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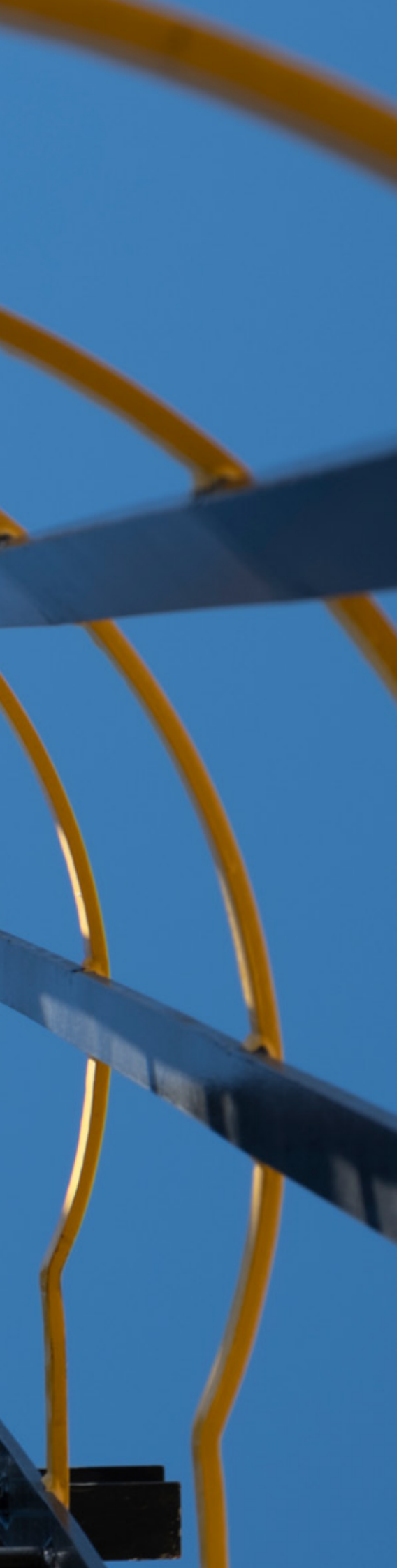
Annual Financial Statements



Directors' responsibilities and approvals

The Directors of Renergen are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report.

The Directors take full responsibility for ensuring that the financial statements fairly reflect the financial affairs of the Group as at 28 February 2022, including the results of the Group's operations and cash flows for the year then ended. This is done in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, the Listing Rules of the ASX and in a manner required by the Companies Act of South Africa, No 71 of 2008. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. External auditors were engaged to express an independent opinion on these annual financial statements.

The Directors of Renergen acknowledge that they are responsible for the internal financial controls established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Renergen Board has set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards. The Directors are committed to ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. Renergen's risk management focus centres on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operating risk cannot be fully eliminated, the Group endeavours to minimise risk where possible by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by Management, that the system of internal controls in place provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against misstatement or loss.

The Group will continue as a going concern for the foreseeable future, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business. The Group's ability to achieve profitability is dependent on the volume of liquefied natural gas and liquefied helium sales that will be achieved from the time that the plant is fully commissioned in June 2022. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources to continue as a going concern. This assessment was reached after specific consideration of the risks associated with COVID-19 and the Russia/Ukraine war.

The external auditors are responsible for independently auditing and reporting on the Group's annual financial statements. The annual financial statements for the year ended 28 February 2022 have been audited by the Group's external auditors and their report is presented on pages 95 to 98.

The annual financial statements set out on pages 84 to 183, which have been prepared on the going concern basis, and the Directors Report on page 99 were approved by the Board of Directors on 18 May 2022 and are signed on its behalf by:

Stefano Marani

Luigi Matteucci

Audit, Risk and IT Committee report

INTRODUCTION

The Audit, Risk and IT Committee (the Audit Committee) is an independent Statutory Committee appointed by Renergen's shareholders. In terms of Section 94 of the Companies Act 71 of 2008, as amended (the "Companies Act"), and the principles of good governance, shareholders annually appoint certain independent Non-executive Directors as members of the Audit Committee to fulfil the statutory duties as prescribed by the Companies Act. In addition, Renergen's Board of Directors (the "Board") delegates specific duties to the Audit Committee. This report considers these statutory and delegated duties as well as the Audit Committee's responsibilities in terms of the JSE Listings Requirements and the King IV™ Code on Corporate Governance 2016 ("King IV™").

TERMS OF REFERENCE

The Audit Committee has adopted formal terms of reference which are reviewed and updated on an annual basis, or as deemed necessary, by both the committee and the Board. The Audit Committee is satisfied that it has discharged its duties in accordance with its terms of reference.

COMPOSITION AND GOVERNANCE

During the year under review the Audit Committee comprised of the following independent Non-executive Directors.

NAME	QUALIFICATION	DESIGNATION
Luigi Matteucci (Chairperson).	B. Com (Wits), CTA (Wits), CA (SA).	Independent Non-executive Director. Member of Committee since May 2016 and appointed as Chairperson in February 2019.
Mbali Swana.	Bas (UCT), Barch (UCT), Pt Arch (SA), MIAT (SA).	Independent Non-executive Director. Appointed in February 2015 and served as Chairperson until February 2019.
Bane Maleke.	MBA (Dalhousie University, Canada), PhD Strategic Management (University of Bath, UK).	Independent Non-executive Director. Member of the Committee since December 2016.

Members of the Audit Committee satisfy the requirements to serve as members of an Audit Committee, as provided for in section 94 of the Companies Act, and collectively have adequate knowledge and experience to carry out their duties.

The Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Operating Officer ("COO") and representatives of the appointed external auditor are invited to attend all Audit Committee meetings. The Chairperson of the Audit Committee has regular contact with Management to discuss relevant matters directly. The external auditors have direct access to the Audit Committee, including closed sessions without Management on matters that they regard as relevant to the fulfilment of the Audit Committee's responsibilities.

Audit, Risk and IT Committee report

Five scheduled and two ad-hoc Audit Committee meetings were held during the year under review, aligned with the key reporting and regulatory timelines. All members of the committee attended all seven meetings. The Audit Committee's key focus areas during the year under review were as follows:

- The assessment of the financial performance and position of the Group.
- Approval of budgets.
- Monitoring of loan covenants.
- Oversight of the Group's tax position.
- The review of quarterly, interim and annual financial results of the Group and accompanying JSE and ASX announcements, and determining that the going concern basis of reporting is appropriate.
- Review of the Group's integrated reporting process.
- Review of significant accounting policies and judgements.
- Oversight of the enhancement of the existing SAP ERP system.
- Review and approval of finance policies and the delegation of authority.
- Oversight of the quality of the audit process of the External Auditor, Mazars.
- Review of the independence of the External Auditors and recommendation of the approval of audit fees by the Board.
- Satisfied itself that the JSE Listings Requirements with respect to the suitability of an auditor were met.
- Oversight of the risk management framework, including the review of risk registers and risk management plans.
- Oversight of IT governance and review of quarterly reporting by the IT Steering Committee.
- Review of compliance with laws and regulations.
- Review of the adequacy of Group insurance policies.
- Review of JSE and ASX correspondence.
- Review of key audit matters.
- Evaluated the performance of the CFO and assessed the adequacy of the finance function.

The Chairperson of the Audit Committee reports to the Board on activities and matters discussed at each committee meeting, highlighting any key developments requiring action and providing recommendations for the Board's consideration.

The performance of the Audit Committee is reviewed annually by the Board. The latest review concluded that the Audit Committee operates effectively and successfully discharged its responsibilities and duties in line with its approved terms of reference.

Audit, Risk and IT Committee report

ROLES AND RESPONSIBILITIES

The Audit Committee's primary objective is to assist the Board with its responsibilities pertaining to, inter alia:

- Oversight of financial and internal controls.
- Oversight and review of the external audit process.
- Oversight of non-audit services and approval of the policy in regard thereto.
- Oversight of financial reporting.
- Oversight and review of the Group's finance function.
- Management of risks.
- Governance of information technology and the assessment of the effectiveness of the Group's information systems.
- Legislative and regulatory compliance.
- Oversight of policies and procedures for the prevention and detection of fraud.

FINANCIAL AND INTERNAL CONTROLS

The Group has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed, and amended as necessary from time to time, to manage significant risks and control deficiencies identified by Management or the external auditors, and to provide reasonable assurance against the possibility of material financial or internal control failures.

The Audit Committee is satisfied that Renergen has optimised the assurance coverage obtained from Management, external experts and external assurance providers. The Audit Committee is also satisfied that the related systems and procedures are effective in enabling an effective internal control environment and supporting the integrity of internal and external reports.

Based on its continuous review of the design, implementation and effectiveness of the Group's systems of internal financial controls, and on reports from Management and the external auditors on the results of their audit, the Audit Committee is satisfied that the Group's systems of internal financial controls are effective and form a basis for the preparation of reliable financial statements. No findings have come to the attention of the Audit Committee to indicate that a material breakdown in internal controls occurred during the year under review.

FINANCIAL REPORTING

The Audit Committee received regular reports from the CFO regarding the financial performance and position of the Group, including budgets, cash forecasts, management accounts, project expenditure reporting, risk registers, to mention a few. This regular reporting forms a basis for the review of the Group's interim and annual reporting.

Interim reporting

During the year, the Audit Committee reviewed the Group's interim results for the six months ended 31 August 2021 which were issued on the JSE and ASX on 26 October 2021 following approval by the Board, in line with Renergen's continuing obligations.

Audit, Risk and IT Committee report

Quarterly reporting

The Audit Committee reviewed all the quarterly reports of the Group issued on the JSE and ASX during the year under review.

Annual financial statements

The Audit Committee reviewed the audited Group and Company annual financial statements for the year ended 28 February 2022 and further discussed these with the external auditors and Management. The Committee also reviewed the following key and significant accounting matters:

MATTER	RESPONSE OF THE COMMITTEE
Going concern.	Management performs an annual assessment of the ability of the Group and Company to remain a going concern in light of plans in place to ensure the continued sustainability of the Group. Management presented its most recent assessment to the Committee and highlighted the key assumptions and judgements which support this evaluation. The Committee was satisfied that the plans in place are adequate to support the going concern assertion.
Valuation of intangible assets - exploration and development expenditure and property, plant and equipment - assets under construction.	The Committee satisfactorily reviewed the appropriateness of the methodologies and key judgements applied by management in determining the valuation of the Group's exploration and developments costs and assets under construction.

The Audit Committee is satisfied that the Group and Company annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, ASX Listings Requirements and in a manner required by the Companies Act. It is also satisfied that the adoption of the going concern basis in preparing the annual financial statements is appropriate. The annual financial statements will be open for discussion at the forthcoming Annual General Meeting ("AGM"). The Chairperson of the Audit Committee and, in the instance of his absence, the other members of the committee will attend the AGM to answer questions falling under the mandate of the committee.

After due consideration and review the Audit Committee recommended the approval by the Board, of the Group and Company annual financial statements for the year ended 28 February 2022. The Committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent External Auditor. The Board approved the annual financial statements on 18 May 2022.

Audit, Risk and IT Committee report

EXTERNAL AUDIT

The Audit Committee is responsible for oversight of the external auditors of the Group and for recommending the appointment and compensation of auditors. Mazars are the auditors of the Group and Mr Shaun Vorster is the designated, JSE approved audit partner. The Committee was satisfied that the External Auditor is independent of the Group as required by the Companies Act and that it has complied with the Companies Act, the JSE Listings Requirements and all other applicable legal and regulatory requirements. Their independence is assessed on an ongoing basis and the External Auditor has provided assurance to support its claim to independence. In line with paragraph 3.84(g)(iii) of the JSE Listings Requirements, the Audit Committee is also satisfied that:

- The audit firm is accredited by the JSE;
- The quality of the external audit is satisfactory; and
- The External Auditors have confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements.

Mazars has provided feedback to the Audit Committee regarding the reports of the Independent Regulatory Board for Auditors.

Mazars became auditors of the Group for the first time during the year ended 29 February 2020. As such the Committee will consider rotation of the audit partner in the coming years. Mazars does not have an affiliation to the past auditor of the Group.

Prior to the commencement of the statutory audit for the financial year ended 28 February 2022, the Audit Committee reviewed and approved the External Auditor's engagement letter, the audit plan and the audit fees payable to Mazars. The Audit Committee further satisfactorily monitored the External Auditor's progress against the approved audit plan and assessed the quality and effectiveness of the external audit function, including receiving confirmation that there was no scope limitation or restriction of access to management. Following the statutory audit, the External Auditor's report provided the Audit Committee with the necessary assurance on Renergen's risk management processes, internal control environment and IT systems. It also provided assurance that no reportable irregularities had been identified and that there are no unresolved issues that impact the annual financial statements presented.

The Committee has recommended the re-appointment of Mazars as the independent External Auditor and Mr Shaun Vorster as the designated, JSE approved audit partner for the financial year ending 28 February 2023, for consideration by shareholders at the AGM to be held on 17 June 2022.

The approved Group audit fee for the year under review is R0.850 million (2021: R0.735 million). A formal procedure has been adopted to govern the process where the External Auditor may be considered for non-audit services and the extent of these services is closely monitored by the Audit Committee. Mazars did not provide non-audit services during the year under review (2021: R21 700). Prior year non-audit services provided by Mazars comprised IFRS training and providing certificates required by a lender and the BEE auditor of Tetra4.

Audit, Risk and IT Committee report

EVALUATION OF THE CFO AND THE FINANCE FUNCTION

The Audit Committee evaluated the expertise and performance of the CFO, Brian Harvey, for the financial year ended 28 February 2022 and is satisfied that he had the appropriate expertise and experience to carry out his duties as the CFO of the Group. The expertise, experience and adequacy of the resources making up the finance function were also considered, and the Audit Committee was satisfied that these are appropriate.

RISK MANAGEMENT

The Audit Committee reviewed regular reporting on the risks facing the Group. Risk management underpins the execution of the Group's strategic initiatives and the management of material issues. The Audit Committee's responsibilities with respect to risk management encompass:

- Reviewing the effectiveness of risk management charter, policies, strategies and plans in place for recommendation to the Board for final approval.
- Approving the Group's risk identification and assessment methodologies.
- Reviewing the parameters of the Group's risk / reward strategy, in terms of the risk appetite and tolerance relative to reward.
- Ensuring that risks are quantified where practicable.
- Reviewing and approving the risks identified on a qualitative basis, according to probability and seriousness.
- Reviewing the effectiveness and efficiency of systems within the Group and receiving assurance that material risks are identified, and that the appropriate risk management processes are in place, including the formulation and subsequent amendment of Group policies.
- Reviewing the appropriateness of resources directed towards areas of high risk.
- Regularly receiving a register of the Group's key risks and potential material risk exposures, and reporting to the Board any material changes and / or divergence to the risk profile of the Group.
- Reviewing the implementation of operational and corporate risk management plans.
- Reviewing insurance and other risk transfer arrangements and considering whether appropriate coverage is in place.
- Reviewing the business contingency planning process within the Group and receiving assurance that material risks are identified and that appropriate contingency plans are in place.
- Where necessary recommending actions for the improvement of risk management plans of the Group.
- Reviewing the Group's sustainability risk and mitigating plans on a regular basis.

INFORMATION AND TECHNOLOGY GOVERNANCE

The Audit Committee is responsible for IT governance on behalf of the Board and receives regular reports from the IT Steering Committee in this regard. During the year under review the Audit Committee approved the IT charter and policy and recommended same to the Board for approval; and considered and approved enhancements to the Group's existing SAP system.

Audit, Risk and IT Committee report

COMPLIANCE

The Committee is responsible for overseeing the Group's compliance with applicable laws, regulations, rules, codes and standards. All of the laws, regulations, rules, codes and standards applicable to the Group have been identified and the responsibility for ensuring compliance has been delegated to Management. The Committee is satisfied that there was no material non-compliance with laws and regulations during the year under review.

PROACTIVE MONITORING

The Committee confirms that it has considered and reviewed the findings contained in the JSE's various proactive monitoring reports when reviewing and approving the Group annual financial statements for the year ended 28 February 2022. The Committee is satisfied that the necessary adjustments and improvements to the Group and Company annual financial statements have been made.

COVID-19 AND RUSSIA/UKRAINE WAR

COVID-19

South Africa was in lockdown level one for most of the financial year under review which enabled the Group to continue its operations with minimal disruptions having implemented the required health protocols to ensure the wellbeing of all its employees. There were no material contractual obligations or supply chain impacts during the year under review, however prior year COVID-19 global and local impacts contributed to an overall delay in the commissioning of the Virginia Gas Project which is now scheduled for June 2022 compared to the initial scheduling for Q2 2021.

The Group continues to monitor developments with COVID-19 and manage its human capital and operational and financial risks in line with these developments. As the Group moves into production in the coming financial year, Management will be alert to COVID-19 developments which may impact the Group's ability to meet contractual obligations pertaining to its new liquefied natural gas and helium supply agreements. Similarly, Management will remain alert to developments that could impact the construction of Phase 2 of the Virginia Gas Project, especially as this relates to imported components required for the project.

Management has concluded that at 28 February 2022, COVID-19 did not have an impact on the ability of the Group to continue as a going concern and does not materially affect the measurement of assets or liabilities in the annual financial statements.

Russia/Ukraine war

There is growing pressure on prices for energy, grains and metals which soared since the invasion of Ukraine by Russia. Management has considered these developments and has concluded that they do not currently present material operational or other risks. Management will continue to monitor the situation in order to identify and mitigate risks that may arise in future.

FRAUD HOTLINE

The Group has a fraud hotline in place which is managed and monitored by Whistleblowers Proprietary Limited. There were no incidents reported through the hotline during the year under review. The Group will continue to ensure the hotline is continuously enabled and monitored to facilitate the reporting of incidents by employees and external parties.

Audit, Risk and IT Committee report

GOING CONCERN

The Audit Committee has reviewed a documented assessment, including key assumptions prepared by Management, of the going concern status of the Group. The Audit Committee has evaluated that the going concern assertion remains valid as a basis for the preparation of the Group and Company annual financial statements.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Commissioning the Virginia Gas Project in June 2022 and ensuring that operational and financial risks are adequately managed.
- Enhancing controls over the management of the Group's property, plant and equipment.
- Introduction of an internal audit function.

CONCLUSION

The Committee is satisfied that it has carried out its responsibilities in line with its mandate and as prescribed by the Companies Act for the year ended 28 February 2022.

Luigi Matteucci
Chairperson

Group secretary certification

In our capacity as Company Secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended (the "Act"), that for the 12-month period ended 28 February 2022, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Acorim Proprietary Limited
Company Secretary

Independent auditor's report

Report on the audit of the consolidated and separate financial statements.

