



**KONKOLA COPPER MINES PLC
(IN PROVISIONAL LIQUIDATION)**

REPORT AND GROUP FINANCIAL STATEMENTS
For the year ended 31 March 2024

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KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

(Incorporated in Zambia)

REPORT AND GROUP FINANCIAL STATEMENTS

for the year ended 31 March 2024

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KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

REPORT OF THE PROVISIONAL LIQUIDATOR

for the year ended 31 March 2024

The Provisional Liquidator submits their report and the consolidated and separate financial statements for the year ended 31 March 2024, which disclose the state of affairs of Konkola Copper Mines Plc (in Provisional liquidation) ("the Company") and its subsidiaries KCM (SmelterCo) Limited and Konkola Minerals Resources Limited (KMRL), (together "the Group" or "KCM").

Company status

On 21 May 2019, Konkola Copper Mines Plc (in Provisional liquidation) was placed under provisional liquidation by a High Court Order at the instance of the minority shareholder. The majority and minority shareholders had engagements to path the way for the normal company operations, in which it was agreed to unveil the KCM off the liquidation process consequently reinstating the KCM Board of Director. The agreement included the short and the long term implementation conditions to which further statement was made as to the treatment of KCM obligations to identified institutions and classed these as government debt to which payment will be due upon visibility of profitable returns. With the said in place the liquidation process was halted effective 31 July 2024. Following the event the Schemes of Arrangements was put in motion and subsequently addressed requirements of creditor classed at 1 and 2. The majority shareholder injected \$250 million in the operation of KCM to comply and bring to life both the Shareholders agreement and the Schemes of Arrangement condition with a view to ramp up production. The majority shareholder in addition to the \$250 million has pledged an injection of \$1.0 billion in to mining operations.

Global operative impact

In December 2019, COVID-19 pandemic broke out and was declared a world disaster. Its diverse effect impacted negatively the world general business operations for which KCM was not an exception. The vivid impact included drop of copper prices resulting in material drop in revenue and a rise in the price of commodities with related logistic costs. Management noted that between the accounting date and the date of finalisation of these financial statements the outbreak of the second wave of COVID-19 pandemic had developed rapidly globally in 2021, with a significant number of infections and measures taken to contain the virus continued to affect economic activities. By January 2022, the number of people getting infections had significantly dropped even in the middle of the pandemic which resulted in KCM to continue normal operations.

Registered office address and principle place of business

The registered office of the Company and the principal place of business are at Private Bag KCM (C) 2000, Stand M 1408, Fern Avenue, Chingola.

Principal activity

The principal activity of the Group continues to be the mining, production and marketing of Copper and Cobalt Alloys. The principal activity of KCM (Smelter Co) Limited continues to be the sale of copper and slimes whereas the principal activity of Konkola Minerals Resources Limited (KMRL) is support activities for mining and quarrying.

Results and dividends

The profit for the year after taxation for Group and Company amounted to US\$ 2,797.6 million (2023: Loss US\$ 394.0 million) and US\$ 2,797.6 million (2023: Loss US\$ 394.0 million) respectively.

The Provisional Liquidator does not recommend payment of a dividend in respect of the year ended 31 March 2024 (31 March 2023: Nil).



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

REPORT OF THE PROVISIONAL LIQUIDATOR (CONTINUED)

for the year ended 31 March 2024

Share capital

There were no changes made to the authorised and issued share capital of the Group during the year to 31 March 2024 and 31 March 2023 as disclosed in note 27.

Property, plant and equipment

There was change in the Group's and Company's property, plant and equipment during the year resulting from investments made in operating projects. The Group and Company invested a total of US\$ 28.3 million (2023: US\$ 25,4 million) as disclosed in note 18 in the notes to the financial statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out below. In addition, note 30 of the financial statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

As highlighted in the financial statements, the Group and Company recorded a profit after tax for the year of US\$ 2,797.6 million (2023: US\$ 394.0 million - loss) and as at 31 March 2024, the Group and Company current liabilities exceeded current assets by US\$ 223.1 and US\$ 243.8 million (2023 : US\$ 1,982.8 and US\$ 2,003.5 million) respectively. The Group meets its day to day working capital requirements through delayed settlement of trade and other payables and medium and long-term borrowings.

On 5 September 2023, the Minister of Mines announced that the minority and majority shareholders, ZCCM Investments Holdings Plc ("ZCCM IH") and Vedanta Resources Holdings Limited ("Vedanta") respectively had reached an agreement in resolving the standoff with regards to ZCCM IH application to place KCM on Provisional Liquidation. The resolve included an application through the High Court of Zambia to halt the Liquidation process and commencement of a Scheme of Arrangement. On 31 July 2024 the liquidation process was halted by the High Court order which reverts the mining operation to normal operation. The company moved on to implement both the shareholders agreement and the Schemes of Arrangement. Following the implementation, creditors have been settled in line with the Schemes of Arrangement rules and guide line. The major creditors have pledged to continue supporting KCM operations amid the transition of going forward. These include key mining contractors and key commodity suppliers giving assurance for continued operations of mining and processing operation around KCM

The resolution of the dispute since KCM was placed under liquidation in May 2019 implies that the Company will now receive the necessary funding for investments in the Konkola Deep Mining Project (KDMP) in order to complete the investment cycle, which is critical for KCM to attain its desired levels of production. In addition, other investments will be made across the business in order to grow the portfolio which will result in higher production to expand and sustain the Company's operations.

Therefore, in light of the above, the consolidated and separate financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

REPORT OF THE PROVISIONAL LIQUIDATOR (CONTINUED)

for the year ended 31 March 2024

Financial performance

Revenue

Group and Company revenue, as reported for the year, was US\$ 434.8 million, lower by 64% on 2023 (US\$ 1,218.0 million) due to lower production volumes resulting in a decrease in copper sales by 64% and precious metals by 45%. Whereas cobalt in alloy sales decreased by 30%.

Interest

The finance cost for the Group and Company for the year stood at US\$ 131.5 million compared to US\$ 167.5 million cost for 2023. This is mainly due to more interest charged on financial liabilities at amortised cost (see note 13).

Profit/Loss before tax

Group and Company profit before tax for the year was US\$ 2,797.6 million, US\$ 3,191.6 million higher than 2023 loss before tax of US\$ 394.0 million. This is largely on account of the unwinding of liabilities recognised in the period. Gross loss margins in 2024 was (43%) compared to 2023 of (25%).

Taxation

There was a tax credit for the year of US\$ 109.1 million (2023: 155.9). The effective tax rate for the Group and Company for the year was 4% (2023: -28%) (see note 14).

Financial position

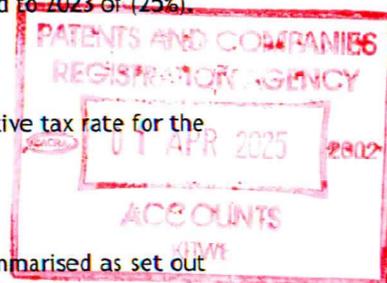
The consolidated statement of financial position as at 31 March 2024 can be summarised as set out in the table below:

	Assets US\$ Million	Liabilities US\$ Million	Net assets US\$ Million
Property, plant and equipment	1,069.0	-	1,069.0
Goodwill and intangible assets	109.7	-	109.7
Deferred tax asset	481.6	-	481.6
Other non-current assets and liabilities	49.5	-	49.5
Current assets and liabilities	328.7	(551.9)	(223.1)
Provisions	-	(30.0)	(30.0)
Total before debt	2,038.5	(581.9)	1,456.6
Debt	-	(359.0)	(359.0)
Total as at 31 March 2024	2,038.5	(940.9)	1,097.7
Total as at 31 March 2023	2,116.6	(3,821.5)	(1,704.9)

Profit/Loss per share

Basic Group and Company profit per share for the year was 254.6 cents, compared with the basic loss per share of (35.9) cents in 2023.

Net current liabilities for the Group reduced by 25% to US\$ 223.1 million (2023: US\$ 1,982.8 million) and the net current liabilities per share increased to (20.3) cents (2023: (180.5) cents). The main movements in the statement of financial position was mainly on the decreased trade and other payables (see note 24) and medium and long term borrowings (see note 26).



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

REPORT OF THE PROVISIONAL LIQUIDATOR (CONTINUED)

for the year ended 31 March 2024

Capital structure

Strong financial capital management is an integral part of management's strategy to achieve the Group's stated objectives. The management reviews financial capital reports on a monthly basis to ensure that the Group has adequate liquidity.

The Group has net debt of US\$ 353.7 million (2023: US\$ 1,355.8 million) as disclosed in note 30.1.1. There were no additional loans during the year.

Gearing (debt/equity) was positive at 32% (2023: -80%). Management considers that the Group's current gearing is still appropriate despite exceeding the group policy requirement of 1:1. This is in line with the Group's long term business strategy which aims to enhance equity by leveraging operational philosophies and forming strategic partnerships with key Industry Experts to expedite production ramp up across the Business Units. Additionally, a targeted cost reduction programme involving structured interventions and efficiency improvements is being implemented.

Further information on the Group's capital structure is provided in note 29 to the financial statements, including details of how the Group manages risk in respect of capital, interest rates, foreign currencies and liquidity.

Cash flow

Net cash inflows for the Group and Company from operating activities for 2024 was US\$ 7.1 million (2023: US\$ 16.8 million). This was largely on account of lack of payment of trade and other payables (see note 24).

Liquidity and investments

As at 31 March 2024, the Group had at its disposal US\$ (359.0) million (2023: US\$ (1,357.2) million) of drawn, committed borrowing facilities. The Group's net debt position has changed over the course of the year pursuant to the planned repayment schedules on long term loans. Management continuously monitoring liquidity to ensure the situation does not deteriorate to an unsustainable level.

Research and development

The Group did not incur any material amounts on research and development.

Corporate social responsibility

Corporate Social Responsibility expenditure during the year amounted to US\$ 1.54 million (2023: US\$ 1.29 million).

Direct contributions in the form of donations made to charitable causes during the year amounted to US\$ 63,165 (2023: US\$ 89,921) apart from the Group's continuous self driven CSR programmes.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

REPORT OF THE PROVISIONAL LIQUIDATOR (CONTINUED)

for the year ended 31 March 2024

Subsequent events

On 21st May 2024, Kumbele made an application to the High Court to have the Order of injunction granted to KCM on 29th October 2020 which stopped Kumbele from accessing the area be varied or discharged.

In its application, Kumbele exhibited before court the letter written by the former Provisional Liquidator addressed to Zambia Environmental Management Agency dated 28th December 2020 and the Bank Transfer copy of ZMW 20,000,000.00 (twenty Million kwacha). When the matter came up on 04th June 2024 for hearing of the application, the parties appeared and made submissions.

On the 11th June 2024, the High Court delivered its Ruling discharging the Order of Injunction earlier granted to KCM agreeing with Kumbele's application.

However, KCM through its legal team filed an appeal to the Court of Appeal and is awaiting the court hearing date. In addition KCM has applied for a Stay of execution of the decision to lift the injunction by the High Court. There were no other known material events that occurred after the statement of financial position date that require adjustment of, or disclosure in, the financial statements.

Average number and remuneration of employees

The average number of employees during each month of the year was as follows:

	2024	2023
April	5,510	5,687
May	5,513	5,684
June	5,509	5,666
July	5,465	5,654
August	5,483	5,622
September	5,482	5,604
October	5,506	5,587
November	5,510	5,574
December	5,505	5,561
January	5,492	5,540
February	5,489	5,520
March	5,058	5,513

Total remuneration paid in respect of the employees was US\$ 175.4 million (2023: US\$ 91.7 million) as disclosed in note 10 to the financial statements.

