30 September 2024

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Zanaga Iron Ore Company Limited ("ZIOC" or the "Company") (AIM: ZIOC) is pleased to announce its unaudited interim results for the six months ended 30 June 2024 and an update on post reporting period end events to 27 September 2024.

Highlights

- 30Mtpa staged development project (“30Mtpa Project”)
  - 2024 Feasibility Study update process (“2024 FS update”) completed, delivering positive results and further underlining the robust economics of the Company’s 30 Mtpa Project (including both 12Mtpa Stage One ("Stage One"), plus 18Mtpa Stage Two expansion ("Stage Two")).
    - 12Mtpa Stage One
      - Capital investment of US$ 1.94 billlion
      - Operating cost of US$ 31.5 / dmt FOB
      - Net Present Value of US$ 3.68 billion
      - Internal Rate of Return of 26.2%
    - 18Mtpa Stage Two optional expansion
      - Capital investment of US$ 1.87 billion
      - Operating cost of US$ 24.9 / dmt FOB
      - Total combined Net Present Value of US$ 7.36 billion
      - Internal Rate of Return of 28.2%
  - Chinese iron ore technical expert engineering firm (“Chinese EPC Partner”), engaged to lead the 2024 FS update process, now undertaking an optimisation study on the applicability of unique technology relating to the Zanaga 30Mtpa Project (“Optimisation Study”) with the potential to provide further capital and operating cost savings beyond the results of the 2024 FS Update.
  - FEED phase preparation
    - Preparation for the Front End Engineering and Design (FEED) phase of the Zanaga Project is underway, including solicitation of cost and schedule estimates for the various workstreams associated with the FEED phase.
  - Other strategic initiatives
    - Port MoU: Discussions underway with large scale port development companies interested in participating in the development of port infrastructure for the Zanaga Project.
    - Strategic partner initiative: Approaches received from multiple parties interested in the development of the Zanaga Project, particularly following the completion of the 2024 FS update. Challenging global financial conditions caused delays to engagement, however discussions continue and the Company will provide further updates in due course.
- Early Production Project (“EPP Project” or “EPP”) remains under investigation

- Multiple production scenarios remain under investigation on processing facilities and suitable logistics solutions, with a focus on an export solution through the Republic of Congo ("RoC").

Corporate and Funding

- Shard Merchant Capital Ltd ("SMC") equity subscription agreements ("Shard ESAs")
  - Second SMC equity subscription agreement (ESA) update ("2023 ESA") completed, yielding total net proceeds of £2,266,255
  - New ESA signed with SMC on 29 June 2024 ("2024 ESA")
    - Following the successful completion of the 2023 ESA, ZIOC entered into the 2024 ESA with SMC
    - Under the terms of the 2024 ESA the Company will issue and SMC will subscribe for up to 36 million ordinary shares of no par value in the Company ("Subscription Shares") in up to three tranches of up to 12 million shares each.
    - Pursuant to the 2024 ESA, SMC has undertaken to use its reasonable endeavours to place the relevant Subscription Shares that it has subscribed for and to pay to ZIOC 95% of the gross proceeds of any such sales.
  - Proceeds of the Shard ESAs applied to general working capital, including the provision of further contributions to the Zanaga Project's operations
- SMC block sale of 14,380,953 shares completed on 1 July at a price of 5.25 pence per share ("Trade Price") (the "SMC Block Sale"), and simultaneous subscription through the purchase of new ordinary shares in the Company at the Trade Price by Glencore, of approximately US$300,000 in aggregate; and Mr Clifford Elphick of approximately US$20,000 in aggregate
- Entirety of the Company's remaining US$744k outstanding loan to Glencore repaid on 10 July 2024
  - ZIOC remains debt free, a positive step in enabling the advancement of further discussions with potential strategic partners.
- Cash balance of US$0.09m as at 30 June 2024 and cash balance of US$0.08m as at 10 September 2024.
- Appointment of Shard Capital Partners LLP as joint Corporate Broker in March 2024
- Resignation Glencore's appointee, Denis Weinstein, from the Board of Directors due to his departure from Glencore
- Annual General Meeting to be held in December 2024, with the requisite notice to be sent to shareholders in due course.