OPINION

We have audited the consolidated and separate financial statements of Renergen Limited and its subsidiary (the Group) set out on pages 106 to 183, which comprise the consolidated and separate statement of financial position as at 28 February 2022, and the consolidated and seperate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and seperate financial statements, including a consolidated and separate summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Renergen Limited and its subsidiary as at 28 February 2022, and its consolidated and seperate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 consolidated and separate financial statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Independent auditor's report

MATTER	AUDIT RESPONSE
INTANGILE ASSETS - EXPLORATION AND DEVELOPMENT COSTS (Note 4) As at the reporting date, the Group had exploration and development costs disclosed as an intangible asset (Note 4) with a carrying amount of R 137 million (2021: R 109 million). Management is required to perform an impairment test on the exploration and development costs at least annually and identify indicators of impairment, if any. We have determined this to be a key audit matter due to the judgement required by management in determining the recoverability of the exploration and development costs and whether the inputs considered by management in their annual impairment assessment are reliable and relevant. Further judgement is required by management due to the complexity in assessing the appropriateness of capitalising costs against exploration and development costs in terms of IFRS 6, Exploration for and Evaluation of Mineral Resources An expert has been used to estimate the amount of gas resources available and the expert was also used to forecast future cash flows, determine an appropriate discount rate and calculate the value in use. This inherently involves a high degree of estimation and judgement by management and the expert. During the period under review there was no impairment accounted for relating to the exploration and development cost intangible asset by the Group.	We have adopted a substantive audit approach to address the various assertions of the exploration and development costs intangible asset. Our key audit procedures included: • Selecting a sample of Exploration and Development Costs from the list of additions and determining whether the additions meet the criteria of capitalisation of costs in terms of IFRS 6: Exploration for and Evaluation of Mineral Resources; • Evaluating the capabilities, competency, and objectivity of the management's expert; • Testing the recoverability of the exploration and development costs by assessing the expert's value in use calculation and performing validation tests over the inputs and assumptions that were used to determine if the value in use calculation is reasonable; and • Considering the appropriateness and completeness of disclosure provided in the annual financial statements, with reference to exploration and development costs in terms of the International Financial Reporting Standards. Having performed our audit procedures and evaluated the outcomes we concluded that our audit procedures appropriately addressed the key audit matter.

EMPHASIS OF MATTER – EFFECT OF COVID-19 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In forming our opinion on the consolidated and separate financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed in note 35 to the consolidated and separate financial statements, and the consideration in the going concern basis of preparation as disclosed in notes 35 and 36 to the consolidated and separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Renergen Limited Integrated Report 2022" and in the document titled "Renergen Limited Consolidate and Separate Financial Statements for the year ended 28 February 2022", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, 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.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditor's report

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Renergen Limited and its subsidiary for 3 years.

Mazars
Registered Auditors
Partner: Shaun Vorster
Registered Auditor
Date: 19 May 2022
Johannesburg

Directors' report

The Directors have pleasure in submitting their report on the annual financial statements of Renergen Limited for the year ended 28 February 2022.

1. NATURE OF BUSINESS

Renergen is focused on alternative and renewable energy in South Africa and Sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange, with secondary listings on South Africa's A2X and Australia's ASX.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The separate and consolidated Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE and ASX Listings Requirements and in a manner required by the Companies Act of South Africa, No 71 of 2008. The accounting policies underpinning the preparation of the financial statements have been consistently applied relative to the prior financial year, unless stipulated otherwise. The Company is in compliance with the provisions of the Companies Act and operates in conformity with its MOI.

OPERATIONAL REVIEW

The financial year ended 28 February 2022 has been a challenging yet very exciting one for the Group. Having faced significant headwinds during the construction period in relation to several significant but distinct challenges highlighted below:

- Impacts of the COVID-19 pandemic resulted in forced lockdowns, global shipping and supply chain delays.
- Nationwide strike action with workers affiliated to the National Union of Metalworkers of SA (NUMSA) in the steel and engineering industry during the 3rd quarter resulted in disruption of equipment and services required during construction.
- An extreme weather pattern known as La Niña has hit the country since December 2021 and has resulted in above average rainfall which has resulted in further construction delays on site.

Despite these extenuating circumstances the team has shown enormous maturity, resilience, and dedication to find solutions to mitigate these challenges and reduce the impact on the overall progress of the Virginia Gas Project. The speed at which the leadership team have rallied the employees, contractors, and other stakeholders is a true testament to their capability, culture and passion we are building across the Group operations. The transition from largely a project company to an operational focused company is well underway and we believe we are ready to take the next step in our exciting journey.

Key highlights for the year under review include:

- 5 out of 6 drilling successes from our exploration campaign.
- The securing of a pre-paid forward sell agreement with Argonon Helium who will issue helium backed tokens known as ArgHe's.
- Completion of the third and final disbursement of the USDFC facility.

Directors' report

- Completion and drawdown of the IDC facility.
- Securing of Several Phase 1 LNG offtake agreements.
- Significant increase in our proven reserves.
- Completion of the Phase 2 Front End Engineering Design study.
- Securing of several Phase 2 helium offtake agreements.
- Production and operation of the first Cryo-Vacc™.

Phase 1

The conclusion of two strategic contracts for the offtake and supply of LNG to Consol Glass Proprietary Limited and Ceramic Industries Proprietary Limited, a subsidiary of Italtile Limited has signalled the confidence from key players within the South African Industrial Sector in our ability to deliver a high-quality and reliable product to market. These agreements equate to 60% of our planned Phase 1 production with the remaining 40% destined for the logistics markets in a dual fuel application for the heavy trucking sector.

The Group made the third and final drawdown against the USDFC loan facility to fund the ongoing construction of the Phase 1 LNG/LHe plant. The Group also secured a facility with the IDC facility and completed the drawn down to finance the virtual pipeline infrastructure including trucks, trailers, and downstream dispensing equipment.

The construction of the Virginia Gas Plant is ongoing with hot commissioning having commenced post the year under review. We anticipate the start-up of the plant in June 2022 and are now taking every opportunity to double check and review before finally turning the plant on.

Phase 2

The global helium market has been dealt several debilitating blows recently further exacerbating a short supply in an already tight market. The helium market growth is expected to be driven by the growing demand from the healthcare, technology, and aerospace industry sectors. These are important factors that will continue to shape and manage how the Group continues to develop the next phase of the Virginia Gas Project.

The increase in our proven reserves has paved the way for the expansion of the Virginia Gas Project into a proposed Phase 2 development. The FEED study supporting this development concept was completed in parallel and has resulted in us receiving Class 3 estimate sufficient to meet stringent requirements of credit committees for debt funding institutions and preparing suitable budgets to begin approaching potential equity and debt providers.

The securing of several helium offtake agreements has resulted in approximately 65% of the planned Phase 2 production already contracted under long-term take or pay contracts ranging from 10 to 15 years in length. The contracts are all US Dollar dominated and increase annually at US CPI. The Group is strategically not looking to sell any additional helium under this type of arrangement and will look to place the balance into the spot market to enjoy the upside potential in the commodity movement. As alluded to earlier the helium market has faced several supply challenges and disruptions and the spot market has increased exponentially of the last six months.

Cryovations

The COVID-19 vaccination response programs started with much enthusiasm during the year under review but quickly tapered off during the 3rd Quarter. We completed the manufacturing and assembly during the 2nd and 3rd quarters of 2021 for the efficient transportation and storage of cold biologics for extended periods during transit which resulted in a mismatched timing opportunity. The waning support for ongoing vaccination has impacted the rollout and scale of the opportunity locally within South Africa. We believe the product has enormous potential and are exploring several modifications that will improve the overall concept and operational performance to enhance its appeal for the more niche Biologics and Gene-Therapy market internationally. These companies currently face substantial challenges in their cold-chain logistics which Cryo-Vacc™ is ideally placed to assist with solving these challenges.

FINANCIAL REVIEW

The Group's revenue increased by R0.7 million due to higher energy prices and fewer COVID-19 lockdown restrictions experienced in the current financial year relative to the prior year.

The Group's other operating income increased by R2.8 million primarily due to an increase in the net foreign exchange gains by R3.6 million. The Group's other operating expenses declined by R6.8 million primarily due to a decrease in the net foreign exchange losses by R8.9 million. The Group's other operating expenses are disclosed in note 21.

Share-based payments expenses increased by R1.3 million primarily due to the issuing of share options under the Equity-settled Share Appreciation Rights Plan (SAR Plan) approved by shareholders in July 2021. The current year expense includes share options granted to executive directors, senior management, and general employees of the Group. The Group's share-based payments are disclosed in note 13.

During the current year, an additional R260.7 million was spent mainly on the completion of the Virginia Gas Plant design classified as assets under construction within property, plant and equipment ("PPE"). The Group also capitalised exploration expenditure totalling R32.1 million and development costs for Cryo-Vacc™ vaccine storage units amounting to R10.9 million under intangible assets. The Group's PPE and intangible assets are disclosed in notes 3 and 4.

Further investment in our non-current assets was funded by proceeds from the issue of shares for R113.1 million, a third draw-down of R112.1 million (US$7.5 million) on the DFC loan facility and a R158.8 million drawdown on the IDC loan facility which was entered into on 17 December 2021. The increase in the loan facilities resulted in an increase in total borrowings by R288.5 million. The Group's borrowings are disclosed in note 14.

Restricted cash resources of the Group held in the Debt Service Reserve Account increased by R19.0 million in line with the terms of the DFC loan agreement which require Tetra4 at any given date to reserve in a US$ denominated bank account the sum of all obligations required to be made to the DFC within the next 6 months.

Unrestricted cash resources of the Group decreased by R35.8 million. The Group's cash flows arising from operating, investing, and financing activities are fully set out in the Statement of Cash Flows.

The net asset value of the Group increased by R79.9 million impacted mainly by additional investments in PPE and intangible assets and offset by debt and the losses for the year.

Directors' report

3. STATED CAPITAL

The Group increased its number of shares issued to 123 934 005 from 117 508 067 shares issued in the prior year. Refer to note 12 of the audited consolidated annual financial statements for details pertaining to the shares issued during the financial year under review.

4. DIVIDENDS

No dividends were declared or paid to shareholders during the financial year under review (2021: Rnil).

5. DIRECTORATE

The Directors in office at the date of report are as follows:

DIRECTOR	OFFICE	DESIGNATION	APPOINTMENT DATE
Stefano Marani	Chief Executive Officer	Executive	20 November 2014
Nick Mitchell	Chief Operating Officer	Executive	25 November 2015
Brian Harvey	Chief Financial Officer	Executive	1 May 2021
David King	Chairperson	Independent Non-executive Director	4 June 2019
Mbali Swana		Independent Non-executive Director	16 February 2015
Luigi Matteucci		Independent Non-executive Director	3 May 2016
Bane Maleke		Independent Non-executive Director	7 December 2016
Alex Pickard		Non-executive Director	4 April 2022
Francois Olivier		Non-executive Director	19 November 2018

The directors below held office during the financial year under review:

DIRECTOR	OFFICE	DESIGNATION	APPOINTMENT DATE
Brett Kimber	Chairperson	Independent Non-executive Director	17 June 2015
Fulu Ravele	Chief Financial Officer	Executive	25 November 2015

Brett Kimber resigned from his position as director and chairperson of the Board on 30 November 2021. He was succeeded by David King as chairperson of the Board with effect from 1 December 2021.

Fulu Ravele resigned from her position as director and Chief Financial Officer of Renergen on 31 March 2021. She was succeeded by Brian Harvey as director and Chief Financial Officer on 1 May 2021.

6. DIRECTORS' AND PRESCRIBED OFFICERS INTERESTS IN SHARES

Directors' and prescribed officers' interests in shares of the Company as at 28 February 2022 were as follows:

EXECUTIVE DIRECTORS

			2022			2021
	Direct	Indirect	Total	Direct	Indirect	Total
	'000	'000	'000	'000	'000	'000
Stefano Marani	259	8 709	8 968	259	8 709	8 968
Nick Mitchell	-	8 600	8 600	-	8 600	8 600
Fulu Ravele	-	-	-	59	-	59
Total	**259**	**17 309**	**17 568**	**318**	**17 309**	**17 627**

NON-EXECUTIVE DIRECTOR

			2022			2021
	Direct	Indirect	Total	Direct	Indirect	Total
	'000	'000	'000	'000	'000	'000
Francois Olivier	-	10	10	9	10	19
Bane Maleke	20	-	20	20	-	20
David King	5	148	153	5	148	153
Total	**25**	**158**	**183**	**34**	**158**	**192**

PRESCRIBED OFFICERS

			2022			2021
	Direct	Indirect	Total	Direct	Indirect	Total
	'000	'000	'000	'000	'000	'000
Johann Weideman	11	-	11	11	-	11
Khalid Patel	2	-	2	7	-	7
Mandy-Leigh Stuart	1	-	1	1	-	1
Nalanie Naidu	5	-	5	-	-	-
Total	**19**	**-**	**19**	**19**	**-**	**19**

Fulu Ravele's prior year shareholding arose from the issuance of vested Bonus Share Scheme shares granted to her in October 2017. She resigned from her position of CFO and director of Renergen on 31 March 2021. Refer to note 13 for further details. A register of interests of Directors and prescribed officers in shares of the Company is maintained and is available on request. The Director's shareholdings have not changed from 28 February 2022, up to the date of this IAR being approved.

7. DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

Transactions with directors are entered into in the normal course of business under terms that are no more favourable than those arranged with third parties. Executive directors are entitled to Renergen ordinary shares awards, the details of which are included in note 13. No other contracts were entered into in which directors and officers of the Company had a personal financial interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

8. INTEREST IN SUBSIDIARY

The Company's interest in its wholly owned subsidiary, Tetra4 Proprietary Limited ("Tetra4"), which is material to the Group is presented in note 5 to the audited consolidated annual financial statements.

The interest of the Group in the net losses of Tetra4 is as follows:

	TETRA4	
	2022	**2021**
	R'000	R'000
Loss for the year	(26 173)	(46,787)

9. BORROWING FACILITIES AND POWERS

The Group's borrowing facilities are disclosed in note 14 of the audited consolidated annual financial statements.

10. CONTROL OF UNISSUED SHARE CAPITAL

As this general authority remains valid only until the next AGM, shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, to a maximum of 5% of the Company's issued share capital, under the control of the directors until the next AGM.

11. GROUP COMPANY SECRETARY

Acorim Proprietary Limited ("Acorim") remained the Company Secretary of the Company for the year under review. All Directors have access to the services and advice of Acorim. The Company Secretary is not a Director of Renergen and maintains an arm's length relationship with the Board. The Company Secretary supports the Board as a whole, and Directors individually, by providing guidance on to how to fulfil their responsibilities as Directors in the best interest of Renergen. The Company Secretary is responsible for, amongst other matters:

- Ensuring proper administration of the Board;
- Adherence to sound corporate governance procedures; and
- The functions as specified in the Companies Act.

The Board considered the Company Secretary's competence, skills, qualifications and experience as required in terms of the JSE Listings Requirements and remains satisfied with the competency, qualifications, experience and ongoing appointment of the Company Secretary. The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act, is included on page 94 of the annual financial statements.

12. CHANGE IN DIRECTORATE

Changes in directorate relating to Fulu Ravele and Brian Harvey are highlighted under section 5 of the Directors' Report on page 102.

On 4 April 2022 Alex Pickard was appointed as a Non-executive Director of Renergen.

13. LITIGATION UPDATE

1. African Carbon Energy Proprietary Limited ("Africary") is in the process of applying for a mining right to conduct underground coal gasification on areas that overlap with Tetra4's Production Right. Tetra4 submitted objections in respect of the application. The proposed method of mining (underground coal gasification) may reduce Tetra4's ability to produce gas in a portion of the Production Right where the overlap occurs. In respect of the application for a mining right, all objections must be referred to the Regional Mining Development and Environmental Committee. Tetra4 is confident that this mining right will not be granted on the basis that Tetra4 is first in right and application with existing case law having set precedent further supporting our legal position.

2. Tetra4 has proceeded to institute motion proceedings in the High Court of South Af rica on the 1 December 2021 seeking an order to clarify the jurisdiction of NERSA with respect to several of Tetra4's operating activities. Tetra4 is of the opinion that these activities are currently regulated under Production Right granted in accordance with the Mineral and Petroleum Resources Development Act 28 of 2002. The order will clarify the confusion and potential contradictions of the varying sets of legislation imposed on Tetra4. Tetra4 already has all required licenses in place, and this is simply to obtain legal clarity on the regulatory framework governing upstream versus downstream.

14. EVENTS AFTER THE REPORTING PERIOD

Events which occurred after the reporting period and up to the date of this report are disclosed in note 34.

15. GOING CONCERN

The consolidated and separate financial statements have been prepared assuming the Group and Company will continue as going concerns. This contemplates the realisation of assets and settlement of liabilities in the normal course of business during the assessment period. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources, and access to capital and borrowing facilities to continue operations in the normal course of business for the foreseeable future. In reaching this conclusion the Directors' have also considered developments with COVID-19 and the Russia/Ukraine war as disclosed on page 93 of the Audit Committee report.