Health, safety and welfare of employees

Konkola Copper Mines (KCM) Plc has a Safety and Occupational Health Management System called Chingilila OHS and it conforms to international standards/specifications and has since been upgraded to ISO 45001 standard, it is however sitting at 3 stars on The BS 5 Star Best Practices standard.(Nampundwe) It also incorporates the requirements of the Company's SHE+A63Q Policy and its objectives.

KCM has developed and defined roles and responsibilities, authority and timescale for achieving the Zero Harm objectives at relevant functions and levels within the Company.

The safety record for the financial year was 6 lost time injuries (2023: 12), 0.30 lost time injury frequency rate (2023: 0.42), the Group had 0 fatalities (2023: 0).

Legal and other requirements have been identified and are reviewed for compliance through a legal register on a quarterly basis.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)
STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

The Provisional Liquidator is responsible for the preparation of the consolidated and separate financial statements of Konkola Copper Mines Plc (In Provisional Liquidation) and its subsidiaries KCM (SmelterCo) Limited and Konkola Minerals Resources Limited (KMRL) (together "the Group" or "KCM") comprising the consolidated and separate statement of financial position as at 31 March 2024, and the consolidated and separate 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 financial statements, which include a summary of significant accounting policies in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). In addition, the Provisional Liquidator is responsible for preparing the Provisional Liquidators' report.

The Provisional Liquidator is also responsible for such internal control as the deemed necessary to enable the preparation of 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.

Management has made an assessment of the Group's ability to continue as a going concern as disclosed in note 6.2 to the financial statements.

Approval of financial statements

The financial statements of Konkola Copper Mines Plc (In Provisional Liquidation) as identified in the first paragraph, signed on ~~20/06/24~~ 2024 and signed on its behalf by:



Celine Meena Nair
Provisional Liquidator (Without personal liability)



REPORT OF THE INDEPENDENT AUDITORS

TO THE PROVISIONAL LIQUIDATOR OF KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

Opinion

We have audited the financial statements of Konkola Copper Mines Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Group and Company annual financial statements give a true and fair view of the Group and Company financial position of Konkola Copper Mines Plc ("the Company") and its subsidiaries (together "the Group") as at 31 March 2024, and of their financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2017 (Act No. 10 of 2017) and the Corporate Insolvency Act 2017 (Act No. 9 of 2017).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *code of ethics for Professional Accountants* (IESBA Code) that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

We draw attention to note 6.2 to the financial statements which indicates that the Group and Company recorded a gross loss for the year of US\$ 186.9 million and 186.9 million, with an operating loss for the year of US\$ 349.2 million and US\$ 349.2 million and as at 31 March 2024 and the Group's and Company's current liabilities exceeded current assets by US\$ 223.1 million and US\$ 243.8 million respectively. These conditions along with other factors in note 6.2 indicates the existence of a material uncertainty that may cast significant doubt about the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Provisional Liquidator is responsible for the other information. The other information comprises the Report of the Provisional Liquidator. The other information does not include the financial statements and our auditor's report thereon.

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

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

THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

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Key Audit Matters

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

Key Audit Matter	How the matter was addressed
Carrying value of Inventory	
<p>Refer to Note 21 of the Financial Statements.</p> <p>Inventories recognised in the statement of financial position is US\$ 114.3 million (31 March 2023: US\$ 176.0 million).</p> <p>Inventories are disclosed net of provision for obsolete stock amounting to US\$ 36.8 million (31 March 2023: US\$ 37.8 million).</p> <p>The Group and Company has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into work-in-progress, materials and consumables, finished good and further into obsolete and/or slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Challenging management with regards to the calculation methodology, the basis for provision and the process with respect to inventory provision. • Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision. • Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation. • Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date. • Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.
Liability Discounting	
<p>Refer to Note 36 of the Financial Statements.</p> <p>Liability discounting (unwinding of liabilities) recognised in the income statement with the corresponding effects recognised in the statement of financial position is US\$ 3,169.2 million.</p> <p>The financial statements include significant provisions for medium and long-term liabilities, which are measured at their present value using discounting techniques.</p> <p>The estimation of these liabilities requires management to make assumptions about future cash flows, discount rates, and the timing of payments.</p> <p>Given the complexity and judgment involved in these estimates, this matter is considered a key audit matter.</p>	<p>Our audit procedures to address the risk of material misstatement relating to Liability Discounting, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> • Understanding the basis for the estimates and evaluation of these estimates. • Assessing the discount rates used. • Reviewing the Cash Flow estimates and reports prepared by management. • Performed sensitivity analyses to assess how changes in key assumptions could impact the reported liabilities. <p>Reviewing the adequacy of the disclosures made in</p> <ul style="list-style-type: none"> • Note 36.



Provisional Liquidators' responsibilities for the financial statements

The Provisional Liquidator is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRSs), and for such internal control as the Provisional Liquidator determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Provisional Liquidator is responsible for overseeing the Group and Company's financial reporting process.

Auditors responsibility

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

Overview of the scope of the audit

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

- Identify and assess the risks of material misstatements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 accounting controls.
- Obtain an understanding of internal controls 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 accounting controls.
- Evaluate the completeness 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, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal accounting controls that we identify during our audit.

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

Report on other legal requirements

In accordance with the Corporate Insolvency Act, 2017 (Act No. 9 of 2017), we report that in our opinion:

- The Group and Company made available all necessary information to enable us to comply with the requirements of this Act;
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- We have not found any transaction that has not been within the powers of the Group and Company or which was contrary to this Act;
- The Group and Company complied with the provisions of these Acts and the regulations, guidelines and prescriptions under this Act; and
- There is no relationship, interest or debt we have with the Group and Company.
- Further, there were no serious breaches of corporate governance principles or practices by the Provisional Liquidators. In the absence of the Act specifying the criteria for purposes of reporting on serious breaches of corporate governance principles or practices by the Provisional Liquidator, as required by section 259 (3)(b) of the Companies Act 2017, we express our opinion based on the corporate governance provisions of the Act, Part IV - Corporate Governance of the Companies Act of Zambia.

HLB Zambia
Chartered Accountants

Nchimunya Hapeza, FZICA
Partner
AUD/F011985



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KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2024

	NOTES	GROUP		COMPANY	
		2024	2023	2024	2023
		US\$ Million		US\$ Million	
Revenue	8	434.8	1,218.0	434.8	1,218.0
Cost of sales		(621.7)	(1,520.1)	(621.7)	(1,520.1)
Gross loss		(186.9)	(302.1)	(186.9)	(302.1)
Other operating income	11	2.4	6.8	2.4	6.8
Distribution costs		(17.9)	(27.0)	(17.9)	(27.0)
Administrative expenses		(146.9)	(60.2)	(146.9)	(60.2)
Operating loss		(349.2)	(382.4)	(349.2)	(382.4)
Unwinding of Liabilities	36	3,169.2	0.0	3,169.2	0.0
Finance income/(costs)	13	(131.5)	(167.5)	(131.5)	(167.5)
Net finance income/(cost)		3,037.7	(167.4)	3,037.7	(167.4)
Profit/(loss) before tax		2,688.5	(549.9)	2,688.5	(549.9)
Income tax	14	109.1	155.9	109.1	155.9
Profit/(loss) for the year		2,797.6	(394.0)	2,797.6	(394.0)
(Profit)/Loss per share					
Basic and diluted (cents per share)		254.6	(35.9)	254.6	(35.9)

There were no items of other comprehensive income during the year (2023: Nil).

The notes on pages 18 to 80 are an integral part of the financial statements.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

	NOTES	GROUP		COMPANY	
		2024 US\$ Million	2023	2024 US\$ Million	2023
ASSETS					
Non-current assets					
Intangible assets - goodwill	17	109.7	109.7	109.7	109.7
Property, plant and equipment	19	1,069.0	1,137.9	1,069.0	1,137.9
Other non current assets	27A	49.5	53.8	49.5	53.8
Deferred tax assets	12	481.6	372.4	481.6	372.4
Investment in SmelterCo	20	-	-	5.8	5.8
Total non-current assets		1,709.8	1,673.7	1,715.6	1,679.5
Current assets					
Inventories	21	114.3	176.0	114.3	176.0
Trade and other receivables	22	209.1	265.5	209.1	265.5
Bank and cash balances	23	5.3	1.4	5.3	1.4
Total current assets		328.7	442.9	328.7	442.9
TOTAL ASSETS		2,038.5	2,116.6	2,044.3	2,122.4
LIABILITIES					
Current liabilities					
Trade and other payables	24	(550.4)	(2,424.3)	(571.1)	(2,445.0)
Other financial liabilities	25	(1.4)	(1.4)	(1.4)	(1.4)
Current tax liability	14	(0.1)	(0.0)	(0.1)	(0.0)
Total current liabilities		(551.9)	(2,425.7)	(572.6)	(2,446.4)
Net current liabilities		(223.1)	(1,982.8)	(243.8)	(2,003.5)
Non-current liabilities					
Medium and long term borrowings	26	(359.0)	(1,357.2)	(359.0)	(1,357.2)
Provisions	27	(30.0)	(38.7)	(30.0)	(38.7)
Total non-current liabilities		(389.0)	(1,395.8)	(389.0)	(1,395.8)
TOTAL LIABILITIES		(940.9)	(3,821.5)	(961.5)	(3,842.2)
NET LIABILITIES		1,097.7	(1,704.9)	1,082.8	(1,719.8)



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2024

	NOTES	GROUP		COMPANY	
		2024	2023	2024	2023
		US\$ Million		US\$ Million	
EQUITY					
Share capital	28	70.4	70.4	70.4	70.4
Share premium account		493.0	493.0	493.0	493.0
Other reserves	28	7.5	7.5	7.5	7.6
Accumulated reserves/(losses)*		526.8	(2,275.7)	511.9	(2,290.7)
Total equity attributable to equity holders of the parent		1,097.7	(1,704.9)	1,082.8	(1,719.8)

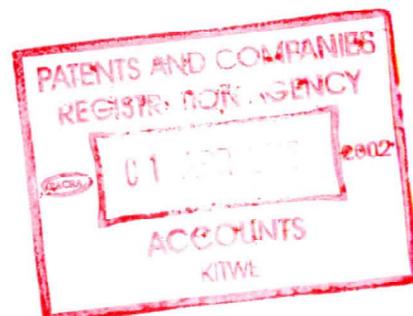
The financial statements on pages 8 to 80 were approved and authorised for issue by the Board of Directors on 20/6/24 and signed on its behalf by:



 PROVISIONAL LIQUIDATOR

(WITHOUT PERSONAL LIABILITY)

The notes on pages 18 to 76 are an integral part of the financial statements.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2024

US\$ million

	Share capital	Share premium	Other reserves	Accumulated losses	Total equity
GROUP:					
As at 1 April 2022	70.4	493.0	7.5	(1,881.8)	(1,310.9)
Profit/(Loss) for the year	-	-	-	(394.0)	(394.0)
As at 31 March 2023	70.4	493.0	7.5	(2,275.7)	(1,704.9)
Inventory adjustment	-	-	-	5.0	-
As at 1 April 2023	70.4	493.0	7.5	(2,270.8)	(1,704.9)
Profit/(Loss) for the year	-	-	-	2,797.6	2,797.6
As at 31 March 2024	70.4	493.0	7.5	526.8	1,092.7

(Note 28)

	Share capital	Share premium	Other reserves	Accumulated losses	Total equity
COMPANY:					
As at 1 April 2022	70.4	493.0	7.5	(1,896.7)	(1,325.8)
Profit/(Loss) for the year	-	-	-	(394.0)	(394.0)
As at 31 March 2023	70.4	493.0	7.5	(2,290.7)	(1,719.7)
Inventory adjustment	-	-	-	5.0	-
As at 1 April 2023	70.4	493.0	7.5	(2,285.7)	(1,719.7)
Profit/(Loss) for the year	-	-	-	2,797.6	2,797.6
As at 31 March 2024	70.4	493.0	7.5	511.9	1,077.9

(Note 28)

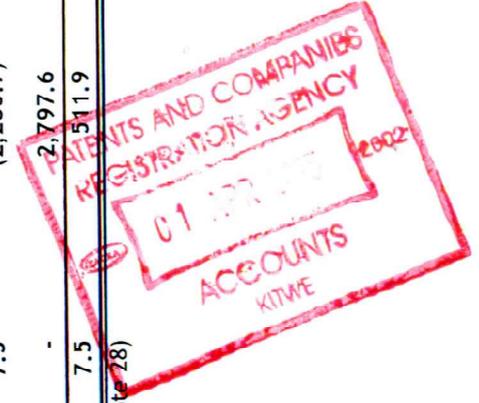
Accumulated losses

Accumulated losses arise from brought forward recognised income net of expenses plus current year profit or loss.

