Final Results

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GOLDSTONE RESOURCES LIMITED

("GoldStone" or the "Company")

Final Results for the year ended 31 December 2020

GoldStone Resources Limited (AIM: GRL), is pleased to announce its final results for the year ended 31 December 2020.

The Annual Report and Accounts will shortly be available to view and download in full at the Company's web site www.goldstoneresources.com. Hard copies of the Annual Report and Accounts are available on request.

Highlights

- The Homase Mine within the Akokeri-Homase Gold Project ("AKHM") was awarded its Environmental Permit, Water Permit and Operating Permits. The Group commenced mining operations in May 2021, and commissioned the dry plant for the Heap Leach operation and is awaiting the final inspection by the Minerals Commission before gold processing can commence.
- Mining and stacking remain on schedule with 160kt of ore having been mined and stockpiled and 40Kt stacked on the heap leach pad to date.
- Losses for the 12 months to 31 December 2020 were US$610k (2019: Loss of US$655k and with net assets standing at US$10,845k against net assets of US$6,892k at the end of the previous year. This consists predominately of exploration costs for AKHM of US$14,340k (2019: US$8,256k).
- The Group completed a resource expansion programme to further define and extend the mineable resource down-dip at Homase South to a vertical depth of approximately 80 metres, and further metallurgical testwork was carried out. The results increased the minable resource of the southern pits, by 86,900 ounces of gold at depth, representing a 257% increase on the previous estimate of 33,800 ounces of gold, within the existing JORC defined resource.
- US$2.7 million raised post period end through the exercise of Warrants, to meet ongoing costs associated with the ramp up of operations at the Homase Mine.

For further information, please contact:

GoldStone Resources Limited

Bill Trew / Emma Priestley Tel: +44 (0)1534 487 757

Strand Hanson Limited
James Dance / James Bellman Tel: +44 (0)20 7409 3494

S. P. Angel Corporate Finance LLP
Ewan Leggat / Charlie Bouverat Tel: +44 (0)20 3470 0501

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICERS REPORT

The chairman and chief executive officer present their report for Goldstone Resources Limited ("Goldstone" or the "Company") and its subsidiaries (together "the Group") for the year ended 31 December 2020.

The Board has continued with its focus on fulfilling the Group's objective of becoming a gold producer, with production expected to commence in Q3 2021, despite the setbacks that COVID-19 put on the development of the Group's Homase Mine, which is set within its Akrokeri-Homase Gold Project ("AKHM") in Ghana. The Group maintained momentum and it is with considerable optimism therefore, that the Board look forward to the remainder of 2021 and what it believes these coming months will deliver as the Group nears the production of gold.

The Board would like to take this opportunity to thank the shareholders for their continued support. The Board will continue to update investors as to the Group's progress towards achieving its objectives at both the Homase Mine and Akrokeri. The operational update of the Group for the period ending 31 December 2020 is set out below.

operational update

The financial year ended 31 December 2020 proved to be a period of exceptional progress for the Group, in particular, the award of the Mining Lease for the Homase Mine held by its 100% Ghanaian subsidiary GoldStone Akrokeri Limited.

Though the COVID 19 pandemic has caused delays, the Group has, post period end, secured its Environmental Permit, Water Permit and Operating Permit, enabling mining to commence in May 2021.

Work at the Group's other mine, the Akrokeri Mine continues, most notably, with the identification of further historical exploration results that strengthen the Board's decision to re-open the mine.

The Group's financial position was further strengthened during the year by the successful debt financing of US$4.3 million comprising a US$3.0 million Gold Loan and US$1.3 million Corporate Bonds. A further US$900,000 was raised in December 2020 on the exercise of warrants. The Group's cash deposits stood at US$701,384 at 31 December 2020 compared to US$90,128 at 31 December 2019. These funds have been used to further develop the Homase Mine to production.