Consolidated and separate statements of financial position

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2022**	**2021**	**2022**	**2021**
ASSETS					
NON-CURRENT ASSETS		**1 008 317**	**625 576**	**1 121 667**	**1 025 162**
Property, plant and equipment	3	807 027	475 558	383	705
Intangible assets	4	154 023	112 155	745	270
Investment in subsidiary	5	-	-	627 666	624 603
Loan to subsidiary	7	-	-	488 677	395 775
Deferred taxation	8	43 529	34 976	4 196	3 809
Restricted cash	9	3 738	2 887	-	-
CURRENT ASSETS		**156 377**	**154 786**	**10 319**	**1 376**
Trade and other receivables	10	27 032	7 769	957	280
Restricted cash	9	34 257	16 139	-	-
Cash and cash equivalents	11	95 088	130 878	9 362	1 096
TOTAL ASSETS		**1 164 694**	**780 362**	**1 131 986**	**1 026 538**
EQUITY AND LIABILITIES					
Stated capital	12	563 878	453 078	1 162 277	1 051 477
Share-based payments reserve	13	11 354	8 500	11 354	8 500
Revaluation reserve	25	598	598	-	-
Accumulated loss		(289 518)	(255 768)	(42 369)	(34 792)
TOTAL EQUITY		**286 312**	**206 408**	**1 131 262**	**1 025 185**

Consolidated and separate statements of financial position

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2022**	**2021**	**2022**	**2021**
LIABILITIES					
NON-CURRENT LIABILITIES		**803 949**	**541 476**	**-**	**-**
Borrowings	14	773 056	534 293	-	-
Lease liabilities	15	1 407	3 183	-	-
Provisions	16	29 486	4 000	-	-
CURRENT LIABILITIES		**74 433**	**32 478**	**724**	**1 353**
Borrowings	14	49 784	-	-	-
Trade and other payables	17	21 602	27 291	724	1 353
Lease liabilities	15	1 775	3 007	-	-
Provisions	16	1 272	2 180	-	-
TOTAL LIABILITIES		**878 382**	**573 954**	**724**	**1 353**
TOTAL EQUITY AND LIABILITIES		**1 164 694**	**780 362**	**1 131 986**	**1 026 538**

Consolidated statement of changes in equity

Figures in Rand Thousands	GROUP				
	Share capital	**Share-based payments reserve**	**Revaluation reserve**	**Accumulated loss**	**Total equity attributable to equity holders of the Company**
Balance at 1 March 2020	**452 254**	**7 526**	**598**	**(213 148)**	**247 230**
Loss for the year	-	-	-	(42 620)	(42 620)
Total comprehensive loss for the year	**-**	**-**	**-**	**(42 620)**	**(42 620)**
Issue of shares (note 12)	824	(824)	-	-	-
Share-based payments expense (note 13)	-	1 798	-	-	1 798
Balance at 28 February 2021	**453 078**	**8 500**	**598**	**(255 768)**	**206 408**
Loss for the year	-	-	-	(33 750)	(33 750)
Total comprehensive loss for the year	**-**	**-**	**-**	**(33 750)**	**(33 750)**
Issue of shares (note 12)	113 376	(261)	-	-	113 115
Share issue costs (note 12)	(2 576)	-	-	-	(2 576)
Share-based payments expense (note 13)	-	3 115	-	-	3 115
Balance at 28 February 2022	**563 878**	**11 354**	**598**	**(289 518)**	**286 312**
Notes	12	13	25		

Company statement of changes in equity

Figures in Rand Thousands	COMPANY			
	Share capital	**Share-based payments reserve**	**Accumulated loss**	**Total equity attributable to equity holders of the Company**
Balance at 1 March 2020	**1 050 653**	**7 526**	**(38 959)**	**1 019 220**
Profit for the year	-	-	4 167	4 167
Total comprehensive profit for the year	**-**	**-**	**4 167**	**4 167**
Issue of shares (note 12)	824	(824)	-	-
Share-based payments expense (note 13)	-	1 798	-	1 798
Balance at 28 February 2021	**1 051 477**	**8 500**	**(34 792)**	**1 025 185**
Loss for the year	-	-	(7 577)	(7 577)
Total comprehensive loss for the year	**-**	**-**	**(7 577)**	**(7 577)**
Issue of shares (note 12)	113 376	(261)	-	113 115
Share issue costs (note 12)	(2 576)	-		(2 576)
Share-based payments expense (note 13)	-	3 115	-	3 115
Balance at 28 February 2022	**1 162 277**	**11 354**	**(42 369)**	**1 131 262**
Notes	12	13		

Consolidated and separate statements of profit or loss and other comprehensive income

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2022**	**2021**	**2022**	**2021**
Revenue	18	2 637	1 925	-	16 442
Cost of sales	19	(3 412)	(2 842)	-	-
GROSS (LOSS)/PROFIT		**(775)**	**(917)**	**-**	**16 442**
Other operating income	20	3 736	911	12	1 758
Share-based payments expense	13	(3 115)	(1 798)	(52)	(1 007)
Other operating expenses	21	(38 207)	(44 969)	(8 007)	(14 725)
OPERATING (LOSS)/PROFIT		**(38 361)**	**(46 773)**	**(8 047)**	**2 468**
Interest income	22	275	672	83	621
Interest expense and imputed interest	23	(4 217)	(4 691)	-	(246)
(Loss)/profit before taxation		**(42 303)**	**(50 792)**	**(7 964)**	**2 843**
Taxation	24	8 553	8 172	387	1 324
(LOSS)/PROFIT FOR THE YEAR		**(33 750)**	**(42 620)**	**(7 577)**	**4 167**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(33 750)**	**(42 620)**	**(7 577)**	**4 167**
Loss attributable to:					
Owners of the Company		(33 750)	(42 620)	-	-
LOSS FOR THE YEAR		**(33 750)**	**(42 620)**	**-**	**-**
Total comprehensive loss attributable to:					
Owners of the Company		(33 750)	(42 620)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(33 750)**	**(42 620)**	**-**	**-**
Loss per ordinary share					
Basic and diluted loss per share (cents)	32	(27,73)	(36,29)	-	-

Consolidated and separate statements of cash flows

Figures in Rand Thousands	Notes	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Cash flows used in operating activities		**(79 175)**	**(24 486)**	**(9 048)**	**(1 750)**
Cash used in operations	26	(78 941)	(24 580)	(9 131)	(2 125)
Interest received	22	275	672	83	621
Interest paid	23	(509)	(578)	-	(246)
Cash flows used in investing activities		**(306 956)**	**(196 338)**	**(93 377)**	**(25 124)**
Investment in property, plant and equipment	3	(260 723)	(163 079)	-	-
Investment in intangible assets	4	(46 233)	(23 207)	(475)	(256)
Purchase of options		-	(16 197)	-	-
Proceeds on exercise of options		-	6 145	-	-
Loans granted to subsidiary	29	-	-	(92 902)	(24 868)
Cash flows from/(used in) financing activities		**347 227**	**213 758**	**110 539**	**(1 052)**
Proceeds from share issue	12	113 115	-	113 115	-
Share issue costs	12	(2 576)	-	(2 576)	-
Repayment of borrowings	27	(31 293)	-	-	-
Proceeds from borrowings	27	270 989	216 282	-	-
Right-of-use - lease payments	15	(3 008)	(2 524)	-	(1 052)
TOTAL CASH MOVEMENT FOR THE YEAR		**(38 904)**	**(7 066)**	**8 114**	**(27 926)**
Cash and cash equivalents at the beginning of the year	11	130 878	140 972	1 096	29 022
Effects of exchange rate changes on cash and cash equivalents		3 114	(3 028)	152	-
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**11**	**95 088**	**130 878**	**9 362**	**1 096**

Significant accounting policies

1. BASIS OF PREPARATION

The consolidated and separate annual financial statements of the Group and Company for the year ended 28 February 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, the Listing Rules of the ASX and in a manner required by the Companies Act of South Africa, No 71 of 2008. The accounting policies applied in the preparation of these consolidated and separate annual financial statements of the Group and Company are consistent in all material respects with those used in the prior financial year, except for the adoption of new standards, interpretations and amendments to published standards which became effective for the first time for the financial year ended 28 February 2022. Note 2 discloses the impact of new standards, interpretations and amendments to published standards on the consolidated and separate annual financial statements of the Group and Company.

These consolidated and separate annual financial statements have been prepared under the historical cost convention except for land that is carried at a revalued amount and financial instruments that are carried at fair value; are presented in the functional currency of the Company and presentation currency of the Group, being South African Rand (Rand); and are rounded to the nearest thousand (R'000), except where otherwise stated.

Going concern

The consolidated and separate annual financial statements of the Group and Company have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refer to note 36 for further disclosures on going concern matters.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiary which is controlled by the Group.

Consolidation of subsidiary

All intercompany transactions and balances between the Company and its subsidiary have been eliminated on consolidation. Cost includes all directly attributable costs of the investment.

The Company initially recognised its investment in its subsidiary at cost and subsequently measures this investment at cost less accumulated impairment losses.

The Company's subsidiary as at 28 February 2022 is set out below. Its share capital consists solely of ordinary shares that are held directly by the Company, and the proportion of ownership interest held equals the voting rights held by the Company. Further details on this investment are disclosed in note 5.

NAME OF ENTITY	PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY THE GROUP	OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTEREST	PRINCIPAL ACTIVITIES
Tetra4 Proprietary Limited	South Africa	100% (2021: 100%)	0% (2021: 0%)	Explores for, develops and sells compressed natural gas to the South African market. It also explores for and develops helium gas.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Areas of significant judgements and estimation uncertainty include:

Going concern

Management's assessment of the entity's ability to continue as a going concern involves making a judgment, at a particular point in time, about inherently uncertain future outcomes of events or conditions. Any judgment about the future is based on information available at the time at which the judgment is made. Subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made. Management have taken into account the following:

- The Group's financial position; and
- The risks facing the Group that could impact key projects and capital adequacy.

Management consider it appropriate to continue to adopt the going concern basis in preparing the consolidated and separate annual financial statements of the Group and Company.

Exploration and development costs

The application of the Group's accounting policy for exploration and development costs requires judgement to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact whether the Group capitalises exploration and development costs. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is impaired in profit or loss in the period when the new information becomes available. The Group's exploration and development costs are disclosed in note 4.

Expected units of production

Exploration and development costs are depreciated using the expected units of production (UOP) method which takes the production in the current period as a percentage of total expected production in current and future periods, based on total proved plus probable developed and undeveloped hydrocarbon reserves. Application of the UOP method requires the use of estimates and assumptions, including the amount

of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves.

Borrowing costs

The Group applies judgement in determining when it commences and ceases to capitalise borrowing costs. When the plant is ready for use, capitalisation of borrowing costs ceases and depreciation commences. Management places reliance on experts to certify that the plant is ready for use.

Financial assets

At the end of each reporting period the Group determines a loss allowance for expected credit losses on financial assets carried at amortised cost. The expected credit losses are estimated with reference to current observable data and forward-looking information including projected market conditions (including conditions arising from COVID-19 and the Russia/Ukraine war), macro-economic factors and knowledge about the future performance of parties from which the Group' financial assets are due. Due to the estimation involved, actual default in the future may be different from the loss allowances recognised.

The Group recognises a loss allowance for financial assets measured at amortised cost, excluding trade receivables, at an amount equal to 12 months expected credit losses where the credit risk on the financial asset has not increased significantly since initial recognition. The Group recognises lifetime expected credit losses when there has been a significant increase in the credit risk.

The Group applies a simplified approach of recognising lifetime expected credit losses for trade receivables as these items do not have a significant financing component. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience, adjusted as appropriate for current observable data. Current observable data includes market conditions, macroeconomic factors and known data about the financial position of the customer.

Determining an increase in significant credit risk is a significant judgement call and determining expected credit losses is subject to estimation uncertainty.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair-value-less costs of disposal. These calculations require the use of estimates and assumptions. It is reasonably possible that an assumption may change which may then impact our estimates and may then require a material adjustment to the carrying value of tangible and intangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are sensitive to various factors and could materially change over time. Value in use calculations are also sensitive to changes in discount rates, helium reserve estimates and projected prices of helium. Key factors which impact expected cash flows include market conditions, levels of production that are actually achieved and growth rates used for extrapolation purposes.

Useful lives of property, plant and equipment

Management reviews its estimate of the useful lives and residual values of depreciable property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence or depleting gas reserve values that may impact the utility of certain assets.

Provision for environmental rehabilitation

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. Most of these rehabilitation and decommissioning events are expected to take place in the future and the current estimated requirements and costs that will have to be met when the restoration event occurs are inherently uncertain and could materially change over time.

In calculating the appropriate provision for the expected restoration, rehabilitation or decommissioning obligations, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof, are prepared.

As the actual future costs can differ from the estimates due to the changes in laws, regulations, technology, costs and timing, the provisions including the estimates and assumptions contained therein are reviewed annually by management.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. The extent that future cash flows and taxable income significantly differ from estimates, impacts the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period.

Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The Group's development costs are presented in note 4.

Commissioning date for the plant

The Group is currently constructing Phase 1 of the Virginia Gas Plant. Judgement is involved in determining the commissioning date of the plant which is the date on which the capitalisation of borrowing costs ceases, depreciation commences and assets are transferred from assets under construction to their relevant categories within property, plant and equipment. Management places reliance on experts to determine the commissioning date by way of certification. A variation in the commissioning date may materially impact the categorisation of assets, capitalisation of borrowing costs and the recognition of depreciation.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost including an estimate of the costs of decommissioning the asset. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset including capitalised borrowing costs.

Property, plant and equipment (excluding land which is carried under the revaluation model) is subsquently measured at cost less accumulated depreciation and accumulated impairment losses.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment and borrowing costs are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Day to day servicing costs are included in profit or loss during the year in which they are incurred.

Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight line method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Assets under construction are not depreciated as they are not ready and available for the use as intended by management. Leased assets are depreciated over the shorter of the asset's useful life and the lease term. When a purchase option is included in the lease terms, the asset is depreciated over its estimated useful life.

Land is carried under the revaluation model and revalued with sufficient frequency, usually every three years, to ensure that at any point in time the carrying amount still approximates fair value. A revaluation surplus is recorded in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Upon disposal, any revaluation surplus relating to the revalued land being sold is transferred to the accumulated loss.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	USEFUL LIFE
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Assets under construction	Not applicable	Not applicable
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	5-15 years
Office building	Straight line	10 years
Leasehold improvements - furniture and fixtures	Straight line	6 years
Leasehold improvements - office equipment	Straight line	6 years
Right of use - motor vehicle	Straight line	5 years
Right of use - head office building	Straight line	3 years
Land	Not depreciated	Not applicable

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss within cost of sales and other operating expenses.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Fair value movements on the land are recognised, net of tax, in other comprehensive income or loss on the Statement of Comprehensive Income and accumulated in the revaluation reserve in the Statement of Changes in Equity. The reserve balance is transferred to the retained earnings upon disposal of the land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

1.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Following initial recognition intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Exploration and development costs

Expenditures incurred in the exploration and development of natural gas reserves are capitalised to intangible assets. Prior to capitalisation, the Group assesses the degree to which the expenditures incurred in the exploration phase can be associated with finding natural gas.

Significant accounting policies

Development costs

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in other operating expenses within profit or loss. During the period of development, the asset is tested for impairment annually.

Computer software

Computer software licences are acquired and are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. Costs that are directly associated with the creation of identifiable systems controlled by the Group and will generate economic benefits beyond one year are capitalised to intangible assets. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Other intangible assets

These assets primarily include the Company's internet domain, patents and trademarks which are amortised as shown below.

The amortisation periods and the amortisation methods for intangible assets are as follows and are reviewed annually.

ITEM	AMORTISATION METHOD
Exploration and development costs	Units of production over 30 years
Development costs - Cryo-Vacc™	Straight line basis (12 years)
Development costs - Helium Token System	Straight line basis (10 years)
Computer software	Straight line basis (10 years)
Other intangible assets	Straight line basis (10 years)

Impairment tests are performed on intangible assets other than development costs when there is an indicator that they may be impaired. As noted above, development costs are tested annually for impairment. When the carrying amount of an intanible asset is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.5 FINANCIAL INSTRUMENTS

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets are classified as either financial assets at amortised cost or at fair value through profit or loss (FVTPL).
- Financial liabilities are measured at amortised cost, except for derivative financial liabilities that are measured at fair value through profit or loss.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial asset and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated as FVTPL if, by designating the financial asset as FVTPL, this eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Gains or losses are recognised in profit or loss.

Initial recognition and measurement

Financial instruments are recognised initially on trade date when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets (excluding trade receivables) and financial liabilities are measured at fair value adjusted for transaction costs (where applicable). In the case of a financial asset or liability not at fair value through profit or loss, transaction costs are directly attributable to the acquisition or issue of the financial liability.

Trade receivables, at initial recognition, are measured at their transaction price if the trade receivables do not contain a significant financing component as defined in IFRS 15: Revenue from contracts with customers.

Subsequent measurement

Trade receivables, loans receivable, cash and cash equivalents and restricted cash are carried at amortised cost adjusted for any loss allowance. Borrowings are subsequently measured at amortised cost, using the effective interest method.

Significant accounting policies

Impairment of financial assets

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL at the end of each reporting period. The expected credit loss recognised, represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

The Group applies the simplified approach to measure the loss allowance for trade receivables, using the lifetime expected loss provision. The expected credit losses on these financial assets is estimated with reference to past default experience and adjusted as appropriate for current observable data and forward-looking information.

Loans receivable

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

For those balances that are beyond 30 days over-due, it is presumed to be an indicator of a significant increase in credit risk. Under these circumstances the Group recognises lifetime expected credit losses.

The Group considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Group. The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The Group considers the following as constituting events of default:

1) The debtor is past due by more than 90 days on any credit obligation to the Group; or

2) The debtor is unlikely to pay its credit obligations to the Group in full.

Loan to subsidiary

Loans to the subsidiary are included in non-current assets as management expects the loan to be repaid later than 12 months after the reporting period. Loans to subsidiary are subsequently measured at amortised cost using the effective interest method less any loss allowance. A loss allowance for expected credit losses is determined at the end of each reporting period.

Trade and other payables

Trade payables are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

In the consolidated and separate statements of financial position and the consolidated and separate statements of cash flows, cash and cash equivalents include cash on hand, at banks and short-term deposits. Cash and cash equivalents are measured at amortised cost.

Restricted cash

The Group has cash deposits in call accounts that have been ring-fenced. These cash deposits consist of funds which will be used for environmental rehabilitation and the settlement of debt obligations (due within a six month period at any given time) under the DFC Finance Agreement (see note 14). This cash is not treated as cash and cash equivalents and is measured at amortised cost.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset on trade date 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. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

On derecognition of a financial asset or financial liability in its entirety, the difference between the carrying amount of the financial asset or financial liability and the sum of the consideration received or receivable / paid or payable is recognised in profit and loss within other operating expenses or other operating income depending on whether a gain or loss is recognised.

The recovery of financial assets previously written off is recorded in other operating income in profit or loss.

1.6 FAIR VALUE MEASUREMENT

Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising, where possible, the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

Gains and losses on changes in the fair value of derivative instruments are recognised in profit or loss.

Significant accounting policies

1.7 SHARE BASED PAYMENTS

Long-term employee benefits - Bonus Shares

The Group operates an equity-settled compensation plan where the Governance, Ethics, Transformation, Social and Compensation Committee makes an award of forfeitable shares to the Executive Directors, prescribed officers, senior management and general employees of the Group. These are referred to as Bonus Shares. This plan has no cash settlement alternatives. The number of Bonus Shares awarded depends on the individual's annual bonus that has been deferred. The Bonus Shares vest after three years' service from grant date. This is the only vesting condition pertaining to the Bonus Shares. The terms and conditions of the Bonus Shares, after vesting are the same as those traded publicly.

The fair-value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted. Fair value is based on a 30 day volume weighted average ("VWAP") market price of the equity-settled instrument granted. The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve.

The Bonus Shares grant the holder a right to acquire shares for no consideration.

Share options

As part of the ASX listing, Renergen granted share options to transaction advisors and an Australian Non-executive Director. The fair value is measured at grant date and spread over the period that the option holder is unconditionally entitled to the options, except when the service has been completed at grant date in which case the expense is recognised immediately in profit or loss. The fair value of the options granted is measured using the Monte Carlo Method, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense with a corresponding increase in equity is adjusted at each reporting date to reflect the actual number of share options that vest or are expected to vest. Where an option lapses (other than by forfeiture when vesting conditions are not satisfied) it is treated as if it had vested on the date it lapses and any expense not yet recognised for the option is recognised immediately.

The vesting of share options awarded to the Non-executive director occurs annually after each year of completed service (over a 4 year period). These are the only vesting condition attributable to these share options. The share options awarded to the Non-executive director grant him the right to acquire shares at a specific price.