Clifford Elphick, Non-Executive Chairman of ZIOC, commented:

"During the first half of 2024, ZIOC completed a successful technical evaluation process with its Chinese EPC Partner to secure Chinese contractor pricing and to update the cost estimates of the 30Mtpa Feasibility Study. This is a completely different exercise to the study work conducted by consulting firms in the past, as the Chinese EPC Partner is a constructor and developer of iron ore mining projects, with specific expertise in slurry pipelines and pellet feed concentrate processing. We were delighted with the results and are pleased to have demonstrated the continued robust economics of the Zanaga Project.

Furthermore, port infrastructure discussions continue, and strategic partners remain interested in the Project. Volatile financial markets have delayed our engagement with these entities but we continue to remain positive on the potential to secure interest in the project in due course.

Following the repayment of Glencore's loan I am delighted that ZIOC is debt free. This is key to supporting management's engagement with strategic partners, and I look forward to the management team progressing the next phase of this initiative."

Copies of the unaudited interim results for the six months ended 30 June 2024 are available on the Company's website at www.zanagairon.com

The Zanaga Iron Ore Company Limited LEI number is 21380085XNXEX6NL6L23.

For further information, please contact:

Zanaga Iron Ore

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About us:

Zanaga Iron Ore Company Limited (AIM ticker: ZIOC) is an iron ore exploration and development company, with the Company's flagship asset being its 100% owned Zanaga Iron Ore Project located in the Republic of Congo, for which the Government Mining Licence, Environmental Permit and Mining Convention are all in place.

Business Review - Operations

Iron Ore Market

The iron ore market has seen volatility of late, with a significant reduction in benchmark pricing due to concerns over growth in China. However, recent stimulus from the Chinese government has renewed iron ore pricing to the same levels to which we have become accustomed. China continues to consume significant quantities of iron ore to feed its substantial steel industry and initiatives to produce lower carbon emission ‘green steel’ provide further support for premium pricing related to high grade iron ore products. This provides further impetus for the development of high grade iron ore projects such as the Zanaga Project.

2024 FS update process

In 2023 the Company partnered with a Chinese iron ore technical expert engineering firm (“Chinese EPC Partner”) as part of a process to update the economic evaluation of the Zanaga 30 Mtpa staged development project.

Using the 2014 Feasibility Study’s (“2014 FS”) infrastructure designs, flowsheets and material take off lists, direct and indirect cost estimates were updated to current market pricing using Chinese major equipment and contractor pricing for both phases of 12 Mtpa Stage One haematite (“Stage One”), plus 18 Mtpa Stage Two magnetite expansion (“Stage Two”) projects, inclusive of buried concentrate pipeline and port infrastructure.

A second phase of optimisation work (“Optimisation Study”) is under consideration and involves investigating the potential to apply proprietary iron ore processing technology that the Chinese EPC Partner possesses, with the potential to provide further capital and operating cost savings beyond the results of the 2024 FS Update.

The 2024 FS update was completed to a (+/- 20% accuracy) full feasibility study level of definition, with the following positive results:

- 12Mtpa Stage One
  - Capital investment of US$ 1.94 billlion
  - Operating cost of US$ 31.5 / dmt FOB
  - Net Present Value of US$ 3.68 billion
  - Internal Rate of Return of 26.2%
- 18Mtpa Stage Two optional expansion
  - Capital investment of US$ 1.87 billion
  - Operating cost of US$ 24.9 / dmt FOB
  - Total combined Net Present Value of US$ 7.36 billion
  - Internal Rate of Return of 28.2%

The Company believes these positive results provide much greater confidence in the Project's economic feasibility in today's market and cost environment, and with this, provides a key catalyst for potential strategic investors to consider funding of the next logical Project phase, being the front end engineering and design (FEED) program to further define the Project's physical elements and risk abatement strategies.