Share premium

Share premium represents the amount paid by the share holders, over the nominal value of their values.

The notes on pages 18 to 80 are an integral part of the financial statements.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2024

	NOTES	GROUP		COMPANY	
		2024	2023	2024	2023
		US\$ Million		US\$ Million	
Cash flow from operating activities					
Profit/(loss) before tax		2,688.5	(549.9)	2,688.5	(549.9)
Movement in reserves		5.0	-	5.0	-
Depreciation	18	97.2	110.9	97.2	110.9
Unwinding of Liabilities	13	(3,129.7)	0.0	(3,129.7)	0.0
Finance (income)/costs	13	3,261.2	167.5	3,261.2	167.5
Operating outflows cash before movements in working capital		2,922.1	(271.5)	2,922.1	(271.5)
Decrease/(increase) in inventories		61.7	90.9	61.7	90.9
Decrease/(increase) in trade and other receivables (including other non-current assets)		60.7	48.2	60.7	48.2
Increase/(decrease) in provisions		(8.6)	9.5	(8.6)	9.5
Increase/decrease in payables (including other financial liabilities)		(3,028.6)	163.7	(3,028.6)	163.7
Cash inflows from operations		7.2	40.7	7.2	40.7
Interest received/(paid)		(0.1)	(24.0)	(0.1)	(24.0)
Copper Price Participation paid		-	-	-	-
Net cash utilised in operating activities		7.1	16.8	7.1	16.8
Cash flows from investing activities					
Purchases of property, plant and equipment	18	(28.3)	(25.4)	(28.3)	(25.4)
Net cash used in investing activities		(28.3)	(25.4)	(28.3)	(25.4)

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

STATEMENTS OF CASH FLOWS (CONTINUED)

for the year ended 31 March 2024

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
		US\$ Million		US\$ Million	
Cash flows from financing activities					
Proceeds from borrowings		35.0	-	35.0	-
Repayment of borrowings		(10.0)	(7.5)	(10.0)	(7.5)
Net cash inflows from financing activities		25.0	(7.5)	25.0	(7.5)
Net (decrease)/increase in cash and cash equivalents		3.9	(16.2)	3.9	(16.2)
Cash and cash equivalents at the beginning of the year		1.4	17.6	1.4	17.6
Cash and cash equivalents at the end of the year		5.3	1.4	5.3	1.4
Comprising:					
Bank and cash balances	22	5.3	1.4	5.3	1.4
		5.3	1.4	5.3	1.4

The notes on pages 18 to 80 are an integral part of the financial statements.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1. General information

Konkola Copper Mines Plc (in provisional liquidation) ("the Company") is a limited company incorporated and domiciled in Zambia. The addresses of the Company's registered office and principal place of business are disclosed in the report of the Directors on page 1. The principal activity of the Company and its wholly owned subsidiary KCM (SmelterCo) Limited (together "the Group") is the mining, production and marketing of copper and cobalt.

2. Basis of accounting

The financial statements of Konkola Copper Mines Plc (in provisional liquidation) have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Details of the Company's significant accounting policies are included in note 6 to the financial statements.

3. Functional and presentational currency

These financial statements are presented in United States Dollars, which is the Company's functional currency.

4. Use of estimates and judgements

A number of the Company's

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

5. Change in significant accounting policies

A number of new standards are effective for annual periods after 1 April 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

a) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences-e.g., leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 April 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Group accounts for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability is recognised on a net basis. Under the amendments, the Group will recognise a separate deferred tax asset and a deferred tax liability.

b) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 April 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 April 2024. Due to these ongoing developments, the Group is unable to determine the impact of these amendments on the consolidated financial statements in the period of the initial application. The Group is closely monitoring the developments.

c) Other standards

The following new and amended standards are not expected to have significant impact on the Group's consolidated financial statements.

- o IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- o Disclosure Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- o Definition of Accounting Estimates (Amendments to IAS 8).

6. Significant account policies

The accounting policies listed below apply to both consolidated and separate company financial statements.

6.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and on a basis consistent with the prior year, except for the adoption of the revised accounting standards which have been described in note 2. The presentation currency and the functional currency of the Company and all of the Company's operations is the USD with level of rounding off in "million".



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant account policies (continued)

6.1 Basis of preparation (continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

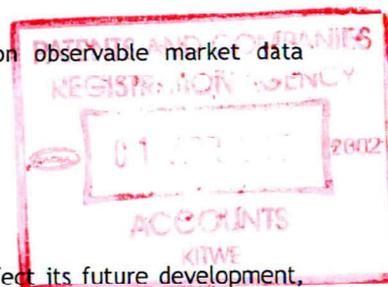
- o Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- o Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- o Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The principal accounting policies are set out below.

6.2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out below. In addition, note 29 of the financial statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

As highlighted in the financial statements, the Group and Company recorded a gross loss for the year of US\$ 186.9 million and 186.9 million with an operating loss for the year of US\$ 349.2 million (2023: US\$ 382.4 million) and as at 31 March 2024. The Group meets its day to day operating capital requirements through optimisation of its working capital cycle as well as through medium and long-term borrowings.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.2 Going concern (*continued*)

The Provisional Liquidator considers the going concern basis of preparation to be appropriate based on the following:

On 5 September 2023, the Minister of Mines announced that the minority and majority shareholders, ZCCM Investments Holdings Plc ("ZCCM IH") and Vedanta Resources Limited ("Vedanta") respectively had reached an agreement in resolving the standoff with regard to ZCCM IH application to place KCM on Provisional Liquidation.

The resolve included an application through the High Court of Zambia to halt the Liquidation process and commence of a Scheme of Arrangement. On the 21st February 2024, the court gave an order to convene a meeting of Creditors to consider a Scheme of Arrangement. The Scheme has been voted a success with 99.8% vote on all classes of Creditors, exceeding the required 75% voting threshold. This achievement has enhanced the base of commencement of running the operation through a Board of Directors. The operation awaits the Court Order to proceed with the Scheme.

Vedanta has pledged to invest US\$ 1 billion in KCM for expansion and upgrades in the next five years from regaining control. Additionally, Vedanta will pay off outstanding debt of US\$ 250 million to local contractors and suppliers. Vedanta also plans to invest US\$ 20 million investments into local communities (Corporate Social Responsibility - CSR) in Chingola, Chililabombwe, Kitwe and Shibuyunji annually through a special purpose vehicle, a Community Trust.

The resolution of the dispute since KCM was placed under liquidation in May 2019 implies that the Company will now receive the necessary funding for investments in the Konkola Deep Mining Project (KDMP) in order to complete the investment cycle, which is critical for KCM to attain its desired levels of production. In addition, other investments will be made across the business in order to grow the portfolio which will result in higher production to expand and sustain the Company's operations.

In the meantime, KCM continues to meet its monthly payroll obligations on time and also settles trade creditors and outstanding statutory obligations in accordance with its planned cash flows that are linked to prevailing production levels. Further, as of the date of approval of these financial statements, the Company had received support from Vedanta Resources Limited of US\$ 25 million of working capital in February 2024.

Therefore, in light of the above, the consolidated and separate financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

6.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- o has power over the investee;
- o is exposed, or has rights, to variable returns from its involvement with the investee; and
- o has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.3 Basis of consolidation (*continued*)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- o the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- o potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements.
- o any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In the separate financial statements of the Company, the investment in KCM (SmelterCo) Limited is accounted for at cost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

6.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.4 Changes in the Group's ownership interests in existing subsidiaries (*continued*)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

6.5 Revenue recognition

Revenue related to the sale of goods is recognised when the control of such goods is transferred to the customer, which usually happens when the goods cross the Zambian Boarder or are loaded on ship's rail, as the case may be, based on the INCOTERMS as commercially agreed upon with the buyer and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. Such revenues are measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing goods and service tax and duties.

The majority of the Company's sales allow for price adjustments based on the market price at the end of the relevant Quotational Period (QP) stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for the goods is based on prevailing forward prices on a specified future period after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP through marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue. The period between provisional invoicing and the end of the QP can be between one and three months. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the Company expects to be entitled - being the estimate of the price expected to be received at the end of the measurement period. For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and are accounted in accordance with IFRS 9 'Financial Instruments' rather than IFRS 15 and, therefore, the IFRS 15 rules on variable consideration do not apply.

These 'provisional pricing' adjustments i.e. the consideration received post transfer of control are included in total revenue from operations on the face of the Statement of Profit and loss and disclosed by way of note to the financial statements. Final settlement of the prices is based on the applicable price for a specified future period. In the period under review the quantity adjustment is not material, hence, there is no need to consider quantity adjustments for provisional pricing.

6. Significant accounting policies (continued)

6.5 Revenue recognition (continued)

The Group has applied the practical expedient to not adjust the promised consideration for the effects of a significant financing component as the period between the transfer of promised good or service to a customer and when the customer pays for that goods or service is one year or less.

Revenue related to the provision of shipping and insurance related activities is recognised over time as the service is rendered.

Revenues from sale of material by-products are included in revenue.

6.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

6.6.1 The Group as a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 6.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



6. Significant accounting policies (continued)

6.7 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- o Exchange differences on transactions entered into in order to hedge certain foreign currency risks. (see 3.24 below for hedging accounting policies).

6.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

6.9 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Remeasurement related to other long term benefits are routed statement of profit and loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.9 Retirement benefit costs and termination benefits (*continued*)

- o Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- o Net interest expense or income.
- o Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item finance cost (for net interest expense) and cost of sales (for service cost).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the end of the reporting period as the net total of the present value of the defined benefit obligation and the fair value of plan assets (if any) out of which the obligations are to be settled directly.

Following the acquisition of the assets and operations of Zambia Consolidated Copper Mines Limited ("ZCCM") on 31 March 2000, the Company assumed responsibility for payment of the accrued terminal benefit liability in respect of employees transferring from ZCCM to the Company. The liability is not subject to revaluation and is payable upon the employees retiring.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

6.10 Share-based payment arrangements

Through Vedanta Resources Ltd, the Group's ultimate parent Company, certain employees (including Directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for cash based shares or cash rights over shares in Vedanta Resources Ltd ('equity-settled transactions').



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.10 Share-based payment arrangements (*continued*)

Under an agreement between the Group and Vedanta Resources Ltd, the Group is required to reimburse Vedanta Resources Ltd by way of a management charge, which is calculated as the fair value of the options granted to the Group's employees participating in the scheme.

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions are determined by an external valuer and the fair value at the grant date is expensed on a straight-line basis over the vesting year based on the Group's initial estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each reporting date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

6.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statements of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.11 Taxation (*continued*)

6.11.2 Deferred tax (*continued*)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

6.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis as permitted by tax legislation in Zambia.

