69)	-	-
Deferred tax credit/(charge) during the year	56	(10,222)	-	-
Deferred tax Asset c/f	(10,166)	(10,222)	-	-
Deferred Tax Liability				
Deferred Tax Revaluation	1,439	-	1,439	-
Deferred Tax charged during the year	2,389	-	2,389	-
Deferred tax Liability	3,828	-	3,828	-
d) corporate tax liability				
Restated to retained earnings	-	-	-	-
30-Jun-24	17,888	17,888	17,888	17,888
As 01 July 2024	-	-	-	-
Cash Paid	(1,505)	-	(1,505)	-
Corporate Tax AMT (0.5% of Turnover)	171	-	-	-
Restatement of Corporate tax liability	6,339	-	6,339	-
Total tax liability	22,893	17,888	22,722	17,888

26. Cash Received from Customers and Government

	Note	Consolidated		STAMICO	
		2024/25	2023/24	2024/25	2023/24
		TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Revenue	21	101,182	103,730	68,155	62,062
Other Revenue	23	8,779	18,800	8,337	15,409

Total Revenue		109,961	122,530	76,492	77,471
Adjust Non-Cash Items					
Release from Government Grant	23	(1,186)	(1,317)	(1,186)	(1,317)
Gain or loss in exchange rate	23		(1,373)		(145)
recovery of written off inventory			(1,043)		
Impairment (loss)/ gain on trade receivables	12	7,988	(17,796)	7,988	(17,796)
		116,763	101,001	83,294	58,213
Add: Receivable Opening balances	12a	56,785	61,836	38,653	28,736
Less: Receivable Closing balances	12a	52,255	56,785	36,513	38,653
Total Cash receipts		121,293	106,052	85,434	48,296

27. Cash Paid to Suppliers and Staff

	Note	Consolidated		STAMICO	
		2024/25	2023/24	2024/25	2023/24
		TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cost of Sales	22	72,249	60,325	50,468	31,255
Administration Expenses	24	27,845	26,431	17,092	13,975
Finance cost		431	320	-	-
		100,525	87,076	67,560	45,230
		-	-	-	-
(Increase)/Decrease in inventories	11	1,217	1,779	1,623	1,175
Increase/(Decrease) in Trade and Other payables	20	9,559	11,880	8,724	559
Depreciation expense	24	9,982	7,640	7,935	5,787
Increase/(Decrease) in prepayment	12a	3,463	4,016	4,321	3,093
Cash paid to suppliers and staff		95,422	97,111	62,405	38,084

28. Reconciliation of Net Cash Flows from Operating Activities to Profit or Loss

		Consolidated 2024/25	2023/24 RESTATED	STAMICO 2024/25	2023/24 RESTATED
	Note	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash Flows from Operating Activities:					
Profit Before Tax		29,530	23,642	29,517	22,375
Adjustments for: -					
Depreciation	24	9,982	7,640	7,935	5,787
Share of profit from Associate	8	(14,897)	(7,930)	(14,897)	(7,930)
(Gain)/loss in foreign exchange	23		(1,373)		(145)
Reinstatement of written off spares	23		(1,043)		
Rehabilitation unwinding loss		491	1,946		
Grant Amortization	19	(1,186)	(1,317)	(1,186)	(1,317)
Gain in fair valuation of investment property	7	(740)		(740)	-
Loss on revaluation of PPE	4	3,040	-	3,040	-
		26,220	21,565	23,669	18,770
Working capital adjustments:					
(Increase)/Decrease in inventories	11	1,217	(1,779)	1,623	(1,175)
(Increase)/Decrease in trade and other receivables	12a	4,530	5,051	2,140	(9,917)
(Increase)/Decrease in prepayment	12a	3,463	(4,016)	4,321	3,093
Increase/(Decrease) in Trade and Other payables	20	(9,559)	(11,880)	(8,724)	(559)
Cash inflows from operating activities		25,871	8,941	23,029	10,212
Tax paid	25	(1,505)		(1,505)	
Net cash inflows from operating activities		24,366	8,941	21,524	10,212

29. PRIOR YEARS' ADJUSTMENTS

STAMICO

31a. Revenue

Compared to the prior year's audited financial statements, the revenue figure has been adjusted to correct the erroneous consolidation of revenue from related parties amounting to TZS 3.992 billion. This adjustment arose from the recognition of revenue of TZS 5.060 billion instead of the correct amount of TZS 1.068 billion, a corresponding adjustment to the overstated receivables of TZS 3.992 billion. Adjustment has been made in the financial statement of 2023/24.