Homase Mine update

The Homase Mine, set within its AKHM project in Ghana, consists of five open pits, targeting the oxide resource to a vertical depth of 30 metres, as detailed in the Definitive Economic Plan, dated June 2019, ("DEP"). This includes the historic Homase Main Pit, see Figure 1, which produced 52,500 oz gold at an average grade of 2.5g/t Au in 2002/03 by AngloGold Ashanti.

http://www.rns-pdf.londonstockexchange.com/rns/2400D_1-2021-6-27.pdf

Figure 1: Location of the Homase Mine and Akrokeri Mine

During 2020 a 10 year Mining Lease (the "Lease") incorporating land for plant and process operation was issued by the Ministry of Lands and Natural Resources ("MLNR"). This covers the southern parts of the site. Whilst the Lease initially only relates to the southern pits, the DEP has been approved by the relevant authorities in Ghana in its entirety and the Lease can therefore be renewed and/or extended to include additional pits along the Homase Trend as the Group's production plans advance.

When the Group received the formal approval from the MLNR for the transfer of the Homase prospecting licence from Cherry Hill Mining Limited, a joint venture partner of the Group, to GoldStone Akrokeri Limited ("GAL"), the Company's wholly owned Ghanaian subsidiary, the Ghanaian Minerals Commission encouraged the Group to expand its mining lease area. The Group submitted an application to expand the area to include the northern pits along the Homase Trend, and was informed by the MLNR that the application was approved on 3 December 2020 with the recommendation for the grant of the expanded Lease and this is now awaiting the ratification by the relevant Ghanaian Ministerial bodies.

The Group has been investing in the plant and equipment, the land and crop compensation, and the identification of contractors to undertake the mining, so that on receipt of the relevant permits, the Group would be able to immediately commence mining operations at the Homase Mine, utilising contract mining.

In parallel with these activities the Group also completed a resource expansion programme to further define and extend the mineable resource down-dip at Homase South to a vertical depth of approximately 80 metres, and further metallurgical testwork was carried out. The positive results were announced on 12 November 2020, and increased the minable resource of the southern pits, by 86,900 ounces of gold at depth, representing a 257% increase on the previous estimate of 33,800 ounces of gold, within the existing JORC define resource, see Table 1.

Table 1: Homase South Pit - Mineable resource variation with a cut-off 0.5g/t

	Grade (Average)	June 2019 (ounces of gold)	October 2020 (ounces of gold)
Oxides	1.2g/t	33,800	49,200
Fresh ore	1.3g/t	-	71,500

Note: The mineable resource is a non-JORC compliant resource

Following the increase in mineable resource and the optimisation review, the Group is in the process of updating the DEP and will update the market in during the course of the next few months.

post period end

The Group was awarded its Environmental Permit, Water Permit and Operating Permits. The Group commenced mining operations in May 2021, following the pre-stripping and clearing of the Homase Mine site. The daily mining rate and the growth in the primary and secondary run-of-mine stockpiles are performing at the targeted levels in the following schedule.

Table 2: 2021 Planned Mining Schedule

	Units	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Pit to Stockpile	kt	79.4	75.8	96.8	90.3	88.5	89.4	91.2	89.4
Gold Grade	Au g/t	1.8	1.6	1.5	1.4	1.2	1.1	0.9	1.1
Total Mined Material	kt	301.7	333.6	348.5	340.1	341.7	141.5	339.9	339.9
Strip Ratio		2.8	3.4	2.6	2.8	2.6	0.5	2.3	2.7

As announced on 13 May 2021, the planned gold production for the first eight months from commencement of mining now exceeds the Group's original guidance of 14,400 ounces per annum, stated in the DEP, to produce some 25,000 ounces of gold, at a total cash cost, pre-tax, of under US$600per ounce for the thirty metre pit. These figures indicate the cash cost per ounce will lie within the lower quartile of industry cost standards.

Accordingly, the Group expects to increase the planned production rate to around 50,000 ounces of gold per annum, which would represent an increase of more than 300% from the original production schedule.

The first two cells of the heap leach pad, which will comprise a total of seven cells, have been commissioned, enabling stacking, which commenced at an initial rate of 100 tonnes per hour and has been ramped up to a target of 200 tonnes per hour / c.2,500 tonnes per day. The Group has commissioned the necessary dry plant for the Heap Leach operation and is awaiting the final inspection by the Minerals Commission before gold processing can commence. Mining and stacking remain on schedule with 160kt of ore having been mined and stockpiled and 40Kt stacked on the heap leach pad to date.

The Group is continuing to review the options available for extracting saleable gold from the loaded carbon it is producing, including toll treatment or expanding its own processing facility to include an elution plant and gold room.