6.12 Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, Plant and other equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Depreciation is recognised in profit or loss.

Fixtures; equipment and mining properties are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (continued)

6.12 Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Mining properties and leases	Life of mine
Leasehold land and buildings	10 to 20 years
Plant and equipment	25 to 30 years
Other equipment	2 to 10 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Repairs and maintenance expenses are charged to profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

An item of property, plant and other equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and other equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful lives are as follows:

Computer software	2 years
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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (continued)

6.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

6.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.16 Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Costs arising from the installation of plant and other site preparation work, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed yearly and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations.

The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in profit or loss.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.18 Financial assets - Recognition & subsequent measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL

6.18.1 Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in following categories:

6.18.1(a) Debt instruments at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- o The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- o Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (continued)

6.18 Financial assets - Recognition & subsequent measurement (continued)

6.18 Financial assets (continued)

6.18.1 Subsequent measurement of financial assets

6.18.1(b) Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- o The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- o The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from OCI to statement of profit or loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

6.18.1(c) Debt instruments at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Provisionally priced trade receivables (debtors) are classified here as part of Debt Instruments at Fair Value through Profit or Loss. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 30.

As IFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the Group's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant QP stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised in 'fair value gains/losses on provisionally priced trade receivables' in the statement of profit or loss and other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (continued)

6.18 Financial assets (continued)

6.18.2 Impairment of financial assets (continued)

o Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet.

o Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

6.18.3 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

6.19 Financial liabilities - Recognition & subsequent measurement

6.19.1 Financial liabilities

6.19.1(b) Financial liabilities at amortised cost (Loans & borrowings, bank overdrafts and trade and other payables)

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.19.2 Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.19.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- o The amount of the loss allowance determined as a result of impairment.
- o The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 - *Revenue from contracts*.

6.20 Derivative financial instruments

The Group enters into a variety of hedging financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

6.21 Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, they are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, management does not expect them to have a materially adverse impact on the financial position or profitability.

6.22 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations (as per IFRS 9). Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (continued)

6.22 Hedge accounting (continued)

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

6.23 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

6.23.1 Cash flow hedges

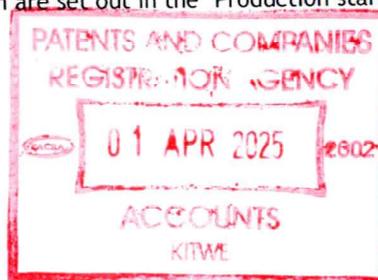
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of "Other Reserves". The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss as a reclassification adjustment.

6.24 Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a Unit Of Production (UOP) method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management. Factors used to determine when a mine/component has commenced production are set out in the 'Production start date' note.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.24 Stripping (waste removal) costs (*continued*)

Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below. After the commencement of production further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above). Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

- (1) Future economic benefits (being improved access to the ore body) are probable.
- (2) The component of the ore body for which access will be improved can be accurately identified.
- (3) The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

Each mining operation analyses the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations. Given the nature of the Group's operations, components are generally either major pushbacks or phases and they generally form part of a larger investment decision which requires board approval.

The stripping activity asset (also known as primary development and is part of mining properties and leases) is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component. The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Mine properties' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

6. Significant accounting policies (*continued*)

6.24 Stripping (waste removal) costs (*continued*)

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components.

These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component.

The Group considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined for a specific component of the ore body, is the most suitable production measure. Furthermore, judgements and estimates are also used to apply the UOP method in determining the depreciable lives of the stripping activity asset(s). Stripping costs are recognised as development costs under the property, plant and equipment note 19 as mining properties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

7. Critical accounting judgements and key sources of estimation uncertainty

7.1 Useful lives of property, plant and equipment and intangible assets

As described at 6.12 and 6.13 above, the Group reviews the estimated useful lives of property, plant and other equipment and intangible assets at the end of each reporting period as determined by its skilled engineers who assess the changeable parts from routine maintenance in line with the Original Equipment Manufacturer (OEM).

7.2 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available.

7.3 Discount rates

The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on government bonds. The Group makes judgments in selecting the government bond whose market yield is to be used as a discount rate. The Company uses a risk free rate of return to discount the Company's environmental liabilities as it is considered most reliable because it is not impacted by other factors such as inflation, country debt situation etc.

7.4 Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of closure plans and the estimated discounted costs of dismantling and removing these facilities and costs of restoration are capitalised when incurred, reflecting the Group's obligations at that time. Management estimates are based on local legislation and/or other agreements.

7.5 Income taxes

The tax charged to profit and loss is subject to the agreement with the Zambia Revenue Authority (ZRA). When the final tax outcome upon agreement of assessments differs from the amount initially recorded, such differences are adjusted in subsequent periods. Where the actual assessment differs from management's estimates, the Company would need to increase or decrease the tax charge to profit or loss by the resulting difference.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

7. Critical accounting judgements and key sources of estimation uncertainty (continued)

7.6 Ore reserve and mineral resource estimates

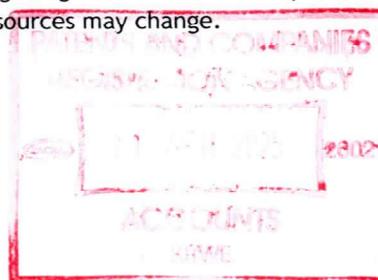
Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- o The carrying value of exploration and evaluation assets; mine properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows.
 - o Depreciation and amortisation charges may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
 - o Capitalised stripping costs recognised in the statement of financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios.
 - o Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.
 - o The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets
- The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the Metalville Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (December 2010), which is prepared by the Metalville Ore Reserves Committee (MORC) of the Metalville Institute of Mining and Metallurgy, known as the "MORC Code." The MORC Code requires the use of reasonable investment assumptions, including:

- o Future production estimates, which include proved and probable reserves, resource estimates and committee expansions.
- o Expected future commodity prices, based on current market price, forward prices and the Group's assessment of the long-term average price.
- o Future cash costs of production, capital expenditure and rehabilitation obligations. Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate reserves and mineral resources under the MORC Code. Lower price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of reserves and mineral resources may change.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

8 Revenue

8.1 The following is an analysis of the Group's revenue for the year:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Copper (cathodes and alloys)	432.4	1,214.3	432.4	1,214.3
Cobalt (in alloys and concentrates)	0.5	0.9	0.5	0.9
Precious metals in slimes	1.9	2.8	1.9	2.8
Other	0.0	0.0	0.0	0.0
	434.8	1,218.0	434.8	1,218.0

During the years presented, the Group sold

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Asia	252.9	984.6	252.9	984.6
Europe	129.4	164.6	129.4	164.6
America	28.2	42.9	28.2	42.9
Africa	26.2	25.9	26.2	25.9
	436.8	1218.0	436.8	1218.0

The following revenues arose from sales to the Group's largest customers:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
A	254.3	900.9	254.3	900.9
B	84.2	80.9	84.2	80.9
C	28.2	53.4	28.2	53.4
D	21.2	49.4	21.2	49.4
E	12.8	42.9	12.8	42.9
F	10.6	21.7	10.6	21.7
G	7.9	21.6	7.9	21.6
H	6.7	16.5	6.7	16.5
I	6.0	12.7	6.0	12.7
J	2.6	8.8	2.6	8.8
Others	2.3	9.4	2.3	9.4
	436.8	1218.0	436.8	1218.0

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

8 Revenue (continued)

8.2 Disclosure related to provisional pricing

	Revenue for FY 2024	Revenue from contracts with customers ¹	Other revenue (i.e. MTM/ final settlement)	Revenue from non-provisional pricing
Amount (US\$ million)	434.8	436.7	(1.9)	0.0
	Revenue for FY 2023	Revenue from contracts with customers ¹	Other revenue (i.e. MTM/ final settlement)	Revenue from non-provisional pricing
Amount (US\$ million)	1,218.0	1,216.5	1.4	0.0

1- Represents initial revenue recognised on the date of transfer of control.

9.1 Operating loss for the year has been stated after charging:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Employee costs (see note 10)	175.4	91.7	175.4	91.7
Depreciation on property, plant and equipment (see note 18)	97.2	110.9	97.2	110.9
Amortisation on other intangible assets*	-	-	-	-
Donations**	0.1	0.1	0.1	0.1
Provisional Liquidator's emoluments	99.6	7.1	99.6	7.1

*Amortisation 2024 Group - Nil Company - Nil (2023: Nil, Company - Nil).

**Donations 2024 Group - US\$ 63,165 Company - US\$ 63,165 (2023: Group - US\$ 89,921 Company - US\$ 89,921).



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

10 Employee costs

	GROUP		COMPANY	
	2024	2023	2024	2023
Costs incurred during the year in respect	US\$ Million		US\$ Million	
Salaries and wages	70.9	77.1	70.9	77.1
Defined contribution scheme (see note 30.1)	4.2	7.3	4.2	7.3
Other long-term employee benefits (see note Provisional Liquidators' emoluments)	0.7	0.2	0.7	0.2
Total employee costs	79.8	84.6	79.8	84.6

Employee costs included in operating loss:

Employee cost is charged to cost of sales and administration cost as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Cost of sales	91.5	46.6	91.5	46.6
Administration cost	83.9	45.1	83.9	45.1
	175.4	91.7	175.4	91.7

11 Other operating income

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Scrap sales	0.3	2.7	0.3	2.7
Sundry income	2.1	2.5	2.1	2.5
Tolling fees	0.0	1.6	0.0	1.6
	2.4	6.8	2.4	6.8

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

12 Finance income

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Interest income on bank balances*	0	0	0	0

*Interest income on bank balances 2023: Group - US\$ 2,262 Company US\$ 2,262 (2022: Group US\$ 35.285 Company US\$ 35.285).

Interest income is recognised in profit or loss for all interest-bearing instruments on an actual basis. It is based on the original effective interest rate and outstanding balance as at the end of each month.

13 Finance cost

	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Interest on financial liabilities at amortized cost (1)	138.9	151.9	138.9	151.9
Other long term employee benefits (see note 30.2)	1.1	1.2	1.1	1.2
Unwinding of liabilities (see note 36)	(3,169.2)	-	(3,169.2)	-
Unwinding of discount	(9.3)	9.4	(9.3)	9.4
Other borrowing and finance costs (2)	0.2	0.2	0.2	0.2
Other finance costs	0.7	4.7	0.7	4.7
Total finance cost	(3,037.7)	167.5	(3,037.7)	167.5

(1) This includes interest on Vedanta Resources (Jersey II) Ltd loan of US\$ 96,0 million (2023: US\$ 122,8 million), interest on bank loans and overdrafts of US\$ 39,3 million (2023: US\$ 23,4 million) and on discounting facilities of US\$ 5,1 million (2023: US\$ 5,7 million).

(2) Includes Letters of Credit (LC) commissions of US\$ 0,2 million (2023: US\$ 0,2 million).

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

14 Taxation

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Current tax:				
Zambia*	(0)	(0)	(0)	(0)
	(0)	(0)	(0)	(0)
* Current tax Group - US\$ 679 Company - US\$ 679 (2023: Group - US\$10,586 Company - US\$ 10,586).				
Deferred tax				
Movement in deferred tax (see note 15)	109.1	155.9	109.1	155.9
Tax credit	109.0	155.8	109.0	155.8

14.1 Overview of the Zambian Tax Regime

- The tax rate on profit generated out of integrated operations and custom smelting currently stands at 30% with tax rate on hedge at 30%
- The loss from integrated operations cannot be carried forward beyond ten subsequent years after the year in which the loss is incurred. The set of loss in a particular year is allowed up to a maximum of fifty percent of the income of that year.
- Tax deductions for mining capital expenditure are available at the rate of 20% on a straight line basis.