The share options awarded to the lead and corporate advisors also vest over a 4 year period and there are no other vesting conditions. The share options awarded to the lead and corporate advisors grant them the right to acquire shares at a specific price.

Share Appreciation Rights Plan

The Group operates an equity-settled Share Appreciation Rights Plan ("SAR Plan") where the Governance, Ethics, Transformation, Social and Compensation Committee makes a once-off award of forfeitable shares to the Executive Directors, prescribed officers, senior management and general employees of the Group who can influence the growth of the Company. This plan has no cash settlement alternatives. The terms and conditions of the shares issued under the plan after vesting are the same as those traded publicly.

The fair value of the share appreciation rights shares granted is measured using the Monte Carlo Method, taking into account the terms and conditions under which the options were granted. The grant date fair

value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve.

The Bonus Shares grant the holder a right to acquire shares for no consideration.

Shares awarded under the SAR Plan will vest subject to the achievement of Performance Condition(s) which are pre-determined and linked to the growth of Renergen's share price, with Participants having 5 years from the Award Date to achieve any or all Performance Conditions. Both the vesting and exercise of the shares awarded under the plan is subject to continued employment of a participant. Depending on the applicable job level and level of seniority of the employee, the shares awarded may be divided into no more than 4 separate portions, each of which will be linked to separate Performance Condition(s) and Performance Period(s) as follows:

Portion 1:
Performance Condition of delivering a share price of at least R75 per share – 2 year Performance Period

Portion 2:
Performance Condition of delivering a share price of at least R100 per share – 3 year Performance Period

Portion 3:
Performance Condition of delivering a share price of at least R125 per share – 4 year Performance Period

Portion 4:
Condition of delivering a share price of at least R150 per share – 5 year Performance Period

The Governance, Ethics, Transformation, Social and Compensation Committee will review the Performance Condition(s) on a monthly basis throughout the Performance Period(s). Participants will be required to achieve and sustain the target share price for a 30-day period and that achievement against each Performance Condition will be assessed against a 30-day VWAP. Settled Shares can be made subject to a Holding Period up to a maximum period of 5 (five) years, during which time the Shares cannot be encumbered or disposed of.

The table below summarises each portion of the award with its associated Award Price and Performance Condition, the Share Price growth that is required and the corresponding impact it will have on the market cap of Renergen.

PORTION	AWARD PRICE	SHARE PRICE PERFORMANCE CONDITION WHICH MUST BE ACHIEVED	SHARE PRICE PERCENTAGE GROWTH FROM AWARD DATE[1]	ESTIMATED MARKET CAP AT ACHIEVEMENT OF SHARE PRICE PERFORMANCE HURDLE (RAND)[2]
1	R37.50	R75.00	231%	R8,813,105,025
2	R50.00	R100.00	341%	R11,750,806,700
3	R62.50	R125.00	452%	R14,688,508,375
4	R75.00	R150.00	562%	R17,626,210,050

[1] Calculated on a 30 day VWAP as at 31 May 2021 (R22.65)
[2] Calculated as Share Price which must be achieved multiplied by the number of shares in issue (117 508 067 shares)

All Awards are subject to Malus and Clawback, meaning unvested awards can be reduced or cancelled (by application of Malus) and Exercised and Settled Awards can be recouped (by application of Clawback), should a Trigger Event occur during the Holding Period. The trigger events include but are not limited to:

- A material misstatement of the financial results resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group;
- The fact that any information used to determine the quantum of an incentive was based on error or inaccurate or misleading information;
- Action or conduct of a participant which, in the reasonable opinion of the Board, amounts to serious misconduct or gross negligence; or
- Events or behaviour of a participant, or the existence of events attributable to a participant, which led to the censure of the Company or a member of the Group by a regulatory authority or have had a significant detrimental impact on the reputation of the Company.

1.8 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part of a business combination or the initial recognition of goodwill.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part a business combination.

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

At a company level deferred tax is not recognised for outside basis differences relating to the investment in subsidiary. This is because the investment is controlled by the holding company and there is no plan to reverse the temporary differences in the foreseeable future.

Deductions applicable to oil and gas companies

The Tenth Schedule of the South African Income Tax Act permits special tax allowances for companies involved in the exploration of oil and gas. This incentivises companies to pursue oil and gas exploration and creates fiscal certainty for companies involved in oil and gas activities in South Africa. The Tenth Schedule provides a 200%/150% super tax deduction for capital expenditure incurred for exploration and post-exploration respectively, in terms of an oil and gas right.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

Current tax and deferred taxes are charged or credited to other comprehensive income or equity if they relate to items that are credited or charged, in the same or a different period, to other comprehensive income or equity.

1.9 LEASES

The Group assesses whether a contract contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability in the statement of financial position, except for short-term leases with a term of twelve months or less and leases of low value assets with a value of R100 000 or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the future lease payments from the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease incentive received and any initial direct costs incurred. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term.

1.10 PROVISIONS AND ACCRUALS

The amount of a provision is the present value of management's best estimate of the expenditure expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

a) Environmental Rehabilitation Provision

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations which do not have a future economic benefit are recognised immediately in profit or loss.

The Group's is required by law to undertake rehabilitation work to address the environment damange arising from its operations. Part of the cash required to settle the rehabilitation obligation is held in a cash investment account which is restricted (see note 9).

b) Royalty accrual

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the royalty payable to the State. The royalty in respect of refined minerals is calculated by dividing earnings before interest and taxes (EBIT) by the product 12.5 times gross revenue

calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure.

The natural gas is compressed, scrubbed and dried in the compressor. The compressor is considered as the "refinery" and thus, the royalty is calculated based on the condition of the gas at the inlet of the compressor. The sale of gas is the trigger event for the royalty accrual. The accrual for royalties is included in trade and other payables.

c) Carbon tax accrual

The Carbon Tax Act of 2019 came into effect on 01 June 2019, it will be administered and collected by the South African Revenue Services (SARS). This carbon tax is assessed, collected and enforced as an environmental levy in terms of the Customs and Excise Act, 1964. This new tax is in response to climate change, which is aimed at reducing greenhouse gas (GHG) emissions in a sustainable, cost effective and affordable manner. This carbon tax gives effect to the polluter-pays-principle and the first phase has a carbon tax rate of R120 per ton of carbon dioxide equivalent emissions. This rate will increase by inflation plus two per cent until the year 2022, and annually by inflation thereafter.

Significant industry-specific tax-free emissions allowances will result in a modest net carbon tax rate to provide current emitters time to transition their operations to cleaner technologies through investments in energy efficiency, renewables and other low carbon measure.

The current carbon tax accrual is calculated based on all carbon emissions from Tetra4's activities and all other emissions on the land that Tetra4 holds a production right in the Free State Province of South Africa. The accrual for carbon tax is included under trade and other payables.The current carbon tax accrual is calculated based on all carbon emissions from Tetra4's activities and all other emission on the land that Tetra4 holds a production right in the Free State provision of South Africa. The accrual for carbon tax is included under trade and other payables.

1.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the sale of Compressed Natural Gas (CNG) in the Free State province of South Africa to one customer.

Prior year intercompany revenue relates to management fees earned by the holding company from its subsidiary Tetra4. Renergen provided Tetra4 with management advisory services (see note 18).

Revenue is recognised when the performance obligations have been satisfied, which is once control of the products and/or services has transferred from the Group to the buyer. Revenue is measured based on regulated prices and volumes delivered to the customer, and excludes amounts collected on behalf of third parties.

The main categories of revenue and the basis of recognition is as follows:

Sales of compressed natural gas

Revenue related to the sale of products is recognised when the product is delivered to the destination specified by the customer and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. The consideration received is allocated to the products based on their selling price per the sales agreement. All the CNG produced and delivered by Tetra4 is used by its one customer and thus no inventory is held by Tetra4 at period end.

All sales of CNG during the exploration phase are accounted for as revenue.

Management fees earned by the holding company

Prior year intercompany revenue relating to the management fees paid to the holding company was recognised over time as the subsidiary benefited from the services as they were provided. The management fees were paid monthly by the subsidiary company. The consideration is allocated based on the management fees as per the contract.

The Group's customer is afforded 30 day terms. The Company's customer also trades on 30 days terms.

1.12 COST OF SALES

Cost of sales entails the costs of conversion which are costs directly related to production. These costs include plant depreciation and maintenance and salaries of plant staff.

1.13 TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency

All entities within the Group have the same functional and presentation currency, being the South African Rand.

Transactions and balances

Foreign currency income and expenses are translated into the functional currency using the spot rate on transaction date and assets and liabilities are translated at the closing rate of the relevant month. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in profit or loss, with the exception of exchange differences accounted for as part of borrowing costs as disclosed in note 1.14. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.13 SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities which may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision maker (Group Executive Committee) to allocate resources and assess performance, and for which discrete financial information is available. Refer to Note 6.

The Group has the following reportable segments:

Corporate Head Office

Corporate Head Office is a segment where all investment decisions are made. Renergen Limited is an investment holding company focused on investing in prospective green projects.

Tetra4 (Proprietary) Limited

Tetra4 explores for, develops and sells compressed natural gas to the South African market. It also explores for and develops helium gas.

Significant accounting policies

1.14 BORROWING COSTS

Specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. The LNG and LHe plant is a qualifying asset in terms of IAS 23 - Borrowing costs.

Investment income earned on the Debt Service Reserve Account (see note 9), is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

The DFC and IDC loans were obtained specifically for the construction and drilling project. All the borrowing costs that would have otherwise been avoided had the construction and drilling not taken place are capitalised.

Exchange differences relating to the DFC loan are treated as borrowing costs to the extent that they are an adjustment to interest costs. This implies that foreign exchange differences are capitalised limited to the difference between the interest on the DFC loan and the interest had the loan been obtained in the functional currency of Tetra4. All other borrowing costs are expensed in profit and loss when they are incurred.

2. NEW STANDARDS AND INTERPRETATION

2. 1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Disclosure Initiative relating to the Definition of Material that:

- Clarifies that materiality will depend on the nature and/or magnitude of information individually or in combination in the context of the financial statements.
- Explains how 'obscured' information is similar to omitting or misstatement.
- Replaces the threshold of 'could influence' with 'could reasonably be expected to influence' in the definition of 'material'. The materiality assessment only considers reasonably expected influence on economic decisions of primary users.

This amendment did not have a material impact on the Group.

COVID-19 - Related Rent Concessions - Amendment to IFRS 16 (effective 1 June 2020)

This amendment provides lessees with an exemption from assessing whether a COVID-19-related concession is a lease modification. As a practical expedient, a lessee may elect not to assess whether a concession from a lessor is a lease modification if the rent concessions occurred as a direct result of the COVID-19 pandemic and if all the following conditions are met:

- The change in lease payments resulted in revised consideration for the lease that is substantially the same, or less than, the consideration immediately preceding the change;
- Any reduction in lease payments affects payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

The amendment did not have an impact on the Group as there were no COVID-19-related concessions in the financial year under review.

Interest Rate Benchmark Reform (IBOR) - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (effective 1 January 2021)

Amendments provide temporary relief to address financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR) ('IBOR reform') including:

- Contractual and cash flow changes to be treated as changes due to a floating rate of interest.
- Changes to hedge designations and documentation do not result in the discontinuation of the hedge relationship.
- The 'separately identifiable' requirement is not required when a RFR instrument is designated as a hedge of a risk component.
- Additional disclosures required.

The amendment did not have an impact on the Group as its current borrowings are not subject to interbank offered rates (IBOR).

2. 2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 01 March 2022 or later periods but which the Group has not early adopted. The Group will adopt these standards when they become effective.

COVID-19 - Related Rent Concessions beyond 30 June 2021 -
Amendments to IFRS 16
(effective date 1 April 2021)

The amendment extends the May 2020 amendment, by one year, that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

This amendment is not expected to have an impact on the Group as there are no COVID-19 related rent concessions. A further assessment will be made should transactions of this nature arise.

Onerous contracts- cost of fulfilling a contract -
Amendments to IAS 37
(effective date 1 January 2022)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

This amendment is not expected to have an impact on the Group as there are no onerous contracts currently in place. A further assessment will be made should contracts of this nature arise.

Property, Plant and Equipment — Proceeds before Intended Use -
Amendments to IAS 16
(effective 1 January 2022)

This amendment prohibits the deduction (from the cost of the asset) of any proceeds from selling items produced while bringing that asset to the location and condition required for operation. An entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is applied retrospectively but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the annual financial statements in which this amendment is first applied. The cumulative effect of initially applying the amendment is an adjustment to the opening balance of retained earnings (of other component of equity as appropriate) at the beginning of that earliest period presented.

This amendment is not expected to have an impact on the Group as the principles of this amendment are already applied. Proceeds before intended use is recognised as revenue in terms of IFRS 15.

Annual Improvements 2018-2020 Cycle
(effective 1 January 2022)

These improvements make amendments the following standard:

IFRS 9 - Fees in the '10 per cent' test for
derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. Early application is permitted.

This amendment is not expected to have an impact on the Group as there was no modification of financial liabilities. A further assessment will be made should the modification of financial liabilities occur.

Reference to the Conceptual Framework -
Amendments to IFRS 3
(effective 1 January 2022)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. Early application is permitted.

This amendment is not expected to have an impact on the Group as there are no business combinations in progress. The impact of this amendment will be evaluated again should the Group enter into business combinations in future.

Classification of Liabilities as Current of Non-Current -
Amendments to IAS 1
(effective date 1 January 2023)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

This amendment is not expected to have an impact on the Group as it currently does not have liabilities with uncertain settlement dates. A further assessment will be made should liabilities of this nature arise.

Deferred Tax related to Assets and Liabilities arising from a single transaction -
Amendments to IAS 12
(effective date 1 January 2023)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendment is not expected to have an impact on the Group as the principles of this amendment are already applied.

Disclosure of Accounting Policies
(Amendments to IAS 1 and IFRS Practice Statement 2)
(effective 1 January 2023)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Management has assessed the impact of these amendments on the reported results of the Group and Company and foresee only minor disclosure changes.

Definition of Accounting Estimates
(Amendments to IAS 8)
(effective 1 January 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The above amendments are not expected to have a material impact on the Group.

The Group has completed its assessment of the impact of the above standard and concluded that the amendment would not have a material impact on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	GROUP					
	2022			2021		
Figures in Rand Thousands	Cost or Valuation	Accumulated depreciation	Net book value	Cost or Valuation	Accumulated depreciation	Net book value
Assets under construction	785 460	-	785 460	451 576	-	451 576
Right-of-use asset - head office building	2 243	(1 590)	653	2 243	-	2 243
Land - at revalued amount	3 473	-	3 473	3 473	-	3 473
Plant and machinery	22 928	(11 345)	11 583	20 714	(9 451)	11 263
Furniture and fixtures	1 024	(691)	333	1 206	(679)	527
Motor vehicles	2 152	(1 962)	190	2 095	(2 051)	44
Office equipment	171	(108)	63	208	(132)	76
IT equipment	910	(581)	329	541	(438)	103
Right-of-use assets - motor vehicles	4 526	(1 462)	3 064	4 526	(547)	3 979
Office building	2 065	(476)	1 589	2 065	(270)	1 795
LEASEHOLD IMPROVEMENTS						
Office equipment	142	(128)	14	152	(110)	42
Furniture and fixtures	885	(609)	276	887	(450)	437
TOTAL	**825 979**	**(18 952)**	**807 027**	**489 686**	**(14 128)**	**475 558**

	COMPANY					
	2022			2021		
Figures in Rand Thousands	Cost or Valuation	Accumulated depreciation	Net book value	Cost or Valuation	Accumulated depreciation	Net book value
Furniture and fixtures	605	(520)	85	747	(543)	204
Office equipment	90	(82)	8	95	(73)	22
IT equipment	31	(31)	-	38	(38)	-
LEASEHOLD IMPROVEMENTS						
Office equipment	142	(128)	14	152	(110)	42
Furniture and fixtures	885	(609)	276	887	(450)	437
TOTAL	**1 753**	**(1 370)**	**383**	**1 919**	**(1 214)**	**705**

RECONCILIATION OF PROPERTY, PLANT AND EQUPMENT

	GROUP 2022					
Figures in Rand Thousands	**At 1 March 2021**	**Reclassification from intangible assets[2]**	**Environmental rehabilitation costs[3]**	**Additions**	**Depreciation**	**At 28 February 2022**
Assets under construction	451 576	4 000	26 758	303 126	-	785 460
Right-of-use assets - head office building	2 243	-	-	-	(1 590)	653
Land - at revalued amount	3 473	-	-	-	-	3 473
Plant and machinery	11 263	-	-	2 248	(1 928)	11 583
Furniture and fixtures	527	-	-	21	(215)	333
Motor vehicles[1]	44	-	-	24	122	190
Office equipment	76	-	-	41	(54)	63
IT equipment	103	-	-	406	(180)	329
Right-of-use assets - motor vehicles	3 979	-	-	-	(915)	3 064
Office building	1 795	-	-	-	(206)	1 589
LEASEHOLD IMPROVEMENTS						
Office equipment	42	-	-	-	(28)	14
Furniture and fixtures	437	-	-	-	(161)	276
TOTAL	**475 558**	**4 000**	**26 758**	**305 866**	**(5 155)**	**807 027**

[1] *Impacted by an immaterial adjustment to correct the over-depreciation of motor vehicles in the prior comparative period.*

[2] *Rehabilitation costs transferred from exploration and evaluation assets within intangible assets (see note 4).*

[3] *Current year rehabilitation costs as outlined in note 16.*

	GROUP 2021				
Figures in Rand Thousands	**At 1 March 2020**	**Additions***	**Depreciation**	**Lease terminations**	**At 28 February 2021**
Assets under construction	325 886	125 690	-	-	451 576
Right-of-use asset - head office building	2 753	2 243	(1 262)	(1 491)	2 243
Land - at revalued amount	3 473	-	-	-	3 473
Plant and machinery	12 948	-	(1 685)	-	11 263
Furniture and fixtures	660	60	(193)	-	527
Motor vehicles	325	46	(327)	-	44
Office equipment	105	-	(29)	-	76
IT equipment	177	-	(74)	-	103
Right-of-use assets - motor vehicles	1 843	3 022	(519)	(367)	3 979
Office building	2 002	-	(207)	-	1 795
LEASEHOLD IMPROVEMENTS					
Office equipment	68	-	(26)	-	42
Furniture and fixtures	584	-	(147)	-	437
TOTAL	**350 824**	**131 061**	**(4 469)**	**(1 858)**	**475 558**

** additions to right-of-use assets relate to new leases.*

	COMPANY 2022		
Figures in Rand Thousands	**At 1 March 2021**	**Depreciation**	**At 28 February 2022**
Furniture and fixtures	204	(119)	85
Office equipment	22	(14)	8
LEASEHOLD IMPROVEMENTS			
Office equipment	42	(28)	14
Furniture and fixtures	437	(161)	276
TOTAL	**705**	**(322)**	**383**

	COMPANY 2021			
Figures in Rand Thousands	**At 1 March 2020**	**Depreciation**	**Lease terminations**	**At 28 February 2021**
Right-of-use assets - head office building	2 753	(1 262)	(1 491)	-
Right-of-use assets - motor vehicles	367	-	(367)	-
Furniture and fixtures	326	(122)	-	204
Office equipment	37	(15)	-	22
LEASEHOLD IMPROVEMENTS				
Office equipment	68	(26)	-	42
Furniture and fixtures	584	(147)	-	437
TOTAL	**4 135**	**(1 572)**	**(1 858)**	**705**

Pledge of assets

Tetra4 concluded finance agreements with the Development Finance Corporation on 20 August 2019 and the Industrial Development Corporation on 17 December 2021 (see note 14). All assets under construction and the land are held as security for the debt under these agreements. Pledged assets under construction and land have a carrying amount of R788.9 million as at 28 February 2022 (2021: R455.0 million), representing 100% (2021: 100%) of each of these asset categories.