Akrokeri Mine update

During the period, the Group continued reassessing the former mine workings and former artisanal mine workings, building the database with historical exploration work and consolidating historical geological reports that reference not just the Akrokeri Mine but also the several other historical exploration targets in the vicinity of the Akrokeri Mine.

The Group intends to commence a drilling programme, subject to funding, to start to define a resource associated with the Akrokeri mineralisation with the intention of bringing the Akrokeri Mine back into production.

corporate and financial

Losses for the 12 months to 31 December 2020 were US$610k (2019: Loss of US$655k). The financial statements at year end show the Group's balance sheet, with net assets standing at US$10,845k against net assets of US$6,892k at the end of the previous year. This consists predominately of exploration costs for AKHM of US$14,340k (2019: US$8,256k).

As the Group has moved into the production phase post year end, amortisation of the exploration asset will be applied going forward.

Cash and cash equivalents as at 31 December 2020 were US$701k (2019: US$90k), which included the proceeds from the exercise of warrants in December by Asian Investment Management Services Ltd ("AIMS") to subscribe for a total of 30,000,000 new Ordinary Shares of 1 penny each in the capital of the Company being issued at the exercise price of 3 pence per share, for a total subscription price of £900,000 (US$1,125,250).

In conjunction with this, the Board agreed to defer payment of the interest due on 31 December 2020 pursuant to the gold loan with AIMS announced on 22 June 2020 (the "Gold Loan") to 31 March 2021 in order to preserve cash within the Company. Accordingly, the interest due on the outstanding balance of the Gold Loan will accrue at a rate of 17 per cent., as opposed to 14 per cent., for the period from 31 December 2020 to 31 March 2021. AIMS agreed by way of a deed of variation to the Gold Loan agreement that the deferment of such interest payment will not trigger an event of default under the agreement.

Subsequent to this, in March 2021, the Company agreed a further deferment of the AIMS gold loan interest payment to 30 June 2021. In consideration of the deferment, 2,000,000 new Ordinary Shares were issued to AIMS. Also, in March 2021 AIMS exercised 40,000,000 warrants for new Ordinary Shares of 1 penny each in the capital of the Company at a price of 3 pence per share. The warrant exercise provided £1,200,000, (C.US$1,680,000) of additional funding to the Company. On 17 March 2021 the Company agreed to extend the initial term for 20 of its unsecured bonds of US$50,000 each in issue to 15 June 2021.

In June 2021, Paracale Gold Ltd ("Paracale") exercised, in aggregate, warrants to subscribe for 32,352,377 new Ordinary Shares of 1 penny each in the capital of the Company, comprising, 20,352,377 new Ordinary Shares at a price of 1.2 pence per Ordinary Share (the "Warrant Conversion Exercise") and 12,000,000 new Ordinary Shares at a price of 3 pence per Ordinary Share (the "Cash Warrant Exercise"). The Warrant Conversion Exercise was set against the related US$1,224,000 loan provided to the Company by Paracale on 28 December 2018, which accrues interest at a daily compound rate of 6%. Accordingly, the amount due in respect of the Warrant Conversion Exercise of £244,229 (c.USD$344,362) was satisfied by reducing the total amount of principal and interest outstanding under the loan to USD$1,036,558. The Cash Warrant Exercise was satisfied in cash and provided £360,000, (C.US$507,598) of additional funding to the Company.

Following this, AIMS exercised, in aggregate, a further 50,000,000 warrants to subscribe for new Ordinary Shares of 1 penny each in the capital of the Company at a price of 3 pence per Ordinary Share, which provided £1,500,000 (C.US$2,114,991) of additional funding to the Company. Also in June 2021 a bond holder exercised 4,000,000 warrants to subscribe for new Ordinary Shares of 1 penny each in the capital of the Company at a price of 3 pence per Ordinary Share, which provided £120,000 (C.US$169,199) of additional funding to the Company.

former director's claim

Following the claim against the Company, brought by a former director (initially announced on 13 October 2016), it was further announced in December 2018 that the South African Labour Court had ruled in favour of the former director and awarded him damages of US$140k plus interest and legal costs. In January 2021, The Company agreed to issue 1,800,000 new Ordinary Shares of 1p each in the Company to the former director, which have a value of £163,800 (approximately US$222,768) at the closing middle market price of the Company's Ordinary Shares on 15 January 2021, which, in addition to US$22,500 already paid in cash, represented a full and final settlement of the damages awarded to him by the South African courts. The Company has been indemnified against any future claims by the former director of the Company.