14.2 Reconciliation of tax credit

Creditors with > USD 1 million

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Loss before taxation	2,688.5	(549.9)	2,688.5	(549.9)
Zambian statutory income tax rate of 30% (2023: 30%).	(806.5)	165.0	(806.5)	165.0
Hedge Losses	(0.9)	(1.36)	(0.9)	(1.4)
Expenses not deductible for tax purposes	916.6	(7.7)	916.6	(7.7)
Tax credit/ (charge)	109.1	155.9	109.1	155.9
Effective tax rate	4%	-28%	4%	-28%



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

14 Taxation (continued)

14.2 Reconciliation of tax credit (continued)

In accordance with the changes made in the Income Tax Act No.6 of 2015, the Group has of US\$ 1,964.9 million of unused tax losses as at 31 March 2024 (31 March 2023: US\$1,478.4 million). The losses are available to be carried forward for set off against future profits (Subject to a maximum of 50% of income made during the charge year) from the same source for ten years from the year they were first incurred. These losses arose from the following financial periods:

	2024	2023
	US\$ Million	
i) Mining activities		
2023/24 tax losses to expire in 2034	464.6	-
2022/23 tax losses to expire in 2033	333.3	333.3
2021/22 tax losses to expire in 2032	224.6	224.6
2020/21 tax losses to expire in 2031	77.9	77.9
2019/20 tax losses to expire in 2030	249.2	249.2
2018/19 tax losses to expire in 2029	145.6	145.6
2017/18 tax losses to expire in 2028	59.1	59.1
2016/17 tax losses to expire in 2027	171.4	171.4
2015/16 tax losses to expire in 2026	122.0	122.0
2014/15 tax losses to expire in 2025	95.2	95.2
Total	<u>1,942.9</u>	<u>1,478.3</u>

14.3 Movement on the tax balance

	2024	2023
	US\$ Million	
Tax charge for the year*	(0)	(0)
Tax payable at year end	(0)	(0)

*Tax charge for the year 2024 is US\$ 679 (2023: US\$ 10,586) and no tax was paid during the year 2024 (2023: Nil).

15 Deferred tax

The deferred taxation recognised in the statement of profit or loss is as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Accelerated capital allowances	(23.3)	27.4	(23.3)	27.4
Unutilised tax losses	(139.4)	100.0	(139.4)	100.0
Hedging transactions	0.9	(1.4)	0.9	(1.4)
Provisions	52.5	29.8	52.5	29.8
Recognised deferred tax movement	<u>(109.3)</u>	<u>155.9</u>	<u>(109.3)</u>	<u>155.9</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

15 Deferred tax (continued)

The amounts of deferred taxation on temporary differences not recognised in the financial statements are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Unrecognised provided - (assets)				
Accelerated capital allowances	299.7	322.9	299.7	322.9
Tax losses	(582.9)	(444.4)	(582.9)	(444.4)
Provisions and others	(198.4)	(250.9)	(198.4)	(250.9)
	<u>(481.6)</u>	<u>(372.4)</u>	<u>(481.6)</u>	<u>(372.4)</u>

The following is the analysis of deferred tax (assets)/liabilities presented in the statements of financial position:

Deferred tax assets	(781.3)	(695.3)	(781.3)	(695.3)
Deferred tax liabilities	299.7	322.9	299.7	322.9
	<u>(481.6)</u>	<u>(372.4)</u>	<u>(481.6)</u>	<u>(372.4)</u>

Deferred tax asset recognition

The Company applies IAS 12 - Income Taxes, to temporary differences between the carrying amount of the assets and liabilities and their tax bases. Under IAS 12, a deferred tax asset should be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. When considering the availability of future taxable profits, judgement is applied by the Group's management when evaluating the projections of the future taxable income which are based on approved business plans and cash flow projections. Estimates such as projected inflation rates and interest rates are used by management in determining cash flows.

The realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible. Due to the uncertainties regarding the Group's and Company's ability to generate future taxable profits, management has not recognised the deferred tax asset of US\$ 121.29 million as at 31 March 2024 (31 March 2023: US\$ 155.89 million).

16 Basic and diluted earnings per share are based on the following data:

Loss per share

Loss for basic and diluted earnings per share is the loss for the year attributable to equity holders of the Company (US\$ million)	2,797.6	(394.0)	2,797.6	(394.0)
Weighted average number of shares of the Company in issue (million) (for basic and diluted earnings per share)	1,098.7	1,098.7	1,098.7	1,098.7
Loss per share on loss for the year (cents per share)	<u>254.6</u>	<u>(35.9)</u>	<u>254.6</u>	<u>(35.9)</u>

As set out in Note 28, share-based payment awards have been granted to certain employees of the Group by Vedanta Resources Ltd, and as such involve the issuance of shares by Vedanta Resources Ltd. Consequently, these options are not considered dilutive from the Group's perspective.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

18 Other intangible assets

Cost	GROUP US\$ Million	COMPANY US\$ Million
Balance as at 31 March 2022	10.7	10.7
Balance as at 31 March 2023	10.7	10.7
Balance as at 31 March 2024	10.7	10.7
Accumulated amortisation		
Balance as at 31 March 2022	10.7	10.7
Amortisation expense*	-	-
<i>*Amortisation expense Group US\$ 24,689 Company US\$ 24,689.</i>		
Balance as at 31 March 2023	10.7	10.7
Amortisation expense*	-	-
Balance as at 31 March 2024	10.7	10.7
Carrying amounts of:		
Balance as at 31 March 2023	-	-
Balance as at 31 March 2024	-	-

The following useful lives are used in the calculation of amortisation:

Creditors with > USD 1 million	
Computer software (SAP)	2 years

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

19 Property, plant and equipment

US\$ Million	Mining properties	Right of use asset	Leasehold land and buildings	Plant and other equipment	Assets under constructions	Total
GROUP:						
Cost						
As at 1 April 2022	853.1	2.4	100.4	2,266.7	21.4	3,244.0
Reclassification	2.3	-	-	-	(2.3)	-
Additions	25.1	-	-	0.4	-	25.4
As at 31 March 2023	880.4	2.4	100.4	2,267.1	19.1	3,269.4
Creditors with > USD 1 million	-	-	-	-	-	-
Additions	18.5	-	-	11.6	(1.8)	28.3
Balance as at 31 March 2024	898.9	2.4	100.4	2,278.7	17.4	3,297.7
Accumulated depreciation						
As at 1 April 2022	464.1	1.6	79.3	1,475.6	-	2,020.7
Charge for the year	37.0	0.8	2.4	70.7	-	110.9
As at 31 March 2023	501.2	2.4	81.7	1,546.3	-	2,131.5
Charge for the year	24.0	-	2.0	71.2	-	97.2
Balance as at 31 March 2024	525.2	2.4	83.7	1,617.5	-	2,228.7
Net book value						
As at 31 March 2023	379.3	-	18.6	720.8	19.1	1,137.9
As at 31 March 2024	373.7	-	16.7	661.2	17.4	1,069.0

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

19 Property, plant and equipment (continued)

US\$ Million	Mining properties	Right of use asset	Leasehold land and buildings	Plant and other equipment	Assets under constructions	Total
COMPANY:						
Cost						
As at 1 April 2022	853.1	2.4	100.4	2,266.7	21.4	3,244.0
Additions	25.1	-	-	0.4	-	25.4
As at 31 March 2023	878.2	2.4	100.4	2,267.1	21.4	3,269.4
Reclassification	-	-	-	-	-	-
Additions	18.5	-	-	11.6	(1.8)	28.3
Balance as at 31 March 2024	878.2	2.4	100.4	2,264.7	21.4	3,297.7
Accumulated depreciation						
As at 1 April 2022	464.1	1.6	79.3	1,475.6	-	2,020.7
Charge for the year	37.0	0.8	2.4	70.7	-	110.9
As at 31 March 2023	501.2	2.4	81.7	1,546.3	-	2,131.5
Charge for the year	24.0	-	2.0	71.2	-	97.2
Balance as at 31 March 2024	525.2	2.4	83.7	1,617.5	-	2,228.7
Net book value						
As at 31 March 2023	377.0	-	18.6	720.8	21.4	1,137.9
As at 31 March 2024	353.0	-	16.7	647.2	21.4	1,069.0

Assessment of impairment at Group's Operations

Management has deemed that the carrying amounts of property, plant and equipment is reasonable.

In accordance with Section 278 of the Companies Act, 2017 the Register of land and buildings is available for inspection by members and their duly authorised agents at the registered records office of the Company.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

20 Investment in SmelterCo

The investment is held in KCM (SmelterCo) Limited, a wholly owned subsidiary company, incorporated in the Republic of Zambia. Investment is carried at cost. The investment in KCM (SmelterCo) Limited is carried at cost with a value of **US\$ 5,8 million** (2023: US\$ 5,8 million). The Company also has an investment in Konkola Mineral Resources Limited (KMRL) which is dormant with a carrying value of nil (2023: Nil).

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
As at 31 March	-	-	5.8	5.8

21 Inventories

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Work-in-progress	82.7	152.7	82.7	152.7
Raw materials and consumables	30.8	30.7	30.8	30.7
Finished goods*	0.9	83.5	0.9	83.5
	114.3	266.9	114.3	266.9

The cost of inventories recognised as an expense and included in cost of sales during the year to 31 March 2024 was US\$ 271.6 million (2023: US\$ 828.3 million).

Inventory held at net realisable value as at 31 March 2024 amounted to **US\$ 78,6 million** (2023: US\$ 72.2 million).

Inventories are disclosed net of provision for obsolete stock amounting to **US\$ 36.8 million** (2023: US\$ 37.8 million).

22 Trade and other receivables

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Receivable from Provisional Liquidator (1)	-	94.9	-	94.9
VAT recoverable (see note 22.1)	161.6	173.7	161.6	173.7
Prepayments	10.5	3.0	10.5	3.0
Trade receivables	25.5	28.5	25.5	28.5
Other receivables - Advance to vendors	11.4	14.1	11.4	14.1
	209.1	314.2	209.1	314.2

(1) Included in the receivables for the prior year is a receivable from the previous Provisional Liquidator - Mr. Milingo Lungu consisting of the following. **US\$ 44,6 million** from the Government of the Republic of Zambia (GRZ) (see note 32.2(b)), an advance from Trafigura of **US\$ 40 million** (see note 23) and **US\$ 11.9 million** (2023 **US\$ 11.9 million**) part payment (consideration for transfer of surface rights) from Mimbula Minerals Limited and Kumbela Mineral Resources. These amounts were received by the previous Provisional Liquidator.

This entire balance has been fully impaired for in the current year.

(2) Included in trade receivables is an amount of US\$ 9 million (2022 US\$ 14 million) due from Mimbula Mineral Resources as consideration for the transfer of surface rights.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

22 Trade and other receivables (continued)

22.1 VAT Recoverable

As at 31 March 2024, the total VAT receivable pending for refund stood at US\$ 161,6 million (2023: US\$ 122,1 million). Based on the management's best estimate, backlog VAT refund of US\$ 24.0 million (2023: US\$ 28,3 million) related to old VAT rule 18 regime has been classified as non current (see note 26A) and balance have been included under the head "VAT recoverable".

22.2 Trade receivables

Effective 23 February 2015, Rule 18 was amended by allowing exporters to submit transit documents issued by the customs authority in the country of transit of the goods instead of import certificates from the country of destination, as proof of export for purposes of VAT zero rating.

KCM is in full compliance with the revised Rule 18 and all the requisite documents have been submitted to the satisfaction of Rule 18.

