ZIMBABWE CONSOLIDATED DIAMOND COMPANY

THE DIAMOND COMPANY



ANNUAL REPORT 2025

Unlocking Sustainable Diamond Value For Zimbabwe

ZIMBABWE CONSOLIDATED DIAMOND COMPANY
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Registration Number: 4943/2015

Registered office

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BANKERS:

FBC Bank
Private Banking
Belgravia
Harare

CABS
Northridge Park
Borrowdale
Harare

CBZ
Saphire
Harare

AFC Commercial Bank
Nelson Mandela
Harare

Reserve Bank of Zimbabwe
Samora Machel
Harare

Ecobank
Borrowdale
Harare

ZB Bank
Borrowdale
Harare

National Building Society
Samora Machel
Harare





Company Background

Zimbabwe Consolidated Diamond Company (Pvt) Ltd (ZCDC) was formed following the March 2015 Government decision to consolidate diamond mining in Marange under a wholly owned Government Company. Government's objective was to ensure that there would be transparency, accountability and optimal commercial exploitation and marketing of Zimbabwe's diamonds that would benefit ordinary Zimbabweans. ZCDC is wholly owned by the Government of Zimbabwe through Defold Mine (Pvt) Ltd which has 100% shareholding in the Company.

ZCDC was formed with the following mandate;

Enhance

To enhance adequate investment in diamond mining beyond alluvial.

01

Explore

To explore for kimberlitic resources and build bankable mining reserves

02

Enhance

To enhance contribution to the fiscus and community development;

03

Enable

To enable Government to manage more efficiently operations and exploitation of the country's diamond resources

04

Achieve

To achieve better accountability and transparency in diamond mining.

05



ZIMBABWE CONSOLIDATED DIAMOND COMPANY

THE DIAMOND COMPANY



VISION

To be a World-Class diamond producer for the long-term benefit of Zimbabwe.

MISSION

To identify and realise Zimbabwe's diamond potential for the benefit of the nation.

CORE VALUES

- Zero Harm
- Integrity
- Transparency
- Teamwork
- Results Oriented
- Innovation
- Care





DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES

Zimbabwe Consolidated Diamond Company (Pvt) Ltd is governed through the Board of Directors which takes accountability for the business strategy and performance. The day-to-day running of the business is delegated to executive management who are accountable to the Board for the execution of the strategy.
The profiles of the Board members and Executive Management are detailed below.





Mr. Onesimo Mazai Moyo
Board Chairman

Mr. Onesimo Mazai Moyo is a distinguished business leader with over two decades of executive experience in Zimbabwe's mining sector. He is recognized for his commitment to governance excellence.

Mr Onesimo Mazai Moyo joined ZCDC on 11 July 2025 as Chairman of the Zimbabwe Consolidated Diamond Company (Private) Limited, where he provides strategic leadership and ensures effective governance structures, risk oversight and ethical stewardship. He also chairs Defold Mine (Private) Limited and is Vice Chairman of Kamativi Mining Company (Private) Limited.

Previously, Mr. Moyo was Permanent Secretary in the Ministry of Mines and Mining Development, overseeing national mining policy, regulatory administration and alignment of the sector with Zimbabwe's economic development goals. He also chaired the Mining Affairs Board and has held senior leadership roles at the Minerals Marketing Corporation of Zimbabwe before joining the Ministry. Mr. Moyo has extensive boardroom experience across listed and non-listed entities, with a proven track record in strengthening financial reporting integrity, compliance, and governance best practices.

He holds a Master of Commerce in Development Finance from the University of Cape Town and an MBA from the University of Zimbabwe. He is an alumnus of the Advanced Management Program at Harvard Business School and a Fellow of both the Chartered Governance Institute and the Institute of Directors of Zimbabwe. He is also a Chartered Management Accountant and an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK. Through his leadership, Mr. Moyo continues to champion ethical governance and the sustainable transformation of the company.







Eng. Clara P. Sadomba
Vice Board Chairman

Clara Sadomba is the Founder and Chief Executive Officer of Silvergill (Pvt) Ltd, a leading integrated Logistics Solution Provider in Zimbabwe, with expertise in the internal and export movement of minerals, specialising in rail-based solutions for all break and bulk cargo.

Clara has over 26 years' industry experience at operational, middle and executive managerial levels. She resigned from Zimasco (Pvt) Ltd in 2022 having risen through the ranks from a graduate trainee in 1991 to the post of General Manager- Marketing. Prior to joining Zimasco, she worked for Genkem (Pvt) Ltd and Saltrama Plastics.

Engineer Sadomba is the current Vice Chairperson of the Zimbabwe Consolidated Diamond Company Board (Pvt) Ltd (ZCDC) and is also the Chairperson of the Mining Industry Pension Fund (MIPF).

She is a member of various professional bodies such as the Engineering Council of Zimbabwe, Zimbabwe Institute of Engineers and Southern African Institute of Mining and Metallurgy.

Engineer Sadomba holds a Master's degree in Metallurgical Engineering from McGill University, Montreal Canada (1996)and a Bachelor of Technology in Applied Chemistry and Chemical Technology from the University of Zimbabwe (1987–1990).



Eng. Thomas Lusiyano
Board Member

Thomas Lusiyano is a seasoned business leader with a professional career spanning more than twenty- five years, Thomas has led and managed various mining businesses, working with minerals such as gold, diamonds, nickel, asbestos, and platinum group metals. He currently sits on the boards of directors of the Zimbabwe Consolidated Diamond Company (Pvt) Ltd and Fraser Alexander Zimbabwe (Pvt) Ltd. He has also previously served as Managing Director of Bindura Nickel Corporation Limited, Managing Director of Shamva Mining Company (Pvt) Ltd and Chief Executive Officer of Mbada Diamonds (Pvt) Ltd.

Thomas is a certified Professional Director and is a transdisciplinary executive holding the following academic and professional qualifications: Bachelor of Science Honours Degree in Mining Engineering, Bachelor of Commerce Accounting Honours Degree, Master of Business Administration Degree, Master of Commerce in Strategic Management and Corporate Governance Degree, Master of Commerce in Economics Degree, Master of Commerce in Strategic Brand Management Degree, an Advanced Certificate in Company Direction (IoDZ), Mine Manager's Certificate of Competence (Zimbabwe), and a Full Blasting Licence (Zimbabwe).

He is a member of the following professional bodies and associations: the Institute of Corporate Directors Zimbabwe (ICDZ), Institute of Directors Zimbabwe (IoDZ), Institute of Directors (South Africa), Institute of Corporate Governance Zimbabwe (ICGZ), Zimbabwe Economics Society (ZES), and the Marketers Association of Zimbabwe (MAZ).





Ms. Simangaliso D.R. Makoni
Board Member

Dorothy R.S.Makoni holder of a BSc degree in Geology and Botany (University of Zimbabwe) and a diploma in gemmology (German Gemological Centre). Her areas of expertise are strategic marketing of minerals, project management, portfolio management and contract negotiations.

Dorothy worked at the Minerals Marketing Corporation of Zimbabwe (MMCZ) for 38 years, rose through the ranks and her last post was Marketing Executive for Non-Metals (2003-August 2021). In 1992, was attached for four months to Graubart BVBA in Belgium as Trainee Rough Diamond Sorter and Evaluator. She joined MMCZ in September 1984 having been seconded from the Ministry of Mines and Mining Development, where she worked as an Administrative Assistant for eight months between 1983- 1984.



Mr. George D. Mawere
Board Member

George.D. Mawere is a distinguished Human Resources Executive with over 25 years of experience in the mining industry. Since April 2013, he has served as the Head of Human Capital at Mimosa Mining Company in Zvishavane, where he has played a pivotal role in crafting and executing innovative HR strategies that have significantly boosted organizational performance and compliance. His expertise encompasses leadership, strategic HR management, and organizational development, contributing to the company's sustained success.

George's career commenced at Anglo American Corporation - Zimbabwe Alloys Ltd in April 1995. He progressed through various HR roles, ultimately becoming Group Senior HR Officer in July 2002. In January 2007, he joined Zimasco Pvt Ltd as Human Resources Manager for the Middle and North Dyke Division. His notable achievements at Zimasco include establishing HR Departments as centers of excellence through the successful implementation of a computerized records management system. George transitioned to Mimosa in April 2010 as Human Resources Manager before assuming his current role.

He holds a Master's in Business Administration from Midlands State University (2006) and a Bachelor of Science in Psychology from the University of Zimbabwe (1994). George's commitment to excellence is further evidenced by his leadership roles on various boards, including serving as Chairman of the Midlands Provincial Advisory Board since March 2021, a Board Member of Gweru Sacred Heart College since January 2020, and Chairman of FC Platinum Holdings from January 2014 to February 2020.





Mrs. Regina Mlalazi
Board Member

Reginah Mlalazi is a seasoned Information Communication Technology (ICT) Consultant with over 35 years of experience in the ICT industry. She has worked in various industries such as Public Sector, Mining, Financial, Retail and Wholesale.

Reginah worked for Twenty Third Century Systems where she served as Project Manager and Data Migration Manager (July 2011- Nov 2021). She retired in November 2021.

She also worked as Group Information Technology Manager-Red Star Holdings Pvt Ltd (Feb 2004- June 2011) Associate Director- KPMG Zimbabwe (Jan 2001- Jan 2004), Information Technology Director-Ernest & Young, (Sept1999- Dec 2000), Information Systems and Communications Manager-BHP Minerals Zimbabwe, (Jan 1996- August 1999), Information Technology Manager-Wankie Colliery Company (April 1985- December 1995), Consultant-Peat Marwick (Nov 1983- March 1985), Analyst Programmer- Tobacco Sales Zimbabwe (Jan 1983- Oct 1983), Information Technology Manager Government Of Zimbabwe (April 1982-Dec 1983)

She holds a Bachelor of Science Honours Degree Computer Studies, Polytechnic of Wales, United Kingdom, 1982, Certificates in International Consulting Skills Certification, Louis Allen Management, Middle Management, Managing Industrial Relations and Finance for Non-Financial Managers.



Dr. George Manyaya
Board Member

Dr. George Manyaya is a self-driven and dynamic young business executive with a resolute vision of adding value to the nation in its key strategic sectors. He has vast experience at both executive and board levels in Information communication technology, media, Infrastructure Dvelopment, mining, energy, sports, aviation, banking tourism sectors and international forums. He also has experience in the United Nations sphere after having worked for the International Organization for Migration.

He is renowned and respected public sector actor and seasoned corporate governance, turnaround strategist, marketing and public relations practitioner. He is the current ZINARA board Chairman. He served in various boards including the Airports Company of Zimbabwe (Vice Chairman) , Netone and Civil Aviation Authority of Zimbabwe.

He is a holder of a Doctorate in business Administration and holds a Master of Science Degree in International Relations another Masters of Commerce Degree in Strategic Management and Corporate Governance , Bachelor of Commerce Honors Degree Business Management, a Diploma in Mass Communication and Journalism Studies and Certificate in Diplomacy, Protocol and Etiquette - Zimbabwe Institute of Diplomacy and a Certificate in Telecommunications Policy Regulation Management among other qualifications.

He has been awarded various accolades for recognition of his outstanding work by the Institute of Public Relations Zimbabwe (IPRZ), Marketers Association of Zimbabwe (MAZ) and the Zimbabwe National Chamber of Commerce (ZNCC).

He has represented the country in various diplomatic assignments and was nominated by the Government to be Zimbabwe's Candidate for the position of Commissioner for Infrastructure and Energy at the African Union.



EXECUTIVE MANAGEMENT PROFILES



Dennis Mtombeni
Chief Executive Officer

Dennis is seasoned mining executive with expertise in diamonds, gold, platinum, graphite, chrome and industrial minerals, has been at the service of the mining industry for almost three decades having started his mining career with Falcon Gold. Has served in several senior positions including Mine Manager River Ranch Diamonds, Mine Manager Pickstone-Peerless Gold, Mine Manager ,General Manager Operations and Chief Operating Officer for ZCDC.

He holds a Master's Degree in Business Administration (MSU), Executive Development Program (Wits Business School), Mining Engineering Diploma (ZSM) and several credentials. He is member of the Southern African Institute of Mining and Metallurgy (SAIMM) and a member of the Association of Mine Managers of Zimbabwe (AMMZ).



Alexander Mutendera
Chief Finance Officer

Alexander holds an Honours Bachelor of Accounting Science degree from the University of South Africa and a Post Graduate Diploma in Applied Accounting Science from the same institute. He is a qualified chartered accountant, and a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and the South African Institute of Chartered Accountants (SAICA). Alexander started his career with Deloitte where he rose to Audit Senior before moving to Grant Thornton where he worked as Audit Supervisor. He joined ZCDC on the 1 June 2024 as Chief Finance Officer, prior to this, he was General Manager in charge of Finance at Zimasco (Pvt) having occupied various roles within the organization in his 16-year period there.







Dumisani Mashingaidze
Company Secretary and Legal Executive

Dumisani Mashingaidze is the Company Secretary & Legal Executive for ZCDC and is responsible for the corporate services portfolio which includes the corporate governance advisory and legal advisory functions.

Dumisani has over 38 years working experience, and her experience spans having worked in private (court) practice, working in the civil society sector in human rights and women 'rights, and has experience working in legal advisory and corporate secretarial roles in the private business sector.

She has held senior managerial positions and has held board positions in the civil society sector and the private business sector. She worked in private legal practice and was a partner at Hove Mutasa & Associate Legal Practitioners, then a Director- Harare Legal Projects Centre (A project centre of the Legal Resources Foundation -LRF), a National Coordinator of a UNDP project on Women in Politics and Decision Making, National Coordinator for Women and Law in Southern Africa-WLSA (Zimbabwe Chapter), Secretary to the Law Society of Zimbabwe, Senior Legal & Regulatory Manager at Econet Wireless (Pvt) Ltd, Head Legal and Corporate Governance in the Reserve Bank of Zimbabwe, Director Advisory Services at AMG Global CA (Z), Executive Programme Coordinator of Afrika Women Leadership Institute, Pretoria in South Africa, Director of the Gender Equality Fund (Zimbabwe), Legal & Administration Manager -Chamber of Mines Zimbabwe, Company Secretary & Legal Advisor Jinan Mining (Pvt) Ltd, and Legal & Administration Manager -ZCDC.

Ms Mashingaidze holds a Master's Degree in Business Administration (MBA), a Post Grad Diploma in Women's Law, a Bachelor of Laws Degree (LLB), and a Bachelor of Law Honours degree (BL Hons), all from the University of Zimbabwe.

She is a keen good corporate governance practitioner who believes in the practice of good governance be it in the public, corporate (for profit) and non-profit sector.

She is also a Commissioner of the Zimbabwe Media Commission.



Addmore Mangoma
Mine Manager (A)

Addmore Mangoma is a holder of a BSC Geology & Mathematics Degree and has held several positions of increasing responsibility over his cumulative 18 years' experience in mining production, resource evaluation and exploration industry. He has occupied various roles in his career. His career started at the Globe and Phoenix Mine in 2005 as a section geologist, then Zimasco North and Middle Dyke Division as mine geologist 2010, SkyView Minerals as mine geologist in 2012, Mbada Diamonds as mine geologist in 2013 then resident geologist later in 2015, RHA Tungsten Mine as Head of Geology in 2016, RioZim Cam and Motor Mine as Senior Geologist in 2016, Zinwa as Hydrogeologist 2017 and ZCDC entry as Resource Evaluation Manager in 2017. He later took up the role Acting Mineral Resources Executive before being appointed Acting Mine Manager for Chiadzwa Mine. He has been exposed and is competent in working with the following mineral commodities diamond, gold, chrome, coal, tungsten and iron. Mr. Mangoma has more than 10 years' experience in the specific field of alluvial diamond mining, grade control and resource estimation with a thorough comprehension of the complex controls on conglomerate diamond mineralisation and erratic spatial variability secondary and tertiary diamond placer deposits.





Tawanda Kadowonda

Mine Manager (A)

Tawanda Kadowonda has 15 years of mining experience spanning production, mine planning and strategic management in the diamond, nickel, industrial minerals and gold sectors, as well as contracting. He has occupied various roles in his career. His career started at the Trojan Nickel Mine as Graduate Mining Engineer in 2011, then Murowa Diamonds as Mine Planning Engineer and he moved to ZCDC as Mine Planning Manager. He played significant roles in major projects which include establishing modern mine planning systems to transition ZCDC from alluvial to conglomerate mining. He is currently the Mine Manager (A) at ZCDC Portal E in Chimanimani where he successfully steered the transition from exploration to full production at the mine. Mr Kadowonda is a Member of the Association of Mine Managers of Zimbabwe (AMMZ) as well as a Member of the Southern African Institute of Mining and Metallurgy (SAIMM). He holds a Master of Science Degree in Business Administration (MBA), and Honours Degree in Mining Engineering, both from the University of Zimbabwe.









PERFORMANCE HIGHLIGHTS

ZW 1.520.438.008 million
Non-Current Assets

ZW 1463. 433. 180 million
Trade and other receivables

ZW 3036.887.429 million
Total Assets

ZW 338.657.035 thousand
Revenue

ZW 80 million
Capital Injection by Shareholders

ZW 2407. 257. 322 million
Financial Liabilities at amortised cost

By end of 2027
To replace electric geysers with solar geysers

Fuel consumption reduced by 10,000 litres per day.
All processing plants have now been connected to the electrical grid

Diamond production
Declined by 14.2%

Use of daylight switches
For controlled lighting

Zero Effluent Discharge Principle
Recycling all process water back into the system to prevent environmental contamination

RESPONSIBLE SOURCING
Our supply chain remains a strategic pillar for delivering on our sustainability commitme



Financial Highlights 2025

Diamond production: 3,854,696 carats	Sales volumes: 3,597,326 carats	Gross Turnover for the year: $2,115,256	Cost of sales: $1,776,599	Gross profit: $338,657	Operating Loss for the year: $408,412	Comprehensive loss for the year$337,308

Balance sheet (ZWG$ Thousand)

Non-current assets: $1,520,438	Current assets: $1,516,449	Total assets: $3,036,887	Capital & reserves: ($846,172)	Non-current liabilities: $1,343,120	Current liabilities: $2,539,940	Total Equity & Liabilities: $3,036,887

Cashflow (ZWG$ Thousand)

Net cashflow from operating activities: ($352,407)	Cashflow from financing activities: $431,174	Cash utilised in investing activities$78,768	Cash & Cash Equivalents closing balance: $15,097





CHAIRMAN'S STATEMENT



Mr. Onesimo Mazai Moyo
Board Chairman

"ZCDC operated in an international diamond market characterised by price pressure and increased competition from laboratory-grown diamonds."



THE CHAIRMAN'S STATEMENT

Shaping a Resilient, Ethical and Sustainable Diamond Future.

1. Introduction

1.1 I am pleased to present the Board Chairman's Statement for Zimbabwe Consolidated Diamond Company (Private) Limited (ZCDC) for the year ended 31 December 2025. The year was characterised by a challenging international diamond market, constrained liquidity, lower production and sales volumes, and continued pressure on operating margins.

1.2 Against this backdrop, the Board remained focused on safeguarding the Company's assets, strengthening governance, improving operational efficiency and positioning ZCDC for sustainable recovery.

1.3 As a strategic State-owned mining enterprise, ZCDC remains committed to responsible mineral resource development, value creation, employment generation, local procurement, community development and contribution to Zimbabwe's broader economic transformation agenda.

2. 2025 Operating Environment

2.1 ZCDC operated in an international diamond market characterised by subdued demand, price pressure and increased competition from laboratory-grown diamonds. These conditions were compounded by domestic liquidity constraints, elevated operating costs and the financing challenges associated with an asset-intensive mining operation.

2.2 Production declined from 4,494,811 carats in 2024 to 3,854,661 carats in 2025, while sales declined from 6,733,111 carats to 3,597,327 carats. Revenue correspondingly declined to ZWG2.115 billion, compared with ZWG2.195 billion in 2024. Despite these pressures, the comprehensive loss improved from approximately ZWG1.004 billion to ZWG403.7 million, reflecting the impact of various cost, financing and accounting measures.