Additions and borrowing costs - Group

Additions include unrealised foreign exchange differences (attributable to the DFC loan) and interest capitalised as part of borrowing costs in line with the Group's policy , and non-cash additions to right-of-use assets. These costs and exchange differences were capitalised within assets under construction. The Group's borrowings are disclosed in note 14.

A reconciliation of additions to exclude the impact of capitalised borrowing costs, foreign exchange differences and non-cash additions to right-of-use assets is provided below:

Figures in Rand Thousands	GROUP 2022	GROUP 2021
Additions as shown above	305 866	131 061
Capitalised borrowing costs attributable to the DFC loan (note 14)	(31 293)	-
Unrealised foreign exchange (losses)/gains attributable to the DFC loan (note 14)	(10 619)	37 284
Capitalised borrowing costs attributable to the IDC loan (note 14)	(3 231)	-
Non-cash additions to right-of-use assets	-	(5 266)
Additions as reflected in the cash flow statement	**260 723**	**163 079**

The rate used to determine the amount of interest eligible for capitalisation was 3.68% (2021: 1.69%), which is the weighted average interest rate of the specific borrowings.

Capital commitments

Capital commitments attributable to assets under construction are disclosed in note 28.

Lease termination: right-of-use assets - head office building

In the prior year the Group restructured its leasing arrangements with a third party such that the head office building previously leased by Renergen Limited ("Renergen") is now leased by Tetra4 (Proprietary) Limited ("Tetra4"). This transaction which became effective on 28 February 2021 was recognised as a lease termination by Renergen and a new lease by Tetra4 of the right-of-use-asset – head office building. The Group recognised a loss of R0.5 million with respect to this restructuring in the prior year.

Revalued property

On 28 February 2020 the Group revalued its land on two farm properties in the Free State by R0.7 million (R0.6 million net of taxation). The properties were revalued to their market value by using the comparable sales method which relied on level 3 inputs as per the IFRS 13 requirements for determining fair value. The comparable sales method assumes that the market value of property should be the average of similar properties that have been sold in the area. The net gain on revaluation was recognised against the revaluation reserve (see note 25).

The significant unobservable input is the average price per hectare which was R8 500 at 28 February 2020. Significant increases (decreases) in the estimated price per hectare in isolation would result in a significantly higher (lower) fair value on a linear basis. The total land size is 408.5897 hectares. At 28 February 2022, the land was not revalued as management determined that the effect of changes in fair values between the last valuation date and the reporting date is immaterial.

If the land was stated on the historical cost basis, the net book value would be as follows:

	2022	2021
Cost	2 777	2 777
Net book value	**2 777**	**2 777**

Land is not depreciated.

4. INTANGIBLE ASSETS

	GROUP					
			2022			2021
Figures in Rand Thousands	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Net book value
Exploration and development costs	137 161	(32)	137 129	109 026	(32)	108 994
Computer software	4 184	(804)	3 380	3 303	(439)	2 864
Development costs - Cryo-Vacc™	10 948	-	10 948	-	-	-
Development costs - Helium Tokens System	2 048	-	2 048	-	-	-
Other intangible assets	518	-	518	297	-	297
Total	**154 859**	**(836)**	**154 023**	**112 626**	**(471)**	**112 155**

	COMPANY					
			2022			2021
Figures in Rand Thousands	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Net book value
Development costs - Cryo-Vacc™	475	-	475	-	-	-
Other intangible assets	270	-	270	270	-	270
Total	**745**	**-**	**745**	**270**	**-**	**270**

RECONCILIATION OF INTANGIBLE ASSETS

Figures in Rand Thousands	GROUP 2022				
	At 1 March 2021	Reclassification to property, plant and equipment[1]	Additions	Amortisation	At 28 February 2022
Exploration and development costs	108 994	(4 000)	32 135	-	137 129
Computer software	2 864	-	881	(365)	3 380
Development costs - Cryo-Vacc™	-	-	10 948	-	10 948
Development costs - Helium Tokens System	-	-	2 048	-	2 048
Other intangible assets	297	-	221	-	518
Total	**112 155**	**(4 000)**	**46 233**	**(365)**	**154 023**

[1] *Transfer of rehabilitation costs to assets under construction within property, plant and equipment (note 3).*

Figures in Rand Thousands	GROUP 2021			
	At 1 March 2020	Additions	Amortisation	At 28 February 2021
Exploration and development costs	87 479	21 515	-	108 994
Computer software	1 703	1 436	(275)	2 864
Other intangible assets	41	256	-	297
Total	**89 223**	**23 207**	**(275)**	**112 155**

Figures in Rand Thousands	COMPANY 2022		
	At 1 March 2021	Additions	At 28 February 2022
Development costs - Cryo-Vacc™	-	475	475
Other Intangible assets	270	-	270
Total	**270**	**475**	**745**

Figures in Rand Thousands	COMPANY 2021		
	At 1 March 2020	Additions	At 28 February 2021
Other Intangible assets	14	256	270
Total	**14**	**256**	**270**

Exploration and development costs

These are costs incurred in the exploration and development of natural gas reserves by Tetra4 pursuant to its exploration and production rights (reference 24/04/07PR) in the Free State Province, South Africa. Exploration and development costs will be recovered through use as determined through the units of production and life of the Virginia Gas Project. Amortisation will commence upon the start of production.

Impairment of exploration and development costs

A Reserve and Resource Evaluation Report ("Evaluation Report") was completed as at 1 September 2021 by Sproule Incorporated ("Sproule"), an independent sub-surface consultancy based in Calgary, Canada. The evaluation is both a geologic and an economic update, based on technical and economic data supplied by Tetra4. Material changes to this Evaluation Report compared to the last one completed in 2019 are the inclusion of the 5 newly completed wells, the initial flow testing of two wells with new "slant completions", a more detailed sub-surface geologic model, updated capital expenditure and operating costs, updated currency exchange rates, new gas sales agreements and an updated field development plan.

The independent Reserve and Resource estimates and associated economics contained in the Evaluation Report are prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management (PRMS) guidance. Proved Plus Probable Helium and Methane Reserves ("2P Gas Reserves") measured at 420.5 BCF (billion cubic feet) as at 1 September 2021 (2019: 142.4 BCF) with a net present value of R31.0 billion (2019: R9.8 billion).

The net present value above equates to the recoverable amount and was determined using value-in-use calculations were future estimated cash flows attributable to the 2P Gas Reserves were discounted at 15% (2021: 15%). In order to determine whether the Group's exploration and evaluation assets were impaired as at 28 February 2022 the carrying amount of these assets of R137.1 million (2021: R109.0 million) was compared to the recoverable amount of R31.0 billion (2021: R9.8 billion) which resulted in no impairment charge being recognised for the year under review (2021: Rnil). Management concluded that the impairment assessment is not sensitive to a change in the recoverable amount or other factors due to the available headroom of R30.9 billion (2021: R9.7 billion), being the difference between the carrying amount of exploration and evaluation assets of R137.1 million (2021: R109.0 million) and their recoverable amount of R31.0 billion (2021: R9.8 billion).

Development costs - Cryo-Vacc™

Development costs comprise expenditure incurred during the internal development of Cryo-Vacc™ vaccine storage units. No amortisation was recognised during the year as the storage units have not yet been brought into use. Development costs include costs that meet the criteria in note 1.4 and are directly attributable to the development of the storage units. At 28 February 2022 the development costs are not impaired based on an assessment performed by management.

Development costs - Helium Tokens System

Development costs comprise expenditure incurred during the internal development of the helium tokens system. Once fully developed, these tokens will be traded and will allow holders to purchase helium from Tetra4. No amortisation was recognised during the year as the tokens system has not yet been brought into use. Development costs include costs that meet the criteria in note 1.4 and are directly attributable to the development of the tokens. At 28 February 2022 the development costs are not impaired based on an assessment performed by management.

Computer Software

Computer software comprises costs incurred to acquire the Group's risk management system and costs attributable to the development of the Group's ERP system. Internal salaries allocated based on time spent on the development of the ERP system were capitalised to computer software, however these costs are not material. The ERP system was implemented in the second quarter of the prior financial year and system improvements were further implemented during the current financial year.

Other intangible assets

Other intangible assets comprise patents and trademarks attributable to the Group's Cryo-Vacc™ project and the domains on which the Group's websites are hosted. These costs are not material and have not been amortised during the year under review.

5. INVESTMENT IN SUBSIDIARY

			COMPANY			
			2022	**2021**	**2022**	**2021**
Figures in Rand Thousands	**Country of registration**	**Principle place of business**	**% Holding**	**% Holding**	**Carrying amount**	**Carrying amount**
Tetra4 (Proprietary) Limited (Tetra4)	South Africa	South Africa	100%	100%	624 603	623 812
Equity contribution relating to share based payments (note 13)					3 063	791
Total					**627 666**	**624 603**

Tetra4 is a wholly owned subsidiary of Renergen Limited. This was the only subsidiary of the Group during the current and prior year.

On 29 September 2017 shareholders of Renergen approved a Group bonus share scheme for participation by employees and Executive Directors of the Group. Similarly, on 30 July 2021 shareholders of Renergen approved an Equity-settled Share Appreciation Rights Plan ("SAR Plan") for participation by Executives, senior management and other employees who can influence the growth of the Company. The shares or share options granted to employees, senior management and Executives of Tetra4 who participate in the bonus share scheme or the SAR Plan are Renergen shares. The investment in subsidiary is therefore increased by the share-based payments expenses attributable to bonus scheme shares and SAR Plan share options granted to Tetra4 employees which are treated as an equity contribution. Refer to note 13.

Notes to the financial statements

6. SEGMENTAL ANALYSIS

The Group has identified reportable segments that are used by the Group Executive Committee (chief operating decision-maker) to make key operating decisions, allocate resources and assess performance. For management purposes the Group is organised and analysed as follows:

a) Corporate head office

Corporate head office is a segment where all investment decisions are made. Renergen Limited is an investment holding company focussed on investing in prospective green projects. Green projects entail pursuing knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles which can help protect the environment and sustain its natural resources for current and future generations.

b) Tetra4

Tetra4 explores for, develops and sells compressed natural gas ("CNG") to the South African market. It operates in the Gauteng Province, Free State Province and Mpumalanga Province in the town of Evander.

No geographical information is provided as all assets are situated in South Africa and all sales are made to one South African customer.

The analysis of reportable segments as at 28 February 2022 is set out below:

					2022
Figures in Rand Thousands	**Corporate Head Office**	**Tetra4**	**Total**	**Eliminations**	**Consolidated**
Revenue	-	2 637	2 637	-	2 637
External	-	2 637	2 637	-	2 637
Depreciation and amortisation	(322)	(5 198)	(5 520)	-	(5 520)
Employee costs	-	(3 280)	(3 280)	-	(3 280)
Net foreign exchange gain	12	3 557	3 569	-	3 569
Interest income	83	192	275	-	275
Imputed interest	-	(3 708)	(3 708)	-	(3 708)
Interest expense	-	(509)	(509)	-	(509)
Taxation	387	8 166	8 553	-	8 553
Loss for the year	(7 577)	(26 173)	(33 750)	-	(33 750)
Total assets	**1 131 986**	**1 149 051**	**2 281 037**	**(1 116 343)**	**1 164 694**
Total liabilities	**(724)**	**(1 366 335)**	**(1 367 059)**	**488 677**	**(878 382)**

					2021
Figures in Rand Thousands	**Corporate Head Office**	**Tetra4**	**Total**	**Eliminations**	**Consolidated**
Revenue	16 442	1 925	18 367	(16 442)	1 925
External	-	1 925	1 925	-	1 925
Inter-segmental	16 442	-	16 442	(16 442)	-
Depreciation and amortisation	(1 571)	(3 173)	(4 744)	-	(4 744)
Employee costs	(1 017)	(12 153)	(13 170)	6 753	(6 417)
Net foreign exchange loss	(100)	(8 816)	(8 916)	-	(8 916)
Interest income	621	51	672	-	672
Imputed interest	-	(4 113)	(4 113)	-	(4 113)
Interest expense	(246)	(332)	(578)	-	(578)
Taxation	1 324	6 848	8 172	-	8 172
Profit/(loss) for the year	4 167	(46 787)	(42 620)	-	(42 620)
Total assets	**1 026 538**	**774 202**	**1 800 740**	**(1 020 378)**	**780 362**
Total liabilities	**(1 353)**	**(968 376)**	**(969 729)**	**395 775**	**(573 954)**

During the year ended 28 February 2022, R2.6 million or 100% (2021: R1.9 million or 100%) of the Group's revenue depended on the sales of CNG to one customer. This revenue is reported under the Tetra4 operating segment.

Inter-segment revenues and balances are eliminated upon consolidation and are reflected in the 'eliminations' column. The management service arrangement between Renergen and Tetra4 was suspended on 28 February 2021, refer to note 18 for further details. As such there were no management fees (inter-segmental revenue) earned during the year. The nature of the Group's revenue and its disaggregation are provided in note 18.

7. LOAN TO SUBSIDIARY

	COMPANY	
Figures in Rand Thousands	**2022**	**2021**
NON-CURRENT		
Tetra4	**488 677**	**395 775**

The loan to Tetra4 is interest free, unsecured and has no fixed repayment terms. This loan is not expected to be repaid within the next 12 months. The Company determines the expected credit loss on this loan underpinned by the probability of default by Tetra4, which has been assessed as very low as at 28 February 2022 given the prospects associated with its Virginia Gas Plant and exploration and evaluation assets. As such the expected credit loss on this loan has been considered to be immaterial.

Notes to the financial statements

8. DEFERRED TAX

	GROUP 2022				
Figures in Rand Thousands	**At 1 March 2021**	**Recognised in profit or loss**	**At 28 February 2022**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(49 692)	(53 127)	(102 819)	-	(102 819)
Intangible assets	(8 530)	(11 203)	(19 733)	-	(19 733)
Leases	-	(146)	(146)	-	(146)
Provisions	2 991	6 967	9 958	9 958	-
Unutilised tax losses	90 207	66 062	156 269	156 269	-
	34 976	**8 553**	**43 529**	**166 227**	**(122 698)**

	GROUP 2021				
Figures in Rand Thousands	**At 1 March 2020**	**Recognised in profit or loss**	**At 28 February 2021**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(4 041)	(45 651)	(49 692)	-	(49 692)
Intangible assets	(2 123)	(6 407)	(8 530)	-	(8 530)
Put option contracts	(69)	69	-	-	-
Provisions	-	2 991	2 991	2 991	-
Unutilised tax losses	33 037	57 170	90 207	90 207	-
	26 804	**8 172**	**34 976**	**93 198**	**(58 222)**

	COMPANY 2022				
Figures in Rand Thousands	**At 1 March 2021**	**Recognised in profit or loss**	**At 28 February 2022**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	177	-	177	177	-
Unutilised tax losses	3 632	387	4 019	4 019	-
	3 809	**387**	**4 196**	**4 196**	**-**

	COMPANY 2021				
Figures in Rand Thousands	**At 1 March 2020**	**Recognised in profit or loss**	**At 28 February 2021**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	(177)	354	177	177	-
Unutilised tax losses	2 662	970	3 632	3 632	-
	2 485	**1 324**	**3 809**	**3 809**	**-**

The losses incurred by the Group are mainly attributable to its subsidiary, Tetra4. Tetra4 is in the process of constructing the Virginia Gas Plant and conducting exploration activities. Its revenues have therefore been minimal to date. The Virginia Gas Plant is expected to become operational in June 2022.

As at 28 February 2022 the Group's estimated tax losses were R964.6 million (2021: R603.0 million). These tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. The tax losses are available to be offset against future taxable profits. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a minimum of R1.0 million) against taxable income in a specific year. A Group net deferred taxation asset of R43.5 million (2021: R35.0 million) has been recognised as it is estimated that future profits will be available against which the assessed losses can be utilised.

It is the policy of the Group to recognise deferred tax on part of the tax losses of the Group. Unused tax losses for which no deferred tax has been recognised total R385.9 million as at 28 February 2022 (2021: R334.8 million).

Change in tax rate

On 24 February 2021, a reduction in the corporate tax rate from 28% to 27% for years of assessment commencing 1 April 2022 was announced. This impacts the measurement of deferred tax assets and liabilities which must be measured at the tax rates that are expected to apply to the period in which the underlying asset or liability is realised or settled. The impact on the Group of this change in the future tax rate is not material.

9. RESTRICTED CASH

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
NON-CURRENT				
Environmental rehabilitation guarantee cash	3 738	2 887	-	-
CURRENT				
Debt Service Reserve account	34 257	16 139	-	-
	37 995	**19 026**	**-**	**-**

Environmental Rehabilitation Guarantee Cash

The Group has an obligation to manage the negative environmental impact associated with its exploration activities in the Free State. In this regard, the Group has recognised a rehabilitation provision of R30.8 million (2021: R4.0 million) as disclosed in note 16. Tetra4 has invested R3.7 million (2021: R2.9 million) in a call account which has been ringfenced for use towards the settlement of the environmental rehabilitation obligation. Interest earned on the call account is re-invested. This restricted cash has been classified as a non-current asset as the rehabilitation programme is not expected to commence in the next 12 months.

Debt Service Reserve Account

As part of the terms of the DFC finance agreement (see note 14) Tetra4 is required at any given date, to reserve in a US dollar denominated bank account the sum of all payments of principal, interest and fees required to be made to the DFC within the next 6 months. Should Tetra4 default on any payments due and payable, the DFC reserves the right to fund the settlement of amounts due from this bank account. The bank account is restricted and all interest earned accrues to Tetra4. This interest is recorded in interest income on the Statement of Profit or Loss and Other Comprehensive Income.