The credit period given to customers ranges from zero to 90 days. The historical level of customer default is minimal. All trade receivables are provisionally priced.

22.3 Movement in expected credit loss

The expected credit loss for trade and other receivables (excluding the impairment of the Provisional Liquidators receivable) as at 31 March 2024 is US\$ 0,2 million (31 March 2023: US\$ 0,2 million).

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Balance at beginning of the year	0.2	0.2	0.2	0.2
Balance at end of the year	22.9	0.2	0.2	0.2

23 Bank and cash balance

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Cash at bank and in hand	5.3	17.6	5.3	17.6

Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

24 Trade and other payables

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Accruals	158.1	665.4	178.8	686.1
Trade payables	164.1	729.0	164.1	729.0
Advance from customers	33.1	214.5	33.1	214.5
Statutory liabilities	174.7	419.1	174.7	419.1
Dividend payable	12.9	50.1	12.9	50.1
Other payables	7.4	48.5	7.4	48.6
	550.4	2,126.6	571.1	2,147.4

Trade payables are generally non-interest bearing and are normally settled on 60 to 90 day terms.

Trade and other payables include intercompany payables of US\$ 169.7 million (2023: US\$ 621,7 million) as disclosed in note 32.2a).

25 Other financial liabilities

Other financial liabilities comprises:

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Fair value hedge payable (refer note 29.10.1)	1.4	1.6	1.4	1.6
	1.4	1.6	1.4	1.6
Due within 1 year	1.4	1.6	1.4	1.6

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

26 Borrowings	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Related party loans (see note 32.2)	348.5	1,312.6	348.5	1,312.6
GRZ Loan	10.5	44.6	10.5	44.6
Total	359.0	1,357.2	359.0	1,357.2
Borrowings are repayable as:				
Payable over a year	359.0	1,357.2	359.0	1,357.2
Total borrowings	359.0	1,357.2	359.0	1,357.2

27 Provisions

THE GROUP AND COMPANY:

US\$ Million	Restoration rehabilitation and environmental	Other long term employee benefits (Refer note 30.2)	Total
As at 1 April 2022	25.3	3.9	29.2
Charged to profit or loss	9.4	0.2	9.7
Cash paid	-	(0.2)	(0.2)
As at 31 March 2023	34.7	4.0	38.7
Charged to profit or loss	(9.3)	0.7	(8.6)
Cash paid	-	(0.1)	(0.1)
As at 31 March 2024	25.4	4.6	30.0
Current 31 March 2023	34.7	4.0	38.7
Non-current 31 March 2023	34.7	4.0	38.7
Current 31 March 2024	25.4	4.6	30.0
Non-current 31 March 2024	25.4	4.6	30.0

Restoration, rehabilitation and environmental

The restoration, rehabilitation and environmental provision represents the net present value of the Group's best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations. The provision recognised has been discounted at 6.52% (pre-tax) (2023: 6.21%).

The Company is expected to make contributions to the Environmental Protection Fund, controlled by the Mines Safety Department under the Ministry of Mines and Mineral Development, over a period of five years after which the fund will be assessed for adequacy. Citizens for a Better Environment were used to estimate the restoration and closure costs.

Terminal benefits

Following the acquisition of the assets and operations of Zambia Consolidated Copper Mines Limited ("ZCCM") on 31 March 2000, the Company assumed responsibility for payment of the accrued terminal benefit liability in respect of employees transferring from ZCCM to the Company. The liability is not subject to revaluation and is payable upon the employees retiring.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

27A Other non current assets

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
VAT Recoverable (a)	24.0	27.8	24.0	27.8
Contributions to the Environmental Pr	5.5	5.5	5.5	5.5
Others (b)	20.0	20.0	20.0	20.0
	49.5	53.2	49.5	53.2

- (a) As at 31 March 2024, backlog Value Added Tax (falling under older VAT rule 18 regime) on inputs amounting to US\$ 24,0 million (2023: US\$ 28.3 million) was pending for refund from the Government of republic of Zambia (GRZ) through the Zambia Revenue Authority.

ZRA conducted comprehensive review audits with respect to back log VAT which were done through control audits and a result the Group does not see the need recognize any provision against the carrying amount of this receivable; however due to substantial passage of time in closure of the comprehensive assessment, the group has continued to classify this Back Log Vat as a receivable amount under "Non-Current" item in the Statement of Financial Position. Management is convinced that this amount will eventually be paid looking at the amount of work and agreed position that has been made by both parties (KCM and ZRA).

- (b) During financial year ended 31 March 2017, sub-division activities mandated for effecting the transfer of Power network infrastructure in favor of Copperbelt Energy Corporation Plc (CEC) were concluded and consequently the amount paid on behalf of CEC towards power network infrastructure was transferred from Capital work in progress to other financial assets (as per IFRS 9). This is because along with the transfer of ownership, all future economic benefits associated with the asset were to flow to Copperbelt Energy Corporation Plc (CEC) as per IAS 16.

The Group continuous to account for the non-current portion of the other financial asset at fair value which is US\$ 20,0 million as at 31 March 2024 (31 March 2023: US\$ 20,0 million).

28 Share capital and share-based payments

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Authorised shares				
24,060,000,000 ordinary shares of	240.6	240.6	240.6	240.6
60,000,000 deferred shares of	60.0	60.0	60.0	60.0
At end of the year	300.6	300.6	300.6	300.6
Ordinary shares issued and fully				
Ordinary shares of 1 US cents each	11.0	11.0	11.0	11.0
Deferred shares of 99 US cents each	59.4	59.4	59.4	59.4
	70.4	70.4	70.4	70.4

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

28 Share capital and share-based payments (continued)

Status of shareholding in liquidation

In accordance with section 71 of the Corporate Insolvency Act, "where a winding-up order is made or a provisional liquidator is appointed, the liquidator or provisional liquidator as the case may be, shall take into custody or under control the property and things in action to which the company is or appears to be entitled." As such, the powers and functions of the Board of Directors as contained in the Articles of Association as well as those of the shareholders remain suspended during the Company's liquidation period.

Share-based payments

The Company offers equity-based and cash-based award plans to its employees, officers and directors through its parent, Vedanta Resources Ltd (the "Parent" or "VRL"). [Performance Share Plan ("PSP")]. Further its fellow subsidiary, Vedanta Limited ("VEDL") has also issued equity based and cash based awards to its employees, [The Vedanta Limited Employee Stock Option Scheme (ESOS)].

The PSP and ESOS are the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the wider management group is calculated by reference to the grade average CTC and individual grade of the employee.

The performance condition attaching to outstanding awards under the PSP is that of Parent's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three-year period with the performance of the competitor companies as defined in the scheme from the date of grant. The extent to which an award vests will depend on the Parent's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by its Remuneration Committee. Dependent on the level of employee, part of these options will be subject to a continued service condition only with the remainder measured in terms of TSR.

As at 31 March 2024, the outstanding liability was **US\$ 65 374** (2023: US\$ 65 374).



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

28 Share capital and share-based payments (continued)

Initial awards under the PSP were granted on 17 November 2014. The Parent Company further issued awards on 30 December 2015. All these plans were equity settled. The exercise price of the awards is 10 US cents per share and the performance period is three years, with no re-testing being allowed. On 2 March 2017 and 14 November 2017, the Parent Company also launched cash based-plans under the same scheme with an additional condition of the business performance set against business plan for the financial year. During the year, through an open offer all the outstanding awards were bought back by VRL's parent, Volcan Investments Limited.

The performance condition attached to awards under ESOS is similar to that of PSP i.e. TSR and continued service. For the awards given in 2017 and 2018, business performance ("EBITDA") set against business plan for the financial year is included as an additional performance condition. The awards are both equity settled and cash settled.

Further, in accordance with the terms of the agreement between the Parent, VRL, its fellow subsidiary, VEDL and the Company, the fair value of the awards as at the grant date is recovered by VRL and VEDL from the Company and its subsidiaries.

	GROUP		COMPANY	
	2024	2023	2024	2023
Liability at beginning of the year	(5,470,747)	(5,470,747)	(5,470,747)	(5,470,747)
Increase in liability	-	-	-	-
Liability at end of the year	(5,470,747)	(5,470,747)	(5,470,747)	(5,470,747)

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

29 Other reserves

Other reserves represent a capital reserve arising on the acquisition of assets and operations from Zambia Consolidated Copper Mines Limited in March 2000.

30 Financial instruments

30.1 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of net debt (borrowings as detailed below offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in note 27).

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group's target gearing ratio is an amount equal or less than 100% determined as the proportion of net debt to equity. The gearing ratio as at 31 March 2024 stood at 32% (2023: -80%) (see below):

30.1.1 Gearing ratio

Total debt (i)

Cash and bank balances

Net debt (See below for movement in net debt)

Equity (ii)

Net debt to equity ratio

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million			
	359.0	1,357.2	359.0	1,357.2
	(5.3)	(1.4)	(5.3)	(1.4)
	353.7	1,355.8	353.7	1,355.8
	1,097.7	(1,704.9)	1,082.8	(1,719.8)
	32%	-80%	33%	-79%



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

30 Financial instruments (continued)

30.1.1 Gearing ratio (continued)

- (i) Debt is defined as long and short-term borrowings and bank overdrafts (excluding derivatives and financial guarantee contracts).
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

Movement in net debt

GROUP:

US\$ million

As at 1 April 2022

Cash outflow/(cash inflow)

As at 31 March 2023

Cash outflow/(cash inflow)

Unwinding of Liabilities (Note 36)

As at 31 March 2024

THE COMPANY:

US\$ million

As at 1 April 2022

Cash outflow/(cash inflow)

As at 31 March 2023

Cash outflow/(cash inflow)

Unwinding of Liabilities (Note 36)

As at 31 March 2024

	Bank and cash balances	Debt from parent company	incl overdraft	Total Debt	Total Net debt
			(b)	c)=(a)+(b)	
As at 1 April 2022	17.6	(1,355.0)	(1,355.0)	(1,337.4)	(1,337.4)
Cash outflow/(cash inflow)	(16.1)	(2.2)	(2.2)	(18.3)	(18.3)
As at 31 March 2023	1.4	(1,357.2)	(1,357.2)	(1,355.8)	(1,355.8)
Cash outflow/(cash inflow)	3.9	-	-	3.9	3.9
Unwinding of Liabilities (Note 36)	-	998.2	998.2	998.2	998.2
As at 31 March 2024	5.3	(359.0)	(359.0)	(353.7)	(353.7)
As at 1 April 2022	17.6	(1,355.0)	(1,355.0)	(1,337.4)	(1,337.4)
Cash outflow/(cash inflow)	(16.1)	(2.2)	(2.2)	(18.3)	(18.3)
As at 31 March 2023	1.4	(1,357.2)	(1,357.2)	(1,355.8)	(1,355.8)
Cash outflow/(cash inflow)	3.9	-	-	3.9	3.9
Unwinding of Liabilities (Note 36)	-	998.2	998.2	998.2	998.2
As at 31 March 2024	5.3	(359.0)	(359.0)	(353.7)	(353.7)

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

30 Financial instruments (*continued*)

30.2 Categories of financial instruments

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Financial assets				
- Cash and bank balances	5.3	17.6	5.3	17.6
- Trade and other receivables*	47.5	140.5	47.5	140.5
	52.8	158.0	52.8	158.0

*Trade and other receivables excludes statutory receivables.

Financial liabilities

- Trade and other payables*	(375.7)	(1,707.5)	(396.4)	(1,728.3)
- Other financial liabilities	(1.4)	(1.6)	(1.4)	(1.6)
- Borrowings (excluding overdrafts)	(359.0)	(1,357.2)	(359.0)	(1,355.0)
	(736.1)	(3,066.3)	(756.8)	(3,084.9)

* Trade and other payables excludes statutory liabilities.