2.3 The operating environment was also influenced by national fiscal and monetary policies. The 2025 National Budget continued to prioritise mining-sector growth, beneficiation and value addition. These priorities are aligned with ZCDC's strategic direction. However, the combination of royalty obligations, financing costs, subdued diamond prices and liquidity constraints continued to place pressure on the Company's cash flows.

3. Strategic and Policy Issues

3.1 The policy environment in 2025 presented both opportunities and challenges. The National Development Strategy 1 (NDS1) continued to emphasise mineral beneficiation, value addition, investment and increased contribution of mining to economic growth. At the end of 2025, Government launched NDS2 for 2026–2030, reinforcing the national priorities of macroeconomic stability, economic transformation, value addition and beneficiation, infrastructure development, employment creation and good governance.

3.2 Monetary policy also had a direct bearing on ZCDC's operations. The Reserve Bank of Zimbabwe maintained a tight monetary policy stance, including a 35% Bank Policy Rate, while maintaining exporter foreign-currency retention at 70%, with 30% surrendered. These measures supported exchange-rate and monetary stability, but tight liquidity and the cost of borrowing increased the financial pressures facing businesses requiring substantial working capital.

3.3 The Finance (Rate of Interest on Unpaid Royalties) Notice, 2025 (SI 54 of 2025) introduced interest on unpaid royalties, including a foreign-currency rate of 10%. This reinforced the importance of timely settlement and disciplined cash-flow management. The Finance (Due Dates for Submission of Returns and References to the Zimbabwe Dollar) Regulations, 2025 (SI 81 of 2025) further strengthened tax and statutory compliance requirements, while the Collective Bargaining Agreement: Mine Workers (SI 59 of 2025) updated the remuneration framework applicable to the mining sector.

3.4 The Board recognises that policy stability, predictable fiscal obligations, access to working capital and a competitive operating environment are critical to the sustainability of Zimbabwe's diamond industry. ZCDC will therefore continue engaging relevant authorities and stakeholders constructively on measures that support sustainable diamond production, beneficiation and value retention in Zimbabwe.

4. Performance of the Entity

4.1 Financial performance remained under significant pressure. Revenue decreased to ZWG2.115 billion, while cost of sales increased to ZWG1.777 billion. The Company recorded a gross profit of ZWG338.7 million, an operating loss of ZWG408.4 million and a comprehensive loss of ZWG403.7 million.

4.2 The balance sheet remained constrained, with total assets of approximately ZWG3.037 billion against liabilities of ZWG3.883 billion, resulting in a negative net asset position. Working capital remained negative at approximately ZWG1.023 billion, underscoring the need for continued operational recovery, working-capital optimisation, creditor management and appropriate shareholder support.

4.3 The Board notes that the 2025 financial statements received an unmodified audit opinion, reflecting a positive outcome from the Company's financial reporting and governance processes. The Board nevertheless remains conscious of the material liquidity, solvency and going-concern pressures facing the business.

4.4 During the year, the Board continued to discharge its fiduciary and oversight responsibilities through its standing committees, including the Audit and Compliance Committee. Internal Audit continued to operate with functional reporting to the Audit and Compliance Committee, supported by an integrated internal-control framework aligned to COSO principles, the Global Internal Audit Standards and the Three



Lines Model. The Company maintained a zero-tolerance approach to corruption and strengthened integrity testing, risk assessment and confidential reporting mechanisms.

4.5 The Board remained appropriately constituted with non-executive oversight complemented by executive management representation, and continued to focus on strategy, risk management, operational performance, financial sustainability, compliance and stakeholder accountability.

5. Contribution to National Economic and Social Development

5.1 ZCDC continued to support the objectives of NDS1, NDS2 and Vision 2030 through mineral production, employment, local procurement, community development and responsible environmental stewardship.

5.2 The Company continued to support local businesses and community enterprises through procurement opportunities, while its social investment initiatives contributed to education, healthcare, community empowerment and employee welfare. Environmental management remained integral to operations, supported by the Company's Integrated Management System and continued attention to occupational health and safety.

5.3 The Company's activities therefore extend beyond diamond production to supporting livelihoods, local economic activity and sustainable development in the communities in which it operates.

5.4 Going forward, ZCDC will increasingly align its social and economic interventions with measurable development outcomes and the national value-addition and beneficiation agenda.

6. Dividend Declared for 2025

6.1 In view of the Company's financial position, operating losses and significant working-capital requirements, the Board did not provide for a shareholder dividend for the 2025 financial year. Retention of available resources within the business remains necessary to support operational recovery, creditor obligations, capital requirements and the restoration of financial sustainability.

6.2 The Company continued, however, to support community development through its Community Share Ownership Trust obligations and related community-development initiatives.

7. Contribution to the Government Treasury/Fiscus

7.1 ZCDC continued to contribute to the fiscus through mineral royalties, withholding taxes and other statutory obligations arising from its operations. For 2025, the Company contributed ZWG211.5 million in royalties, ZWG36.5 million in withholding taxes, and ZWG346.1 million in other statutory obligations. Total contribution to the fiscus was ZWG594.1 million for the year 2025.

7.2 These contributions demonstrate the strategic importance of the diamond sector to national revenue mobilisation. The Board remains committed to ensuring timely, accurate and compliant settlement of statutory obligations while maintaining the financial capacity required to sustain mining operations.

8. Outlook for the Business

8.1 The Board remains focused on restoring ZCDC to a sustainable operational and financial trajectory. Key priorities include increasing production and plant utilisation, improving ore-feed consistency and recovery, reducing unit operating costs, strengthening sales and price realisation, optimising inventory and working capital, and restructuring creditor and funding obligations.

8.2 The Company will also continue developing its mineral resources and exploration portfolio, with the objective of extending the productive life of its operations and supporting long-term value creation. Strategic interventions will focus on equipment availability, plant rehabilitation, mine planning, operational discipline and targeted capital investment.

8.3 The launch of NDS2 provides a renewed national framework for value addition, beneficiation, economic transformation and sustainable development. ZCDC intends to align its recovery and growth strategy with these priorities while strengthening its contribution to Zimbabwe's diamond value chain.

8.4 The Board remains confident that, with disciplined execution, operational recovery, stakeholder support and an improvement in market conditions, ZCDC can progressively strengthen its production base, financial position and contribution to the national economy.

9. Appreciation

9.1 On behalf of the Board, I extend my sincere appreciation to the Government of Zimbabwe, Defold Mine, the Mutapa Investment Fund, relevant regulatory authorities, financial institutions, customers, suppliers, employees, communities and other stakeholders for their continued support.

9.2 I particularly commend ZCDC's management and employees for their resilience and commitment during a difficult operating period. The Board remains firmly committed to providing the strategic oversight necessary to ensure that Zimbabwe's diamond resources are developed responsibly, efficiently and sustainably for the benefit of present and future generations.

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Mr Onesimo Mazai Moyo
Board Chairman
Zimbabwe Consolidated Diamond Company (Private) Limited




BL18



CHIEF EXECUTIVE OFFICER'S REPORT



Dennis Mtombeni
Chief Executive Officer

"The year 2025 was a defining test of ZCDC's operational resilience and financial sustainability."



THE CHIEF EXECUTIVE OFFICER'S REPORT

1. Introduction

1.1 The year 2025 was a defining test of ZCDC's operational resilience and financial sustainability. The Company operated against a backdrop of subdued international rough-diamond demand, declining realised prices, lower production and sales volumes, constrained liquidity, ageing mining and processing equipment and elevated operating costs.

1.2 Management responded by protecting critical assets, conserving cash, strengthening procurement and expenditure controls, improving operational discipline and accelerating initiatives aimed at restoring sustainable production. The year was therefore one of stabilisation and strategic repositioning, laying the foundations for a more resilient, efficient and financially sustainable ZCDC.

2. Core Business of the Entity

2.1 ZCDC is Zimbabwe's strategic diamond-mining enterprise, responsible for the exploration, mining, processing, sorting and valuation (in conjunction with MMCZ) of Zimbabwean diamonds. Its mandate extends beyond production to the responsible stewardship of the country's diamond resources and the creation of sustainable economic, social and environmental value.

2.2 The Company's operating model seeks to maximise mineral recovery and value while maintaining high standards of safety, environmental stewardship, product security, governance, ethical conduct and community engagement.

3. Operational Highlights

3.1 Operational performance in 2025 was materially affected by equipment availability, production constraints and weak market conditions. Diamond production declined by 14.2% to 3,854,661 carats, from 4,494,811 carats in 2024, while sales declined by 46.6% to 3,597,327 carats, from 6,733,111 carats. Although total revenue declined by 3.6% in ZWG terms, the substantially greater reduction in carats sold resulted in an increase in reported ZWG revenue per carat, from approximately ZWG326 to ZWG588. This movement should, however, be interpreted in the context of changes in the ZWG monetary and exchange-rate environment and should not be taken as evidence of improved underlying diamond-price realisation. In US-dollar terms, the average gross selling price declined by approximately 12.1%, from US$25.15 per carat in 2024 to US$22.12 per carat in 2025, reflecting continued pressure on international rough-diamond prices.

3.2 Management consequently intensified expenditure optimisation, procurement discipline, contractor-performance management, equipment maintenance and mining and processing interventions. Particular attention was given to improving equipment availability, plant utilisation, ore-feed consistency, recovery and grade, and strengthening sorting and valuation capabilities to maximise value realisation.

3.3 The Company also continued strengthening its stakeholder relationships through the Client Service Charter, stakeholder-engagement forums and participation in major industry and regulatory platforms, including the Mining Indaba, ZITF, Mine Entra, the Chamber of Mines annual conference and Kimberley Process Certification Scheme engagements.

4. Performance of the Entity

4.1Operational and Financial Performance

4.1.1 The 2025 results reflect the combined impact of lower production and sales volumes, weaker realised prices and a challenging cost environment. Revenue declined by 3.6% to ZWG2.115 billion, while cost of sales increased by 46.7% to ZWG1.777 billion. Gross profit consequently declined by 65.6% to ZWG338.7 million, and the Company recorded an operating loss of ZWG408.4 million.

4.1.2 The comprehensive loss, however, improved by 59.8% to ZWG403.7 million, compared with ZWG1.004 billion in 2024. The improvement reflected, among other factors, reduced finance costs and management interventions to contain expenditure, although the underlying operating and liquidity position remained under significant pressure.

4.1.3 At year-end, total assets were ZWG3.037 billion, against total liabilities of ZWG3.883 billion. Working capital remained negative at approximately ZWG1.023 billion, while the current ratio was 0.60:1 and the quick ratio 0.17:1. This position underscores the need to restore positive operating cash flows and secure an appropriate long-term funding structure.

4.1.4 The 2025 financial statements received an unmodified audit opinion, with no Key Audit Matters reported. Management adopted the going-concern basis using the 2026–2030 cash-flow forecasts, while recognising that successful operational recovery, improved market performance, funding support and creditor management remain critical to the Company's financial sustainability.

4.2Policy and Regulatory Environment

4.2.1 The policy environment provided both opportunities and pressures for ZCDC. The 2025 National Budget projected mining-sector growth of 5.6% and allocated ZWG664.8 million to the Ministry of Mines and Mining Development to support mineral exploration and beneficiation. This policy direction is supportive of ZCDC's strategic emphasis on resource development, value addition and improved value retention within Zimbabwe.

4.2.2 Conversely, the fiscal and regulatory environment continued to place pressure on cash flows and increase the importance of statutory compliance. Statutory Instrument 54 of 2025, the Finance (Rate of Interest on Unpaid Royalties) Notice, 2025, prescribed interest rates applicable to unpaid or overpaid royalties, reinforcing the financial implications of delayed statutory settlements. Statutory Instrument 59 of 2025, the Collective Bargaining Agreement:



Mine Workers, amended the mining-industry collective bargainingframework, with implications for remuneration and labour-cost management. Statutory Instrument 81 of 2025, the Finance (Due Dates for Submission of Returns and References to the Zimbabwe Dollar) Regulations, 2025, established specified tax-return submission deadlines and clarified the interpretation of references to the Zimbabwe dollar in revenue legislation. These measures reinforced the need for disciplined treasury management, timely statutory compliance and effective working-capital planning.

4.2.3 Monetary policy also had mixed effects. The Reserve Bank maintained a tight monetary stance, including a 35% Bank Policy Rate, while exporter foreign-currency retention remained at 70%, implying a 30% surrender requirement. Greater exchange-rate flexibility and efforts to strengthen the interbank market improved exchange-rate stability and price discovery; however, tight liquidity and high borrowing costs constrained access to affordable working capital for a capital-intensive mining business.

5. Update on Strategy Implementation — Successes, Challenges and Improvements

5.1 The 2025 strategy implementation was principally focused on stabilising the business, preserving liquidity and establishing the platform for operational recovery. Management's approach was deliberately centred on the areas within its direct influence: cost discipline, asset preservation, production efficiency, procurement effectiveness, working-capital management, governance and risk reduction.

5.2 Several important foundations were strengthened during the year. Expenditure controls were tightened; procurement and contractor oversight were enhanced; non-critical expenditure was constrained; and capital allocation was increasingly directed towards sustaining critical mining equipment, processing-plant availability, safety-critical infrastructure and productivity-enhancing initiatives.

5.3 Operationally, the recovery levers set out in section 3.2 were pursued, supplemented by the deployment of appropriate technology to improve rough-diamond quality and value recovery.

5.4 Strategic progress was nevertheless constrained by the scale of the production and liquidity challenges. The decline in production and sales demonstrates that operational stabilisation had not yet translated into the level of sustainable throughput required to restore profitability. Management therefore identified a set of central recovery priorities, which are set out in the Outlook (section 12).

5.5 Management also strengthened the governance architecture supporting strategy execution. The Internal Audit Strategy for 2025–2030 is based on governance, technology, collaboration, value creation and ethical standards, while the Integrated Internal Controls Framework is aligned to COSO and the Global Internal Audit Standards. A Combined Assurance approach, anchored on the Three Lines Model, provides an integrated mechanism for management, oversight functions and Internal Audit to identify and respond to emerging risks.

5.6 The strategic direction is therefore evolving from immediate stabilisation towards operational optimisation and sustainable value creation, with greater emphasis on measurable productivity, cash generation, resource mobilisation and value retention.

6. International Diamond Market Trends

6.1 The international diamond market remained the most significant external determinant of ZCDC's performance in 2025. The natural-diamond market remained subdued as it continued to adjust to elevated inventories, cautious midstream purchasing, changing consumer preferences, geopolitical uncertainty, and increasing competition from laboratory-grown diamonds.

6.2 The market environment was particularly challenging for commercial and lower-value rough diamonds, while demand showed greater resilience for larger and higher-quality stones. In US-dollar terms, ZCDC's average gross selling price declined from US$25.15 per carat in 2024 to US$22.12 in 2025, reflecting continued pressure on rough-diamond prices. Although the reported ZWG revenue per carat increased, this nominal movement occurred alongside a 46.6% decline in carats sold and a 3.6% reduction in total ZWG revenue. It should therefore be interpreted in the context of currency and exchange-rate movements rather than as evidence of stronger underlying market realisation. The weaker US-dollar selling price continued to constrain the Company's ability to absorb its relatively fixed mining and processing cost base.

6.3 This market dynamic has reinforced an important strategic lesson for ZCDC: production volume alone is not sufficient; value per carat, recovery, quality, product mix and market access are equally important drivers of profitability.

6.4 Management is therefore responding through several complementary measures. These include improving sorting and valuation, strengthening product quality, investigating value-addition and beneficiation opportunities, enhancing market intelligence, broadening customer and market engagement, and considering appropriate offtake and strategic-partnership arrangements.

6.5 Market-price risk and laboratory-grown-diamond competition are accordingly identified among the Company's principal strategic risks (section 7).

6.6 The long-term opportunity for ZCDC therefore lies in becoming more responsive to market requirements while maximising the value of Zimbabwean diamonds before and during the marketing process. This is consistent with the national policy emphasis on mineral beneficiation and value addition, and with the broader NDS2 objective of economic transformation.



7. Emerging Risks, Issues and How the Company is De-risking Them

7.1 ZCDC's risk environment has become increasingly interconnected. Market-price volatility affects revenue; lower revenue affects liquidity; liquidity constraints affect maintenance and production capacity; production interruptions affect sales and statutory obligations; and financial pressure can increase operational, human-capital and stakeholder risks.

7.2 The Company's principal strategic risks identified during the year included market-price risk, equipment availability, supply-chain disruption, product security, fraud and corruption, loss of social licence to operate, legacy litigation, cyber-crime, liquidity, safety and health risks, catastrophic tailings-storage-facility failure and resource risk.

7.2.1 Market and liquidity risk is being addressed through the market measures described in section 6.4, together with cash conservation, cost containment, rationalisation of non-critical stockholding and working-capital optimisation. Given the negative working-capital position, creditor restructuring and recapitalisation have become integral components of the recovery strategy.

7.2.2 Equipment risk is being mitigated through maintenance prioritisation and the disciplined approach to capital allocation described in section 5.2.

7.2.3 Product-security risk remains fundamental to the integrity of the diamond value chain. ZCDC continues to employ biometric access controls, multi-tier CCTV surveillance, drone surveillance, canine patrols, physical security and other controls designed to protect diamonds, assets and information and maintain compliance with the Kimberley Process Certification Scheme.

7.2.4 Fraud, bribery and corruption risks are being addressed through a zero-tolerance approach, confidential whistleblowing channels, employee and supplier vetting, conflict-of-interest declarations and enhanced technological surveillance. Board, executive and management personnel also signed ZACC integrity pledges. No corruption cases were reported during the reporting period.

7.2.5 Cyber and data-protection risk has received increased attention. ZCDC obtained its Data Controller Licence from POTRAZ on 12 March 2025, appointed a Data Protection Officer, trained six data-protection officers and conducted a gap analysis against the Cyber and Data Protection Act. Data Privacy and Artificial Intelligence policies were also developed for governance approval.

7.2.6 Environmental and safety risks, including tailings-storage-facility failure, are being managed through inspections and maintenance, control of discharge points, water recycling, wall refurbishment, third-party audits, emergency preparedness plans and mock drills. Progressive rehabilitation of mined-out areas through in-pit dumping and indigenous-tree planting also remains an important environmental control.

7.2.7 Social-licence and community risks are being addressed through structured stakeholder engagement, community-development programmes, local enterprise development and the Community Buying Framework, supported by the stakeholder-engagement platforms described in section 3.3.

7.2.8 Resource risk and legacy litigation remain subject to continuous management. The Company is strengthening geological confidence through exploration and resource-definition initiatives, while material legacy legal matters continue to be managed through internal and external legal counsel.

7.3 The objective of this integrated risk approach is not merely compliance, but to create a business capable of absorbing market, operational, financial, technological and stakeholder shocks without compromising its long-term strategic mandate.

8. Significant Events During 2025

8.1 During the year, ZCDC continued implementing its operational turnaround and restructuring initiatives, strengthened governance and compliance systems, and increased stakeholder engagement. A particularly significant internal development was the organisational restructuring undertaken during the year as part of the Company's broader efforts to realign its organisational structure and workforce with its operational requirements, financial constraints and recovery priorities. The process had implications for employee morale and engagement and was accompanied by restrictions on recruitment, with appointments largely limited to critical skills required to sustain operations.

8.2 Other key events included the launch of the Client Service Charter and enhanced engagement with Government, host communities and industry platforms (section 3.3); the award of the Data Controller Licence by POTRAZ (section 7.2.5); and the adoption of the Internal Audit Strategy 2025–2030 and Integrated Internal Controls Framework (section 5.5). Together, these developments strengthened the institutional foundations for the Company's longer-term transformation.

9. Human Capital Development

9.1 Our people remain central to operational recovery. During 2025, management continued to support technical and professional development, knowledge transfer, employee engagement and workplace safety.