working capital management and funding

Following the exercise of warrants, post the period end as detailed above, the Company now has sufficient funds to move towards its goal of achieving gold production and is in discussions with its shareholders which advanced the gold loan interest repayment that falls due on 30 June 2021. The Company prepares regular management accounts and financial forecasts to monitor and manage working capital and funding requirements going forward. The accounts and forecasts are regularly reviewed and challenged by the Board.

In order to assist with working capital management, the directors agreed not to draw all their fees in accordance with their service contracts and as such these fees have been accrued in the financial statements. The Board is in discussions on how these fees will be settled in due course. See note 19 to the financial statement for further details.

risk management

The Board has identified the following as being principal strategic and operational risks (in no particular order):

a. **going** concern
As at 31 December 2020, the Group had cash of US$701,384k (2019 US$90,128). As noted above, the Company has successfully raised US$4.5million, gross, post the period end to fund the commencement of initial production at the Homase Mine. The Board is confident that it will commence gold production in 2021. Should there be a material delay in the delivery of gold production, over and above the Boards current expectations, the Company may need to secure further funding to meet its contractual obligations, in particular the secured Gold Loan that matures on the 30 September 2021, as they fall due.

The Board is confident that, based on, *inter alia*, its cashflow forecasts and the continued financial support of its shareholders, they are satisfied that the Group has adequate resources to move towards gold production and continue in business for the foreseeable future, having regard to the factors set out in more detail in Note 2b to the financial statements.

The Group continues to evaluate the exploration required along the Homase Trend and at the historic Akrokeri Mine. It is currently the Board's intention that such exploration is funded from future production cashflow from the AKHM project. In the event that this is not feasible, or the Group wishes to accelerate these exploration programmes, then the Company many need to raise further funding. Although the Board is confident that it will be able to raise further funding if and when required, there is always a risk that this may not be possible.

b. **development** and mining

Development and mining for natural resources is speculative and involves significant risk. The Group is awaiting the final inspection of the Minerals Commission to commence gold production. The delay represents a risk that might delay the commencement of gold production.

Once production commences, planned production may not be achieved as a result of unforeseen operational problems, machinery malfunctions or other disruptions. Operating costs and profits for commercial production therefore remain subject to variation, such as gold prices or not achieving the expected recovery rates.

The Board are evaluating each stage of the development and mining of the Group's project, site by site, in order to mitigate as far as possible these risks inherent in production. Use of modern technology and electronic tools assist in reducing risk in this area. Good employee relations are also key in reducing the exposure to labour disputes. The Group is committed to following sound environmental guidelines and practice and is keenly aware of the issues surrounding each individual project.

c. **country** and political

GoldStone's projects are in Ghana. Emerging market economies could be subject to greater risks including legal, regulatory, economic and political risks and are potentially subject to rapid change.

The Board routinely monitors political and regulatory developments in Ghana. The Ghanaian Government continues to be supportive towards the mining sector, including the improved policing of small-scale mining operations, thus ensuring controlled management of neighbouring areas.

In addition, the Group actively engages in dialogue with relevant Government representatives in order to keep abreast of all key legal and regulatory developments applicable to areas of interest. GoldStone maintains internal processes to ensure that it is wholly compliant with all relevant regulations in order to maintain its licences. These country risks are further addressed in notes 2(d)(i) and 3(k) to the financial statements.

d. **social**, safety and environmental

The Group's success depends upon its social, safety and environmental performance as failures may lead to delays or suspensions of its activities.

The Group takes its responsibilities in these areas seriously and monitors its performance across these areas on a regular basis. As the Homase Mine continues towards production, the Group is strengthening its relationships with the communities living within the concession areas and close to the projects. The immediate focus for each of the villages within the Licences, has been sanitation and drinking water, and improving the school facilities, maintaining the buildings and providing school uniforms. The Group continues to build on the community relationships to assist the smallholder farmers and ensuring a "community first" approach when recruiting. These schemes benefit both the communities and the investors in which the Group will be operating.

e. **coronavirus** impact

The Coronavirus pandemic still has had a significant impact on the operations of many businesses both in Ghana and globally. The Group has experienced delays to operations during the year, but has followed government requirements and health guidelines while focusing on protecting the well-being of the employees and local communities and within its supply chain. The Group is committed to a safe working environment and has implemented monitoring and preventative measures to mitigate the impact of COVID-19 on its workforce and stakeholders to develop a COVID safe environment that adheres to health and Government advice and restrictions.