The Debt Service Reserve Account is held as security for the DFC loan (see note 14). Foreign exchange gains amounting to R1.8 million were recognised during the year under review with respect to this account. Excluding the impact of foreign exchange differences the year-on-year increase in total restricted cash amounted to R17.2 million as shown in note 26.

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
FINANCIAL INSTRUMENTS				
Trade receivables	565	2 312	-	100
Other receivables	927	138	882	-
	1 492	**2 450**	**882**	**100**
NON-FINANCIAL INSTRUMENTS				
Value-added tax	25 529	5 139	75	-
Prepayments	11	180	-	180
	25 540	**5 319**	**75**	**180**
Total trade and other receivables	**27 032**	**7 769**	**957**	**280**

Current year other receivables primarily comprise amounts due for shares issued in February 2022. Due to banking delays the funds were received immediately after the year end. Prior year other receivables comprised bursary repayments receivable.

The increase in value-added tax ("VAT") receivable is attributable to the recovery of VAT on the importation of equipment for the Virginia Gas Plant. There was an increase in the importation of equipment in the current year relative to the prior year, as the construction of Phase 1 of the plant nears completion.

Trade receivables are generally on 30 day terms and are not interest bearing. At 28 February 2022, the Group is subjected to significant concentration risk as it only has one customer.

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments.

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
At amortised cost	1 492	2 450	882	100
Non-financial instruments	25 540	5 319	75	180
Total	**27 032**	**7 769**	**957**	**280**

The Group applies a simplified approach of recognising lifetime expected credit losses for trade receivables as these items do not have a significant financing component. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience, adjusted as appropriate for current observable data. Current observable data includes market conditions, macroeconomic factors and known data about the financial position of the customer. Expected credit losses attributable to trade receivables were assessed as immaterial as at 28 February 2022 (2021: Rnil).

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Cash and cash equivalents consist of:				
Cash at banks and on hand	36 714	24 219	2 769	1 096
Short-term deposits	58 374	106 659	6 593	-
Total	**95 088**	**130 878**	**9 362**	**1 096**

Cash at banks earns interest at floating rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Included in cash at banks and on hand is R2.2 million (2021: nil) denominated in Australian Dollars. There are no amounts denominated in US Dollars at 28 February 2022 (2021: R17.2 million).

Notes to the financial statements

12. STATED CAPITAL

	GROUP		COMPANY	
	2022	2021	2022	2021
AUTHORISED	**'000**	**'000**	**'000**	**'000**
500 000 000 no par value shares (number)	500 000	500 000	500 000	500 000
RECONCILIATION OF NUMBER OF SHARES ISSUED				
Balance at 1 March	117 508	117 427	117 508	117 427
Issue of shares - ordinary shares issued for cash	6 400	-	6 400	-
Issue of shares - share incentive scheme, non-cash	26	81	26	81
Balance at 28 February	**123 934**	**117 508**	**123 934**	**117 508**
RECONCILIATION OF ISSUED STATED CAPITAL	**R'000**	**R'000**	**R'000**	**R'000**
Balance at 1 March	453 078	452 254	1 051 477	1 050 653
Issue of shares	113 376	824	113 376	824
Issue of shares - ordinary shares issued for cash	113 115	-	113 115	-
Issue of shares - share incentive scheme, non-cash	261	824	261	824
Share issue costs	(2 576)	-	(2 576)	-
Balance at 28 February	**563 878**	**453 078**	**1 162 277**	**1 051 477**

Shares issued for cash during the year under review comprise:

Nature	Date	Number of shares issued '000	Issue price Rand	Value of shares issued R'000
Issue of Chess Depositary Interests on the Australian Stock Exchange[1]	25 June 2021	2 474	18,24	45 129
Issue of shares on the Johannesburg Stock Exchange[1]	25 June 2021	3 178	19,10	60 709
Exercise of options[2]	Various	748	9,73	7 277
		6 400		**113 115**

[1] Shares were issued to numerous parties consisting of existing and new domestic and international institutions and sophisticated investors, under the Company's general authority to issue shares for cash.
[2] Issue price represents the average exercise price of the options exercised during the year, under the Company's specific authority to issue shares for cash.

The shareholder analysis is provided on page 184. Numbers presented above are impacted by rounding.

13. EQUITY SETTLED SHARE-BASED PAYMENTS

EMPLOYEE BONUS SHARE SCHEME

Shares were granted to executive directors, senior management and general employees on 6 July 2018, 17 May 2019, 1 March 2020 and 1 July 2021 pursuant to the Bonus Share Scheme approved by shareholders in September 2017. All shares vest after 3 years of employment with the Group and there are no other vesting conditions. Shares granted to participants which have not yet vested lapse if the director or employee leaves the Group. Shares granted to an executive director, senior management and general employees on 6 July 2018 vested on 6 July 2021.

The fair value per share on grant date relates to the 30 day volume weighted average price per share on the JSE on the grant date (VWAP).

	GROUP AND COMPANY					
	28 FEBRUARY 2022			28 FEBRUARY 2021		
Reconciliation of shares granted to date:	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R'000)**	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R'000)**
Balance at the beginning of the year	433		4 864	277		2 479
ALLOCATION FOR THE YEAR	145	22,78	3 325	252	13,55	3 411
Executive Directors	106	22,78	2 425	195	13,55	2 648
Senior management	20	22,78	457	53	13,55	715
General employees	19	22,78	443	4	13,55	48
VESTED SHARES FOR THE YEAR	(27)	9,90	(261)	(81)	10,22	(824)
Executive Directors	(10)	9,90	(97)	(59)	10,22	(600)
Senior management	(7)	9,90	(67)	(22)	10,22	(224)
General employees	(10)	9,90	(97)	-	-	-
LAPSED SHARES FOR THE YEAR	(65)	12,15	(790)	(15)	13,34	(202)
Senior management	(61)	11,59	(707)	(11)	13,55	(147)
General employees	(4)	22,78	(83)	(4)	12,81	(55)
Balance at the end of the year	**486**		**7 138**	**433**		**4 864**

SHARE OPTIONS GRANTED

Renergen granted share options to its ASX lead advisor, corporate advisor and Non-executive Director pursuant to the ASX IPO on 6 June 2019.

On 6 June 2019, 1 million share options with a strike price of AUD0.96 per option were granted to Dr David King, a Non-executive Director. A quarter (250 000) of these share options vest annually after every year of completed service.

On 6 June 2019, 3.4 million share options with a strike price of AUD0.96 per option and 1.7 million share options with a strike price of AUD0.80 per option were granted to the lead and corporate advisors. These share options vested on the grant date.

During the year under review the ASX lead advisor and corporate advisor exercised 0.3 million share options (at AUD0.80 or R10.33) and 0.4 million share options (at AUD0.80 or R9.23), respectively.

On 17 December 2021, 9.9 million share options were granted to executive directors, senior management and general employees of the Group as follows:

- 1.3 million share options with a strike price of R37.50 which vest over a 2 year period;
- 2.1 million share options with a strike price of R50.00 which vest over a 3 year period;
- 2.9 million share options with a strike price of R62.50 which vest over a 4 year period; and
- 3.6 million share options with a strike price of R75.00 which vest over a 5 year period.

The above share options were granted pursuant to the Equity-settled Share Appreciation Rights Plan (SAR Plan) approved by shareholders in July 2021. Awards will be subject to the fulfilment of both predetermined Performance Condition(s) and continued employment, with Participants having 5 (five) years from the Award Date to achieve any or all Performance Conditions. Depending on the applicable job level and level of seniority of the employee, the Award may be divided into no more than 4 (four) separate portions, each of which will be linked to separate Performance Condition(s) and Performance Period(s) as follows:

Portion 1:
Performance Condition of delivering a share price of at least R75 per share – 2 year Performance Period

Portion 2:
Performance Condition of delivering a share price of at least R100 per share – 3 year Performance Period

Portion 3:
Performance Condition of delivering a share price of at least R125 per share – 4 year Performance Period

Portion 4:
Performance Condition of delivering a share price of at least R150 per share – 5 year Performance Period

SHARE OPTIONS	GROUP AND COMPANY							
	28 FEBRUARY 2022				28 FEBRUARY 2021			
Reconciliation of share options granted to date to the ASX lead advisor, corporate advisor and Non-executive Director:	**Number of share options granted ('000)**	**Fair value per share option at grant date Rand**	**Value of share options (R'000)**	**Weighted average exercise price (Rand)[1]**	**Number of shares awarded ('000)**	**Fair value per share option at grant date Rand**	**Value of shares (R'000)**	**Weighted average exercise price (Rand)1**
Balance at 1 March	5 549		6 342	10,37	5 299		6 289	10,28
Granted during the year	**250**		**52**	**10,59**	**250**		**53**	**11.18**
Non-executive Director	250	0,21	52	10,59	250	0,21	53	11,18
Exercised during the year	**(748)**		**(1 025)**	**9,73**	**-**		**-**	**-**
ASX lead advisor	(338)	1,03	(348)	10,33	-	-	-	-
Corporate advisor	(410)	1,65	(677)	9,23	-	-	-	-
Total share options awarded to date	**5 051**		**5 369**	**8,92**	**5 549**		**6 342**	**10,37**
Exerciseable at 28 February	**5 051**		**5 369**	**8,92**	**5 549**		**6 342**	**10,37**

[1] Exercise prices are denominated in Australian Dollars and have been translated into South African Rand at the prevailing exchange rate at each year end date or on the date that the share options were exercised.

The fair value at grant date of all share options awarded was determined using Monte Carlo Method.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

			Exercise price (Rand)[1]		Number of share options ('000s)	
	Grant date	**Expiry date**	**2022**	**2021**	**2022**	**2021**
ASX lead advisor	6 June 2019	6 June 2023	10,59	11,18	3 041	3 379
Corporate advisor	6 June 2019	6 June 2023	8,82	9,32	1 260	1 670
Non-executive Director	6 June 2019	6 June 2023	10,59	11,18	750	500
					5 051	**5 549**

[1] Exercise prices are denominated in Australian Dollars and have been translated into South African Rand at the prevailing exchange rate at each year end date.

SAR PLAN	GROUP AND COMPANY							
	28 FEBRUARY 2022				28 FEBRUARY 2021			
Reconciliation of share options granted to date under the SAR Plan:	**Number of share options granted ('000)**	**Fair value per share option at grant date Rand**	**Value of share options (R'000)**	**Weighted average exercise price (Rand)**	**Number of shares awarded ('000)**	**Fair value per share option at grant date Rand**	**Value of shares (R'000)**	**Weighted average exercise price (Rand)**
Balance at 1 March	-		-	-	-		-	-
Granted during the year								
Executives, senior management and general employees	9 956		15 479	61,10	-		-	-
Tier 1	1 344	4,64	6 236	37,50	-	-	-	-
Tier 2	2 067	2,20	4 547	50,00	-	-	-	-
Tier 3	2 906	1,14	3 313	62,50	-	-	-	-
Tier 4	3 639	0,38	1 383	75,00	-	-	-	-
Total shares awarded to date	**9 956**		**15 479**	**61,10**	**-**		**-**	**-**
Exerciseable at 28 February	**-**		**-**	**-**	**-**		**-**	**-**

The fair value at grant date of all share options awarded was determined using Monte Carlo Method. The significant inputs into the model are provided below.

	Tier 1	Tier 2	Tier 3	Tier 4
Spot price	R30.14	R30.14	R30.14	R30.14
Volatility	52,6%	39,5%	32,9%	26,3%
Risk-free rate	5%	5%	5%	5%
Option life	2 years	3 years	4 years	5 years
Strike price	37,50	50,00	62,50	75,00
Dividend yield	0%	0%	0%	0%

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

			Exercise price (Rand)		Number of share options ('000s)	
	Grant date	Expiry date	2022	2021	2022	2021
Tier 1	17 Dec 2021	17 Dec 2023	37,50	-	1 344	-
Tier 2	17 Dec 2021	17 Dec 2024	50,00	-	2 067	-
Tier 3	17 Dec 2021	17 Dec 2025	62,50	-	2 906	-
Tier 4	17 Dec 2021	17 Dec 2026	75,00	-	3 639	-
					9 956	**-**

RECONCILIATION OF SHARE-BASED PAYMENTS RESERVE

	GROUP	
Figures in Rand Thousands	**2022**	**2021**
Balance at the beginning of the year	8 500	7 526
Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss[1]	**-**	**1 007**
Executive Directors	-	921
Senior management	-	86
Bonus share scheme - share-based payments expense for Tetra4 participants[1]	**2 086**	**791**
Executive Directors	1 609	463
Senior management	252	310
General employees	225	18
Share options - share-based payments expense charged to profit or loss[1]	**1 362**	**52**
Tetra4 Executives, senior management and general employees	1 310	-
Non-executive Director	52	52
Shares which lapsed during the year[1]	(333)	(52)
Vested shares issued during the year	(261)	(824)
Balance at the end of the year	**11 354**	**8 500**

[1] Total share-based payments expenses amount to R3 115 000 for the year under review as presented in the statement of comprehensive income (2021: R1 789 000).

Notes to the financial statements

	COMPANY	
Figures in Rand Thousands	**2022**	**2021**
Balance at the beginning of the year	8 500	7 526
Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss[1]	**-**	**1 007**
Executive Directors	-	921
Senior management	-	86
Bonus share scheme - share-based payments expense for Tetra4 participants[2]	**2 086**	**791**
Executive Directors	1 609	463
Senior management	252	310
General employees	225	18
Share options - share-based payments expense charged to profit or loss	**1 362**	**52**
Tetra4 Executives, senior management and general employees[2]	1 310	-
Non-executive Director[1]	52	52
Shares which lapsed during the year - Tetra4[2]	(333)	-
Shares which lapsed during the year - Renergen[1]	-	(52)
Vested shares issued during the year	(261)	(824)
Balance at the end of the year	**11 354**	**8 500**

[1] Total share-based payments expenses amount to R52 000 for the year under review as presented in the statement of comprehensive income (2021: R1 007 000).
[2] Total share-based payments recognised as an equity contribution amount to R3 063 000 for the year under review (2021: R791 000).
Read together with note 5.

14. BORROWINGS

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
HELD AT AMORTISED COST				
Molopo Energy Limited (Molopo)	46 761	43 053	-	-
US International Development Finance Corporation (DFC)	614 004	491 240	-	-
Industrial Development Corporation (IDC)	162 075	-	-	-
Total	**822 840**	**534 293**	**-**	**-**

The classification of the above borrowings between long-term and short-term is as follows:

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Non-current liabilities				
Molopo	46 761	43 053	-	-
DFC	564 220	491 240	-	-
IDC	162 075	-	-	-
	773 056	**534 293**	**-**	**-**
Current liabilities				
DFC	49 784	-	-	-
	49 784	**-**	**-**	**-**
Total	**822 840**	**534 293**	**-**	**-**

Movements in the Group's borrowings are analysed in note 27.

Molopo

Tetra4 entered into a R50.0 million loan agreement with Molopo on 1 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 from Molopo to Windfall Energy Proprietary Limited. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 declares a dividend and utilising a maximum of 36% of the distributable profits in order to pay the dividend. If by 31 December 2022 the loan is not repaid, the loan shall bear interest at the prime lending rate plus 2% and will have no repayment terms. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits based on Tetra4's most recent forecasts. As such, the loan has been classified as long term. The loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo has been settled.

The loan is discounted to present value for the period that it is interest free, at a discount rate which is equal to the prime lending rate plus 2.00% which at 28 February 2022 is 9.50% (prime lending rate of 7.50% plus 2.00%) (2021: 9.00%) The imputed interest expense is included in profit and loss. The fair value of the loan amount outstanding at 28 February 2022 amounts to R46.8 million (2021: R43.1 million).

DFC

Tetra4 entered into a US$40.0 million finance agreement with DFC on 20 August 2019 ("Facility Agreement"). The first draw down of US$20.0 million took place in September 2019, the second draw down of US$12.5 million in June 2020 and the final drawdown of US$7.5 million on 28 September 2021. Tetra4 shall repay the loan in equal quarterly instalments of US$1.1 million (R16.6 million using the rate at 28 February 2022) on each payment date beginning on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group's assets under construction, land and the Debt Service Reserve Account disclosed in notes 3 and 9.

Interest

The first drawdown of $20.0 million attracts interest of 2.11% per annum. Interest on the second and final drawdowns is 1.49% and 1.24% per annum, respectively.

Interest is payable by Tetra4 to the DFC quarterly on 15 February, 15 May, 15 August and 15 November of each year (Repayment Dates) for the duration of the loan. This interest is capitalised to assets under construction within PPE in line with the Group policy. Interest paid during the year totalled US$0.6 million (R9.7 million) (2021: US$0.5 million (R9.0 million)).

Guaranty fee

A guaranty fee of 4% per annum is payable by Tetra4 to DFC on any outstanding loan balance. The guaranty fee is payable quarterly on the Repayment Dates. Tetra4 paid guaranty fees totalling US$1.3 million (R21.0 million) during the year under review (2021: US$1.1 million (R18.6 million)).

Commitment fee

A commitment fee of 0.5% per annum is payable by Tetra4 to the DFC on any undisbursed amounts under the Facility Agreement. Commitment fees are payable quarterly on the Repayment Dates. Tetra4 paid commitment fees totalling US$2 500 (R38 250) during the year under review (2021: US$0.04 million (R0.6 million)).

Facility fee

A once-off facility fee of US$0.4 million (R4.8 million) was paid by Tetra4 to the DFC prior to is first drawdown on 26 September 2019.

Maintenance fee

An annual maintenance fee of US$0.04 million is payable by Tetra4 to the DFC for the duration of the loan term and is payable on 15 November of each year, commencing on 15 November 2020. The maintenance fee covers administrative costs relating to the loan. Tetra4 paid US$0.04 million (R0.5 million) during the year under review (2021: US$0.04 million (R0.5 million)).

Debt covenants

The following debt covenants apply to the DFC loan:

a) Tetra4 is required to maintain at all times i) a ratio of all interest bearing Debt to EBITDA of not more than 3.0 to 1; (ii) a ratio of Current Assets to Current Liabilities of not less than 1 to 1; and (iii) a Reserve Tail Ratio of not less than 25%.

(b) Tetra4 is required to maintain at all times (i) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, of not less than 1.30 to 1; and (ii) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the next succeeding four (4) consecutive full fiscal quarters of not less than 1.3 to 1.

(c) Tetra4 is required to ensure that the Debt Service Reserve Account (note 9) is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply 18 months after the completion of the construction of the Virginia Gas Plant. The Group has complied with the covenant under c) above for the year under review and believes that it will be able to comply with the covenants throughout the tenure of the loan.

"Reserve Tail Ratio" means for any calculation date, the quotient obtained by dividing (a) all of the Borrower's remaining Proved Reserves as of such calculation date by (b) all of the Borrower's Proved Reserves as of the date of this Agreement.