Port infrastructure discussions underway

Discussions are in progress with a large port infrastructure development firm to investigate opportunities to align the Zanaga Project with their planned port infrastructure facilities in Pointe-Noire. Consideration is being given to both of the following port infrastructure initiatives:

- Opportunity for expansion of the existing port of Pointe-Noire, potentially enabling a larger solution for the EPP Project.
- Potential development solutions for a large bulk mineral port terminal capable of supporting the Zanaga 30Mtpa staged development project.

EPP Project

Whilst ZIOC's focus during 2023 was on advancing the 2024 FS update process, the Project Team continued to undertake a process to evaluate the potential development of an EPP Project that would be quicker to construct than the larger 30Mtpa staged development project and would utilise existing road, rail and port infrastructure.

The Project Team continued to advance efforts to develop optionality relating to the viability of the EPP Project. The Project Team has continued to evaluate the potential for the EPP Project to operate as a standalone project, or as an initial pathway to production during the construction period of the flagship 30Mtpa Staged Development Project.

Subscription Agreement with Shard Merchant Capital Ltd

The Company has been pleased with the success of the 2020 and 2023 ESA with SMC which has provided the Company with access to funding through a relatively low cost structure that minimised dilution to shareholders.

The proceeds received by the Company from SMC pursuant to the Subscription Agreement have been applied to general working capital, including the provision of further contributions to the Zanaga Project's operations.

As a result, the Company has entered into a new 2024 ESA with SMC on 1 July 2024, post period end. An overview of the two ESAs is provided below:

1) 2023 ESA

a. On 1 July 2023 ZIOC announced that the Company had entered into a Subscription Agreement with SMC, a financial services provider.
b. Under the Subscription Agreement, the Company agreed to issue and SMC agreed to subscribe for up to 36 million ordinary shares of no par value in the Company ("Subscription Shares") in three tranches of 12 million shares each
c. Total net proceeds of £2,266,255 were received from the facility

2) 2024 ESA
   a. As announced by the Company, on 1 July 2024 the Company entered into a new Subscription Agreement (the 2024 ESA) with SMC.
   b. Under the Subscription Agreement, the Company will issue and SMC will subscribe for 36 million ordinary shares of no par value in the Company ("Subscription Shares") in three tranches of 12 million shares each (the First tranche was issued immediately on 1 July 2024).

On 1 July, SMC completed a block sale of 14,380,953 shares at a price of 5.25 pence per share ("Trade Price") (the "SMC Block Sale"), and simultaneously the Company completed subscriptions of new ordinary shares at the Trade Price with Glencore, of approximately US$ 300,000 in aggregate; and Mr Clifford Elphick of approximately US$ 20,000 in aggregate. The entirety of the Company's remaining US$744k outstanding loan to Glencore at the time was repaid on 10 July 2024 as a result of this receipt of funding. ZIOC remains debt free, a positive step in enabling the advancement of further discussions with potential strategic partners.

Appointment of joint Corporate Broker

In March 2024 ZIOC appointed Shard Capital Partners LLP ("SCP") as Joint Corporate Broker, alongside Panmure Liberum Limited, who are also the Company's Nominated Advisor and Joint Broker. The addition of SCP to ZIOC's advisory team provides further support to the Company, and additional resources as the Company looks to advance to the next stage of development on the Zanaga Project.

Director resignation

Following Denis Weinstein's departure from Glencore, with effect from 29 September 2024, he will cease to be a director of the Company. Glencore will consider its right to appoint a replacement director to the Board of ZIOC in due course.

Cash Reserves and Project Funding

As at 29 June 2024, ZIOC has outlined a 2024 Project Work Programme and Budget as outlined below.

At 30 June 2024 the Company had cash reserves of US$0.09m The Company had cash reserves of US$0.08m as at 10th September 2024.