31b. Corporate tax liability

During financial year 2024/25 STAMICO engaged a Tax Consultant for provision of Tax position. Consultant's report provided corporate tax position as at 30 June 2024 and 30th June 2025. A previous year tax adjustment of TZS 6.339 billion necessitating an adjustment to the Profit and loss Account

STAMIGOLD

31c. Deferred tax

During the year ended 30 June 2025, management identified an error in the deferred tax liability amounting to TZS 3,125,281,619 that had been incorrectly reported since the financial year 2019/20. Accordingly, the error was corrected retrospectively through a restatement of retained earnings as at 1 July 2023.

Also, during the financial year ended 30 June 2025, management identified unrecognised deferred tax asset of TZS 10,222,758,000 relating to the financial year 2023/24. This arose following a tax position report in regards to financial year 2023/24 issued by a tax consultancy during the financial year 2024/25, which determined a deferred tax asset of TZS 17,822,707,956 and a deferred tax liability of TZS 7,599,949,280, resulting in a net deferred tax asset of TZS 10,222,758,000. Accordingly, the error was corrected through the statement of profit or loss and other comprehensive income for the year ended 30 June 2024.

Prior Year Restatement

Details	Debit	Credit
Deferred Tax Liability	3,125,282	
Retaining earning (as of 1 July 2023)		3,125,282
Deferred Tax Asset	(17,822,707)	
Deferred Tax Liability		7,599,949
Previous year 2023/24 P&L deferred tax asset		(10,222,759)

31d. Corporate tax liability

Corporate tax liabilities of TZS 1,238,036 were previously reported as liabilities; however, STAMIGOLD incurred taxable losses for four consecutive years and is therefore not liable to

income tax. Consequently, an amount of TZS 1,169,313 relating to the 2022/23 prior year has been adjusted to retained earnings, while TZS 68,723 has been adjusted in the restated 2023/24 statement of financial position and statement of profit or loss.

	Debit	Credit
a Prior Year Restatement (as of 1 July 2023)		
Accumulated Corporate tax	1,169,313	
Accumulated Loss		1,169,313
Being Adjustment of Accumulated Corporate tax as at 1 July 2023		
	Debit	Credit
b Prior Year Restatement (as of 1 July 2024)		
Corporate Tax liability	68,723	
Deferred tax asset		68,723
Being Adjustment of Corporate tax as at 1 July 2024		

30. Related Party Transactions

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

a) Trading transactions

The Corporation charges Management fees to its subsidiary (STAMIGOLD Company Limited) for every gold gross sale. During the year a total of TZS 855.92 million (TZS 1,616 billion in 2024) has been generated as Management fees.

The Corporation has a trading agreement with the subsidiary to supply chemicals and explosives used in mining operations. During the year a total of TZS 354 million (TZS 1.74 billion in 2024) has been generated from the sale of Chemicals and Explosives to the Subsidiary.

Directors' fees and remunerations

The Directors of the Board are entitled to the directors' fees paid annually. During the year the Corporation has paid a total of TZS 72.45 million as Directors' fees

In addition, Board Members are all entitled per diem for every meeting of the Board and Committees. Per Diem rates are TZS 300,000 and USD 600 per day for local and international travel respectively. The directors are not entitled to any sitting allowances.

31. Dividend

The Corporation has paid dividends of TZS 1 billion for the Financial Year 2024/25 (TZS 3.5 billion in 2023/24).