9.2 The difficult operating environment, including delays in salary payments and the restructuring process, affected employee sentiment. The employee engagement survey recorded a 55% satisfaction index against a target of at least 70%. Management continued communication through Works Council structures and other employee-engagement mechanisms.

9.3 Following the restructuring, recruitment was largely



frozen and limited to critical skills where required. In 2025, ZCDC employed 220 women, representing 16% of the workforce, including 12 women in senior leadership positions.

10. Sustainable Development — ESG

10.1 Sustainability remains integral to ZCDC's licence to operate. The Company continued to focus on occupational health and safety, environmental rehabilitation, responsible water management, human rights, ethical sourcing, data protection, gender inclusion and stakeholder engagement.

10.2 Environmental and water-management controls, including the progressive rehabilitation of mined-out areas described in section 7.2.6, were maintained in compliance with applicable legislation.

10.3 The Company's medical centre remained an important community-health resource. In 2025, it provided care to 7,377 community members, while approximately 79% of patients seen by the Company doctor came from surrounding communities. A further 299 community members received physiotherapy services.

11. Corporate Social Responsibility

11.1 ZCDC continued to support communities through education, infrastructure, food security, healthcare and local economic empowerment.

11.2 During 2025, scholarship support to secondary and tertiary students continued; electrification of Gandauta Secondary School and Chiadzwa Primary School progressed to approximately 70%; and Tonhorai and Rombe Primary Schools received rehabilitation support. The Company also supported road rehabilitation in Marange and Chimanimani and entered into an agreement with Chimanimani Rural District Council concerning the upgrading of Hot Springs Resort Lodge.

11.3 Under the Zunde raMambo initiative, 29 hectares were ploughed during the 2025/26 agricultural season, supporting the NDS1 food-security agenda. ZCDC also purchased locally produced horticultural and poultry products valued at US$386,242 during the year, injecting income into the local economy.

12. Outlook for the Business

12.1 The outlook for ZCDC will remain closely linked to the recovery of the international diamond market and the Company's ability to restore sustainable production and positive operating cash flows.

12.2 Management's priorities are clear: restore mining capacity and plant utilisation; improve recovery, grade and ore-feed consistency; increase sales volumes and price realisation; reduce operating costs; optimise inventory and working capital; restructure creditor obligations; secure appropriate funding and recapitalisation; manage legal exposures; and establish a sustainable long-term capital structure.

12.3 At the same time, ZCDC will pursue resource development, beneficiation and value addition, market diversification, responsible sourcing, stronger product security and strategic partnerships.

These priorities are aligned with the national emphasis on mineral exploration, beneficiation and value addition under the 2025 National Budget and with the transition from NDS1 to NDS2 for 2026–2030.

12.4 Our ambition is to move beyond short-term stabilisation towards a productive, efficient, financially sustainable and internationally competitive diamond enterprise, maximising the long-term value of Zimbabwe's diamond resources for the shareholder, communities and the national economy.

13. Appreciation

13.1 I extend my sincere appreciation to the Board for its strategic guidance and oversight throughout a demanding year.

13.2 I also acknowledge the resilience and commitment of ZCDC's management and employees, whose efforts remain fundamental to the Company's recovery. My appreciation extends to the Government and shareholder, regulatory authorities, financial institutions, customers, suppliers, host communities and strategic partners for their continued engagement and support.

13.3 The challenges facing ZCDC are substantial, but so too are the opportunities. Management remains resolute in executing the operational recovery programme, strengthening financial discipline and delivering the ambition set out in section 12.



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Mr Dennis Mtombeni
Chief Executive Officer
Zimbabwe Consolidated Diamond Company (Private) Limited



SUSTAINABILITY REPORT





GOVERNANCE

(How an organisation is led and directed)

CORPORATE GOVERNANCE

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd (ZCDC) aims to be a leading organisation in the industry, placing a strong emphasis on corporate governance as the foundation for sustainable operations. To achieve this, ZCDC is committed to implementing best practices in corporate governance, guided by the Companies and Other Business Entities Act *[Chapter 24:31]*, the Public Entities Corporate Governance Act [*Chapter 10:31*], and various corporate governance codes. ZCDC is dedicated to enhancing its governance framework to ensure:

a)Clear and systematic decision-making processes are established.
b)Compliance to King IV's outcomes of ethical culture, good performance, effective control and legitimacy.
b) Responsibilities are well-defined for all roles and entities within the organisation.
c) Conflicts of interest are proactively managed.
d) Effective internal controls and risk management practices are in place.
e) Transparency and accountability are upheld as core values.

1. BOARD FUNCTIONALITY

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd (ZCDC) is dedicated to implementing exemplary corporate governance practices in alignment with the Companies and Other Business Entities Act [Chapter 24:31], the Public Entities Corporate Governance Act [Chapter 10:31] and various corporate governance codes. This report presents a glimpse into ZCDC's steadfast commitment to ethical governance, strategic oversight, and accountability. The company's Board exemplifies a proactive approach to governance, underpinned by rigorous frameworks and structured processes that foster a culture of transparency.

The performance and accountability of ZCDC are rooted in a meticulous appointment process for Board Members and the diligent execution of their responsibilities. Every aspect of the Board's operations is meticulously designed to uphold the highest standards of corporate governance. This unwavering focus not only enhances stakeholder trust but also ensures the delivery of sustained value, reflecting ZCDC's dedication to integrity and excellence in all its endeavors.

This report outlines the Board's primary activities, the results achieved, and the principles that guide their decision-making process.

2. SHAREHOLDING

ZCDC is fully owned (100%) by the Government of Zimbabwe, operating through Defold Mine (Pvt) Ltd, which is part of the Mutapa Investment Fund.

3. BOARD COMPOSITION

The Board operated through five (5) Committees, each chaired by a Non-Executive Director. The Committees met at least once every quarter and submitted their reports and recommendations to the Board quarterly. The following outlines the structure of the Committees:

Mr Onesimo M. Moyo **	Non-Executive Chairman
Mr Munashe Shava **	(Non-Executive Chairman)
Engineer Clara P Sadomba	Non-Executive Vice Chairperson
Engineer Thomas Lusiyano	Non-Executive Director
Mr George D. Mawere	Non-Executive Director
Mrs Reginah Mlalazi	Non-Executive Director
Ms Simangaliso D.R. Makoni	Non - Executive Director
Mr. George Mawere	Non-Executive Member
Dr Douglas Zimbango	Executive Director



CORPORATE GOVERNANCE REPORT(cont'd)

5.1. Technical Committee

Engineer Thomas Lusiyano	Non-Executive Committee Chairman
Mr Munashe Shava****/ Mr Onesimo M. Moyo***	Non-Executive Member
Engineer Clara Sadomba ****	Non - Executive Member
Ms Simangaliso D.R. Makoni	Non- Executive Member

5.2. Audit and Compliance Committee

Mrs. Reginah Mlalazi	Non-Executive Committee Chairperson)
Ms Simangaliso D.R. Makoni	Non-Executive Member
Mr. George Mawere	Non-Executive Member

5.3. Finance and Investment Committee

Ms Simangaliso D.R. Makoni	Non-Executive Committee Chairperson
Eng Thomas Lusiyano	Non - Executive Member
Mr Munashe Shava****/Mr Onesimo M Moyo***	Non-Executive Member
Dr Douglas Zimbango	Executive Member
Mrs Reginah Malazi****	Non - Executive Member

5.4. Human Resources and Corporate Social Investment Committee

Mr George Mawere	Non-Executive Committee Chairman
Mr George Manyaya	Non-Executive Member
Engineer Clara Sadomba***	Non-Executive Member
Engineer Thomas Lusiyano****	Executive Member

5.5. Risk and Economic, Environment & Social Governance (EESG) Committee

Mr George Mawere	Non-Executive Committee Chairman
Mr George Manyaya	Non-Executive Member
Engineer Clara Sadomba****	Non-Executive Member
Engineer Thomas Lusiyano***	Executive Member

Key Notes
***** Members left the committee during the year*
**** Members joined the committee during the year*



CORPORATE GOVERNANCE REPORT(cont'd)

6. BOARD MEETINGS

The Board and its Committees held various meetings throughout the year as presented below:

Director	Main Board	Technical	Audit, Risk & Compliance	Finance & Investment	HR & Corporate Social Investment	Risk & ESG	Combined Audit, Risk & Compliance and Finance and Investment	Total
*Mr Onensimo M Moyo	8	1	1	1	NM	1	1	13
*Mr Munashe Shava	2	2	NM	2	NM	NM	NM	6
**Eng. Clara Sadomba	10	3	NM	NM	1	4	NM	18
Eng. Thomas Lusiyano	8	4	NM	1	3	M	NM	16
Mr. George Mawere	7	NM	4	NM	4		1	16
Mrs Reginah Mlalazi	9	NM	4	5	NM	4	1	23
Dr George Manyaya	7	NM	NM	NM	4	4	NM	20
Ms Simangaliso D.R. Makoni	11	1	3	6	NM	NM	1	22

Key/notes

i)NM-Not a Member of Committee

ii)*Board Chairman

iii)**Board Vice Chairperson

7. ANNUAL BOARD EVALUATION

An external consultant facilitated the 2025 Annual Board Evaluation Exercise, which aimed to assess the Board's performance comprehensively. This evaluation highlighted both the strengths of the Board as a whole as well as individual directors and also pointed to areas that require improvement. The findings from this exercise were instrumental in shaping targeted development programs designed to enhance the Board's effectiveness and governance practices.

8. BOARD FEES AND ALLOWANCES

These were paid in accordance with the remuneration framework set by the Office of the President and Cabinet, Corporate Governance Unit, ensuring compliance with national governance standards.

9. EXECUTIVE LEADERSHIP AND MANAGEMENT

The Executive Management of ZCDC, under the leadership of the Chief Executive Officer, oversees the daily operations and execution of the company's strategies. To address various operational issues, regular Management meetings are held, allowing for concentrated discussions on specific matters. While the Executive Management manages the day-to-day activities, the Board fulfills its oversight responsibilities by ensuring that operations align with strategic objectives and adhere to governance standards.



RISK MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

The nature of our operations and the environment within which we operate expose the business to internal and external risks and opportunities that can impact on our ability to generate sustainable value for our shareholders and stakeholders. Our enterprise risk management (ERM) function empowers employees to deliver on strategic objectives by embedding effective risk treatment and fostering resilience These risks and opportunities are carefully evaluated and managed. Risk management offers assurance to all our stakeholders including employees, government, shareholders, communities, suppliers, and customers that the objectives which we set to achieve will be met.

Our industry is shaped by safety imperatives, market volatility and evolving regulation, making risk management a strategic enabler of value creation across all our capitals. The Board, through the Risk and EESG Committee oversees the ERM program and monitors our top strategic, operational, stakeholder management, sustainability and safety-specific risks. It also monitors risk treatment actions and the effectiveness of the actions in addressing significant risks, guided by our risk appetite and tolerance framework. More importantly, the ZCDC Board is ultimately responsible for the enterprise-wide risk management framework, which is aligned with **ISO 31 000,** (an international standard on Risk Management), Republic of Zimbabwe's **Risk Management Framework** and **Guidelines for Public Sector**, **Public Entities Corporate Governance Act (PECOGO)** and the **King IV** requirements.

Risk and EESG Committee

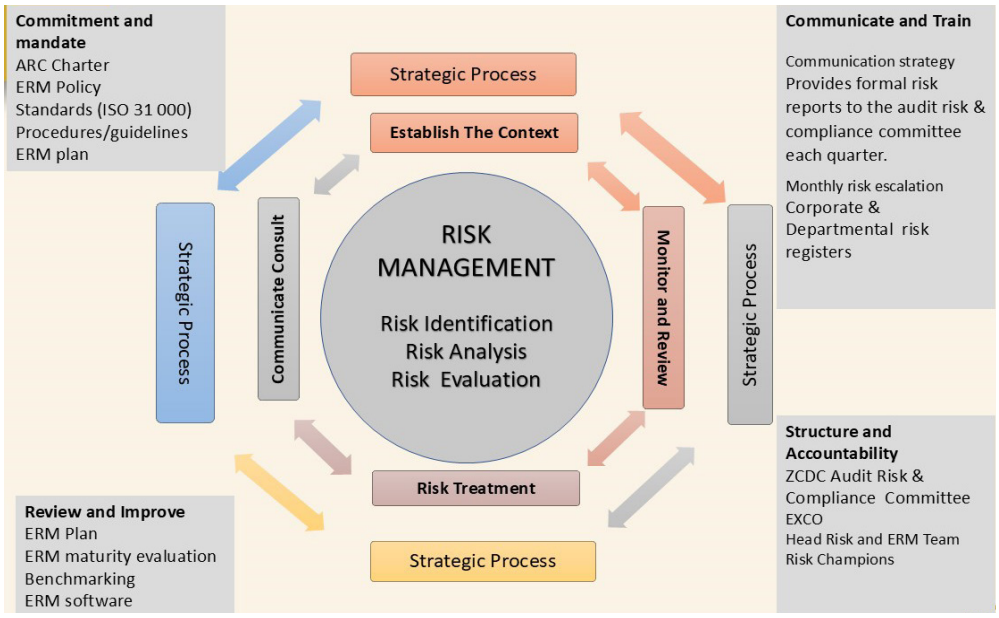
Oversight of the risk governance process was delegated to the Risk and EESG Committee of the Board and Quarterly Reports are sent to the Committee. The Committee also reviews the strategic risk profile to:

Assess its completeness.Consider external and internal factors that could lead to new/emerging risks and opportunities.Review the likelihood and impact/ consequence of existing risks and assess any new or emerging risks and opportunities to determine residual ratings. Review the completeness, effectiveness and/or relevance of mitigating actions and evaluate resulting residual risk ranking.

Risk Management Process

Our approach to risk management involves the key processes of risk identification, risk assessment, risk treatment and monitoring, and reporting as highlighted on the model below. It relies on the ongoing process of risk monitoring and related mitigation procedures and, when appropriate, their revision. ZCDC's risk governance model ensures effective risk identification and management at every level, with clear escalation from operations to the board and strategic oversight flowing back down. This integrated approach aligns risk management with our corporate objectives, delivering accountability, consistency, and robust oversight across the business. These activities are embedded in our day-to-day activities and processes at an operational level, in our governance structures and at policy level.

Risk Management Process





Risk Cont....

Implementation and daily management

Executive managers are accountable for effective risk management in their areas of responsibility, including maintaining, updating and regularly reviewing departmental risk registers. The ERM team is responsible for shaping, safeguarding and specialised servicing of risk management across ZCDC by implementing and maintaining an integrated risk management framework, methodology and system that supports ZCDC's strategic pillars

Our Risk Heat Map

Likelihood	Consequence: Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
Almost Certain (5)	Medium	Medium	3, 7 High	1 Extreme	Extreme
Likely (4)	Low	Medium	8, 9 Medium	2, 4 High 5	Extreme
Possible (3)	Low	Medium	Medium	High	6, 10 High
Unlikely (2)	Low	Low	Medium	Medium	High
Rare (1)	Low	Low	Low	Low	Medium

Top Strategic Risk

1. Market Price Risk
2. Supply chain disruptions
3. Product Security Risk
4. Loss of social license to operate
5. Legacy Litigation Risk
6. Cyber-crime
7. Liquidity Risk
8. SHE Risks
9. Catastrophic failure

Managing our Risks and Opportunities

Our risk profile is based on the top strategic risks identified during the period under review as indicated below Our strategic risks and opportunities arise from our dependencies and impacts on resources and relationships within our business model and operating context. International Reporting Standard (IFRS 51) requires disclosure of the current and anticipated effects of sustainability-related risks and opportunities on an entity's business model and value chain. We include both sustainability- and business-related risks and opportunities that can reasonably be expected to affect our prospects over the short, medium and long term.





#	Strategic Object	Risk/Issue	Potential Impact	Mitigation
1	To achieve a competitive price per carat in the year 2024	Market Price Risk- Failure to realize expected revenue due to downturn in the market	Failure to fund OPEX and CAPEX Liquidity Risk - Cash flow challenges Failure to service debts and inability to fund other obligations as they fall due	Continuous monitoring of the business environment & developing appropriate response plans Cost containment and cash conservation measures Rationalisation of stockholding for non-critical items. Metal price trending and forecasting for decision-making. Joint ventures & offtake arrangements
2	Ensure efficient and cost-effective procurement	Synthetic Diamonds- impact of synthetic on rough diamond demand	Reduced profit margins / high-cost structures Liquidity Risk - Cash flow challenges	Investment in latest cleaning technology to improve rough diamond quality. Improved sorting for value maximization. Investment in combined natural diamonds, provenance, promotion etc
3	To achieve 100% product security throughout the value chain	Product Security Risk -Loss of product, company assets and information	Financial loss Damage to company reputation Non-compliance to KPCS certification	Biometric Access Control 4- tier CCTV Surveillance Drone Surveillance Canine patrols Physical deployments of security personnel Perimeter fence
4	To engage the Community & Implement Development Programs	Loss of social license to operate	ZCDC and community conflicts Reputational damage Demonstrations and petitions against ZCDC Lobbying of Civic Society Organizations (CSOs	Regular engagement with all stakeholders including government and host communities Declare Community Dividend Implementation of CSR projects Local enterprise development (LED) programmes Implement Community Buying Framework
5	To ensure business growth and sustainability through resource mobilization	Legacy Litigation Risks arising from unresolved legacy issues	Reputational Damage Financial Cost Judicial attachments Disruptions to operations	Continuously manage all litigation until final resolution by internal and external legal counsel
6	To ensure a secure ICT environment	Cyber-crime/cyber fraud- direct financial loss suffered by ZCDC arising from the use of computers to commit fraud or steal money, securities, or other property	Reputational damage Breach of cyber Regulations Financial Loss loss of confidential information.	System Data backups Disaster recovery plan Antivirus/Antispam
7	To ensure business growth and sustainability through resource mobilization.	Legacy Litigation Risks arising from unresolved legacy issues	Reputational Damage Financial Cost Judicial attachments Disruptions to operations	Continuously manage all litigation until final resolution by internal and external legal counsel
8	To ensure zero harm through implementation of comprehensive HSE strategies	SHE Risks- Injury to personnel and/or damage to property, leading to failure to achieve ZERO HARM	High injury frequency rate and severity rate Reputational damage Business disruptions High cost of insurance premiums and medical costs Damage to environment	Robust HSE management systems. Inspections of equipment. Awareness trainings HIRA NSSA, Insurance and Medical Aid facility Visible Felt Leadership Environmental management systems



#	Strategic Object	Risk/Issue	Potential Impact	Mitigation
9	To ensure zero harm through implementation of comprehensive HSE strategies	Catastrophic failure of tailings storage facility, resulting in uncontrolled flooding within the zone of influence (ZOF) of the dam	Environmental damage Reputational damage Financial loss Injury to personnel and communities	Control of discharge points and penstock rings (Portal A) around the dam Slimes dams inspections and maintenance Recycle of slimes dam water to the plant Walls refurbishments. Third party audits of condition of tailings dams Emergency preparedness plan and mock drills
10	To increase and enhance geological confidence for ZCDC mineral resources	Resource Risk-Uncertainty of resource model grade continuity with depth.	Ore stock outs & Mining of blank zones Below cut-off grades	Accelerate resource definition through exploration for new diamond resources (Kimberlites, Portal E, Portal D, Iii) Enhance RC infill drilling in Portal A for refined ore modelling

Top strategic opportunities

	Opportunity	Potential impact on delivery of our strategy
1	**Joint ventures** **Related to risks 1,3,9,10**	**Enable us to take advantage of economies of scale, reduce costs and improve efficiencies** **Access to international markets and assists in commodity price discovery**
2	**Organic growth opportunities** **Related to risks 1,9,10**	**maintaining a pipeline of resources and reserves is vital to ensuring sustained and profitable production in the future** **reserve replacement and/or growth are imperative in achieving ZCDC's strategic objectives.** **Management continues to explore accelerate resource definition through exploration for new diamond resources (Kimberlites, Portal E, Portal D, Iii) for organic growth opportunities**
3	**8.AI/integration New technology Related to risks 1,2,3,5,6**	**Management continues to explore accelerate resource definition through exploration for new diamond resources (Kimberlites, Portal E, Portal D, Iii) for organic growth opportunities**
4	**Productivity improvements** **Related to risks 1,2,3,8,9,10**	**Leveraging on new technology presents opportunities to improve safety and enhance our ability to improve cost and productivity efficiencies as well as overall financial management**

ZCDC'S Fraud Control and Corruption Prevention Policy

ZCDC believes in managing anti-corruption as part of our sustainability strategy as both a legal and ethical obligation. By implementing robust anti-corruption policies and practices, we enhance our corporate reputation to our stakeholders. It is the policy of ZCDC that fraud, corruption or any other dishonest and unethical activities will not be tolerated. Such activities will be investigated, and actions instituted against those found responsible. Corruption takes various forms, and the following are examples of corruption and other irregular conduct which are referred to as corruption :

- Bribery
- Corruption
- Extortion
- Abuse of power
- Conflict of interest
- Abuse of privileged information
- Theft
- Connivance
- Breach of IT Security and data privacy Social Media Misuse Breach of Company Policy or failure to implement or comply with any approved Company Policy.
- Nepotism.