Emma Priestley
chief executive officer
27 June 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

in united states dollars	note	31 December 2020	31 December 2019
Assets			
non-current assets			
property, plant and equipment	8	491,208	24,314
intangible assets - exploration and evaluation	9	14,339,772	8,256,380
total non-current assets		**14,830,980**	**8,280,694**
current assets			
trade and other receivables	11	2,145,576	162,864
cash and cash equivalents	12	701,384	90,128
total current assets		**2,846,960**	**252,992**
total assets		**17,677,940**	**8,533,686**
Equity			
share capital - ordinary shares	13	3,913,963	3,484,580
share capital - deferred shares	13	6,077,013	6,077,013
share premium	13	28,080,853	27,222,084
foreign exchange reserve	13	(82,149)	(52,061)
capital contribution reserve	13	555,110	555,110
share options reserve	13, 15	3,535,197	229,688
accumulated deficit	13	(31,234,911)	(30,624,816)
total equity		**10,845,076**	**6,891,598**
Liabilities			
non-current liabilities			
Borrowings	16	1,300,000	1,168,997
non-current liabilities		**1,300,000**	**1,168,997**
current liabilities			
trade and other payables	17	1,001,998	473,091
Borrowings	16	4,530,866	-
current liabilities		**5,532,864**	**473,091**
total liabilities		**6,832,864**	**1,642,088**
total equity and liabilities		**17,677,940**	**8,533,686**

The accounting policies and notes form part of these consolidated financial statements. The consolidated financial statements were approved by the Board of directors on 27 June 2021.
Signed on behalf of the Board of directors.

Emma Priestley
chief executive officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	year ended	year ended

in united states dollars	note	31 December 2020	31 December 2019
continuing operations			
administrative expenses		(577,153)	(542,559)
operating loss	**6**	**(577,153)**	**(542,559)**
finance costs	**7**	(32,942)	(112,221)
loss before and after tax from continuing operations		(610,095)	(654,780)
items that may be reclassified subsequently to profit and loss:			
foreign exchange translation movement		(30,088)	(52,061)
total comprehensive loss for the year		**(640,183)**	**(706,841)**
loss per share from operations			
basic and diluted losses per share attributable to the equity holders of the company during the year (expressed in cents per share)	**14**	(0.002)	(0.003)

The accounting policies and notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

in united states dollars	note	share capital ordinary shares	share capital deferred shares	share premium	foreign exchange reserve	capital contribution reserve	share options reserve	accumulated deficit	total equity
balance as at 31 December 2018		**3,480,430**	**6,077,013**	**27,219,262**	**-**	**555,110**	**229,688**	**(29,970,036)**	**7,591,467**
total loss for the year		-	-	-	-	-	-	(654,780)	**(654,780)**
translation movement		-	-	-	(52,061)	-	-	-	**(52,061)**
total comprehensive loss for the year		**-**	**-**	**-**	**(52,061)**	**-**	**-**	**(654,780)**	**(706,841)**
issue of ordinary shares		4,150	-	2,822	-	-	-	-	**6,972**
balance as at 31 December 2019		**3,484,580**	**6,077,013**	**27,222,084**	**(52,061)**	**555,110**	**229,688**	**(30,624,816)**	**6,891,598**
Total loss for the year		-	-	-	-	-	-	(610,095)	**(610,095)**
translation		**-**	**-**	**-**	(30,088)	**-**	**-**	**-**	**(30,088)**

movement										
total comprehensive loss for the year		-	-	-	**(30,088)**	-	-	**(610,095)**	**(640,183)**	
warrants granted in period	15	-	-	-	-	-	3,305,509	-	**3,305,509**	
warrants exercised in period	15	405,084	-	810,168	-	-	-	-	**1,215,252**	
share issue	13	24,299	-	48,601	-	-	-	-	**72,900**	
Balance as at 31 December 2020		**3,913,963**	**6,077,013**	**28,080,853**	**(82,149)**	**555,110**	**3,535,197**	**(31,234,911)**	**10,845,076**	