32. Financial Risk Management

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

- a) Credit risk;
- b) Liquidity risk;
- c) Currency risk; and
- d) Market risk.

Risk management framework

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

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

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

The Audit Committee oversees how management monitors compliance with the Corporation's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Corporation's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

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

a) Credit risk

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

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

Maximum exposure to credit risk on financial assets

Details	STAMICO	
	2024/25	2023/24
	TZS 'M'	TZS 'M'
Cash and cash equivalent	607	380
Trade receivables	37,827	44,288
Total	38,434	44,668

Classification of credit risk exposure by counterpart as at 30 June 2025

Details	Government Entity	BOT	Commercial Banks	Corporate Customers	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash and cash equivalent		607		0	607
Trade receivables	7,564	0	0	30,263	37,827
Total	7,564	607	0	30,263	38,434

Classification of credit risk exposure by counterpart as at 30 June 2024

Details	Government Entity	BOT	Commercial Banks	Corporate Customers	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash and cash equivalent	0	380	0	0	380
Trade receivables	10,534			33,754	44,288
Total	10,534	380		33,754	44,668

Credit quality of financial assets as at 30 June 2025

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Financial assets				
Cash and cash equivalent	607	0	0	607
Trade receivables	47,635	0	9,808	37,827
Total	48,242	0	9,808	38,434

Credit quality of financial assets as at 30 June 2024

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Financial assets	TZS 'M'	TZS 'M'	TZS 'M'	TZS 'M'
Cash and cash equivalent	380	0	0	380
Trade receivables	62,084	0	17,796	44,288
Total	62,464	0	17,796	44,668

b) Liquidity risk

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

	Contractual cash flows TZS 'M'	Less than 1 year TZS 'M'	Between 1 - 2 years TZS 'M'	Between 2 - 5 years TZS 'M'	Over 5 years TZS 'M'
Financial liabilities					
At 30 June 2025					
Trade and other payables	19,107	19,107			
Tax payable	22,722	22,722			
	<u>41,829</u>	<u>41,829</u>			
Financial liabilities					
At 30 June 2024					
Trade and other payables	27,831	27,831			
Bank Overdraft	1,416	1,416			
Tax payable	17,888	17,888			
	<u>47,135</u>	<u>47,135</u>			

c) Market risk

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

(i) Foreign exchange risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc. will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns. Market risk can further be divided into currency risk and interest rate risk.

a) Currency risk

The Company is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currency of the Company, the Tanzanian Shillings (TZS). The other currency (ies) in which the Company transacts is US Dollars (USD).

Sensitivity analysis

The table below shows the Company’s sensitivity to foreign exchange rates on its US dollar financial instruments excluding obligations which do not present a material exposure.

Assumptions:

Revenue Sensitivity: A percentage of revenue is in foreign currency (assume 50% for this analysis).

Expense Sensitivity: A percentage of expenses is in foreign currency (assume 40% for this analysis).


Scenario	Profit (TZS M)	Change (TZS M)
Current (Baseline)	26,367	
5% Increase in Exchange Rate	27,685.35	1,318.35
5% Decrease in Exchange Rate	25,048.65	1,318.35

Interest rate risk

The Company has an exposure to interest rate risks for Bank Overdraft as at 30 June 2024. The fluctuation in interest and its impact to the entity as an expense is considered at fluctuation rate of 1%.

Sensitivity Analysis

Year	Scenario	Bank Over daft (TZS, M)	Change in Liability Cost (TZS) "M"
2025	+1% Rate Increase	1,436	14.36
	-1% Rate Decrease	1,436	14.36
2024	+1% Rate Increase	1,416	14.16
	-1% Rate Decrease	1,416	14.16



33. Capital Commitments and Contingent Liabilities

The Directors confirm that there are no capital commitments against the Corporation as at 30 June 2025. During the end of the year, there are no contingent liabilities towards the Corporation

34. Comparative Figures

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

35. Ultimate Holding Entity

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

36. Events after reporting period

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