IDC

Tetra4 entered into a R160.7 million loan agreement with the IDC on 17 December 2021. An amount of R158.8 million was drawn down on 22 December 2021 and is repayable in 102 equal monthly payments commencing in July 2023. The loan terms include a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% and is secured by a pledge of the Group's assets under construction, land and the Debt Service Reserve Account disclosed in notes 3 and 9.

Debt coventants

The following debt covenants apply to the IDC loan.

a) Tetra4 is required to maintain the following the same financial and reserve tail ratios as mentioned under the DFC loan.

b) In addition, Tetra4 shall not make any shareholder dividend distribution, repay any shareholders' loans and/or pay any interest on shareholders' loans or make any payments whatsoever to its shareholders without the IDC's prior written consent, if:

- Tetra4 is in breach of any term of the loan agreement; or
- The making of such payment would result in a breach of any one or more of the financial ratios above.

The covenants in a) will apply from 1 August 2023.

15. LEASE LIABILITIES

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Non-current liabilities	1 407	3 183	-	-
Current liabilities	1 775	3 007	-	-
	3 182	**6 190**	**-**	**-**

The maturity analysis of lease liabilities is as follows:

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Lease payments				
Due within one year	1 990	3 487	-	-
Due within two to five years	1 518	3 509	-	-
	3 508	**6 996**	**-**	**-**
Finance charges	(326)	(806)	-	-
Net present value	**3 182**	**6 190**	**-**	**-**

The lease liability relates to the lease of certain motor vehicles and the head office building. At the end of the lease term, the Group will take ownership of the motor vehicles. The net book value of the right of use assets as at 28 February 2022 is R3.7 million (28 February 2021: R6.2 million). The lease term for motor vehicles is 5 years and 3 years for the head office building.

There were no breaches or defaults on contracts during the current or comparative period.

The expenses relating to lease payments not included in the measurement of the lease liability is as follows:

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Short term leases	-	-	-	-
Leases of low value assets	386	227	-	-
Total	**386**	**227**	**-**	**-**

As at 28 February 2022 the Group was committed to leases of low value assets and total commitments at that date were R0.5 million (2021: R0.9 million). Payments made during the year relating to low value leases totalled R0.4 million (2021: R0.2 million).

A reconciliation for the related right-of-use assets is provided in note 3 and the interest expense on leases are disclosed in note 23.

The movement in lease liabilities is outlined below:

Group 2022

Figures in Rand Thousands	**At 1 March 2021**	**Interest expense**	**Interest paid**	**Lease payments**	**At 28 February 2022**
Lease liabilities	6 190	480	(480)	(3 008)	3 182
Total	**6 190**	**480**	**(480)**	**(3 008)**	**3 182**

Group 2021

Figures in Rand Thousands	**At 1 March 2020**	**Non-cash movements: terminations**	**Non-cash movements: additions**	**Interest paid**	**Lease payments**	**At 28 February 2021**
Lease liabilities	5 512	(2 076)	5 850	(572)	(2 524)	6 190
Total	**5 512**	**(2 076)**	**5 850**	**(572)**	**(2 524)**	**6 190**

Company 2021

Figures in Rand Thousands	**At 1 March 2020**	**Non-cash movements: terminations**	**Interest paid**	**Lease payments**	**At 28 February 2021**
Lease liabilities	3 370	(2 075)	(243)	(1 052)	-
Total	**3 370**	**(2 075)**	**(243)**	**(1 052)**	**-**

16. PROVISONS

RECONCILIATION OF PROVISIONS

	GROUP					
			2022			2021
Figures in Rand Thousands	Opening Balance	Additions / (reversals)	Total	Opening Balance	Additions / (reversals)	Total
NON-CURRENT LIABILITIES						
Environmental rehabilitation	4 000	25 486	29 486	4 000	-	4 000
CURRENT LIABILITIES						
Environmental rehabilitation	-	1 272	1 272	-	-	-
Provision for IDC costs	2 180	(2 180)	-	2 180	-	2 180
	2 180	**(908)**	**1 272**	**2 180**	**-**	**2 180**
Total	**6 180**	**24 578**	**30 758**	**6 180**	**-**	**6 180**

Additional amounts recognised with respect to the rehabilitation provision were recorded against assets under construction within property, plant and equipment (see note 3). There is no unwinding of the discount typically applied on initial recognition of provisions as the additional rehabilitation costs amounting to R26.8 million were recognised at 28 February 2022. The unwinding of the discount applicable to the opening balance of R4.0 million is immaterial.

ENVIRONMENTAL REHABILITATION

The Group has production and exploration rights on land in the Free State (South Africa). Exploration is currently ongoing and a provision of R30.8 million (2021: R4.0 million) has been recognised with respect to the rehabilitation of this land. This amount is based on an estimate of the costs to be incurred to address the following:

- Disturbed infrastructure areas;
- Existing production wells and all exploration wells;
- General surface rehabilitation;
- Monitoring; and
- Latent/residual environmental risk related to resealing wells.

This note should be read together with notes 3 and 9.

IDC PROVISION

The Group entered into a loan agreement with the IDC on 31 March 2017 for an amount equal to R218.0 million to fund the acquisition and construction of the gas gathering pipeline and associated installation costs, compression stations, power steam and plant in Virginia in the Free State province. Shortly after concluding the loan agreement the Board took a strategic decision to pivot away from compressed natural gas (CNG) and opted to develop a liquified natural gas (LNG) and helium facility. The loan

agreement was cancelled during the 2019 financial year and a provision of R5.8 million was raised by the Group as at 28 February 2019 for commitment and administration fees incurred on the IDC funding agreement. As agreed with the IDC the provision was reduced during the 2020 year to 1% of the amount that would have been advanced. During the current year the provision was reversed due to the cancellation by the IDC of the historical commitment and administration fees on inception of the new loan agreement referred to in note 14.

17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
FINANCIAL INSTRUMENTS				
Trade payables	6 225	3 976	180	64
Accrued bonus	3 344	5 637	-	1 034
Accrued expenses*	9 275	14 133	544	196
NON-FINANCIAL INSTRUMENTS				
Accrued leave pay	2 758	3 486	-	-
Value-added tax	-	59	-	59
Total	**21 602**	**27 291**	**724**	**1 353**

*Accrued expenses includes an accrual for new plant preparation costs of R5.9 million (included in assets under construction note 3). Prior year accruals included gas gathering costs (also included in assets under construction note 3) of R10.1 million.

The carrying values of the Group's trade and other payables are denominated in the following currencies:

US Dollar	28	-	-	-
Australian Dollar	144	-	139	-
South African Rand	21 430	27 291	585	1 353
	21 602	**27 291**	**724**	**1 353**

Notes to the financial statements

18. REVENUE

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of CNG	2 637	1 925	-	-
Management fees	-	-	-	16 442
	2 637	**1 925**	**-**	**16 442**

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
SALE OF GOODS				
Sale of CNG	2 637	1 925	-	-
PROVISION OF SERVICES				
Management fees	-	-	-	16 442
Total revenue from contracts with customers	**2 637**	**1 925**	**-**	**16 442**

Revenue increased by 37% during the year under review as Tetra4 was fully operational throughout the year. Tetra4 did not trade for two months in the prior comparative period due to COVID-19 lockdown restrictions.

The management service fee arrangement between Renergen and Tetra4 was suspended on 28 February 2021 pending the finalisation of the management restructuring which will allocate the existing management team between the two entities based on the requirements of the Group once the plant becomes operational. As such there were no management fees earned during the period.

This note should be read together with note 6 which provides details on the disaggregation and concentration of revenue.

19. COST OF SALES

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Employee costs	689	838	-	-
Plant depreciation	2 142	1 841	-	-
Repairs and maintenance	-	59	-	-
Fuel and lubricants	88	-	-	-
Utilities	493	104	-	-
	3 412	**2 842**	**-**	**-**

20. OTHER OPERATING INCOME

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Rental income	-	144	-	899
Profit on disposal of asset	-	460	-	460
Net foreign exchange gains	3 569	-	12	-
Other income	167	307	-	399
	3 736	**911**	**12**	**1 758**

The net foreign exchange gains above (losses in the prior year per note 21) arose on translation of foreign creditors.

21. OTHER OPERATING EXPENSES

		GROUP		COMPANY	
Figures in Rand Thousands		**2022**	**2021**	**2022**	**2021**
OPERATING EXPENSES BY NATURE					
Consulting and advisory fees	1	1 883	6 099	1 148	3 258
Listing costs	2	1 568	437	1 568	437
Employee costs	3	3 280	6 417	-	1 017
Depreciation and amortisation	4	3 378	3 060	322	1 572
Net foreign exchange losses	5	-	8 916	-	100
Computer and IT expenses		3 412	2 619	16	4
Security		1 871	1 095	-	-
Insurance		1 548	1 534	-	-
Legal and professional fees		4 529	3 336	2 230	2 675
Other operating costs	7	9 107	3 132	428	378
Directors fees - Non-executive		2 295	2 162	2 295	2 162
Executive directors' remuneration	6	5 336	6 162	-	3 122
		38 207	**44 969**	**8 007**	**14 725**

1 *Prior year consulting and advisory fees were significantly higher than the current year due to expertise sought to enhance and further define the Group's exploration strategy. Current year fees primarily comprise tax advisory, remuneration consultancy and corporate research costs.*
2 *Listing costs in the current year were impacted by additional listing fees for the shares issued as highlighted in note 12.*
3 *Excludes employee costs amounting to R0.7 million (2021: R0.8 million) attributable to the manufacturing of gas sold which are included in cost of sales. There were more employee costs capitalised to assets under construction in the current year due to the advancement of the construction of the Virginia Gas Plant which is nearing completion.*
4 *Excludes depreciation for plant and machinery amounting to R2.1 million (2021: R1.8 million) which is included in cost of sales.*
5 *There is a net foreign exchange gain of R3.6 million in the current year (see note 20).*
6 *Directors fees amounting to R9.7 million (2021: R7.1 million) were capitalised to assets under construction (note 3) during the year under review.*
7 *The remaining other operating costs primarily consist of marketing and advertising expenses, travel and accomodation costs, training expenses, office expenses, motor vehicle costs, repairs and maintenance and exploration expenses.*

Notes to the financial statements

22. INTEREST INCOME

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Interest income - cash and cash equivalents	275	672	83	621
	275	**672**	**83**	**621**

23. INTEREST EXPENSE AND IMPUTED INTEREST

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Interest - leasing arrangements	480	572	-	243
Imputed interest - borrowings	3 708	4 113	-	-
Interest - other	29	6	-	3
	4 217	**4 691**	**-**	**246**

24. TAXATION

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
MAJOR COMPONENTS OF THE TAX INCOME				
Deferred				
Originating and reversing temporary differences	8 553	3 343	387	(1 132)
Prior year underprovision	-	4 829	-	2 456
	8 553	**8 172**	**387**	**1 324**
RECONCILIATION OF EFFECTIVE TAX RATE				
Accounting (loss)/profit before taxation	(42 303)	(50 792)	(7 964)	2 843
Tax at the applicable tax rate of 28% (2021: 28%)	11 845	14 222	2 230	(796)
Tax effect of:				
Non-deductible expenses[1]	(1 440)	(1 736)	(14)	(336)
Current year losses for which no deferred tax asset has been recognised	(9 288)	(9 143)	(1 614)	-
Increase in rehabilitation guarantee	9 057	-	-	-
Effect of change in tax rate	(1 621)	-	(215)	-
Prior year underprovision[2]	-	4 829		2 456
	8 553	**8 172**	**387**	**1 324**

[1] *Non-deductible expenses primarily comprise share-based payments expenses and imputed interest expense.*
[2] *Attributable to deferred tax credits on accruals leave and bonus.*

25. REVALUATION RESERVE

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
Balance at the beginning of the year	598	598	-	-
Balance at the end of the year	**598**	**598**	**-**	**-**

Details pertaining to the revaluation of properties are provided in note 3.

26. CASH USED IN OPERATIONS

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2022**	**2021**	**2022**	**2021**
Loss before taxation		**(42 303)**	**(50 792)**	**(7 964)**	**2 843**
CASH ADJUSTMENTS					
Interest received	22	(275)	(672)	(83)	(621)
Cash interest paid	23	29	6	-	3
Allocation of restricted cash	9	(17 184)	(6 136)	-	-
Right of use liability - interest expense	23	480	572	-	243
NON-CASH ADJUSTMENTS					
Imputed interest	23	3 708	4 113	-	-
Depreciation and amortisation	19, 21	5 520	4 744	322	1 572
Net fair value losses on put option contracts		-	10 298	-	-
Share-based payments expense	13	3 115	1 798	52	1 007
Profit on lease termination		-	(460)	-	(460)
Decrease in IDC provision	16	(2 180)	-	-	-
Decrease in leave pay accrual		(728)	(924)	-	(1 461)
Decrease in bonus accrual		(2 293)	(2 340)	-	(4 872)

Figures in Rand Thousands	Notes	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS					
Net foreign exchange (gains)/losses		(4 899)	3 028	(152)	-
CHANGES IN WORKING CAPITAL					
Trade and other receivables		(19 263)	(1 985)	(677)	284
Trade and other payables		(2 668)	14 170	(629)	(663)
		(78 941)	**(24 580)**	**(9 131)**	**(2 125)**

27. CHANGES IN LIABILITES ARISING FROM FINANCING ACTIVITIES

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	GROUP 2022					
Figures in Rand Thousands	**At 1 March 2021**	**Additions**	**Interest[1]**	**Non-cash movements: foreign exchange losses[2]**	**Repayments[3]**	**At 28 February 2022**
Molopo Energy Limited (Molopo)	43 053	-	3 708	-	-	46 761
US International Development Finance Corporation (DFC)	491 240	112 145	31 293	10 619	(31 293)	614 004
Industrial Development Corporation (IDC)	-	158 844	3 231	-	-	162 075
Total liabilities from financing activities	**534 293**	**270 989**	**38 232**	**10 619**	**(31 293)**	**822 840**

[1] Interest on the Molopo loan is non-cash imputed interest representing the unwinding of the discount applied on initial recognition of the loan (see notes 14 and 23). Interest on the DFC and IDC loans is cash in nature and is capitalised to assets under construction within property, plant and equipment (see note 3).

[2] Exchange differences are capitalised to assets under construction within property, plant and equipments (see note 3)

[3] Repayments of interest and fees attributable to the DFC loan in line with loan terms (see note 14).

	GROUP 2021				
Figures in Rand Thousands	**At 1 March 2020**	**Additions**	**Non-cash movements: imputed interest[1]**	**Non-cash movements: foreign exchange gains[2]**	**At 28 February 2021**
Molopo Energy Limited (Molopo)	38 940	-	4 113	-	43 053
US International Development Finance Corporation (DFC)	312 242	216 282	-	(37 284)	491 240
Total liabilities from financing activities	**351 182**	**216 282**	**4 113**	**(37 284)**	**534 293**

[1] Interest on the Molopo loan is non-cash imputed interest representing the unwinding of the discount applied on initial recognition of the loan (see notes 14 and 23).
[2] Exchange differences are capitalised to assets under construction within property, plant and equipments (see note 3)

28. COMMITMENTS

Contingent liabilities

There are no contingent liabilities as at 28 February 2022 (2021: nil) attributable to any of the Group companies.

Commitments			**2022**
Figures in Rand Thousands	**Spent to date**	**Contractual commitments**	**Total approved**
Capital equipment	390,0	219,7	609,7
TOTAL	**390,0**	**219,7**	**609,7**

Commitments			**2021**
Figures in Rand Thousands	**Spent to date**	**Contractual commitments**	**Total approved**
Capital equipment	321,6	207,5	529,1
TOTAL	**321,6**	**207,5**	**529,1**

The Board approved total project costs amounting to R1.1 billion relating to the construction of the Virginia Gas Plant which consist of R609.7 million (2021: R529.1 million) in contractual commitments for capital equipment. The remaining amount of R516.3 million has not been contracted or does not relate to capital equipment. As at the end of the reporting period the Group had incurred construction and drilling costs as disclosed above and had contractual commitments relating to capital expenditure amounting to R219.7 million (2021: R207.5 million) for the acquisition of property, plant and equipment under various contracts.

29. RELATED PARTIES

RELATIONSHIPS

Subsidiary	Tetra4 (Proprietary) Limited (see note 5)
Shareholder with significant influence	CRT Investments (Proprietary) Limited MATC Investment Holdings (Proprietary) Limited
Companies controlled by Directors	CRT Investments (Proprietary) Limited MATC Investment Holdings (Proprietary) Limited Luhuhi Investments (Proprietary) Limited There were no transactions with companies controlled by Directors in the current year.

Key management personnel include Executive and Non-executive Directors and members of the Executive Committee. Refer to the directors' report for more detail.

RELATED PARTY BALANCES

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
LOAN TO SUBSIDIARY (note 7)				
Balance at the beginning of the year	-	-	395 775	370 907
Loans advanced	-	-	92 902	24 868
Balance at the end of the year	**-**	**-**	**488 677**	**395 775**

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
COSTS CHARGED TO SUBSIDIARY BY PARENT COMPANY				
Office rental	-	-	-	899
Management fees (note 18)	-	-	-	16 442
Total cost	**-**	**-**	**-**	**17 341**

This note should be read together with note 18 regarding management fees.

30. DIRECTORS' AND PRESCRIBED OFFICERS EMOLUMENTS

Figures in Rand Thousands	GROUP					
	NON-EXECUTIVES					
	2022			2021		
Fees paid to Non-executive Directors:	**Directors' board fees**	**Committee fees**	**Total**	**Directors' board fees**	**Committee fees**	**Total**
Brett Kimber	550	59	609	647	71	718
David King	338	4	342	240	-	240
Mbali Swana	240	207	447	240	165	405
Luigi Matteucci	254	224	478	240	185	425
Bane Maleke	254	165	419	240	134	374
TOTAL	**1 636**	**659**	**2 295**	**1 607**	**555**	**2 162**

Francois Olivier appointed as a Non-executive Director in November 2019 to represent Mazi Asset Management (one of Renergen's shareholders) does earn Directors fees.

Figures in Rand Thousands	GROUP								
	EXECUTIVES								
	2022					2021			
Remuneration paid to Executive Directors:	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Other[3]**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Stefano Marani	4 320	860	860	-	6 040	4 000	1 003	1 003	6 006
Fulu Ravele[1]	227	-	-	1 444	1 671	2 721	486	486	3 693
Brian Harvey[2]	2 917	-	500	-	3 417	-	-	-	-
Nick Mitchell	4 320	916	916	-	6 152	4 000	1 003	1 003	6 006
	11 784	**1 776**	**2 276**	**1 444**	**17 280**	**10 721**	**2 492**	**2 492**	**15 705**

[1] *Resigned on 31 March 2021*

[2] *Appointed on 1 May 2021*

[3] *Payment made as part of exit package upon resignation on 31 March 2021*

Figures in Rand Thousands	GROUP							
	PRESCRIBED OFFICERS							
	2022				2021			
Remuneration paid to Prescribed Officers:	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Johann Weideman	1 953	198	198	2 349	1 750	236	236	2 222
Khalid Patel	1 552	149	149	1 850	1 309	155	155	1 619
Mandy-Leigh Stuart	1 399	111	111	1 621	1 017	121	121	1 259
Nalanie Naidu	1 610	148	148	1 906	-	-	-	-
Muhammed Khan[1]	-	-	-	-	1 236	147	147	1 530
	6 514	**606**	**606**	**7 726**	**5 312**	**659**	**659**	**6 630**

[1] *Resigned on 31 January 2021*

Prescribed officers are also members of the Executive Committee and are part of the Group's key management.