The accounting policies and notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

in united states dollars	**note**	**year ended 31 December 2020**	**year ended 31 December 2019**
cash flow from operating activities			
operating loss for the year		(577,153)	(542,559)
adjusted for:			
- depreciation	**8**	14,617	11,140
- non cash settlement of director fees	**19**	-	6,972
- foreign exchange differences		(30,088)	(52,061)
- provisions		25,737	-
changes in working capital:			
- (decrease)/increase in trade and other receivables		-	-
- increase in trade and other payables		329,937	15,827
net cash used in operating activities		**(236,950)**	**(560,681)**
cash flow from investing activities			
capitalisation of exploration costs	**9**	(4,185,534)	(486,659)
acquisition of property, plant and equipment	**8**	(481,511)	-
net cash used in investing activities		**(4,667,045)**	**(486,659)**
cash flow from financing activities			
proceeds from loan	**16**	3,000,000	800,000
proceeds from bond issue	**16**	1,300,000	-
proceeds from share issue	**13**	1,215,251	-
net cash generated from financing activities		**5,515,251**	**800,000**
net decrease in cash and cash equivalents		**611,256**	**(247,340)**
cash and cash equivalents at beginning of the year	**12**	90,128	337,468
cash and cash equivalents at end of the year	**12**	**701,384**	**90,128**

The accounting policies and notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. reporting entity

The consolidated financial statements for the year ended 31 December 2020 (the "financial statements") comprise GoldStone Resources Limited (the "Company") and its subsidiaries, set out in note 20, (together referred to as the "Group").

The Company is quoted on the AIM market of the London Stock Exchange and is incorporated and domiciled in Jersey (Channel Islands). The address of its registered office is 2nd Floor, International House, 41 The Parade, St. Helier, Jersey, JE2 3QQ. The Company's principal activity is that of a holding company. The Group's principal activity is exploration and mining of gold and associated elements.

2. basis of preparation

(a) **statement** of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, including International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee. The financial statements have been prepared under the historical cost convention as modified for financial assets carried at fair value. The accounting policies adopted are set out below.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2(d).

(b) **going** concern

The financial statements have been prepared assuming the Group and Company will continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information for the foreseeable future; in particular for the 12 months from the date of approval of these financial statements. This assessment included consideration of future revenues as the Group moves towards gold production, existing cash resources and available facilities.

The Group had available cash of US$701k as at 31 December 2020. In March 2020, the Company announced a fundraising of up to US$4.3 million, gross, to support GoldStone commencing production at the Akrokeri-Homase Gold Project ("AKHM"). The funding included 26, 14% unsecured bond notes ("Bonds") of US$50,000 each to be issued to certain new and existing investors along with 52 million warrants over the Ordinary Share capital of the Company to be issued to the Bond subscribers. In addition, US$3.0 million was secured by way of a 14% secured gold loan of up to 2,000 troy ounces from Asian Investment Management Services Ltd ("AIMS") (the "Gold Loan"). In addition, AIMS was issued 120 million warrants over the Ordinary Share capital of the Company.

As at 31 December 2020, all the Bonds have been issued raising funds of US$1.3 million before expenses. In addition, the Gold Loan had been fully drawn down and received. The Board is confident that it will commence gold production in Q3 2021 supported by the further funding supplied by the exercise of warrants in respect of the Gold Loan and the Bonds (see note 22).

Should there be a material delay in the final inspection for the commencement of gold production over and above the Board's current expectations, the Company may need to secure further funds to meet its contractual obligations, in particular the secured Gold Loan that matures on the 30 September 2021, as they fall due.

At the date of this report the ability of the Group and Company to meet its short-term financial commitments is dependant on the timing of the commencement of the gold production and the ongoing financial support of the shareholders. Having made appropriate enquiries of the shareholders, the directors are confident that the ongoing financial support will be forthcoming, albeit at the date of approval of these financial statements, this is not legally committed.

The Board is therefore confident that with the continued support of the shareholders, the Group and Company can meet all its contractual obligations as they fall due for the foreseeable future. Therefore, the Board believes it is appropriate to adopt the going concern assumption.