In order to raise additional funding the Company entered a Subscription Agreement with SMC (as described above). The financing structure with SMC enables the Company to access funding for the costs that the Company is expected to meet in the near future. For illustrative purposes only, if the average price at which SMC places the 36,000,000 shares was 5.49 pence (being ZIOC's 90 day value weighted average share price as at 28 September 2023), the net proceeds received by ZIOC from such sales would be approximately £1.98m. Based on the current cost base at the Zanaga Project, the direct loan facility to Jumelles Ltd, the current low corporate overheads of ZIOC, the agreed cash preservation plan adopted by the Company (described below), the Company's existing cash reserves and (on the basis of cautious assumptions made by the Company in its funding model) the funds expected to be obtained from the funding facility established by the Subscription Agreement with SMC, the board of directors of ZIOC (the "Board") believes that the Company will be adequately positioned to support its operations going forward in the near future. As the final cash amounts to be received for each tranche of issued shares, and the timing of this receipt, are dependent on SMC successfully selling the shares prior to transferring funds to the Company, the Board is of the view that the going concern basis of accounting is appropriate. However, the Board acknowledges that there is a material uncertainty which could give rise to significant doubt over the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, based on and taking into account the foregoing factors, the Board are satisfied the Company will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts.

The Company continues to review the costs of its operational activities with a view to conserving its cash resources.

Financial review

Results from operations

The financial statements contain the results for ZIOC for the first half of 2024. ZIOC made a loss in the half-year of US$1.1m compared to a loss of US$0.4m in the full year ended December 2023. The loss for the 2024 half-year period comprised:

	1 January to 30 June 2024	1 January to 30 June 2023	1 January to 31 December 2023
	Unaudited	Unaudited	Audited
	US$000	US$000	US$000
General expenses	**(1,053)**	**(350)**	**(2,739)**
Net foreign exchange (loss)/gain	**(5)**	**-**	15
(Loss)/Gain before tax	**(1,058)**	**(350)**	(2,724)
Total Comprehensive income	**(1,058)**	**(350)**	(2,724)

General expenses of US$1.1m (2023: US$0.4m), consisting of: Directors' fees of US$Nil (2023: US$Nil), professional fees of US$0.2 (2023: US$Nil) and US$0.9m (2023: US$0.4m) of other general operating expenses.

Financial position

ZIOC's net asset value ("NAV") of US$84.8m is comprised of a US$85.3m exploration and evaluation assets, US$0.7m of PPE, US$0.1m of cash balances and US$1.3m net current liabilities.

	30 June 2024	30 June 2023	31 December 2023
	Unaudited	Unaudited	Audited
	US$m	US$m	US$m
Exploration and Evaluation	**85.3**	**85.3**	85.3
PPE	**0.7**	**0.7**	0.7
Cash	**0.1**	**0.6**	0.9
Other net current assets/(liabilities)	**(1.3)**	**(1.7)**	(1.1)
Net assets	**84.8**	**84.9**	85.8

Cash flow

Cash balances have increased by US$0.3m since 31 December 2022. Operating activities were US$0.5m and the Glencore loan increased by US$0.8m.

	30 June 2024	30 June 2023	31 December 2023
	Unaudited	Unaudited	Audited
	US$000	US$000	US$000
GBP Balances	**0.1**	**0.1**	0.6
USD value of GBP balances	**0.1**	**0.2**	0.7
USD value of other currencies	**-**	**0.3**	0.2
USD balances	-	**0**.1	-
Cash Total	**0.1**	**0.6**	0.9

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2024

	Note	**1 January to 30 June 2024 Unaudited US$000**	1 January to 30 June 2023 Unaudited US$000	1 January to 31 December 2023 Audited US$000
Administrative expenses		**(1,058)**	**(350)**	(2,724)
Operating loss		**(1,058)**	**(350)**	(2,724)
(Loss) before tax		**(1,058)**	**(350)**	(2,724)
Taxation	5	**-**	**-**	
(Loss) for the period		**(1,058)**	**(350)**	(2,724)
Total comprehensive (loss)/gain		**(1,058)**	**(350)**	(2,724)
(Loss)/Earnings per share (Cents)				
Basic	7	**(0.1)**	**(0.1)**	0.4
Diluted	7	**(0.1)**	**(0-1)**	0.4

All other comprehensive income may be classified as profit and loss in the future.