ZCDC Integrity Pledges

ZCDC's Board, Executives and management signed the Zimbabwe Anti-Corruption Commission (ZACC) integrity pledges, as part of the organisation's commitment to combat corruption.The Zimbabwe Integrity Pledge is an anti-corruption "social contract" facilitated by the Zimbabwe Anti-Corruption Commission (ZACC). It requires individuals and institutions in both the public and private sectors to commit to upholding transparency, ethical leadership, and a zero-tolerance stance toward graft





ZCDC Whistle blower Schemes

ZCDC operates a whistle blower facility in line with Best Practice across all operations that allows people/ stakeholders to report issues and concerns confidentially, with the option to remain anonymous. To help us in addressing fraud and associated unethical behaviors, we have created a platform for our stakeholders to report any such misconduct within ZCDC confidentially and conveniently. All the information provided via the various reporting channels including Toll free numbers will be handled with strict confidentiality, and the identity of the informants will be protected.

The whistleblowing facility is managed and operated independent of management. We are committed to conducting thorough investigations into all reported cases and to providing feedback accordingly. ZCDC Management pays rewards for useful reports received.

Details about the hotline are included in the induction programmes for all employees and are posted at the company's offices and operations.

In order to promote a standard of conduct that upholds the integrity of the company's operations and activities ZCDC Management and Staff are required to make annual formal conflict of interest disclosures as guided by the Parastatals Code of Ethical Practices Framework and in line with the employment contracts. During the reporting period, we did not record any cases relating to corruption and this gives us confidence in our anti-corruption measures. As part of improving our systems, we aim to continue investing in anticorruption training and awareness sessions.

ZCDC'S Fraud Control and Corruption Prevention

ZCDC Integrity Pledges

- ZCDC's Board, Executives and management signed the Zimbabwe Anti-Corruption Commission (ZACC) integrity pledges as part of the organisation's commitment to combat corruption.

ZCDC Whistle blower Scheme

- All the information provided via the various reporting channels including Toll free numbers will be handled with strict confidentiality, and the identity of the informants will be protected.

Mandatory Integrity Testing

- In 2025, the Security Services Department (SSD) executed comprehensive, mandatory integrity assessments across all security personnel to verify alignment with ethical protocols.

Compliance and Lifestyle Audits

- Routine operational audits are supplemented by targeted lifestyle audits of personnel, serving as a powerful deterrent against illicit enrichment and policy non-compliance.

Reputational Equity

- By maintaining open dialogue on ZCDC's anti-bribery and asset-protection initiatives, the department successfully mitigated external security threats, minimised perimeter friction, and fortified the corporation's ethical standing within the region.

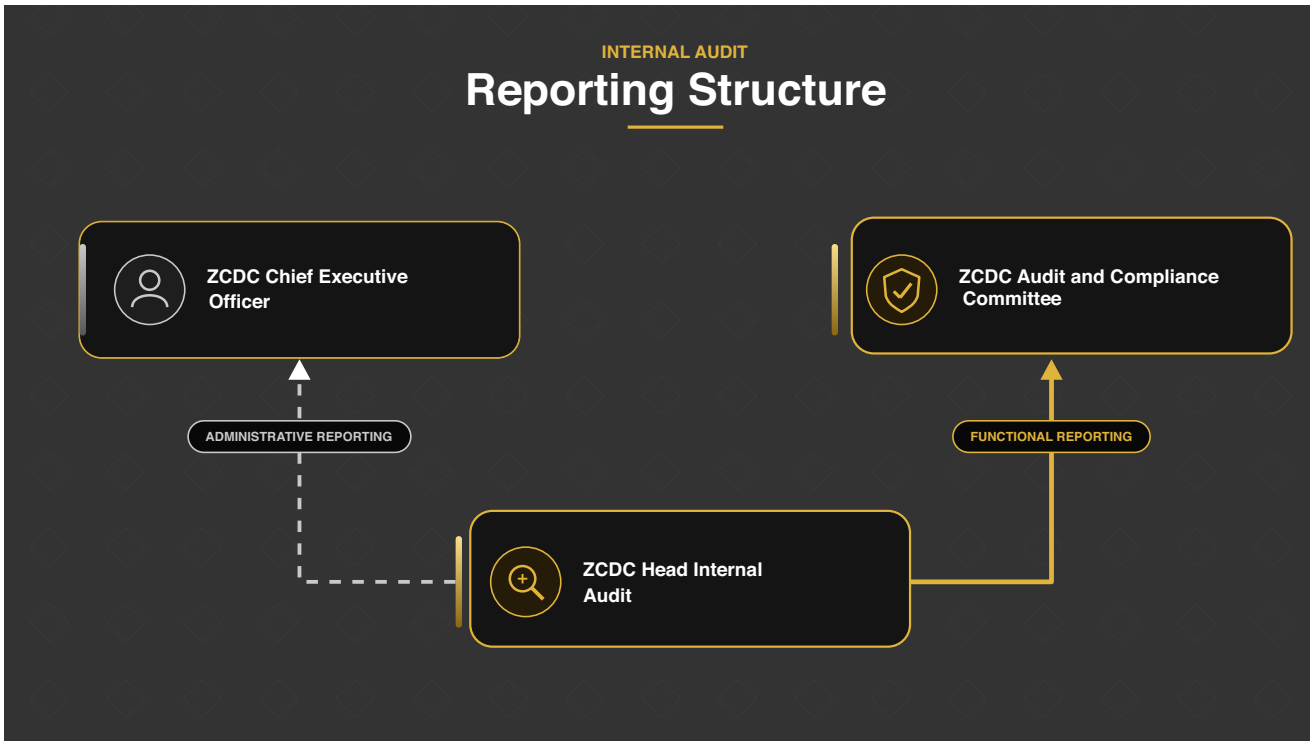


INTERNAL CONTROL ENVIRONMENT

ZCDC is committed to maintaining a robust internal control environment to curb pilferage, safeguard company resources and optimise revenue generation. The company has implemented effective systems for checks and balances.

AUDIT DEPARTMENT STRUCTURE AND REPORTING

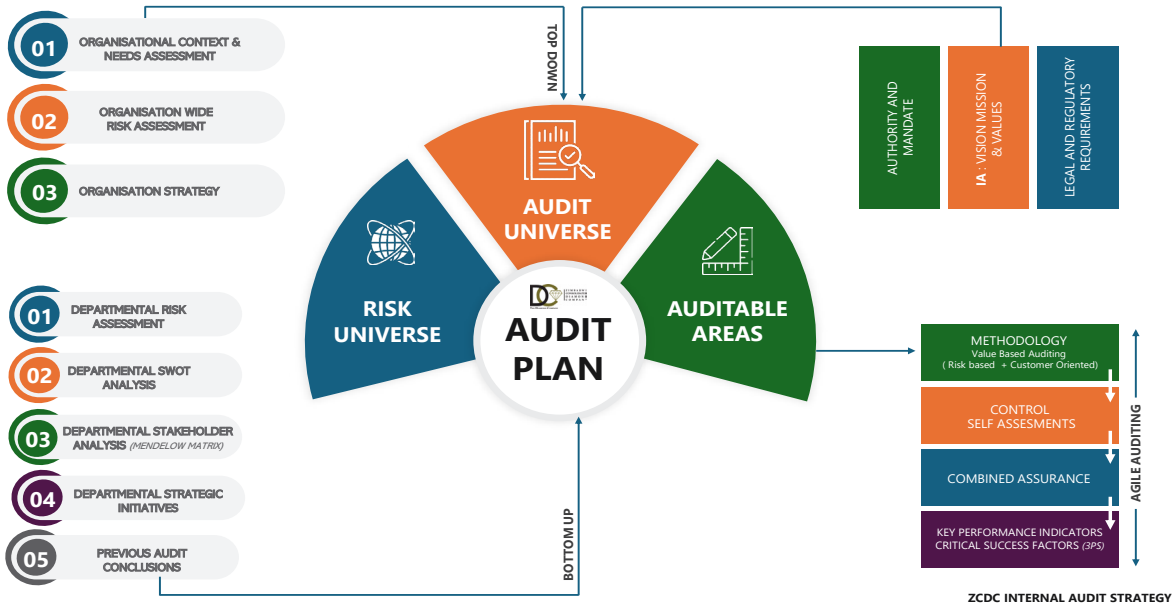
The positioning of the ZCDC Internal Audit Department is premised on Standard 7.1: *Organisational Independence* of the Global Internal Audit Standards. This standard recognises Internal Audit's functional reporting to the Audit Committee and administrative reporting to Senior Management, through the Chief Executive Officer, as a key safeguard for maintaining the function's independence





INTERNAL CONTROL ENVIRONMENT (contd) .

ZCDC Internal Audit Strategy(2025-2030)



The Internal Audit Strategy 2025–2030 is designed to ensure sustainability by embedding robust governance, leveraging technology, fostering collaboration, and maintaining a strong focus on value creation and ethical standards. Its dynamic, value-based approach, which combines risk-based auditing, customer centricity, and agile auditing principles, enables Internal Audit to respond promptly to emerging risks, shifting organisational priorities, and stakeholder needs while continuously improving audit delivery. This positions Internal Audit as a key enabler of sustainable organisational success. Below is the pictorial presentation of the Internal Audit Strategy 2025-2030, from which Annual Internal Audit plans are informed.

BRIBERY AND CORRUPTION

1.ZCDC Interventions - Bribery and Corruption

Anti-Bribery and Corruption Governance

ZCDC maintains an unyielding, zero-tolerance posture toward all forms of financial malpractice, bribery and corruption. The Security Services Department treats integrity not merely as a compliance requirement, but as a core operational imperative.

Mandatory Integrity Testing: In 2025, the company executed comprehensive, mandatory integrity assessments across all security personnel to verify alignment with ethical protocols.

Confidential Reporting Channels: ZCDC sustained (and still sustains) a secure, decoupled reporting platform designed to capture anonymous disclosures regarding corrupt activities.

Proactive Risk Assessment and Due Diligence

To stay ahead of evolving threats, the company employs a proactive risk architecture designed to identify, isolate and mitigate vulnerabilities across the operational value chain.

Multi-Tiered Vetting Frameworks: Rigorous vetting and background due diligence protocols are systematically applied to:

- Active employees and prospective recruits (pre-employment screening).
- External vendors, suppliers and third-party contractors.

This continuous screening ensures that all stakeholders operating within the ZCDC ecosystem possess unblemished ethical records and pose no liability to the organisation's asset protection mandates.



3. Robust Internal Controls and Technological Surveillance

The reinforces its defence-in-depth strategy through a rigorous combination of financial scrutiny and an advanced, multi-layered tactical surveillance ecosystem.

Compliance and Lifestyle Audits: Routine operational audits are supplemented by targeted lifestyle audits of personnel, serving as a powerful deterrent against illicit enrichment and policy non-compliance.

- **Signing of conflict of interest forms:** For integrity and transparency all Grade C6 and above members within the organisation signed the conflict of interest forms
- **Integrated Surveillance Ecosystem:** Operationally, situational awareness and asset protection are significantly augmented through an interconnected technological network, including:
- **Fixed-Station Architecture:** High-definition CCTV networks covering critical mining and processing areas.



- **Tactical Mobility:** Body-worn cameras deployed on field personnel to ensure transparency during interactions.
- **Aerial Surveillance Over-Watch:** The deployment of specialized Drone systems to facilitate continuous remote monitoring, perimeter enforcement, and real-time anomaly detection in zero-visibility or high-risk concession areas.



5. Strategic Stakeholder Engagement and Transparency

Recognising that security is deeply intertwined with social license, throughout 2025, the company actively cultivated an external ecosystem rooted in transparency and shared accountability.

- **Internal Alignment:** Continuous awareness campaigns were maintained internally to reinforce the organisation's ethical standards and compliance expectations among the workforce.
- **External and Community Alignment:** Through the Criminal Intelligence and Investigations Unit (CIIU), the organisation sustained formal engagement frameworks with external suppliers, contractors, and local community stakeholders—including Traditional and Local Leadership.
- **Reputational Equity:** By maintaining open dialogue on ZCDC's anti-bribery and asset-protection initiatives, ZCDC successfully mitigated external security threats, minimised perimeter friction, and fortified the corporation's ethical standing within the region.

These integrated interventions have actively fostered an institutional culture of transparency and integrity, directly safeguarding ZCDC's operational assets, ensuring sustainable business continuity and protecting long-term shareholder value.



ENVIRONMENTAL

(Conservation of the Natural World)

ENVIRONMENTAL STEWARDSHIP

ZCDC recognises the ecological footprint of its operations and systematically prioritises environmental aspects with the highest material risk. Our management approach integrates best practices and international standards to address core risk domains, specifically water resources, energy use, regulatory compliance, and biodiversity conservation. This framework ensures that environmental stewardship is embedded within operational decision making and long term sustainability planning.

CLIMATE CHANGE AND CARBON EMISSIONS

The Air Quality Index (AQI) at ZCDC is assessed through measurement of particulate matter (PM2.5 and PM10), ozone (O_3), nitrogen dioxide (NO_2), sulfur dioxide (SO_2), carbon monoxide (CO), and lead (Pb). In line with its mandate, the company emphasises greenhouse gas (GHG) control through systematic monitoring and carbon footprint tracking. Quarterly generator and vehicle emission surveys quantify CO_2, NO_{x2}, and SO_{x2}, with current results showing that most vehicles and generators fall within the blue class, indicating compliance with permissible emission thresholds.

ZCDC is actively reducing its carbon footprint by transitioning from fossil fuel based energy systems to cleaner technologies such as solar power. All processing plants have now been connected to the electrical grid, a measure that has lowered fuel consumption by approximately 10,000 litres per day. This shift represents a significant reduction in direct emissions and enhances operational sustainability. Continuous improvement is supported through quarterly hygiene and environmental surveys, which provide empirical data for monitoring, corrective action, and long term performance optimization.

ZCDC complements its emission reduction strategy with renewable energy interventions, including the use of liquefied petroleum (LP) gas , alongside planned maintenance and efficiency tracking of machinery. To offset residual operational emissions, the company implements ecosystem based carbon sequestration through reforestation with indigenous species, fruit tree cultivation, and mine site greening via structured landscaping. These integrated measures combine technological substitution with ecological restoration to achieve sustained carbon mitigation.

AIR AND WATER POLLUTION

Pollution in mining operations is best understood through three dimensions: the source of pollutants, their movement or dispersion, and the recipient environment. At ZCDC, ore extraction, transportation, and washing are recognised as primary activities that may generate atmospheric emissions and wastewater.

Table 1: carbon footprint of ZCDC

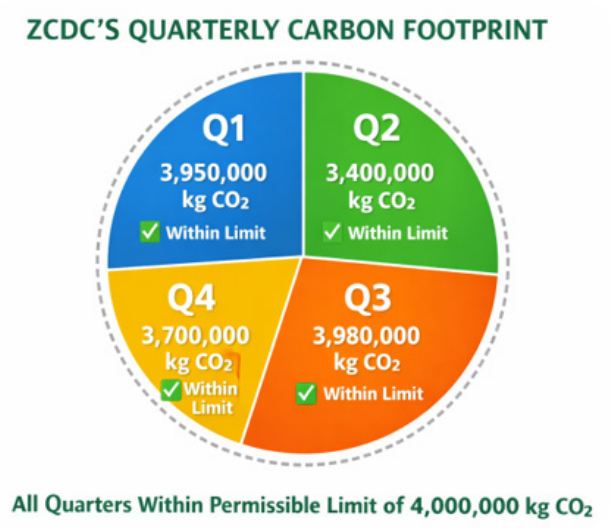


Table 2.showing source of pollution and the receiving environment

Ref	Type	Recipient
1	Air Emissions	Atmosphere
2	Dust	Atmosphere
3	Effluent	Ground water (water recycled back into the processing plant)
4	Septic tanks	Land (Soak away treatment and septic tanks are emptied by honey sucker)

Air quality is safeguarded through routine monitoring conducted in accordance with Environmental Management Agency (EMA) regulations. Dust suppression systems are systematically applied across operational sites to minimise airborne particulates, while the mandatory use of respirators ensures worker protection from residual exposures. Collectively, these controls reduce occupational health risks and limit the environmental dispersion of fine particulates, reinforcing compliance and demonstrating ZCDC's commitment to proactive environmental and occupational safety management.

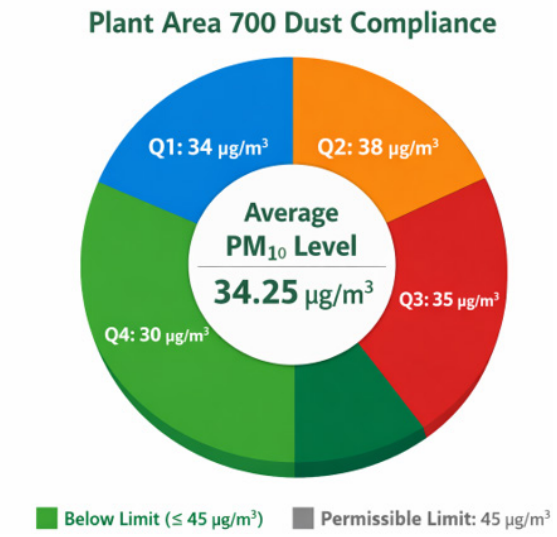


ESG Cont....

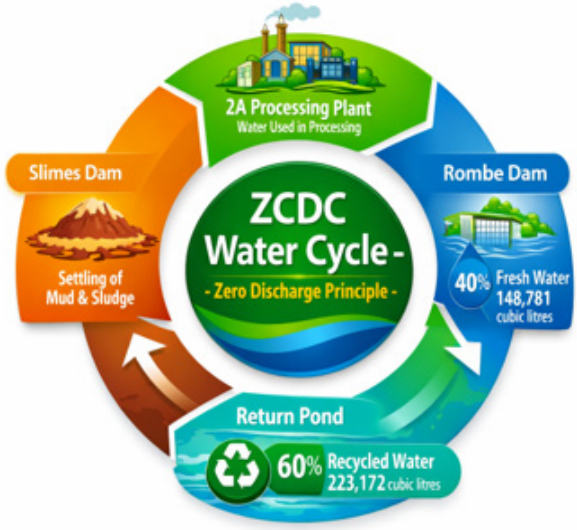
Table 3. Showing Environment dust

Site	Quarter	PM_{10} (µg/m³)	Permissible limit	Compliance Status
Plant Area 700	1	34	45µg/m3	Compliant
Plant Area 700	2	38	45µg/m3	Compliant
Plant Area 700	3	35	45µg/m3	Compliant
Plant Area 700	4	30	45µg/m3	Compliant

Air Pollution (Dust Focus)



ZCDC implements a Zero Effluent Discharge Principle (ZLD), recycling all process water back into the system to prevent environmental contamination and conserve freshwater resources. Slimes dams are subject to continuous water quality monitoring to detect potential seepage or pollutant migration, while sewage waste is contained in septic tanks that are periodically emptied using honey sucker systems to ensure safe and compliant disposal.