30.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and commodity price risk), credit risk, liquidity risk and cash flow interest rate risk.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

30 Financial instruments (continued)**30.3 Financial risk management objectives (continued)**

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures where significant. The use of financial derivatives is governed by the Group's policies approved by the board of directors on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

30.4 Market risk

The Group's financial risk policies comprise commodity, interest rate risk and currency risk. In principle, the Group does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments. These liabilities arise from the purchase of concentrates from third parties.

30.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

GROUP	Financial assets		Financial liabilities	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Zambian Kwacha	-	-	409.6	597.7
South African Rand	-	-	1.2	1.1
Indian Rupee	-	-	0.0	0.0
Euro	-	-	0.3	0.4
GBP	-	-	1.7	1.0
COMPANY	Financial assets		Financial liabilities	
	2024	2023	2024	2023
	US\$ Million		US\$ Million	
Zambian Kwacha	-	-	409.6	597.7
South African Rand	-	-	1.2	1.1
Indian Rupee	-	-	0.0	0.0
Euro	-	-	0.3	0.4
GBP	-	-	1.7	1.0

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

30 Financial instruments *(continued)*

30.5 Foreign currency risk management *(continued)*

The following are exchange rates for the significant currencies applied as at the reporting

	2024	2023
1 ZMW =	0.04	0.05
1 ZAR =	0.05	0.06
1 INR =	0.01	0.01
1 EURO =	1.08	1.09
1 GBP =	1.26	1.24

Foreign currency sensitivity

The following table illustrates a 10 percent change of the foreign currencies (strengthening) against the US dollar. 10 percent change is the sensitivity rate that management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only foreign currency denominated monetary items outstanding at the reporting date and adjusts their translation for a 10 percent change in foreign currency rates. This analysis assumes all other variables, in particular interest rates remain constant.

GROUP AND COMPANY

Effect on foreign currencies

	Profit before tax	
	2024	2023
	US\$ Million	
Zambian Kwacha	41.0	59.8
South African Rand	0.1	0.1
Indian Rupee*	0.0	0.0
**Euro	0.0	0.0
GBP	0.2	0.1

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

30 Financial instruments (*continued*)

30.6 Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

30.6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax would be impacted by US\$ 8.3 million (2023: US\$ 8.9 million). There is no significant impact on equity other than retained earnings.

30.7 Commodity price risk

The Group's smelting copper operations is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of concentrate and the sale of finished copper. The Group's policy on custom smelting is to avail copper concentrate for the blend optimisation and to insulate the Group from any possible LME price exposure. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price. Fluctuations in Tc/Rc are influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its concentrate feed requirement under long-term contracts with mines.

As at 31 March 2024, the value of trade payables linked to commodities (excluding derivatives) accounted for at fair value under provisional pricing arrangements was nil (31 March 2023: US\$ 54.42 million). These liabilities are subject to price movements until finalisation and the final price of these liabilities will be determined in the year beginning 1 April 2024.

Commodity price sensitivity analysis

If the LME had been US\$500 higher/lower and all other variables were held constant, the Group's profit before tax would be impacted by nil (2023: US\$ 2.61 million). There is no significant impact on equity other than retained earnings.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)
 NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
 for the year ended 31 March 2024

30 Financial Instruments (continued)

30.8 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk in respect of cash and cash equivalents, receivables, and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are with the customers with whom the Group has secured financial arrangements in the form of advance against forecasted sales pending offset under the INCOTerms or have contractual dues payable under a commodity purchase agreements. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with a minimum rating of BBB.

The maximum exposure to credit risk arising from underlying financial assets is US\$ 25.5 million (2022: US\$ 28.5 million).

30.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 29.9.2 below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

30.9.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

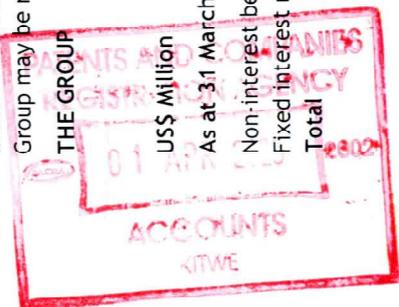
Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
-	-	-	-	-	10.5	10.5	10.5
6.65	-	-	-	-	348.5	348.5	348.5
	-	-	-	-	359.0	359.0	359.0

As at 31 March 2024

Non-interest bearing (see note 32.2(b))

Fixed interest rate instruments (see note

Total



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)
 NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
 for the year ended 31 March 2024

- 30 Financial instruments (continued)
 30.9 Liquidity risk management (continued)
 30.9.1 Liquidity and interest risk tables (continued)

THE GROUP	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2023								
Non-interest bearing (see note 32.2(b))	-	-	-	-	-	44.6	44.6	44.6
Fixed interest rate instruments (see note 32.2(b))	6.65	-	-	-	-	1,310.4	1,310.4	1,310.4
Total		-	-	-	-	1,355.0	1,355.0	1,355.0

THE COMPANY	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2024								
Non-interest bearing (see note 32.2(b))	-	-	-	-	-	10.5	10.5	10.5
Fixed interest rate instruments (see note 32.2(b))	6.65	-	-	-	-	348.5	348.5	348.5
Total		-	-	-	-	359.0	359.0	359.0

THE COMPANY	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2023								
Non-interest bearing (see note 32.2(b))	-	-	-	-	-	44.6	44.6	44.6
Fixed interest rate instruments (see note 32.2(b))	6.7	-	-	-	-	1,310.4	1,310.4	1,310.4
Total		-	-	-	-	1,355.0	1,355.0	1,355.0

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)
 NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
 for the year ended 31 March 2024

- 30 Financial instruments (continued)
 30.9 Liquidity risk management (continued)
 30.9.1 Liquidity and interest risk tables (continued)

THE GROUP	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2024								
Cash and bank balances	5.3	-	-	-	-	-	5.3	5.3
Non-interest bearing	-	47.5	-	-	-	-	47.5	47.5
	5.3	47.5	-	-	-	-	52.8	52.8

THE GROUP	Weighted average effective interest %	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
As at 31 March 2023								
Cash and bank balances	17.6	-	-	-	-	-	17.6	17.6
Non-interest bearing	-	140.5	-	-	-	-	140.5	140.5
	17.6	140.5	-	-	-	-	158.0	158.0

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

- 30 Financial instruments (continued)
30.9 Liquidity risk management (continued)
30.9.1 Liquidity and interest risk tables (continued)

THE COMPANY	Weighted average effective interest %	Less than 1 month	1 - 3 months to 1 year	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
US\$ Million								
As at 31 March 2024								
Cash and bank balances	5.3	-	-	-	-	-	5.3	5.3
Non-interest bearing	-	47.5	-	-	-	-	47.5	47.5
	5.3	47.5	-	-	-	-	52.8	52.8

THE COMPANY	Weighted average effective interest %	Less than 1 month	1 - 3 months to 1 year	3 months to 1 year	1 - 5 years	5+ years	Total	Carrying Amount
US\$ Million								
As at 31 March 2023								
Cash and bank balances	17.6	-	-	-	-	-	17.6	17.6
Non-interest bearing	-	140.5	-	-	-	-	140.5	140.5
	17.6	140.5	-	-	-	-	158.0	158.0

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The Group has access to financing facilities as described in note 29.9.2 below. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

30 Financial instruments (continued)

30.9 Liquidity risk management (continued)

30.9.1 Liquidity and interest risk tables (continued)

There were no derivative financial instruments as at 31 March 2024 (31 March 2023: Nil).

30.9.2 Financing facilities

There were no bank overdraft facilities as at year end (2023: Nil).

In addition to above facilities, KCM has loans of US\$ 359.0 million (2023: US\$1,357.2 (Refer note 32.2(b))).

30.10 Fair value measurements

30.10.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique (s) and key input (s)	Significant unobservable input (s)	Relationship of unobservable inputs to fair value
	2024	2023				
Commodity forward contracts - at FVTPL	Liability US\$ 1.4 Million	Liability US\$ 1.4 Million	Level 2	Discounted cash flow. Future cash flows are estimated based on London Metal Exchange prices.	N/A	N/A

The figures above relate to the Group and Company.

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

30 Financial instruments (continued)

30.10 Fair value measurements (continued)

30.10.2 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	GROUP			COMPANY		
	2024		2023	2024		2023
	Carrying Amount US\$ Million	Fair Value US\$ Million	Carrying Amount US\$ Million	Carrying Amount US\$ Million	Fair Value US\$ Million	Carrying Amount US\$ Million
Financial assets						
Loans and receivables:						
- bank and cash	52.8	52.8	158.0	158.0	52.8	158.0
- trade and other receivables	5.3	5.3	17.6	17.6	5.3	17.6
	47.5	47.5	140.5	140.5	47.5	140.5
Financial liabilities						
Financial liabilities held at amortised cost:						
- trade and other payable	(736.1)	(736.1)	(3,066.3)	(3,066.3)	(756.8)	(3,084.9)
- borrowings	(375.7)	(375.7)	(1,707.5)	(1,707.5)	(396.4)	(1,728.3)
- other financial liabilities	(359.0)	(359.0)	(1,357.2)	(1,357.2)	(359.0)	(1,355.0)
	(1.4)	(1.4)	(1.6)	(1.6)	(1.4)	(1.6)

30 Retirement benefits**30.1 Defined contribution plans**

The Group operates defined contribution retirement benefits plans for all qualifying employees. The assets are held separately from those of the Group in funds under the control of trustee. Where employees leave the plan prior to the vesting of the contribution, the contributions payable by the Group are reduced by the amount of the forfeited contributions.

The total expense recognised in profit or loss of US\$4.2 million (2023: US\$7.3 million) represents contributions payable to these plans by the Group.

30.2 Other long-term employee benefits

The Company operates employee benefits as set out below:

- Post retirement, repatriation and medical benefits; and
- Holiday leave benefits provided for at two months basic pay for each year served.

The recent actuarial valuation of the plan assets and the present value of the retirement benefit obligation were carried out on 31 March 2023 by Zenix Actuarial and Risk Consultants. The present value of the retirement benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

- Discount rate of 31 March 2024 was **26.50%** (31 March 2023: 27.75%).
- Rate of increase of compensation levels for 31 March 2024 of **5%** (31 March 2023: 5%).
- Average future working life for 31 March 2024 of **15 years** (31 March 2023: 15 years).

Amounts recognised in the consolidated statement of profit or loss in respect of these retirement benefit schemes are as follows:

	2024	2023
	US\$ Million	
Current service cost	1.5	2.3
Interest cost	1.1	1.2
Net actuarial gains recognised (Realised)	(1.8)	(3.2)
	0.7	0.2

The charge for the year is included in the employee benefit expenses in the consolidated statement of profit or loss.