Consolidated Statement of changes in equity

for the six months ended 30 June 2024

	Share capital US$000	Retained earnings US$000	Foreign currency translation reserve US$000	Total Equity US$000
Balance at 1 January 2023	**313,689**	**(228,418)**	**(69)**	**85,202**
Issued Capital	-	-	-	-
Loss for the period	-	(350)	-	(350)
Other comprehensive (loss)/ income	-	-	-	-
	-	(350)	-	(350)
Total comprehensive (loss)/income				
Balance at 30 June 2023	**313,689**	**(228,768)**	**(69)**	**84,852**
Issue of shares as remuneration	944	-	-	944
Issued Capital	2,395	-	-	2,395
Loss for the period	-	(2,374)	-	(2,374)
Other comprehensive (loss)/income	-	-	-	-
Total comprehensive (loss)/income		(2,374)	-	
Balance at 31 December 2023	**317,027**	**(231,141)**	**(69)**	**85,817**
Consideration for share-based payments - other services	-	-	-	-
Issue of shares	-	-	-	-
Loss for the period	-	(1,058)	-	(1,058)
Other comprehensive (loss)/income	-	-	-	-
	-	(1,058)	-	(1,058)
Total comprehensive loss				
	317,027	**(232,198)**	**(69)**	**84,760**
Balance at 30 June 2024				

Consolidated Balance sheet

as at 30 June 2024

	Note	**30 June 2024 Unaudited US$000**	30 June 2023 Unaudited US$000	31 December 2023 Audited US$000
Non-current asset				
Exploration and evaluation assets		**85,300**	**85,300**	85,300
Property, plant and equipment		**667**	**696**	648
		85,967	**85,996**	85,948
Current assets				
Other receivables		**5**	**44**	1,193
Cash and cash equivalents		**91**	**573**	899
		96	**617**	2,092
Total Assets		**86,063**	**86,613**	88,040

Non -current liabilities			
Lease liability	**98**	105	104
Current liabilities			
Loans and borrowings	**750**	1,185	1,685
Trade and other payables	**455**	**465**	527
Lease liability	**-**	**5**	11
	84,760		
Net assets		**84,853**	85,817
Equity attributable to equity holders of the parent			
Share capital	**317,027**	**313,689**	317,027
Retained earnings	**(232,198)**	**(228,767)**	(231,141)
Foreign currency translation reserve	**(69)**	**(69)**	(69)
Total equity	**84,760**	**84,853**	85,817

These financial statements were approved by the Board of Directors on 30 September 2024.

Consolidated Cash flow statement

for the six months ended 30 June 2024

	1 January to 30 June 2024 Unaudited US$000	1 January to 30 June 2023 Unaudited US$000	1 January To 31 Dec 2023 Audited US$000
Cash flows from operating activities			
Profit/(Loss) for the year	**(1,058)**	**(350)**	(2,724)
Adjustments for:			
Share based payments	**-**	**-**	944
Decrease in other receivables	**1,188**	**69**	1,080
Increase in trade and other payables	**89**	**536**	(1,103)
Net exchange (profit)/loss	**-**	**-**	16
Net cash from operating activities	**219**	**255**	(1,787)
Cash flows from financing activities			
Glencore loan	**(935)**	-	1,300
Issue of shares	**-**	-	990
Net cash from financing activities	**(935)**	-	2,290
Cash flows from investing activities			
Interest received	**-**	**-**	-
Acquisition of property, plant and equipment	**-**	**-**	-
Net cash from investing activities	**-**	**-**	-
Net increase in cash and cash equivalents	**(716)**	**255**	503
Cash and cash equivalents at beginning of period	**899**	**310**	310
Effect of exchange rate difference	**(92)-**	8	86
Cash and cash equivalents at end of period	**91**	573	899

Notes to the financial statements

1. Business information and going concern basis of preparation

As at 29 June 2024, ZIOC has outlined a 2024 Project Work Programme and Budget as outlined below.