Zero Effluent Discharge Principle

Open pit lakes represent potential pathways for contamination of groundwater, surface water, and surrounding ecosystems. To mitigate these risks, ZCDC has adopted backfilling with mined materials as a passive treatment option, reducing contamination potential and supporting long-term closure planning and ecological rehabilitation of mined-out pits.

BIODIVERSITY

ZCDC assesses biodiversity through ecological complexes encompassing both biotic and abiotic components, including species, populations, genetic variation, and the intricate assemblages of communities and ecosystems. A comprehensive biodiversity impact assessment was successfully conducted by the Scientific and Industrial Research and Development Centre (SIRDC) at the Chiadzwa and Chimanimani sites, providing a baseline for ongoing management. Building on these findings, ZCDC has implemented a suite of strategies that embed biodiversity conservation as a continual and integral facet of its environmental stewardship framework.

Table 4: Biodiversity Elements and Conformities

Biodiversity Element	Current Conformities to the requirements
Animals	• Pythons and pangolins are classified as endangered and receive strict protection within ZCDC concessions. Any encounter is reported to the Zimbabwe National Parks and Wildlife Authority (Zim Parks) for safe rescue and relocation. • Bees are removed and relocated for apiculture • (Zim Parks officials are immediately notified whenever wild animals are sighted near mining areas, communities or when they escape nearby conservancies. This is done to minimise human-wildlife conflict and poaching.)
Vegetation	• Rehabilitation of indigenous trees • Planting of fruit trees
Water	• Stream bank mining is not practiced. • ZCDC also facilitates the relocation of fish from dried out ponds to the natural water bodies.



Table 5:Endangered Species (Rock Python ,Pangolin

Rock Python	Pangolin	Bees
		

DEFORESTATION

ZCDC's mining processes involve vegetation clearance, earth moving operations, blasting, and haulage. To mitigate ecological impacts, the company is undertaking a rehabilitation program across mined out areas, replanting indigenous tree species to restore land to its natural forest state. In addition, ZCDC canteens use liquefied petroleum (LPG) gas for cooking in place of firewood, thereby reducing deforestation and supporting sustainable resource use.

ENERGY EFFICIENCY

Energy efficiency is the practice of using less energy to provide the same amount of useful output from a service which might be lighting, heating or operating drives.

1.As ZCDC we have implemented the following:
i.Introduced solar lighting with about 50% of our plants now illuminated by a combination of AC power supply lights and solar lights.

ii. Replacement of High-Pressure Sodium HPS bulbs with Light Emitting Diodes (LED) lighting.

iii. Introduced geyser elements which are compatible with thermostats for controlling water heating efficiently.

iv. Use of variable speed drives and soft starters to reduce power demand.

v.Power factor correction equipment was installed to improve energy efficiency and reduce demand from the national grid.

vi. Use of daylight switches for controlled lighting.

2.Plans for energy efficiency improvement
i.To construct and commission a 10MW solar power plant.

ii. To replace electric geysers with solar geysers at all residential camps by end of 2027.

iii. To replace diesel powered generators at residential camps with solar energy by mid-2027.

WASTE MANAGEMENT

In compliance with S.I. 6 of 2007 (Effluent and Solid Waste Disposal Regulations) and S.I. 10 of 2007 (Hazardous Waste Management), ZCDC has established a structured waste management plan. Effluent waste streams are directed into slimes dams at Portal A and Portal E, ensuring controlled containment and monitoring. All licenses associated with waste storage currently fall within the blue band, reflecting adherence to regulatory requirements and demonstrating effective environmental risk management.
Solid putrescible waste generated on site is disposed of at a lined and fenced mine landfill to ensure containment and environmental protection. Oil filters are directed to a concrete lined pit, while spillages are managed at the oil farm to promote controlled degradation. Non putrescible waste is securely caged and recycled through an approved contractor, reinforcing ZCDC's commitment to sustainable waste management and regulatory compliance.

Waste produced at ZCDC is reduced at departmental level through waste recycling, reusing and adopting more environmentally-friendly techniques. Waste segregation is being done to all waste collecting facilities using color coded bins and disposed as follows:

Table 6: Waste Segregation by Colour Code

Colour code	Waste Category		Disposal Method
Green		Biodegradable waste	Landfill disposal
Yellow		Paper waste	Composting
Black		Plastic waste	Paper cage for offsite recycling
Red		Hazardous waste	Sharing information online than printing
Ni		Metallic waste	Promoting a paper saving policy

Waste is collected by a waste truck and delivered to the landfill where waste is buried underground. An inventory of waste collection is kept and recorded each time waste is collected. The records assist in quantifying waste production as well as developing waste reduction interventions.



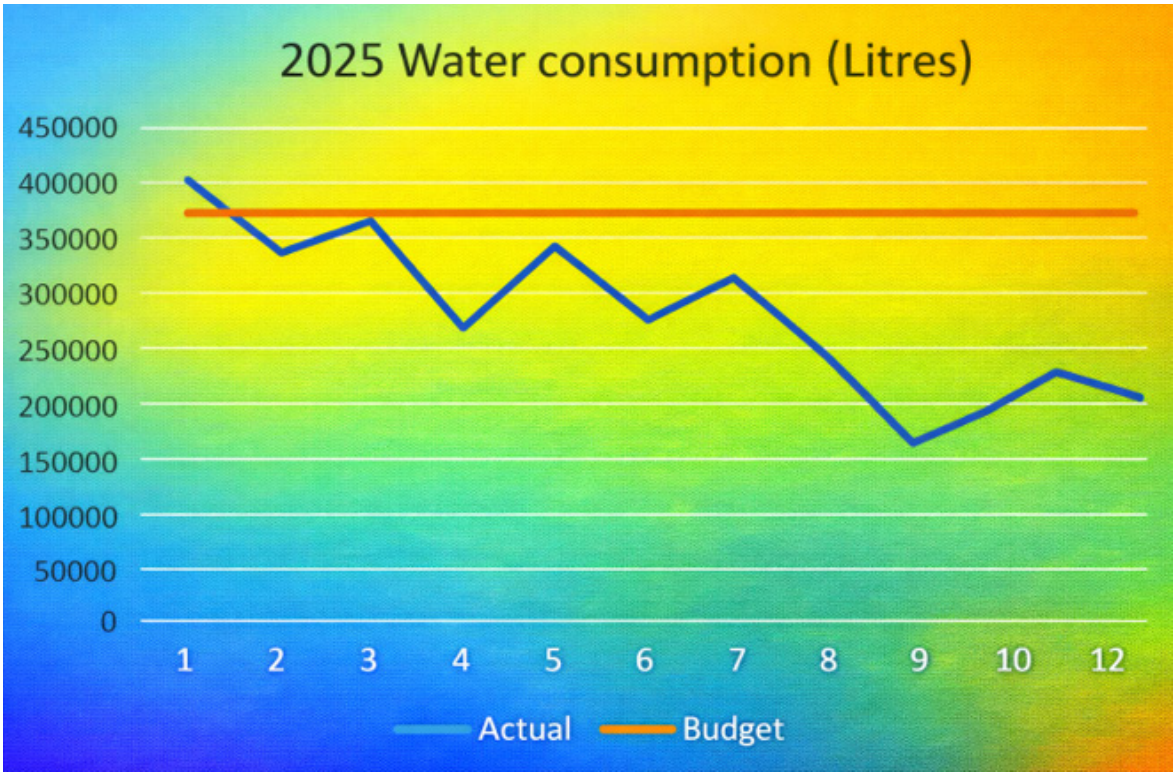




Clean up Campaign

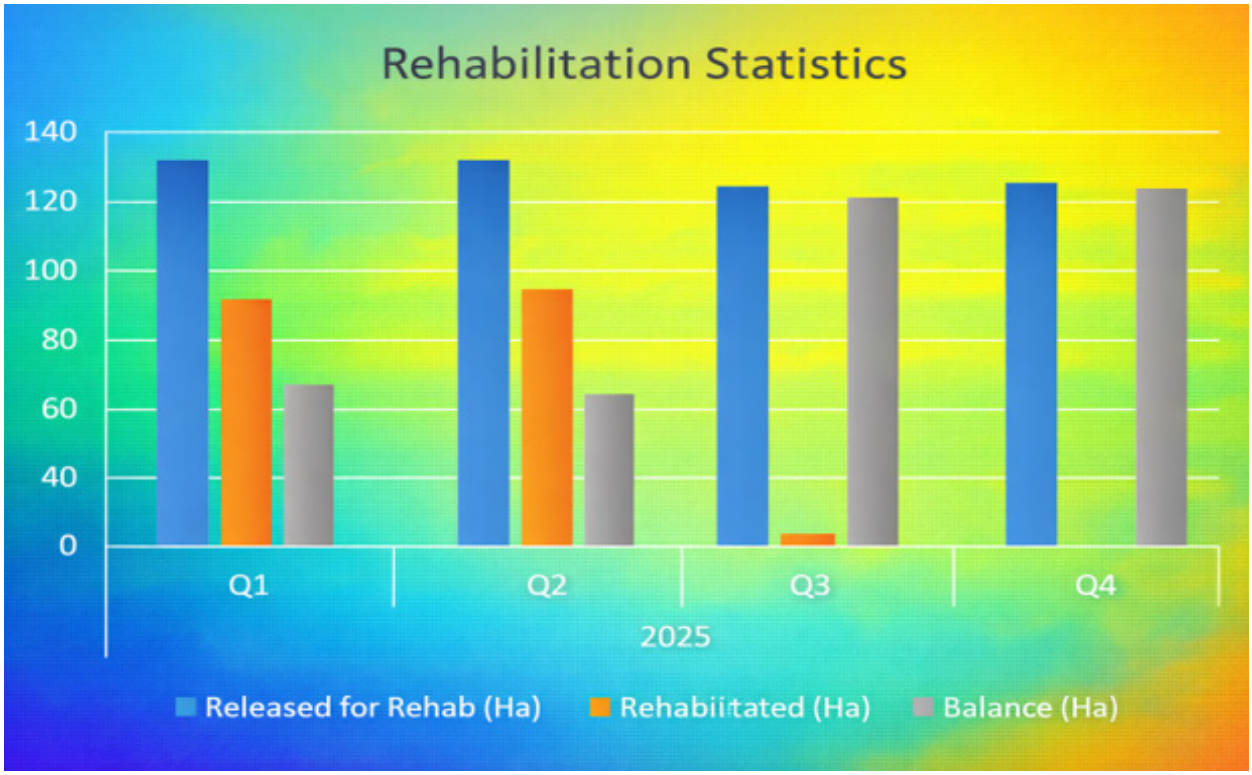
WATER MANAGEMENT

Water conservation is achieved through recycling, with processing plants operating on 40% fresh water and 60% recycled water from a total budget of 37,1953 cubic litres. Wastewater is directed to slimes dams, pumped back for reuse, reducing abstraction and pollution. Compliance is ensured through valid abstraction and borehole permits under the EMA Act (Chapter 20:27) and Water Act (Chapter 20:24). In 2025, consumption declined due to process optimisation and reduced ore throughput, reflecting improved efficiency.



REHABILITATION

Rehabilitation of mined out areas is one of the fundamental strategies to ensure the disturbed mining environment may rejuvenate and return to its natural status after mining. Rock waste generated by mining is similarly used for in-pit dumping to ensure progressive rehabilitation of mined out pits. ZCDC is going through a project of rehabilitating all mined out areas by planting indigenous trees to return the land to its natural state (forest). The organisation follows a comprehensive rehabilitation program which includes tree planting and in-pit dumping.



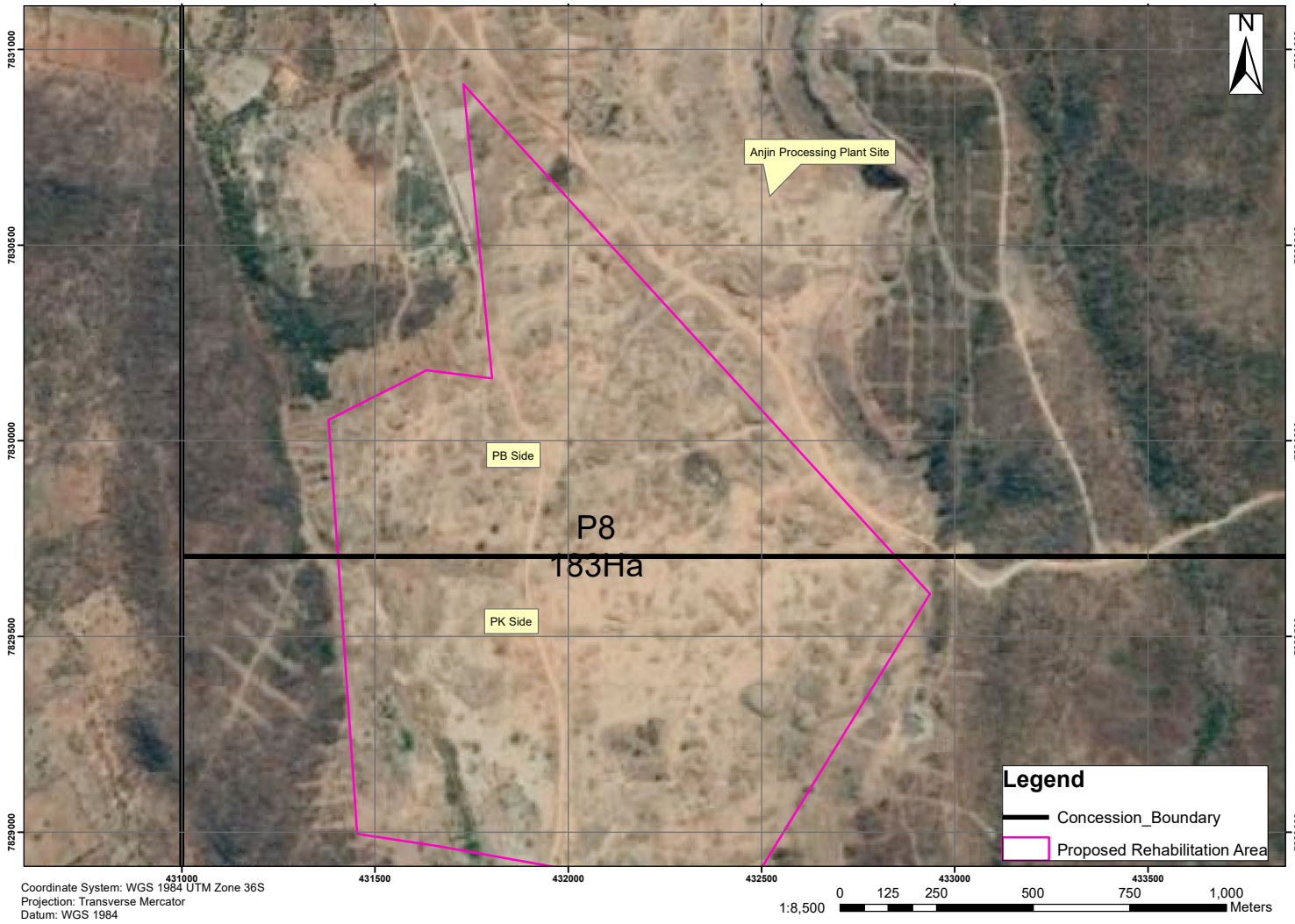




ZCDC New rehabilitation site.



PORTAL B&K PROPOSED REHABILITATION AREAS



Map showing area released for 2025 rehabilitation.



SOCIAL

(Consideration for People and Relationships)

CUSTOMER AND STAKEHOLDERS' SATISFACTION

Building and maintaining strong relationships with both our customers and stakeholders remains fundamental to our long-term sustainability. At ZCDC, we are inspired by our vision of becoming a world-class diamond producer that abides by high quality delivery standards that meet our stakeholders' expectations. During the year 2025, ZCDC implemented initiatives aimed at enhancing transparency, improving service delivery and fostering meaningful engagement.

Key Initiatives Undertaken

- ZCDC launched the Client Service Charter, which outlines our commitment to conduct our operations with integrity, transparency, and respect for all our stakeholders, including buyers, regulators, local communities, partners and shareholders. The Charter highlights the standards of service and conducts you can expect from us in all our interactions. The ZCDC Charter is available on our website, and in English, Shona and Ndebele languages.
- During the year, stakeholder satisfaction surveys were done to assess service quality, product reliability, and overall customer experience.
- Establishment of regular stakeholder engagement forums with government agencies, local communities, investors, suppliers, employees, and industry partners to discuss operational performance, sustainability priorities, and shared concerns. The engagement forums were done at strategic events and exhibitions like the Mining Indaba, Zimbabwe International Trade Fair (ZITF), Mine Entra, Chamber of Mines of Zimbabwe annual conference and Kimberely Process Certification Scheme (KPCS) session, where ZCDC participated and exhibited.
- Improved communication through digital platforms and the corporate website provides timely updates on company activities.
- Conducted community engagement meetings for projects affecting local communities, ensuring stakeholder perspectives informed project implementation.
- Strengthened supplier engagement through supplier meetings, performance evaluations, and responsible sourcing initiatives.
- Maintained active participation in industry associations and regulatory engagements to promote collaboration and alignment with national development priorities.

Outcomes

These initiatives resulted in:

- Improved customer confidence and loyalty.
- Stronger relationships with key stakeholders.
- Enhanced transparency and accountability.
- Better understanding of stakeholder expectations.
- Improved responsiveness to concerns and complaints.
- Increased trust and strengthened corporate reputation.
- More informed decision-making through stakeholder feedback.
- Continued alignment with the Company's sustainability strategy and ESG commitments.

RESPONSIBLE SOURCING

Our supply chain remains a strategic pillar for delivering on our sustainability commitments. By prioritising local and in-country sourcing, we actively stimulate regional economic growth and help build resilient, self-sustaining enterprises—businesses designed to thrive well beyond the life of our operations. Wherever local capability and quality meet our standards, we give preference to community-based suppliers.

Our sourcing hierarchy begins with provincial suppliers, expands to national partners, and only then considers international vendors. We operate with a generational mindset: communities must flourish after we depart. Our supply teams therefore invest in supplier development, capability-building, and continuous performance improvement. In 2026, we maintained over 65% of total procurement spend within the local community and nationally reinforcing our commitment to homegrown value chains. All suppliers are held to rigorous expectations regarding business integrity, ethical conduct, and transparent practices.

INTEGRATED COMMUNITY DEVELOPMENT

What truly sets us apart is our integrated approach to community development—one that moves far beyond traditional charity and instead builds shared, lasting value. Our model is rooted in partnership: we prioritise local employment and supplier contracts, invest in community-identified priorities such as education, access to clean water, and healthcare infrastructure, and maintain ongoing, open dialogue forums that ensure local voices actively shape our social investments. This is not about doing for communities, it is about working with them to co-create solutions that deliver tangible, generational impact. In 2026, this participatory framework continues to guide every decision we make, reinforcing our belief that our success is inseparable from the well-being of the communities we serve.The integration of authentic community engagement into our sourcing framework serves to mitigate operational risk, enhance local economic stability, and uphold our social license to operate. This comprehensive strategy converts



ESG Cont....

our supply chain into a multi-stakeholder value network—delivering benefits to ZCDC, our clientele, the communities in which we operate, and Zimbabwe as a whole.

DATA PROTECTION AND PRIVACY

CYBERSECURITY AND DATA PROTECTION COMPLIANCE

The Cyber and Data Protection Act [Chapter 12:07] was enacted in 2021. Since then, ZCDC has taken key steps to strengthen compliance with the Act and align its data protection practices with regulatory requirements.

Licensing and Governance

Zimbabwe Consolidated Diamond Company obtained its Data Controller License from Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) on 12 March 2025, confirming its formal recognition as a compliant data controller under the Act. A Data Protection Officer was also appointed to lead compliance monitoring and reporting obligations in line with the Act.