Figures in Rand Thousands	GROUP					
	EXECUTIVES AND PRESCRIBED OFFICERS					
	2022			2021		
Bonus shares granted to Executive Directors and Prescribed Officers:	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R'000)**	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R000)**
Stefano Marani	38	22,78	860	74	13,55	1 003
Brian Harvey	22	22,78	500	-	-	-
Fulu Ravele	-	-	-	36	13,55	486
Nick Mitchell	40	22,78	916	74	13,55	1 003
Johann Weideman	9	22,78	198	17	13,55	236
Khalid Patel	6	22,78	149	11	13,55	155
Mandy-Leigh Stuart	5	22,78	111	9	13,55	121
Nalanie Naidu	6	22,78	148	-	-	-
Muhammed Khan	-	-	-	11	13,55	147
	126		**2 882**	**232**		**3 151**

Figures in Rand Thousands	GROUP		
	EXECUTIVES AND PRESCRIBED OFFICERS		
			2022
Share options granted to Executive Directors and Prescribed Officers pursuant to the SAR Plan:	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R'000)**
Stefano Marani	2 360		3 687
Tier 1	320	4,64	1 485
Tier 2	500	2,20	1 100
Tier 3	680	1,14	775
Tier 4	860	0,38	327
Brian Harvey	1 652		2 581
Tier 1	224	4,64	1 039
Tier 2	350	2,20	770
Tier 3	476	1,14	543
Tier 4	602	0,38	229
Nick Mitchell	2 360		3 687
Tier 1	320	4,64	1 485
Tier 2	500	2,20	1 100
Tier 3	680	1,14	775
Tier 4	860	0,38	327
Johann Weideman	400		597
Tier 1	50	4,64	232
Tier 2	75	2,20	165
Tier 3	125	1,14	143
Tier 4	150	0,38	57
Khalid Patel	400		597
Tier 1	50	4,64	232
Tier 2	75	2,20	165
Tier 3	125	1,14	143
Tier 4	150	0,38	57
Mandy-Leigh Stuart	400		597
Tier 1	50	4,64	232
Tier 2	75	2,20	165
Tier 3	125	1,14	143
Tier 4	150	0,38	57
Nalanie Naidu	400		597
Tier 1	50	4,64	232
Tier 2	75	2,20	165
Tier 3	125	1,14	143
Tier 4	150	0,38	57
	7 972		12 343

The performance and service conditions for the above share options and bonus scheme shares are provided in note 13.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

		GROUP					
				2022			2021
Figures in Rand Thousands	Notes	Amortised cost	Total	Fair value	Amortised cost	Total	Fair value
Restricted cash	9	37 995	37 995	37 995	19 026	19 026	19 026
Trade and other receivables	10	27 032	27 032	27 032	7 769	7 769	7 769
Cash and cash equivalents	11	95 088	95 088	95 088	130 878	130 878	130 878
		160 115	**160 115**	**160 115**	**157 673**	**157 673**	**157 673**

		COMPANY					
				2022			2021
Figures in Rand Thousands	Notes	Amortised cost	Total	Fair value	Amortised cost	Total	Fair value
Loan to subsidiary	7	488 677	488 677	488 677	395 775	395 775	395 775
Cash and cash equivalents	11	9 362	9 362	9 362	1 096	1 096	1 096
Trade and other receivables	10	957	957	957	280	280	280
		498 996	**498 996**	**498 996**	**397 151**	**397 151**	**397 151**

Categories of financial liabilities

		GROUP 2022			
Figures in Rand Thousands	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	17	21 602	-	21 602	21 602
Borrowings	14	822 840	-	822 840	822 840
Lease liabilities	15	-	3 182	3 182	3 182
		844 442	**3 182**	**847 624**	**847 624**

		GROUP 2021			
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Leases**	**Total**	**Fair value**
Trade and other payables	17	27 291	-	27 291	27 291
Borrowings	14	534 293	-	534 293	534 293
Lease liabilities	15	-	6 190	6 190	6 190
		561 584	**6 190**	**567 774**	**567 774**

		COMPANY 2022		
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Fair value**
Trade and other payables	17	724	724	724
		724	**724**	**724**

		COMPANY 2021		
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Fair value**
Trade and other payables	17	1 353	1 353	1 353
		1 353	**1 353**	**1 353**

PRE-TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and (losses) on financial assets

		GROUP			
			2022		2021
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS					
Interest income	22	275	275	672	672

		GROUP			
			2022		2021
Figures in Rand Thousands	**Notes**	**Fair value**	**Total**	**Fair value**	**Total**
Net fair value gains on put option contracts	26	-	-	10 298	10 298

		COMPANY			
			2022		2021
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS					
Interest income	22	83	83	621	621

Gains and (losses) on financial liabilities

		GROUP			
			2022		2021
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS					
Gains/(losses) on foreign exchange	20, 21	3 569	3 569	(8 916)	(8 916)
Interest expense	23	(509)	(509)	(578)	(578)
Imputed interest expense	23	(3 708)	(3 708)	(4 113)	(4 113)
		(648)	**(648)**	**(13 607)**	**(13 607)**

		COMPANY			
			2022		2021
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS					
Interest expense	23	-	-	(246)	(246)
Gains/(losses) on foreign exchange	20, 21	12	12	(100)	(100)
		12	**12**	**(346)**	**(346)**

CAPITAL RISK MANAGEMENT

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for all other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's borrowings, cash and cash equivalents and equity are disclosed in notes 14, 11 and 12, respectively. Debt covenants relating to loans are disclosed in note 14.

FINANCIAL RISK MANAGEMENT

Overview

The Group is exposed to a variety of financial risks: market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company and Group's financial performance. The principles for financial management are included in the Group's treasury policy and cover specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of cash resources.

Credit risk

Credit risk is managed on a Group basis as well as on an individual company basis. Credit risk arises mainly from restricted cash (note 9), cash and cash equivalents (note 11), trade and other receivables (note 10) and the loan to subsidiary (note 7). The Company and Group only deposit cash with major banks with high-quality credit standing and limit exposure to any one counterparty. With respect to trade receivables, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which include an assessment of credit worthiness, short term liquidity and financial position. The maximum credit risk exposure of the Company and the Group is the carrying values of trade and other receivables, restricted cash, cash and cash equivalents and the loan to subsidiary disclosed in notes 10, 9, 11 and 7

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		GROUP					
				2022			2021
Figures in Rand Thousands	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	10	1 492	-	1 492	2 450	-	2 450
Restricted cash	9	37 995	-	37 995	19 026	-	19 026
Cash and cash equivalents	11	95 088	-	95 088	130 878	-	130 878
		134 575	**-**	**134 575**	**152 354**	**-**	**152 354**

		COMPANY					
				2022			2021
Figures in Rand Thousands	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loan to subsidiary	7	488 677	-	488 677	395 775	-	395 775
Trade and other receivables	10	882	-	882	100	-	100
Cash and cash equivalents	11	9 362	-	9 362	1 096	-	1 096
		498 921	**-**	**498 921**	**396 971**	**-**	**396 971**

At 28 February 2022, the Group's exposure to credit risk is not material for reasons highlighted above (also see note 10).

Liquidity risk

Management manages cash flows on a Group basis through an ongoing review of future commitments against available cash and credit facilities. Cash flow forecasts are prepared and spending is monitored for compliance with internal targets.

Figures in Rand Thousands	Notes	GROUP 2022 Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES								
Borrowings	14	-	-	-	652 427	341 668	994 095	773 056
Lease Liabilities	15	-	-	-	1 518	-	1 518	1 407
CURRENT LIABILITIES								
Borrowings	14	8 831	25 426	50 673	-	-	84 930	49 784
Trade and other payables	17	18 844	-	2 758	-	-	21 602	21 602
Lease liabilities	15	498	498	994	-	-	1 990	1 775
		28 173	**25 924**	**54 425**	**653 945**	**341 668**	**1 104 135**	**847 624**

Figures in Rand Thousands	Notes	GROUP 2021 Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES								
Borrowings[1]	14	7 211	7 211	14 422	291 134	402 151	722 129	534 293
Lease Liabilities	15	-	-	-	3 509	-	3 509	3 183
CURRENT LIABILITIES								
Trade and other payables	17	23 805	-	3 486	-	-	27 291	27 291
Lease liabilities	15	872	872	1 744	-	-	3 488	3 007
		31 888	**8 083**	**19 652**	**294 643**	**402 151**	**756 417**	**567 774**

[1] Amounts shown as due in 12 months relate to interest and fees that will accrue and become payable during the 12 months after 28 February 2021, and do not relate to the payment of principal on the DFC which becomes due and payable from August 2022. As such all borrowings are reflected as non-current in the statement of financial position. Payment terms of the borrowings are disclosed in note 14.

Figures in Rand Thousands	Notes	COMPANY 2022						
		Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
CURRENT LIABILITIES								
Trade and other payables	17	724	-	-	-	-	724	724
		724	**-**	**-**	**-**	**-**	**724**	**724**

Figures in Rand Thousands	Notes	COMPANY 2021						
		Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
CURRENT LIABILITIES								
Trade and other payables	17	1 353	-	-	-	-	1 353	1 353
		1 353	**-**	**-**	**-**	**-**	**1 353**	**1 353**

Market risk

The Group's financial assets and liabilities affected by market risk include cash and cash equivalents (note 11), restricted cash (note 9) and borrowings (note 14).

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the US Dollar and the Australian Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company and Group review foreign currency exposure, including exposures arising from commitments on an ongoing basis.

Included in the statement of financial position are the following carrying values denominated in currencies other than the Rand:

Figures in Rand Thousands	Notes	GROUP		COMPANY	
		2022	2021	2022	2021
Restricted cash	9	34 257	16 139	-	-
Cash and cash equivalents	11	2 206	17 248	-	-
Trade and other payables	17	28	-	-	-
Borrowings	14	(614 004)	(491 241)	-	-
		(577 513)	**(457 854)**	**-**	**-**

The above financial assets and liabilities are denominated in US Dollars except for the current year cash and cash equivalents which are denominated in Australian Dollars.

	GROUP		COMPANY	
Figures in Rand Thousands	**2022**	**2021**	**2022**	**2021**
A variation in the exchange rate would impact the Group post tax loss as follows:				
Weakening of Rand against the US dollar by 2%	(11 594)	(9 157)	-	-
Strengthening of Rand against the US dollar by 2%	11 594	9 157	-	-

The impact of fluctuations in the Australian Dollar against the Rand is not material at 28 February 2022.

Price risk

The Group is exposed to the risk of fluctuations in the prices of helium and CNG. The Group manages this risk through the use of contract-based prices with its customer which mitigate the volatity that may arise. As the Group grows and the Virginia Gas Plant becomes operational, the Group will consider options available to hedge its price risk exposure and is currently exploring the use of helium tokens currently under development (see note 4) as one way to manage this risk. At 28 February 2022 the Group's exposure to price risk is not material.

Interest rate risk

The Group's interest rate risk arises from its DFC and IDC borrowings disclosed in note 14. The DFC borrowings expose the Group to fair value interest rate risk as they are secured at fixed interest rates. The IDC borrowings expose the Group to cash flow interest rate risk as they are secured at a variable interest rate. If the Group is unable to repay the Molopo loan by 31 December 2022 it will become exposed to further variable interest rate risk, as interest will become payable on the Molopo loan at the prime lending rate plus 2% (see note 14). The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings, and also by monitoring interest rates on a regular basis.

A variation in the interest rate would impact the Group post tax loss as follows:

USD borrowings - DFC				
A 2% increase in the interest rate	(12 280)	(9 825)	-	-
A 2% decrease in the interest rate	12 280	9 825	-	-
Rand borrowings - IDC				
A 5% increase in the interest rate	(8 104)	-	-	-
A 5% decrease in the interest rate	8 104	-	-	-

32. LOSS PER SHARE

Figures in Rand Thousands		GROUP 2022	GROUP 2021
Loss per share			
Basic and diluted	(cents)	(27,73)	(36,29)
Loss attributable to equity holders of the Company used in the calculation of the basic and diluted loss per share	R'000	(33 750)	(42 620)
Weighted average number of ordinary shares used in the calculation of basic loss per share:	**(000's)**	**121 689**	**117 454**
Issued shares at the beginning of the year	(000's)	117 508	117 427
Effect of shares issued during the year (weighted)	(000's)	4 181	27
Add: Dilutive share options		-	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**(000's)**	**121 689**	**117 454**

The share options and bonus scheme shares have not been included in the weighted average number of shares used to calculate the diluted loss per share or the diluted headline loss per share as they are anti-dilutive. These options are anti-dilutive because of the loss position of the Group.

Headline loss per share			
Basic	(cents)	(27,73)	(36,29)
Diluted	(cents)	(27,73)	(36,29)
Reconciliation of headline loss			
Loss attributable to equity holders of the Company	R'000	(33 750)	(42 620)
Headline loss	**R'000**	**(33 750)**	**(42 620)**

The headline loss has been calculated in accordance with Circular 1/2019 issued by the South African Institute of Chartered Accountants.

33. NET ASSET VALUE PER SHARE

		GROUP	
Figures in Rand Thousands		**2022**	**2021**
Number of shares in issue	(000's)	123 934	117 508
Net assets	R'000	286 312	206 408
Tangible net assets	R'000	132 289	94 253
Net asset value per share	**(cents)**	**231,02**	**175,65**
Tangible net asset value per share	**(cents)**	**106,74**	**80,21**

34. EVENTS AFTER THE REPORTING PERIOD

Funding for Phase 2 Helium and LNG development

On 14 March 2022 Ivanhoe Mines Limited ("Ivanhoe") became a 4.35% shareholder in Renergen through an initial placement of 5,631,787 shares at R35.625 per share (equal to a 5% discount to 30-day VWAP) raising a total of R200.6 million. Ivanhoe is a Canadian mining company focused on developing disruptive projects, including the world-class Kamoa-Kakula Copper Project in the Democratic Republic of the Congo.

This strategic investment establishes a pathway for Ivanhoe to increase its shareholding in Renergen up to a 25% shareholding through a market-related (10% discount to 30-day VWAP) Second Subscription, following completion of a 120-day due diligence period (commencing immediately).

Following completion of the Second Subscription, Ivanhoe thereafter has the option to increase its shareholding in Renergen up to 55%, by electing to provide equity funding of up to US$250,000,000 at a market related price (10% discount to 30-day VWAP) for further development and up-scaling of the Virginia Gas Project.

The strategic investment by Ivanhoe comes at a time where the current global LNG and helium markets are in shortfall. It also highlights the excellent growth of Renergen and significant and exciting opportunity for the Virginia Gas Project to become a significant global LNG and helium producer. This transaction also paves the way for Renergen to access significant capital towards the Phase 2 development, diversifies its investor base into North America, and minimises potential dilution to existing shareholders as further investments from Ivanhoe are linked to the prevailing share price at the time of subsequent investments.

Planned disposal of a 10% interest in Tetra4 by Renergen

On 28 March 2022 Renergen signed a non binding term sheet with State-owned Central Energy Fund (CEF) to sell 10% of its subsidiary company Tetra4, 100% owner of Virginia Gas Project for R1.0 billion. Renergen and the CEF have 141 days to execute binding agreements and following completion Renergen has the right to renegotiate price. Proceeds from the CEF subscription will be used to progress development of Phase 2 of the Virginia Gas Project.

The transaction is subject to the following conditions precedent:

- Successful completion of a technical, commercial, financial, legal and tax due diligence;
- Internal CEF approval;
- Department of Minerals and Energy ministerial approval;
- National Treasury approval; and
- Signing of binding legal agreements.

Early success in production drilling programme

On 31 March 2022 Renergen announced early success in its recently commenced production drilling campaign for feed to Phase 1 of the Virginia Gas Project. The first two wells in the campaign have flowed initial gas (gas composition yet to be determined). In addition, the previously reported R2D2 has following clean-up operations increased its flow rate by 18,000 standard cubic feet, or 15% since the well was first completed. The two new wells drilled are as follows:

- Frodo: first well drilled since R2D2 and C3PO. The well was drilled to target depth within 10 days and struck gas early with a flow rate of 23,000 standard cubic feet per day.
- Balrog: the second well drilled and struck gas during the last weekend of March 2022. The flow rate through a diverter is recording 90,000 standard cubic feet per day, indicating potentially higher stabilised flow following clean-up. Drilling is not yet complete and there is still some way to go before reaching target depth

New director appointment

On 4 April 2022 Alex Pickard was appointed as a Non-executive Director of Renergen. Alex Pickard is Vice President, Corporate Development for Ivanhoe.

Commencement of hot commissioning

On 12 April 2022 Renergen announced the commencement of hot commissioning of Phase 1 of the Virginia Gas Project. On 10th of April the generators where synchronised and breaker to the main supply substation was opened and tests conducted. The breaker to the two 6.6/400Kv transformers were opened and will run on a low load condition, to allow the transformers to soak until operating conditions are attained.

In the following days, hot commissioning of various utility systems commenced, starting with Air and Nitrogen. This will enable the flushing of some of the process plant areas to commence and is anticipated to start after the Easter weekend.

Lifting of state of disaster

The National State of Disaster in South Africa was lifted on 5 April 2022 and became effective on that date.

Cold boxes being pre-cooled in preparation for gas

On 2 May 2022 Renergen announced that it has made strong progress in commissioning of Phase 1 of the Virginia Gas Project. The cold boxes are currently in the process of being purged and pre-cooled using liquid nitrogen, which is an important process in preparing the units for acceptance of gas from the field in the coming weeks. A major advantage of using nitrogen to cool the system is that it simultaneously purges the system of any oxygen rich air, which significantly reduces risks associated with fires during start up. Further testing is underway as part of the commissioning process and the Company will inform the market as milestones are reached.

35. COVID-19

Refer to the commentary provided on page 39 regarding the impact of developments with COVID-19 on the Group's operations.

36. GOING CONCERN

The consolidated and separate financial statements have been prepared assuming the Group and Company will continue as going concerns. This contemplates the realisation of assets and settlement of liabilities in the normal course of business during the assessment period. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources, and access to capital and borrowing facilities to continue operations in the normal course of business for the foreseeable future. In reaching this conclusion the Directors' have also considered developments with COVID-19 and the Russia/Ukraine war which had a minimal impact on the Group and its operations during the year under review.