At 30 June 2024 the Company had cash reserves of US$0.09m The Company had cash reserves of US$0.08m as at 10th September 2024.

In order to raise additional funding the Company entered a Subscription Agreement with SMC (as described above). The financing structure with SMC enables the Company to access funding for the costs that the Company is expected to meet in the near future. For illustrative purposes only, if the average price at which SMC places the 36,000,000 shares was 5.49 pence (being ZIOC's 90 day value weighted average share price as at 28 September 2023), the net proceeds received by ZIOC from such sales would be approximately £1.98m. Based on the current cost base at the Zanaga Project, the direct loan facility to Jumelles Ltd, the current low corporate overheads of ZIOC, the agreed cash preservation plan adopted by the Company (described below), the Company's existing cash reserves and (on the basis of cautious assumptions made by the Company in its funding model) the funds expected to be obtained from the funding facility established by the Subscription Agreement with SMC, the board of directors of ZIOC (the "Board") believes that the Company will be adequately positioned to support its operations going forward in the near future. As the final cash amounts to be received for each tranche of issued shares, and the timing of this receipt, are dependent on SMC successfully selling the shares prior to transferring funds to the Company, the Board is of the view that the going concern basis of accounting is appropriate. However, the Board acknowledges that there is a material uncertainty which could give rise to significant doubt over the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, based on and taking into account the foregoing factors, the Board are satisfied the Company will have sufficient funds to meet its own working capital requirements up to, and beyond, twelve months from the approval of these accounts.

The Company continues to review the costs of its operational activities with a view to conserving its cash resources.

2. Accounting policies

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

3. Basis of preparation

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

In accordance with the AIM Rules for Companies, the condensed set of financial statements has been prepared in applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2023. The comparative figures for the financial year ended 31 December 2023 are not the Company's statutory accounts for that financial year. The 2023 accounts have been reported on by the Company's auditors. The report of the auditors was (i) unqualified and (ii) did not include a reference to any matter to which the auditors drew attention by way of emphasis without qualifying their report.

4. Segmental reporting

The Company has one operating segment, being its investment in the Zanaga Project, held through Jumelles.

5. Taxation

The Company is exempt from most forms of taxation in the British Virgin Islands ("BVI"), provided the Company does not trade in the BVI and does not have any employees working in the BVI. All dividends, interest, rents, royalties and other expense amounts paid by the Company, and capital gains realised with respect to any shares, debt obligations or other securities of the Company, are exempt from taxation in the BVI.

The effective tax rate for the Group is 0.00% (December 2023: 0.00%).

6. Loss per share	**30 June 2024 Unaudited US$000**	30 June 2023 Unaudited US$000	31 December 2023 Audited US$000
Profit/(Loss) (Basic and diluted) (US$000)	**(1,058)**	**(350)**	(2,724)
Weighted average number of shares (thousands)			
Basic and diluted			
Issued shares at beginning of period	**644,989**	**593,374**	593,374
Shares issued during the year	**-**	**-**	51,615
Weighted average of new shares issued	**-**	**-**	-
Weighted average number of shares at end of period – basic	**644,989**	**593,374**	644,989
(Loss)/Earnings per share (Cents)			
Basic	**(0.1)**	**(0.1)**	(0.4)
Diluted	**(0.1)**	**(0.1)**	(0.4)

7. Related parties

The following transactions occurred with related parties during the period:

	Transactions for the period			**Closing balance**		
	30 June 2024 Unaudited US$000	30 June 2023 Unaudited US$000	31 December 2023 Audited US$000	**30 June 2024 Unaudited US$000**	30 June 2023 Unaudited US$000	31 December 2023 Audited US$000
Funding:						
Loan from Glencore to Jumelles Ltd *	**(1,163)**	**800**	1,300	**779**	**1,185**	1,685

* Repayable on 17 July 2024