Training and Awareness

Six Data Protection Officers were trained and certified through POTRAZ, equipping them with the skills and knowledge required to implement best practices and meet regulatory expectations. Executive management as well as the the Data Controller, were sensitised on their respective roles and responsibilities in data protection and privacy to ensure senior-level awareness, accountability, and commitment to compliance.



Gap Analysis and Policy Development

A comprehensive gap analysis was conducted to benchmark the organisation's practices against the Cyber and Data Protection Act [Chapter 12:07]. Recommendations were made, and implementation of corrective actions is currently in progress. The Data Privacy and Artificial Intelligence (AI) Policies have also been drafted and are undergoing Board approval.

GENDER AND DIVERSITY

Diversity and Inclusion

ZCDC is committed to building an inclusive and diverse workforce, in line with its principles of zero-harm, excellence, accountability, and respect. The company seeks to create a workplace where every employee can contribute to business success and reach their full potential. ZCDC promotes a culture that values diversity and inclusion by ensuring that its policies, procedures, and behaviours treat individual differences fairly, respectfully, and with dignity. The company promotes respect for cultural, religious, and personal differences, supporting an inclusive workplace where employees are treated with dignity and fairness. To achieve a diverse and inclusive environment, ZCDC continues to support the following programs and practices:

Gender Diversity

- Gender equality across all organisational levels remains a core element of ZCDC's Diversity and Inclusion Strategy. The company continues to prioritise increasing women's representation in senior management, with a target of at least 25% representation at each level.
- In 2025, ZCDC's workforce comprised 84% male employees and 16% female employees.
- ZCDC is integrating gender considerations into its policies, programmes, and practices to promote balanced representation across all levels of the organisation. The company supports women participation in mining through targeted development initiatives, mentorship, skills training, and efforts to strengthen the leadership pipeline for female employees.

Anti-Harassment and Safe Reporting Channels

- ZCDC prohibits sexual harassment and is committed to enforcing its Code of Conduct in addressing such cases.
- The company maintains reporting channels for harassment, discrimination, and workplace misconduct, with measures in place to support confidentiality, fair investigation, and protection against victimisation.

Safe Work Practices

- ZCDC upholds a Zero-Harm principle by promoting a safe working environment through continuous safety and health awareness initiatives, annual provision of protective equipment and clothing, and the use of functional, well-maintained equipment.
- The company also subscribes to international safety standards through its Integrated Management System certification.
- Expectant mothers are not assigned to hazardous or high-vibration work areas. Affected employees are reassigned to suitable duties until they give birth.

Workplace Facilities for Women

- The company continues to improve workplace facilities that support women participation in mining, including appropriate sanitation, maternity support, lactation facilities, and suitable protective clothing were required.



ESG Cont....

- ZCDC provides on-site lactation facilities to support breastfeeding mothers and enable infants to receive maternal care for six to twelve months, in accordance with subsections 18(8) and 18(11) of the Labour Act. The company has established a lactation centre in Chiadzwa equipped with appropriate amenities for mothers and their helpers. Where these facilities are located away from work areas, transport is provided to facilitate timely breastfeeding.
- ZCDC provides women-friendly sanitation facilities, including sanitary bins and privacy provisions, to support dignity and hygiene in the workplace.

Accommodation facilities

- ZCDC provides suitable employee accommodation that supports safe, comfortable living conditions and enable employees to maintain focus and productivity.
- Employee accommodation areas include recreational amenities such as common rooms, indoor games, entertainment facilities, sports facilities, and gym access. These facilities promote wellbeing, inclusion, work-life balance, and employee wellness within the mine premises.

Disability Inclusion

- ZCDC supports disability inclusion through accessible workplace facilities, reasonable accommodation, and efforts to ensure that employees and visitors living with disabilities can participate safely and effectively in the workplace.
- ZCDC promotes accessibility and inclusion by providing disability-friendly facilities, including ramps at restrooms and office entrances, to support safe and convenient access for employees and visitors living with disabilities.
- ZCDC demonstrates its commitment to disability inclusion as it retained an employee who acquired a disability following a road traffic accident. The employee was retrained and reassigned to a suitable role that aligns with their capabilities, supporting continued employment, dignity, and meaningful workplace participation.



Gender-Sensitive Health and Safety

ZCDC integrates gender considerations into health and safety practices to ensure that workplace risk assessments, protective equipment, and welfare facilities support the needs of a diverse workforce.

ZCDC implements gender-focused health programmes, including the Men's Clinic and Women's Clinic, to support awareness, screening, and initiation of treatment for health conditions such as HIV and AIDS, cervical cancer, breast cancer, and prostate cancer. These initiatives also promote healthy lifestyles and support early detection, timely intervention, and overall employee wellbeing.

EMPLOYEE ENGAGEMENT

ZCDC promotes positive employer-employee relations, productivity, and industrial harmony through effective workplace communication and engagement, while maintaining constructive relationships with employee representatives, the National Employment Council (NEC) for the Mining Industry, Government, and other industrial relations institutions.

Employee concerns are addressed promptly and, where possible, resolved at the lowest appropriate level.

Disciplinary and grievance matters are managed in line with the ZCDC Code of Conduct, with corrective and constructive action taken promptly, except where dismissal is warranted.

Works Council Meetings

- ZCDC continues to engage employees through Works Council meetings, where management and employee representatives discuss operational matters, employee concerns, and business developments. The company has also maintained ongoing communication with employees regarding operational challenges that have resulted in salary delays. In 2025, employees were engaged and included in retrenchment processes undertaken as part of efforts to restructure and revive the company.
- ZCDC promotes open communication between management and employees by encouraging the sharing of information, ideas, and views on matters of mutual interest through formal and informal channels. Management maintains regular communication with employees through meetings, notices, and circulars.

Industrial Relations Audits and Monitoring

- The Human Resources and Support Services (HRSS) department continuously monitors the company's industrial relations climate through a monthly industrial relations barometer, focusing on unresolved employee issues and the overall workplace environment.
- The department also assesses the workplace climate through employee opinion and attitude surveys, absenteeism and turnover trends, and disciplinary case monitoring.

In 2025, ZCDC conducted an internal employee engagement



survey, which recorded a satisfaction index of 55% against a target of 65%. The result was largely influenced by the challenging operating environment, including delays in salary payments. The company continues to pursue operational turnaround initiatives aimed at restoring business stability, improving employee wellbeing, and strengthening workplace engagemen

COMMUNITY DEVELOPMENT AND PUBLIC RELATIONS

Community Development: Ensuring sustainable value creation ZCDC recognises that true corporate success is measured not only by operational performance, but also by the lasting value created for communities and stakeholders. Through its Corporate Social Responsibility projects and stakeholder engagement approach, ZCDC continues to invest in initiatives that promote sustainable development, improve quality of life, and empower communities beyond the life of mining operations. These efforts reflect the Company's commitment to responsible mining, shared prosperity, and long-term positive impact in the communities whereit operates.



Our stakeholder's engagement approach

Our commitment to ensuring stakeholders participation in our business and social operations is anchored on transparency, open dialogue, inclusivity and mutual respect. Through continuous engagement with communities, traditional leadership, government departments, community-based organisations and other key stakeholders, we have a clear understanding of stakeholders' expectations, timely respond to community issues and incorporate feed into the company decision making process. Our actions are influenced by meticulous stakeholders mapping and analysis which is updated annually.

2025 CSR projects

Education and Infrastructure Development

Scholarship support to secondary and tertiary students was extended during the year 2025. Plans are underway to recruit more students under the Diamond scholarship program in 2026. The electrification of Gandauta Secondary School and Chiadzwa Primary School is still working in progress and at 70% to completion. To improve community education infrastructure, the company also assisted in rehabilitation of Tonhorai and Rombe primary schools. This was after Tonhorai primary was affected by a windstorm. ZCDC played a major role in grading and rehabilitating community roads infrastructure in Marange and Chimanimani districts. The maintenance of road network in and around our mining concession is vital for accessibility to remote areas and boosting the local economy. The company also entered into a Memorandum of Understanding with Chimanimani Rural District Council to upgrade of Hot Springs Resort Lodge. These projects demonstrate our commitment to community development and empowering future generations.



Food security

In line with the country's national economic blueprint, the National Development Strategy 1(NDS 1) key targets of boosting food security, ZCDC provided tillage support to local Chiefs, Headmen, Village Heads and individual community members under its Zunde raMambo project. A total area of 29 hectares was ploughed during the 2025/26 agriculture season.

Health and Wellness

ZCDC's mine clinic provides free medical assistance to community members and employees alike. A total of 7 377 individuals were provided with health care services including doctor consultation during the year under review



Sustainable Enterprise and Community Development

Our community empowerment initiatives promote local economic development. By purchasing fresh produce and meats from local farmers, ZCDC stimulates entrepreneurship, job creation, and income generation, supporting the local economy and promoting community development.The company purchased locally produced horticultural produces



and poultry produce worth $272 398.28 in 2025. This income was injected into the local economy and improving livelihoods.

Community Share Ownership Trust

ZCDC continues to financially support Chiadzwa Community Share Ownership Trust. The company declared a dividend of US$1.2 million towards the Trust. The funds are directed towards supporting sustainable development and community empowerment projects within Marange area.

HUMAN RIGHTS

HUMAN RIGHTS POLICY

Our commitment to respect all international norms and codes regarding Human Rights is based on the International Bill of Rights including the Universal Declaration of Human Rights and International Labor Organization's Declaration on Fundamental Rights and Principles at work. ZCDC also endorses the requirement of the Kimberly Process Certification Scheme (KPCS) and the Initiative for Responsive Mining Assurance, and the associated Diamond Council's System of Warranties to support human rights of our employees and the surrounding communities. We continuously monitor and evaluate our processes and activities to ensure there is no abuse or infringement of people's rights. Feedback mechanisms like use of the grievance handling system / procedure, whistleblowing hotlines and suggestion box are in place to ensure responsiveness to human rights abuse cases recorded.

LABOR STANDARDS

ZCDC is committed to upholding recognised labour standards relating to basic workers' rights, working conditions, wages, and job security. These standards promote fair and equitable treatment of employees across the workplace.

Equal Pay and Fair Reward Practices

- ZCDC is committed to fair and equitable remuneration practices, ensuring that employees are rewarded based on role requirements, performance, skills, and experience, without discrimination. All employees in similar grades are entitled to equal remuneration regardless of gender.
- ZCDC pays above Mining Industry NEC minimum wages across all grades and benchmarks non-NEC roles against other mining companies to maintain competitive remuneration. NEC-graded employees receive applicable allowances, including night shift, public holiday overtime, and service allowances, while shift-based overtime is compensated through time off in lieu.
- Employees receive maternity, annual, and sick leave in line with the Labour Act [Chapter 28:01], as well as paid study leave to support professional development.

Inclusive Recruitment and Career Progression

- ZCDC applies inclusive recruitment principles in line with the Labour Act and Constitutional requirements, ensuring fair treatment and non-discrimination of suitably qualified candidates regardless of race, creed, gender, age, marital status, or nationality.
- Following the 2025 restructuring and retrenchment process, recruitment has been frozen, with only critical skills considered to manage post retrenchment skills attrition where necessary. The company continues to support inclusive career development practices that promote fair representation across operational, technical, supervisory, and leadership roles.

Leadership Representation

- In 2025, ZCDC employed 220 women, representing 16% of the total workforce. Of these, 12 women held senior leadership roles from middle management to executive level, representing 5% female representation in senior leadership roles.

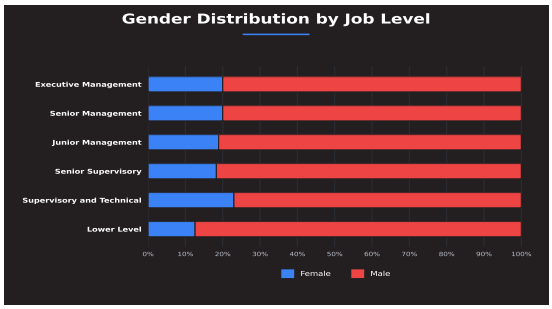


Training and Skills Development by Gender

- In 2025, ZCDC had fewer than 20 women in highly skilled technical positions. The Learning and Development function continues to support the development of technical skills for women in mining; however, progress remains constrained by low female enrolment in mining-related fields such as mining engineering, metallurgy, and geology.

Gender Representation by Job Level 2025

Grade	Female %	Male %	Grade
Lower Level	13	87	A to B
Supervisory and Technical	23	77	C1 to C5
Senior Supervisory	18	82	C6
Junior Management	19	81	D1 to D2
Senior Management	20	80	D3 to D5
Executive Mgt	20	80	E to F





Gender representation by job level is depicting a footprint of the overall gender distribution in the organisation with an average percentage of 19% at each level.

COMMUNITY HEALTH

Community Health

Community health is a key pillar of ZCDC's social responsibility and ESG commitment, focusing on the promotion, protection, and improvement of the physical and mental wellbeing of people living within the company's surrounding communities. Through targeted public health programmes and accessible medical services, ZCDC supports local communities in preventing disease, improving health awareness, and strengthening preparedness for public health emergencies. These initiatives also enhance community resilience to natural disasters and communicable disease outbreaks, including cholera, while contributing to broader social sustainability and shared value creation.

Community health services offered to the community in 2025 at ZCDC Medical Centre

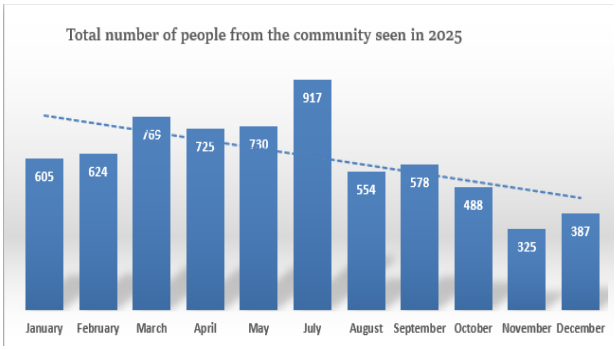
In 2025, the ZCDC Medical Centre provided curative, preventive, promotive, and rehabilitative health services to surrounding communities, supporting improved wellbeing, early disease detection, access to care, and strengthened community health outcomes.

Curative health services

Treatment of minor illnesses

In 2025, the ZCDC Medical Centre provided care to 7,377 individuals from local communities who presented with a range of medical conditions, many of which were influenced by age-related and seasonal factors. The accompanying graph shows the monthly distribution of community visits

Fig 1: Total number of people from the community attended to at ZCDC Medical center



Doctor's consultation

All local community members requiring doctor consultation services were attended to by the company doctor. In 2025, approximately 79% of patients seen by the doctor came from surrounding local communities, demonstrating the Medical Centre's important role in improving access to primary healthcare.The total number of patients attended by the company doctor is presented below.

Fig 2: Total number of people seen by the mine doctor in 2025



Emergency evacuations and transfers

The Mine ambulance supported emergency evacuations and transfers for patients with serious or complex medical conditions to the nearest referral facilities, namely Victoria Chitepo Provincial Hospital and Mutambara Mission Hospital, for further management and specialised care. In 2025, seven of the eighteen emergency referrals were community patients, with most cases involving complicated malaria. This support strengthened timely access to higher-level healthcare and contributed to improved emergency response capacity for surrounding communities.



Home visits

As part of its comprehensive community healthcare approach, the ZCDC Medical Centre conducted home visits in 2025 for community-based patients with chronic and critical conditions. These visits enabled the medical team to provide tailored health education, assess household and environmental conditions, and offer psychosocial support and counselling within the familiar setting of patients' homes. This outreach strengthened continuity of care, improved patient follow-up, and enhanced access to healthcare for vulnerable community members.



Promotive health services

Fig 3: Health awareness on Cholera Outbreak and Breast Cancer offered to members of the community at the Medical Centre.



1.1.Rehabilitative health services- Physiotherapy sessions

The wellness team contributed to community health by providing physiotherapy services for individuals with musculoskeletal conditions. In 2025, a total of 299 members from the local community were assisted by the visiting physiotherapist, with sessions conducted every Wednesday. This service supported functional recovery, improved mobility, and enhanced access to rehabilitative care for community members.



ZCDC'S Social Highlights

- 65% of total procurement spend within the local community and nationally reinforcing our commitment to homegrown value chains.
- A total of 7 377 individuals were provided with health care services including doctor consultation during the year under review.
- ZCDC obtained its data controller license from portraz confirming its formal recognition as a compliant data controller.
- ZCDC continues to financially support Chiadzwa Community Share Ownership Trust.
- In 2025, ZCDC employed 220 women, representing 16% of the total workforce. Of these, 12 women held senior leadership roles from middle management to executive level, representing 5% female representation in senior leadership roles.







AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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COMPANY INFORMATION

COMPANY INFORMATION NATURE OF BUSINESS

Zimbabwe Consolidated Diamond Company (Private) Limited (ZCDC) is 100% owned by the Governmentof Zimbabwe through Mutapa Investment Fund via Defold Mine (Private) Limited. The Company was incorporated in July 2015. The Company conducts mining activities in Chiadzwa and Chimanimani areas under the Special Mining Grants 7978, 7930 and 6871 issued by the Ministry of Mines and Mining Development. ZCDC started mining following the Government of Zimbabwe's order to all diamond-mining companies in Chiadzwa area to cease operations after their mining licenses had expired. ZCDC was then mandated to carry out mining activities in all concessions previously mined by the exited companies

DIRECTORS

Mr. O. Mazai Moyo	(Board Chairman)
Mrs. R. Mlalazi	(Non-Executive Director)
Eng. C. Sadomba	(Non-Executive Director)
Ms. S. Makoni	(Non-Executive Director)
Mr.G. Mawere	(Non-Executive Director)
Mr. T. Lusiyano	(Non-Executive Director)
Dr.G. Manyaya	(Non -Executive Director)

CHIEF EXECUTIVE OFFICER

Dr. D Zimbango (Resigned 30 June 2026)
Mr. D Mtombeni (Appointed 1 July 2026)

SECRETARY

Ms. D Mashingaidze

REGISTERED OFFICE

35-37 Cosham Road
Borrowdale
Harare
Tel +263 242 852 401

LAWYERS

MawereSibanda Commercial Lawyers
3 Elsworth Avenue
Belgravia
Harare

Muvingi and Mugadza Legal Practitioners
7th Floor Pegasus House
Samora Machel Avenue
Harare

Scanlen and Holderness Legal Practitioners
13th Floor CABS Centre
Jason Moyo Avenue

BANKERS

AFC Commercial Bank

13th Floor Hurudza House
14/16 Nelson Mandela Avenue
Harare
Tel +263 772 103 -4

Ecobank Zimbabwe Limited

Block 2 Piers Road
Sam Levy Office Park ,Borrowdale
Harare
+263 242 851 642/9

FBC Bank

FBC Centre
45 Nelson Mandela
Harare
Tel +263 242 783 204-6

National Building Society

Samora Machel
Harare

CBZ

Saphire
Harare

CABS

Northridge Park
Borrowdale
Harare

ZB Bank

Borrowdale
Harare

Reserve Bank of Zimbabwe

Samora Machel
Harare

INDEPENDENT EXTERNAL AUDITORS

Ralph Bomment Greenacre & Reynolds
A Correspondent Firm of RSM International
143 Chiremba Road
Queensdale
Harare

Tel +263 242 571 988



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

The Financial Statements are presented in Zimbabwean Gold (ZWG).

RESPONSIBILITIES OF DIRECTORS AND APPROVAL OF THE FINANCIAL STATEMENTS

The directors are required 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. It is their responsibility to ensure that the Financial Statements fairly present the state of affairs of the company and are prepared in conformity with the International Financial Reporting Standards and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Directors 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 clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year ending 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The Financial Statements set out on pages 7 to 32, which have been prepared on the going concern basis, were approved by the directors on ___28_/_10____/2026 and were signed on their behalf by:

Mr. O. M. Moyo
Board Chairman

Mr D. Mtombeni
Chief Executive Officer

The preparer of these Financial Statements is Mr. Alexander Mutendera who is the Chief Finance Officer (CFO) for Zimbabwe Consolidated Diamond Company (Private) Limited.