Amount included in the statement of financial position within provisions in respect of its retirement benefit plans:

	2024	2023
	US\$ Million	
Present value of benefit obligation	4.6	4.0

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2024

30 Retirement benefits (continued)

30.2 Other long-term employee benefits (continued)

Movements in the present value of the retirement benefit obligation are as follows:

	2024	2023
	US\$ Million	
At beginning of year	4.0	3.9
Interest cost	1.1	1.2
Service cost	1.5	2.3
Benefits paid	(0.1)	(0.2)
Actuarial loss on obligations	(1.8)	(3.2)
At end of year	4.6	4.0

The movement in the liability recognised in the statement of financial position is as follows:

	2024	2023
At beginning of year	4.0	3.9
Amount charged to profit or loss	0.7	0.2
Contribution paid	(0.1)	(0.2)
At end of year	4.6	4.0

FY 2023 Projection

Projected Movements in the present value of the retirement benefit obligation for the next financial year are as follows:

At beginning of year	4.6
Interest cost	1.4
Service cost	1.6
Benefits paid	(0.9)
Actuarial Gain/Losses	(0.2)
At end of year	6.47

The gain on the retirement benefit obligation is largely as a result of the following:

- i Change in economic assumptions
- ii Lower than expected salaries and benefits;
- iii Change in grades due to promotions;
- iv Demographic experience being different than expected and membership movements.
- v Change in exchange rate;

Sensitivity Analysis of defined benefit obligation

a Impact of change in discount rate on present value of obligation	
i Increase of 0.5%	(94,190.0)
ii Decrease of 0.5%	96,925.0
b Impact of change in Salary increase on present value of obligation	
i Increase of 0.5%	116,554.0
ii Decrease of 0.5%	(113,682.0)

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

31 Commitments, guarantees and contingencies

The Group is involved in various claims and lawsuits incidental to its business. In the opinion of management, these claims and lawsuits in the aggregate will not have material adverse effect on the Group financial statements.

31.1 Contingent liabilities

There were no other known material contingent liabilities as at 31 March 2024 except for the ones above and as disclosed in note 33 as litigation.

31.2 Contingent assets

There were no known material contingent assets as at 31 March 2024 and 31 March 2023.

31.3 Commitments

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ million		US\$ million	
Capital commitments contracted but not	15.9	2.4	15.9	2.4

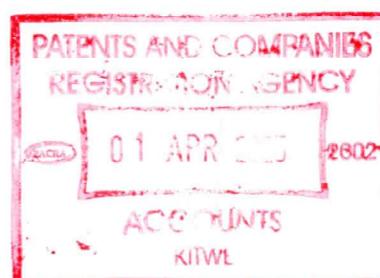
32 Related party transactions

The Company's immediate holding Company is Vedanta Resources Holdings Limited, a Company incorporated in the United Kingdom.

Vedanta Resources Holdings Limited is wholly owned by Vedanta Resources Ltd, whose ultimate controlling party is Volcan, which is controlled by persons related to the Executive Chairman of Vedanta Resources Ltd, Mr Anil Agarwal. Volcan, which is incorporated in the Bahamas, does not produce Group accounts.

The Group in the ordinary course of business enters into various purchase and service transactions with other companies in the Vedanta Group. These transactions are under terms that are no more favourable than those arranged with third parties. The Company has balances with and has transacted with the following related parties during the year:

- Vedanta Resources Ltd, ultimate the holding Company;
- Vedanta Resources Holdings Limited - Immediate holding company
- Vedanta Resources (Jersey II) Ltd - Fellow Subsidiary of Vedanta Resources Ltd
- Hindustan Zinc Limited, a fellow subsidiary incorporated in India;
- Vedanta Ltd., a fellow subsidiary incorporated in India;
- Copper Mines of Tasmania Pty Limited, a fellow subsidiary incorporated in Australia;
- Fujairah Gold FZE, a fellow subsidiary incorporated in the United Arab Emirates;
- Black Mountain Mining (Pty) Ltd, a fellow subsidiary incorporated in the South Africa;
- Lisheen Mining Ltd, a fellow subsidiary incorporated in Ireland; and
- Skorpion Zinc (Pty) Ltd, a fellow subsidiary incorporated in Namibia.
- ZCCM Investments Holdings Plc, Minority shareholder (Refer note 25 for transactions with the entity)



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

32.1 Trading transactions: purchase/(sale) of goods and services

There were no related party purchases or sales during the year (2023: Nil).

32.2 a) Amount due to related parties (excluding loans)

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ million		US\$ million	
Vedanta Resources Ltd	3.9	16.4	3.9	16.4
Vedanta Resources (Jersey II) Ltd	127.2	469.5	127.2	469.5
Vedanta Resources Holdings Limited	10.9	39.7	10.9	39.7
Vedanta Ltd. - Copper Division	6.5	21.0	6.5	21.0
Fujairah Gold FZE	20.7	73.2	20.7	73.2
Black Mountain Mining (Pty) Ltd	0.5	1.8	0.5	1.8
	169.7	621.7	169.7	621.7

32.2 b) Loans due to related parties

Included in medium and long term and short term borrowings are loans from related parties (further details of which are provided in note 26):

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ million		US\$ million	
Vedanta Resources (Jersey II) Ltd (i)	346.0	1,312.1	346.0	1,312.1
ZCCM-IH (ii)	2.5	0.5	2.5	0.5
Ministry of Finance (GRZ Loan) (iii)	10.5	44.6	10.5	44.6
	359.0	1,357.2	359.0	1,357.2

(i) Vedanta Resources (Jersey II) Ltd

As at 21 May 2019, when Konkola Copper Mines was placed on provisional liquidation, the total Shareholders loan stood at US\$1 038,3 million. The loan is unsecured and bears an interest rate of 6.5% with a tenure of 3 years from the effective date (Effective date was 1 April 2017).

After reconciliations with Vedanta facilitated through Rand Merchant Bank, the liability that was transferred to Vedanta post Liquidation was US\$ 274,1 million (31 March 2023: US\$ 274,1 million). This was comprising of payments made by Vedanta (Guarantor) to ICICI bank as a result of LC Encashments by Concentrate Suppliers of US\$ 124,6 million (31 March 2023: US\$ 124,6) as well as loan repayments made by Vedanta (Guarantor) to SBSA and Stanbic of US\$ 149.5 million (31 March 2023: US\$ 149.5 million).

The total loan as at 31 March 2024 was US\$ 359.0 million (31 March 2023: US\$ 1,357.2 million). The accrued interest on the loan was US\$ 127.2 million (31 March 2023: US\$ 469.5 million).

KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

32 Related party transactions *(continued)*

b) Loans due to related parties *(continued)*

(ii) ZCCM-IH

In August 2019, the Company obtained a loan from ZCCM-IH of US\$ 12,5 million with a tenure of 1 year. The interest rate for this loan was 8% including WHT. The Company obtained an additional loan in June 2019 of US\$ 10 million with a tenure of 1 year at an interest year of 8% including WHT. The amount outstanding as on 31 March 2024 was US\$ 0,5 million (31 March 2023: US\$ 0,5 million).

(iii) Ministry of Finance (GRZ Loan)

During the FY2022, the Company under the former Provisional Liquidator - Mr Milingo Lungu obtained a loan from the Ministry of Finance (Government of the Republic of Zambia (GRZ)) of ZMW 1 billion/equivalent of US\$ 44,6 million. The loan was received in the Company's First National Bank (FNB) Zambian Kwacha account in two tranches of ZMW 750 million/US\$ 33,5 million and ZMW 250 million/US\$ 11,1 million on 12 May 2022 and 1 June 2022 respectively. Based on management's review of the FNB Kwacha account, this loan was not used for KCM's business purposes and has thus been recorded as a receivable from Provisional Liquidator (see note 21)

c) Compensation of key management personnel

There no remuneration to directors as the Group was under provisional liquidation (2023: Nil).

33 Litigation

	GROUP		COMPANY	
	2024	2023	2024	2023
	US\$ million		US\$ million	
Employee and ex-Employees	1.9	2.1	1.9	2.1
Suppliers and Contractors	13.8	14.0	13.8	14.0
Others	-	-	-	-
	15.7	16.1	15.7	16.1

The Group is a defendant in several cases which arise from normal day to day operations. The Provisional Liquidator believes that the Group has strong grounds for success in a majority of the cases and is confident that they should get a ruling in their favor and none of the cases individually or in aggregate would have a significant impact on the Group's operations.

The Provisional Liquidator is satisfied that the Group has adequate insurance programmes and, where required in terms of IFRS for claims that are probable, provisions are in place to meet claims that may succeed. Management has carried out an assessment of all the cases outstanding as at 31 March 2024 and where considered necessary based on the merits of each case, a provision has been raised.

34 Standards issued but not yet effective

Paragraph 30 of IAS 8 requires an entity to disclose if there are new accounting standards that are issued but not yet effective, and information relevant to assessing the possible impact that the application of the new accounting standards will have on the entity's financial

This summary includes all new accounting standards and amendments issued before 31 December 2023 with an effective date for accounting periods beginning on or after 1 January

- *Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;*
- *Amendments to IAS 1 - Non-current Liabilities with Covenants;*
- *Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements;*
- *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback.*

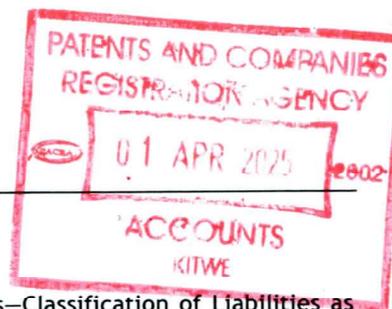
The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

a. Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.





34 Standards issued but not yet effective (*continued*)

b. Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

c. Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

34 Standards issued but not yet effective (continued)

d. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements.
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a
- Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

e. Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.



34 Standards issued but not yet effective (*continued*)

e. Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback (*continued*)

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

35 Subsequent

On 21st May 2024, Kumbele made an application to the High Court to have the Order of injunction granted to KCM on 29th October 2020 which stopped Kumbele from accessing the area be varied or discharged.

In its application, Kumbele exhibited before court the letter written by the former Provisional Liquidator addressed to Zambia Environmental Management Agency dated 28th December 2020 and the Bank Transfer copy of ZMW20,000,000.00 (twenty Million kwacha). When the matter came up on 04th June 2024 for hearing of the application, the parties appeared and made submissions.

On the 11th June 2024, the High Court delivered its Ruling discharging the Order of Injunction earlier granted to KCM agreeing with Kumbele's application.

However, KCM through its Legal team is preparing to file in an appeal of the said judgement.

There were no other known material events that occurred after the statement of financial position date that require adjustment of, or disclosure in, the financial statements.



KONKOLA COPPER MINES PLC (IN PROVISIONAL LIQUIDATION)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2024

36 Liability Discounting

As part of the financial reporting, the Group and Company has recognized a provision for future obligations amounting to US\$ 3,169 million as of 31 March 2024. The provision has been discounted to present value using a discount rate of 13%, which reflects the time value of money and the risk associated with the liability.

The provision relates to all long term liabilities including, Inter-Company Liabilities, GRZ Borrowings and Others - (Only Scheme Related) which is expected to be settled over a period of 15 years. The Gross value of the Group and Company's liability is US\$ 4,108 million and the discounting has resulted in a reduction of the liability by US\$ 3,169 million.

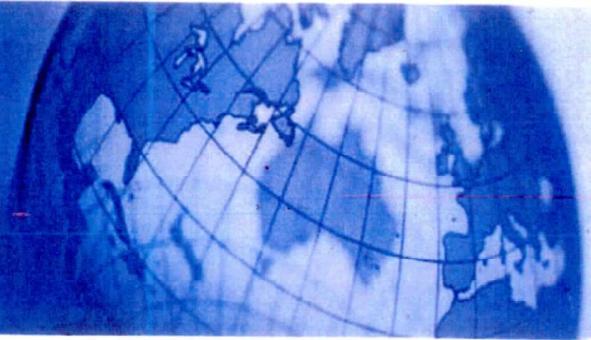
Particulars	UOM	Gross Value	Discount Value	Present Value
Inter-Company Liabilities	US\$	2,062	1,524	539
Other Liabilities	US\$	2,047	1,645	402
Gross Total	US\$	4,108	3,169	941

The unwinding of the discount is recognized as part of finance costs in the income statement.

Changes in the discount rate or the expected timing of the settlement may result in adjustments to the carrying value of the provision in future periods.



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