Mr. Alexander Mutendera
Chief Finance Officer (CFO)

__28__/_10_/2026



Ralph Bomment. Greenacre & Reynolds

AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZIMBABWE CONSOLIDATED DIAMOND COMPANY (PRIVATE) LIMITED (ZCDC)

Opinion

We have audited the financial statements of Zimbabwe Consolidated Diamond Company (Private) Limited (ZCDC) as set out on pages 7 to 32, which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended and the notes to the financial statements, which include a summary of accounting policies.
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS); and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1.01 of the financial statements, which indicates that the Company incurred a net comprehensive loss during the year ended 31 December 2025 and, as at that date, the Company's current liabilities exceeded its current assets and its total liabilities exceeded its total assets. As stated in note 1.1, these events or conditions, along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant in our audit of the financial statements of the current period. There were no key audit matters for the period under review to be reported separately.

Other Information

Management is responsible for other information. Other information comprises management's statement of responsibility but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the 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



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AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZIMBABWE CONSOLIDATED DIAMOND COMPANY(PRIVATE) LIMITED (ZCDC)

professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

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

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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 our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the accounting policies and comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Mines and Minerals Act of Zimbabwe Chapter (21:05).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Tapiwa Kenias Muza, a fellow member of the Association of Chartered Certified Accountants and is a Registered Public Auditor in Zimbabwe.

__ _____

Tapiwa Kenias Muza|FCCA
Registered Public Auditor (Zimbabwe)
Practicing Certificate Number PAAB 0646

Ralph Bomment. Greenacre and Reynolds
143 Chiremba Road
Queensdale
Harare __03___/___11___/2026



Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2025

	Notes	2025 ZWG	2024 -Restated ZWG
ASSETS			
Non-current assets			
Property and equipment	**3**	861,175,693	879,245,191
Intangible assets	**4**	3,089,652	3,453,225
Exploration and evaluation assets	**5**	654,590,231	630,683,051
Related party receivables	**6.1**	1,582,432	1,582,848
		1,520,438,008	**1,514,964,315**
Current assets			
Inventories	**7**	1,077,757,975	910,643,021
Trade and other receivables	**8**	423,594,685	433,321,105
Cash and cash equivalents	**9**	15,096,761	16,073,947
		1,516,449,421	**1,360,038,073**
Total assets		**3,036,887,429**	**2,875,002,388**
EQUITY AND LIABILITIESEQUITY			
Capital and reserves			
Translation reserve		(1,063,967,547)	(502,638,158)
Share capital	**10**	779	779
Shareholders' contribution	**11**	340,477	340,477
Revaluation reserve		346,578,927	280,174,388
Accumulated (losses)		(129,124,562)	274,587,617
LIABILITIES		**(846,171,925)**	**52,465,103**
Non-current liabilities			
Mine rehabilitation provision	**12**	587,268,730	548,277,623
Long-term loans	**13.1**	474,584,875	-
Deferred tax	**14**	281,266,020	259,637,866
		1,343,119,625	**807,915,489**
Current liabilities			
Short-term loans	**13**	469,239,267	513,627,164
Trade and other payables	**15**	1,463,433,180	1,088,721,856
Related party payables	**16**	261,824,402	72,015,799
Other provisions	**17**	121,767,955	116,582,052
Taxation	**26**	223,674,925	223,674,925
Total current liabilities		**2,539,939,729**	**2,014,621,796**
Total liabilities		**3,883,059,354**	**2,822,537,285**
Total equity and liabilities		**3,036,887,429**	**2,875,002,388**

Mr. O. M. Moyo
Board Chairman

Mr D. Mtombeni
Chief Executive Officer



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

	Notes	2025 ZWG	2024 Restated ZWG
Revenue	20	2,115,256,988	2,195,197,571
Cost of sales		(1,776,599,953)	(1,210,837,286)
Gross (loss)/profit		338,657,035	984,360,285
Direct selling costs	21	(387,664,683)	(479,354,901)
Other income	22	1,854,269	36,640,520
Administrative expenses		(315,004,215)	(142,626,047)
Selling and distribution expenses	23	(2,009,951)	(707,851)
Other operating expenses	24	(44,244,606)	(35,136,990)
Operating (loss)/profit		**(408,412,151)**	**363,175,016**
Financing income/(costs)	25	3,298,938	(1,143,002,432)
Loss before taxation		**(405,113,213)**	**(779,827,416)**
Income tax	26	-	(62,342,612)
Deferred tax	26	1,401,035	(161,332,313)
Comprehensive loss attributable to shareholders		**(403,712,178)**	**(1,003,502,341)**
Other comprehensive income			
Revaluation of assets			
Movement in property, plant and equipment	3	89,434,507	53,251,757
Movement in intangible assets	4	(779)	104,728
Deferred tax on revalued assets	14	(23,029,189)	(13,712,328)
Total other comprehensive income		**66,404,539**	**39,644,157**
Total comprehensive lossw		**(337,307,639)**	**(963,858,184)**





Statement of Changes in Equity For the year ended 31 December 2025

	Notes	Translation reserve ZWG	Share capital ZWG	Shareholder's contribution ZWG	Revaluation reserve ZWG	Accumulated profit/(loss) ZWG	Total ZWG
Balance at 1 January 2024		-	779	340,477	240,634,958	1,488,954,437	1,729,930,651
Asset revaluation		-	-	-	39,539,430	-	39,539,430
Translation movement		(502,638,158)	-	-	-	-	(502,638,158)
Prior year adjustment	**27**	-	-	-	-	(210,864,479)	(210,864,479)
Total comprehensive income for the year		-	-	-	-	**(1,003,502,341)**	**(1,003,502,341)**
Restated balance at 31 December 2024		**(502,638,158)**	**779**	**340,477**	**280,174,388**	**274,587,617**	**52,465,103**
Balance at 1 January 2025		**(502,638,158)**	**779**	**340,477**	**280,174,388**	**274,587,617**	**52,465,103**
Asset revaluation		-	-	-	66,404,539	-	66,404,539
Translation movement		(561,329,389)	-	-	-	-	(561,329,389)
Total comprehensive income for the year		-	-	-	-	(403,712,178)	(403,712,178)
Balance at 31 December 2025		**(1,063,967,547)**	**779**	**340,477**	**346,578,927**	**(129,124,562)**	**(846,171,925)**

AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Cash Flows For the year ended 31 December 2025

	Notes	2025 ZWG	2024-Restated ZWG
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating (loss)/profit		(408,412,151)	363,175,016
Adjustments for items not affecting cash:			
Depreciation on plant and equipment	**3**	162,661,083	136,545,310
Amortisation of intangible asset	**4**	362,794	146,063
Profit on disposal of property and equipment	**22**	(296,696)	(1,292,540)
Translation movement		(561,329,389)	(502,638,158)
Movement in provision for rehabilitation costs		38,991,107	46,243,532
Operating cash utilised before changes in working capital		**(768,023,252)**	**42,179,223**
Net effect of changes in working capital	**18**	412,317,712	1,974,806,491
Returns on investments and servicing of finance			
Finance costs	**25**	3,298,938	(1,143,002,432)
Net cash (utilised)/generated from operations		**(352,406,602)**	**873,983,282**
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation		(23,907,180)	(83,104,257)
Acquisition of equipment	**3**	(55,500,621)	(398,763,606)
Proceeds on disposal		640,239	1,292,540
Additions of intangible assets		-	(3,419,684)
Investment in subsidiary		-	(438,866)
Net cash utilised in investing activities		**(78,767,562)**	**(484,433,873)**
Net cash flow before financing activities*		**(431,174,164)**	**389,549,409**
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in loans payable		**430,196,978**	**(387,779,880)**
Net cash generated from financing activities		430,196,978	(387,779,880)
Net increase/(decrease) in cash and cash equivalents		(977,186)	1,769,529
Cash and cash equivalents at beginning of the year		16,073,947	14,304,418
Cash and cash equivalents at end of the year Represented by:		**15,096,761**	**16,073,947**
Cash on hand		377,318	654,714
Cash at bank		13,745,167	14,444,957
Treasury bills		974,276	974,276
Total		**15,096,761**	**16,073,947**



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF ACCOUNTING POLICIES

General Information

Corporate Information

Zimbabwe Consolidated Diamond Company (Private) Limited ("ZCDC" or "the Company") is a private limited Company incorporated in Zimbabwe in July 2015. The Company is wholly owned by Defold Mine (Private) Limited, an investment vehicle under the mining portfolio of the Mutapa Investment Fund, with the ultimate beneficial ownership vesting 100% in the Government of Zimbabwe. The Company conducts exploration, diamond mining and processing activities in the Chiadzwa (Marange) and Chimanimani areas of Manicaland. These operations are carried out under Special Grants 7978, 7930, 6871 issued in terms of the Mines and Minerals Act [Chapter 21:05]. ZCDC commenced operations in March 2016 following a Government directive consolidating diamond mining concessions in the region to ensure enhanced transparency, accountability, and optimal commercial exploitation of diamond resources.

Basis of Presentation

The Financial Statements have been prepared in conformity with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) and related Statutory Instruments. The Financial Statements are presented in Zimbabwe Gold (ZWG) which is the Company's functional and presentation currency.

1.01 Basis of Preparation – Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

As at 31 December 2025, the Company's total liabilities exceeded its total assets, resulting in a net liability position compared with a net asset position at the end of the prior year, and its current liabilities exceeded its current assets, resulting in a working capital deficit. The Company recorded a comprehensive loss for the year, following a loss in the prior year, against a significant decline in revenue, and funded its operations principally through new borrowings, closing the year with a cash balance that is low relative to its short-term obligations. The related amounts are presented in the statement of financial position, the statement of profit or loss and other comprehensive income and the statement of cash flows, and in **Note 9** (Cash and cash equivalents) and **Note 13** (Borrowings). These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on 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.

In assessing the appropriateness of the going concern basis, the Directors have considered the Company's forecast cash flows, funding requirements and available sources of finance for a period of at least twelve months from the date of approval of these financial statements, and have taken account of the following:

(a) the Board-approved 2026–2030 Business Strategy, which incorporates revenue enhancement, production optimisation, cost reduction and operational efficiency initiatives and under which the Company is forecast to return to profitability from 2026 and to reduce its gearing progressively over the strategy period;

(b) the substantial diamond resources within the Chiadzwa and Chimanimani concessions, which the Directors consider sufficient to sustain production throughout the strategy period and beyond;

(c) the continued existence of a global market for natural diamonds; and

(d) the continued financial and operational support of the Company's banking partners, its shareholders and the Government of Zimbabwe.

The achievement of the forecasts underlying the Business Strategy depends on the successful implementation of the initiatives described above, on prevailing diamond prices and production volumes, and on the continued availability of borrowing facilities and stakeholder support, which are not wholly within the Company's control. The Directors have applied significant judgement in assessing these matters. Accordingly, the Directors consider it appropriate to prepare these financial statements on a going concern basis. This material uncertainty means the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and no adjustments for this have been made in these financial statements.

1.02 Accounting for Interests in Subsidiaries

The Company defines Subsidiaries as those entities in which the Company, either directly or indirectly, has control. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results are consolidated in the Financial Statements from the date on which control commences to the date control ceased.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less any impairment in value in the Company's Financial



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF ACCOUNTING POLICIES(contd)

Statements and are reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. The Company's sole subsidiary, DTZ-OZGEO, was not consolidated as it was impaired in the year ended 31 December 2021.

1.03 Interest Expense

Interest expense is recognised based on the effective interest method and is included in finance costs.

1.04 Inventories

Raw materials are valued by aggregating all costs incurred in bringing the inventories to their present location and condition, including the costs of purchase and conversion. In the case of raw materials, no write-down to net realisable value from cost takes place if materials form part of finished goods that are expected to realise their cost or more. The value of the work in progress and finished products is obtained by aggregating all costs incurred in bringing them to their present location and condition, including the costs of purchase and conversion.

The costs of purchase of inventories comprise the purchase price (less trade discounts, rebates and similar items), irrecoverable taxes, and transport, handling and other costs directly attributable to their acquisition. Costs of conversion include costs directly related to the units of production, such as direct labour and systematically allocated fixed and variable production overheads incurred in producing finished goods. Full absorption costing was used to systematically allocate fixed and variable production overheads. Consumable inventories are valued at the lower of cost and net realisable value. Cost was determined using a weighted average cost basis.

1.05 Financial Instruments – Recognition, Measurement and Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value is arrived at by discounting future cash flows at the financial asset's original effective interest rate.

1.06 Interest Income

Interest income is recognised based on the effective interest method and is included in finance income.

1.07 Related Parties

Related parties are recognised if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties and these are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

Financial Instruments (continued)

1.06 Inventories

Raw materials are valued by aggregating all costs incurred in bringing the inventories to their present location and condition, including the costs of purchase and conversion. In the case of raw materials, no write-down to net realisable value from cost takes place if materials form part of finished goods that are expected to realise their cost or more. The value of the work in progress and finished products is obtained by aggregating all costs incurred in bringing them to their present location and condition, including the costs of purchase and conversion.

The costs of purchase of inventories comprise the purchase price (less trade discounts, rebates and similar items), irrecoverable taxes, and transport, handling and other costs directly attributable to their acquisition. Costs of conversion include costs directly related to the units of production, such as direct labour and systematically allocated fixed and variable production overheads. Full absorption costing was used to systematically allocate fixed and variable production overheads. Consumable inventories are valued at the lower of cost and net realisable value. Cost was determined using a weighted average cost basis.

1.07 Financial instruments Recognition, measurement and impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include: indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation,



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF ACCOUNTING POLICIES(contd)

and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value is arrived at by discounting future cash flows at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced through the use of an Expected Credit Losses allowance account, and the loss is recognised in the statement of profit or loss and other comprehensive income. Interest income (recorded as finance income in the statement of profit or loss and other comprehensive income) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, staff loans and receivables, held-to-maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into two categories:

- Trade and other receivables;
- Cash and cash equivalents.

Trade and other receivables

The majority of sales are made on the basis of normal contract terms, and receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective rate method.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Financial assets

The carrying amount of trade and other receivables is reduced with an allowance account, and the loss is recognised in the statement of profit or loss and other comprehensive income. Interest income (recorded as finance income in the statement of profit or loss and other comprehensive income) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Trade receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating income in the statement of profit or loss and other comprehensive income.

1.07 Financial instruments - recognition and measurement of financial assets (continued)

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when: the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, advance payments received and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

All financial assets and liabilities are measured and assessed in ZWG as the functional currency. Expected Credit Loss (ECL) models are applied using ZWG-based forward-looking information.



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF ACCOUNTING POLICIES(contd)

Advance payments received

Advance payments received are assessed on initial recognition to determine whether it is probable that they will be repaid as another financial asset or in cash. If it is probable that the advance payments will be repaid with goods or services, the liability is carried at historic cost.

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated as at fair value through profit or loss. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial instruments - recognition and measurement of financial liabilities

1.07 (continued)

De-recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial instrument risk

The Company's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Company's short-term to medium-term cash flows. The Company does not actively engage in trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described as follows:

Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. This risk is not significant in the year under review.

Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company's exposure to this risk is significant.

Foreign currency sensitivity

Most of the Company's transactions are carried out in United States Dollars (US$) and thus the Company's exposure is considered significant. The Company does not have exchange contracts to mitigate this risk.

Interest rate sensitivity

The Company's policy is to minimise interest rate cash flow risk exposure on long- and short-
term financing. The Company had interest bearing loans in the period under review.

Other price sensitivity

The diamonds are subject to price movements on the international market and as such, this risk is considered high.

1.08 Property, plant and equipment

Property, plant and equipment acquired after the formation of the Company in 2015 is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any assets acquired before this date continue to be carried at USD-denominated revalued amounts obtained from a valuation done by independent external valuers net of accumulated depreciation and/or accumulated impairment losses, if any. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed annually to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation loss is recorded in other comprehensive income and debited to the revaluation reserve in equity.

A transfer from the asset revaluation reserve to retained earnings is made when the revalued assets are disposed of or derecognised. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Items of property, plant and equipment are depreciated



annually on a straight-line basis at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives. The estimated useful lives currently in use are:

Class of asset	Useful life (years)	Depreciation rate
Land	Infinity	Nil
Buildings	50	2%
Infrastructure (roads, slimes dams)	20	5%
Plant, machinery and earthmoving equipment	10	10%
Motor vehicles	5	20%
Office equipment	5	20%
Camp and catering equipment	5	20%
Electrical equipment	5	20%
Security equipment	5	20%
Exploration and development	Tonnes of ore mined	Tonnes of ore mined
Capital Work in Progress (CWIP)	Not depreciated	Nil

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end.

1.09 Impairment of assets

At each reporting date, property, plant, equipment, and financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected assets is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to sell.

If an item of inventory is impaired its carrying amount is reduced to selling price less costs to sell, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 Intangible assets – mining rights

Mining rights (in form of Special Grants) are initially recognised at cost or deemed cost. The rights have a finite useful life and are subsequently measured using the revaluation model. Amortisation is calculated using the straight-line method to allocate the mining rights over the lifespan of the grant.

Acquired software

Acquired software is capitalised based on the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred unless the expenditure qualifies for capitalisation. Costs associated with maintaining software, i.e., expenditure relating to patches and other updates as well as their installation, are expensed as incurred. Acquired software is amortised over its expected useful life, and this is 10 years for the Company's software.

1.11 Exploration and evaluation assets

Exploration and evaluation assets are initially recognised at cost. The assets have a finite useful life. Amortisation is calculated using the units of production method.

Pre-licence costs

Pre-licence costs relate to costs incurred before the Company has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditure

One or more of the following facts and circumstances may indicate that the Company should test exploration and evaluation assets for impairment:



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF ACCOUNTING POLICIES(contd)

- The period for which the entity has the right to explore in the specific area has expired during the financial period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

1.11 Exploration and evaluation expenditure (continued)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

1.12 Provisions

Provisions are recognised when:
The Company has a present obligation (legal or constructive) as a result of a past event and
it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the obligation.
Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote.
Provisions are measured at the present value of the expenditures to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.13 Foreign currencies

The Company's Financial Statements are presented in Zimbabwe Gold (ZWG), which is also the Company's functional currency. Transactions in currencies other than ZWG are translated at the ZWG spot rate at the date the transaction first qualifies for recognition. Monetary items are translated at the ZWG closing rate at reporting date.

1.14 Current versus non-current classification (continued)

The Company classifies all other assets and liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 Company.
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.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company 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 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.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Directors determine the policies and procedures for recurring fair value measurement, such as revaluation of freehold land and buildings. Independant external valuers are involved for valuation of significant assets, such as properties. The Directors decide upon involvement of external valuers annually. Selection criteria include market knowledge, reputation, independence and whether



professional standards are maintained. The Company's external valuers exercise discretion over the appropriate valuation techniques and inputs to use for each case.

1.15 Fair value measurement (continued)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

1.16 Employee benefits

Employee benefits are made up of short-term and long-term employee components.

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. Short-term benefits are recognised on an undiscounted basis.

Long-term employee benefits (pension obligations)

The Company has long-term employee benefits in the form of pension fund contributions. The Company contributes to the National Social Security Authority ("NSSA") pension scheme, which is a publicly managed defined contribution plan, and contributions are currently at the rate of 4.5% of the pensionable income.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amounts. Contributions in respect of defined contribution plans are recognised as an expense in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company also contributes to the Mining Industry Pension Fund (MIPF) which is a defined contribution pension fund covering the Mining Industry.

1.17 Provisions for mine rehabilitation and decommissioning

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2032, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Company's SIRDC report. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability.

These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future diamond prices, which are inherently uncertain.

2 IAS 1: Critical Accounting Estimates and Judgements

In the process of applying the Company's accounting policies, management makes estimates and judgements that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events. (a) Critical Accounting Estimates and Assumptions

i)Environmental Rehabilitation Provision: Estimates are made regarding future restorationcosts, land rehabilitation, and mine closure expenditures. These are calculated based on discount rates and estimated useful lives of mining concessions.

ii)Impairment of Mining and Property Assets: Management evaluates the recoverable amountsof Property, Plant, and Equipment using cash flow projections, diamond recovery rates, and market prices.

iii)Expected Credit Loss (ECL) Allowance: The calculation of ECL allowances on receivablesand Treasury Bills involves macroeconomic assumptions, default probabilities, and credit risk assessments.

(b) Critical Accounting Judgements

i)Going Concern Basis: Management assesses the Company's ability to continue as a goingconcern, taking into account operational cash flows, loan facilities, and sovereign support structures.

ii)Functional and Presentation Currency: Judgement is applied in determining the primaryeconomic environment in which the Company operates for functional currency determination under IAS 21.











3 PLANT ,PROPERTY AND EQUIPMENT

Year ended 31 December 2024	Buildings ZWG	Infrastructure ZWG	Plant, machinery & earthmoving equipment ZWG	Motor vehicles ZWG	Office equipment ZWG	Camping & catering ZWG	Electrical equipment ZWG	Security equipment ZWG	Capital work in progress ZWG	Total ZWG
Opening carrying amount	46,409,117	24,778,053	208,481,400	12,103,343	14,986,967	1,283,447	12,833,245	17,449,236	360,874,183	699,198,991
Additions	2,773,258	4,076,294	320,408,256	7,651,472	9,526,655	619,666	41,313,730	12,394,275	(135,423,853)	263,339,753
Revaluation	(20,201,553)	(5,759,246)	64,690,956	1,314,571	1,564,376	25,747	7,919,619	3,697,287	-	53,251,757
Depreciation	**(1,004,128)**	**(2,024,442)**	**(108,958,561)**	**(4,209,835)**	**(5,079,071)**	**(504,000)**	**(9,937,072)**	**(4,828,201)**	**-**	**(136,545,310)**
Carrying amount at the end of the year.		**21,070,659**	**484,622,051**	**16,859,551**	**20,998,927**	**1,424,860**			**225,450,330**	**879,245,191**
As at 31 December 2024										

Independent external valuers performed an assessment of the fair values, remaining useful lives, and residual values of property, plant and equipment as at 31 December 2025.



Notes to the Financial Statements

3 PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings ZWG	Infrastructure ZWG	Plant, machinery and earthmoving equipment ZWG	Motor vehicles ZWG	Office equipment ZWG	Camping and catering ZWG	Electrical equipment ZWG	Security equipment ZWG	Capital work in progress ZWG	Total ZWG
Year ended 31 December 2025										
Opening carrying amount	27,976,694	21,070,659	484,622,051	16,859,551	20,998,927	1,424,860	52,129,522	28,712,597	225,450,330	879,245,191
Additions	132,502	-	42,757,685	15,523,053	4,057,952	309,170	3,652,133	2,060,321	(12,992,195)	55,500,621
Revaluation	17,866,512	(4,730,904)	73,190,724	(357,624)	(3,515,215)	(28,527)	6,154,230	855,311	-	89,434,507
Disposals	-	-	-	-	(343,543)	-	-	-	-	(343,543)
Depreciation	(471,004)	(1,453,594)	(128,824,677)	(6,079,250)	(6,010,583)	(512,963)	(14,035,657)	(5,273,355)	-	(162,661,083)
Carrying amount at the end of the year	**45,504,704**	**14,886,161**	**14,886,161**	**25,945,730**	**15,187,538**	**1,192,540**	**47,900,228**	**26,354,874**	**212,458,135**	**861,175,693**
As at 31 December 2025	**45,504,704**	**14,886,161**	**14,886,161**	**25,945,730**	**15,187,538**	**1,192,540**	**47,900,228**	**26,354,874**	**212,458,135**	**861,175,693**

Independent external valuers performed an assessment of the fair values, remaining useful lives, and residual values of property, plant and equipment as at 31 December 2025

AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

Notes to the Financial Statements

4 INTANGIBLE ASSETS

	2025 ZWG	2024 ZWG
Opening balance	3,453,225	74,876
Additions	-	3,419,684
Amortisation	(362,794)	(146,063)
Revaluation	(779)	104,728
Closing carrying amount	**3,089,652**	**3,453,225**

5 EXPLORATION AND EVALUATION ASSETS — Chimanimani portal

Opening balance	630,683,051	547,578,794
Additions	23,907,180	83,104,257
Closing balance	**654,590,231**	**630,683,051**

6 RELATED PARTIES

The Company is a state-owned enterprise 100% owned by Defold Mine (Private) Limited, a subsidiary of the Mutapa Investment Fund, with the ultimate controlling equity vesting in the Government of Zimbabwe through the Ministry of Mines and Mining Development. Related party relationships comprise the holding company, ultimate sovereign shareholder, stateappointed executive management, and other government-controlled entities with which the Company conducts commercial and regulatory transactions in the ordinary course of business.

Related Party	Nature of relationship
Defold Mine (Private) Limited	Holding Company (100% Shareholder)
Mutapa Investment Fund	Sovereign Wealth Fund and Intermediate Controlling Entity
Government of Zimbabwe through Ministry of Mines and Mining Development	Ultimate Controlling Party and Sovereign Shareholder
Minerals Marketing Corporation of Zimbabwe (MMCZ)	Sole Diamond Marketing and Sales Agent
Zimbabwe Mining Development Corporation (ZMDC)	Fellow Entity under Common Ultimate Control
Marange Resources (Pvt) Ltd	Wholly Owned Subsidiary of ZMDC and Predecessor Concession Holder
Diamond Mining Corporation (Private) Limited (DMC)	Former Government Joint-Venture Entity and Predecessor Concession Holder
Key Management Personnel	Executive Directors and Senior Management



Notes to the Financial Statements

6.1 RELATED PARTY RECEIVABLES

	2025 ZWG	2024 ZWG
Zimbabwe Mining Development Corporation (ZMDC)	508,183,687	508,183,687
Marange Resources (Pvt) Ltd	41,057,664	41,057,664
Diamond Mining Corporation (Private) Limited (DMC)	4,105	4,105
Provision for doubtful debts	(547,686,614)	(547,686,614)
Subtotal	**1,558,842**	**1,558,842**
Defold Mine	23,590	24,006
Related party receivables	**1,582,432**	**1,582,848**

7 INVENTORIES

Work in progress	11,920,205	41,037,529
Diamonds stock	961,771,297	793,383,132
Consumables	104,066,473	76,222,360
Total	**1,077,757,975**	**910,643,021**

8 TRADE AND OTHER RECEIVABLES

Trade receivables	(1,715)	26,406,991
Prepayments	95,048,806	129,421,558
Value added tax refundable	320,709,918	270,592,342
Other receivables	7,837,676	6,900,214
Total	**423,594,685**	**433,321,105**

9 CASH AND CASH EQUIVALENTS

Cash on hand	377,318	654,714
Cash at bank	13,745,167	14,444,957
Treasury bills	974,276	974,276
Total	**15,096,761**	**16,073,947**

Treasury Bills included in cash and cash equivalents comprise Government of Zimbabwe Treasury Bills with a carrying value of ZWG 974 276 (2024: ZWG 974 276) and a maturity date of 12 August 2027.

10 SHARE CAPITAL

Authorised share capital		
2 000 ordinary shares of $1.00 each	51,961	51,961
Issued share capital		
30 ordinary shares of $1.00 each	779	779

11 SHAREHOLDER CONTRIBUTION — Capital injection by shareholder (ZWL 80 million)

Opening balance	340,477	340,477



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

Notes to the Financial Statements(contd)

	2025 ZWG	2024 ZWG
12 MINE REHABILITATION PROVISION		
Opening carrying amount	548,277,623	510,802,931
Additions – ZCDC operations	38,991,107	37,474,692
Closing carrying amount	**587,268,730**	**548,277,623**
13 LOANS PAYABLE		
Reserve Bank of Zimbabwe (RBZ) – ZWG Facilities	448,076,143	395,290,791
AFC Bank Limited (AFC) – ZWG Loan	100,919,457	-
FBC Bank Limited (FBC) – USD Loan	254,719,122	118,336,373
Ecobank Limited – ZWG Loan	129,903,500	-
Interest payable	10,205,920	-
Loan balance	**943,824,142**	**513,627,164**
Short-term portion of loans payable	**469,239,267**	**513,627,164**
Long-term loans payable (13.1)	474,584,875	-
Total (short-term + long-term)	943,824,142	513,627,164
13.1 LONG-TERM LOANS PAYABLE		
Reserve Bank of Zimbabwe (RBZ) – ZWG Facilities	364,520,575	-
FBC Bank Limited (FBC) – USD Loan	110,064,300	-
Total	**474,584,875**	**-**
14 DEFERRED TAXATION		
Opening balance	259,637,866	83,453,828
Movement for the year	(1,401,035)	162,471,710
Taxation on revaluation	23,029,189	13,712,328
Closing balance	**281,266,020**	**259,637,866**
15 TRADE AND OTHER PAYABLES		
Trade	611,831,611	482,790,254
Payroll liabilities	607,966,541	424,784,263
Royalties payable	55,008,183	76,475,412
Depletion fees payable	109,252,143	56,768,817
MMCZ commission payable	14,343,867	13,018,279
Withholding tax	37,718,936	21,247,146
Management fees payable	27,311,899	13,637,685
	1,463,433,180	**1,088,721,856**
16 RELATED PARTY PAYABLE — Amounts owed to related parties		
Mutapa Investment Fund	179,416,349	-
DTZ-OZGEO (DTZ)	72,010,992	72,010,992
Marange Resources (Private) Limited	624	624
Diamond Mining Corporation (Private) Limited (DMC)	4,157	4,183
MMCZ	10,392,280	-
	261,824,402	**72,015,799**



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

17 PROVISIONS

	2025 ZWG	2024 ZWG
Audit fees	3,299,471	1,299,035
Leave pay	69,251,790	69,682,758
Other	3,616,435	-
Performance bonus	45,600,259	45,600,259
Total	**121,767,955**	**116,582,052**



Notes to the Financial Statements (contd)

18 NET EFFECT OF CHANGES IN WORKING CAPITAL	2025 ZWG	2024 ZWG
Decrease/(increase) in trade and other receivables	9,726,420	(79,635,054)
Decrease/(increase) in related party receivables	416	(45,986)
Increase in related party payables	189,808,603	27,332
(Increase)/decrease in inventories	(167,114,954)	2,158,782,583
Increase/(decrease) in trade and other payables	374,711,324	(89,438,690)
Increase/(decrease) in short term provisions	5,185,903	(14,883,694)
	412,317,712	**1,974,806,491**

19 FINANCIAL INSTRUMENTS		
Financial assets at amortised cost		
Trade and other receivables excluding prepayments	328,545,905	303,899,547
Cash and cash equivalents	15,096,761	16,073,947
Total financial assets	343,642,666	319,973,494
Financial liabilities at amortised cost		
Long-term loans	474,584,875	-
Short-term loans	469,239,267	513,627,164
Trade and other payables	1,463,433,180	1,088,721,856
	2,407,257,322	**1,602,349,020**

20 REVENUE		
International sales	2,107,430,603	2,195,197,571
Local diamond sales	7,826,385	-
	2,115,256,988	**2,195,197,571**

21 DIRECT SELLING COSTS		
MMCZ commission	18,508,498	19,192,204
Royalties	211,525,712	219,339,526
Depletion fees	52,881,435	50,796,452
Management fees	52,881,435	54,834,888
Agency commission	51,867,603	133,425,907
Payment service provider fees	-	1,765,924
	387,664,683	**479,354,901**

22 OTHER INCOME		
Sale of scrap	1,557,573	2,410,140
Share of profit on diamond sales value addition	-	32,937,840
Profit on disposal of fixed assets	296,696	1,292,540
	1,854,269	**36,640,520**

23 SELLING AND DISTRIBUTION EXPENSES		
Export permit licences	2,009,951	707,851
	2,009,951	**707,851**

24 OTHER OPERATING EXPENSES	2025 ZWG	2024 ZWG
Fines and penalties	19,858	103,976
Donations	7,971	16,867
Corporate social responsibility	3,001,046	4,970,613
Community share ownership trust	522,441	1,145,698
Audit fees	1,242,615	1,253,511
Directors' fees	1,789,174	768,403
Sponsorships	66,933	17,564
Relocation – public relations	-	28,962
Public relations	784,593	5,145,990
Sporting and amenities	39,841,764	23,707,320
	47,276,395	**37,158,904**

25 NET FINANCING COSTS		
Exchange gains	(125,908,791)	1,110,440,243
Finance charges	122,610,702	32,564,169
Interest received	(849)	(1,980)
	(3,298,938)	**1,143,002,432**

26 TAXATION — Tax reconciliation		
Loss before tax	(405,113,213)	(779,827,416)
Notional tax based on profit for the year	(104,316,652)	(200,805,560)
Additional taxation resulting from:		
Prior year under provision	-	-
	104,316,652	**263,148,172**
Permanent differences	-	62,342,612
Income tax		
Add deferred tax	**(1,401,035)**	**161,332,313**
Tax charge for the year	(1,401,035)	223,674,925



AUDITED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 2025

Notes to the Financial Statements

27 Prior year adjustment

On 22 February 2019, the Government of Zimbabwe promulgated Statutory Instrument (SI) 33 of 2019, which converted all local USD-denominated RTGS balances, assets, and liabilities into RTGS dollars at a 1:1 rate. Subsequently, Adlecraft Investments (Pvt) Ltd, a company engaged by ZCDC for contract mining, contested the application of this instrument to their outstanding balance, insisting the debt remained strictly payable in USD. The matter proceeded to court, and in March 2026, a judgement was handed down ruling that ZCDC is liable for the debt in USD. As this liability had not been previously provided for in the Company's records, it resulted in an understatement of both equipment hire costs and trade creditors by ZWG 210 864 479.40. Consequently, the financial statements for the 2024 financial year have been restated to correct this prior period omission. The effect of the restatement on those financial statements is summarised below.

	Effect on 2024
Increase in trade creditors	ZWG 210 864 479.40
Decrease in profit	(ZWG 210 864 479.40)

28 Contingent Liabilities

In the ordinary course of business, the Company is party to a number of legal proceedings and claims. Management, in consultation with external legal counsel, has assessed each matter in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) to determine whether a provision is required or whether disclosure as a contingent liability is appropriate.

(a) Legacy Mining Concession and Shareholder Claims

The Company is a party to ongoing Constitutional, Supreme and High Court litigation instituted by legacy concession holders (primarily Grandwell Holdings Limited), seeking damages and declarations regarding historical mining agreements and special grants. The aggregate claims across these matters exceed USD 380 million. Based on the advice of external legal counsel, the Directors consider the probability of a material outflow of economic resources to be low. Accordingly, no provision has been recognised, and the matter is disclosed as a contingent liability.

(b) Commercial and Operational Claims

The Company is defending various commercial claims brought by former operational contractors and service providers, including claims by Adlecraft Investments (Pvt) Ltd (USD 10.7 million) and Gye Nyame Resources (USD 6.8 million). The ultimate financial exposure in respect of these matters cannot be reliably estimated pending the outcome of ongoing court proceedings, including matters subject to stay-of-execution orders or remitted to higher courts. Accordingly, no provision has been recognised, and these matters are disclosed as contingent liabilities. Minor trade disputes settled or paid during the period have been accounted for in the ordinary course of operations.

(c) Labour and Employment Matters

Various labour court appeals, review applications and class actions involving former employees remain pending before the Labour Court and the Supreme Court. The Directors, supported by legal advice, do not consider any individual matter to present a material risk to the Company's financial position.
In the opinion of the Directors, supported by legal advice, adequate provisions have been recognised where required, and none of the matters disclosed above are expected to have a material adverse impact on the Company's operational continuity or financial solvency beyond the disclosures provided.

29 Events After Reporting Date Change in Executive Leadership

Subsequent to year-end, there was a change in the executive leadership of the Company. Dr D. Zimbango resigned as Chief Executive Officer on 30 June 2026, and Mr D. Mtombeni was appointed as the new Chief Executive Officer with effect from 1 July 2026. This is a non-adjusting event and has no impact on the financial position or operating results reported for the year ended 31 December 2025.





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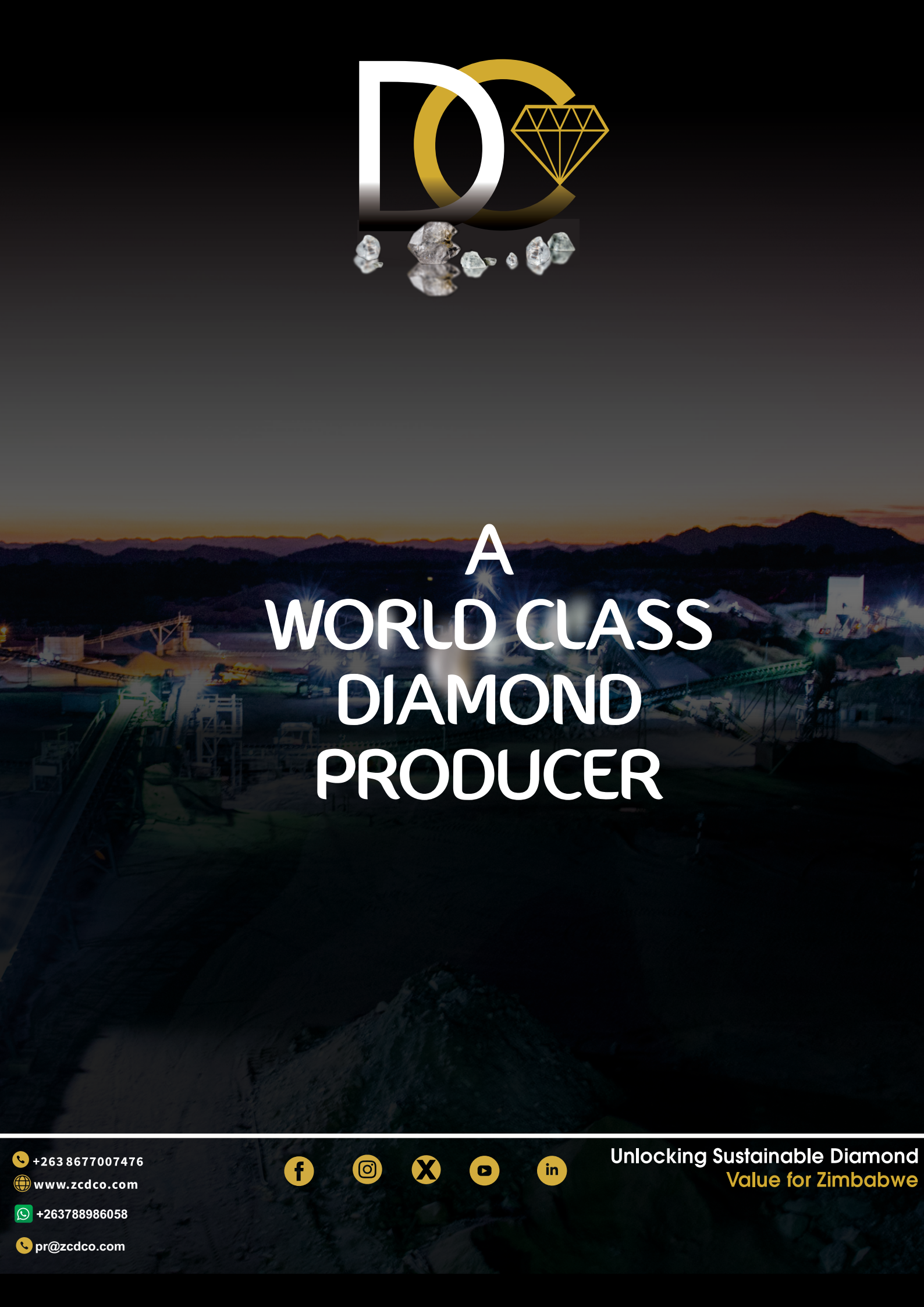

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