(c) **functional** and presentational currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (its functional currency). These consolidated financial statements are presented in United States Dollars, which is the functional and presentational currency of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising if any, are classified as other comprehensive income and are transferred to the Group's translation reserve.

When the settlement of monetary items receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in foreign operations and are recognised in other comprehensive income, and presented in the exchange reserve in equity.

(d) **use** of estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

The following are the key estimates and judgements that have a significant risk of resulting in a material adjustment within the next year:

(i) valuation of exploration and evaluation expenditure

The value of the Group's exploration and evaluation expenditure will be dependent upon the success of the Group in discovering economic and recoverable mineral resources, especially in the countries of operation where political, economic, legal, regulatory and social uncertainties are potential risk factors.

The future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates and potential new legislation and related environmental requirements.

The ability of the Group to continue operating within Ghana is dependent on a stable political environment which is uncertain based on the history of the country. This may also impact the Group's legal title to assets held which would affect the valuation of such assets.

(ii) valuation of share warrants

The fair value of share warrants is calculated using the Black-Scholes model. The model requires a number of inputs to calculate the fair value of the warrants. Volatility is based on the Group's trading performance and the risk-free rate is determined using a 3-year UK government bond. The directors have reviewed the underlying inputs and are happy that these appear reasonable.

3. significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. When 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.

(a) **basis** of consolidation

The consolidated financial statements consolidate the financial statements of the Company and the financial statements of its subsidiary undertakings made up to 31 December 2020.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) **financial** instruments

(i) non-derivative financial assets

The Group recognises loans and receivables at fair value on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The Group classifies non-derivative financial assets into the following categories: loans and receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise bank balances only.

(ii) non-derivative financial liabilities
The Group recognises financial liabilities initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into trade and other payables.

(iii) share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary shares are recognised as a deduction from equity, net of tax effects.

(iv) deferred shares
Deferred shares are classified as equity and held in the capital contributions reserve account.

(c) **share** based payments
The fair value of warrants and the employee share option scheme is calculated at the grant date using the Black-Scholes model. The resulting cost is charged to the statement of comprehensive Income over the vesting period or in line with the services provided in consideration for the issue.

(d) **property,** plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated lives, using the straight-line method, unless otherwise indicated, on the following bases:

Gold samples	no depreciation charged
Computer equipment	over three years
Office equipment	over four years
Field/geological equipment	over four years
Motor vehicles	over four years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset is recognised in income.

(e) **intangible** assets - exploration and evaluation
The Group capitalises expenditure in relation to exploration and evaluation of mineral assets when the beneficial or legal rights to ownership of these assets are obtained. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets, relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. Whenever the exploration for and evaluation of mineral resources does not lead to the discovery of commercially viable quantities of mineral resources or the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to profit or loss.

Once commercially viable reserves are established and development is sanctioned, exploration and evaluation assets are transferred to development assets and once commercial production commences amortisation will be applied.

(f) **impairment** of financial assets
A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income.

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

(g) **capital** management

The primary objective of the Group's capital management is to optimally execute its exploration objectives and, if feasible, to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions, exploration results and the need for further exploration capital. To maintain or adjust the capital structure, the Group may issue new shares. The Group considers its capital structure to consist of issued equity.

The Group is not subject to externally imposed capital requirements.

(h) **taxation**

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the related tax is also dealt with in equity. Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised, except for differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of the deferred tax assets is restricted to those instances where it is probable that a taxable profit will be available against which the difference can be utilised.

Deferred tax is calculated based on rates enacted or substantively enacted at the reporting date and expected to apply when the related deferred tax asset is realised or liability settled.

(i) **operating** leases

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(j) **finance** cost

Finance costs are recognised in the profit and loss period in which they are incurred.

(k) **risk** management

The main financial risks facing the Group are the availability of adequate funding, movements in interest rates and fluctuations in foreign exchange rates. Constant monitoring of these risks ensures that the Group is protected against any potential adverse effects of such risks so far as it is possible and foreseeable. The Group only deals with high-quality banks. It does not hold derivatives, trade in financial instruments or engage in hedging instruments.

The Group's continued future operations depends on the ability to raise sufficient working capital. Management monitors its cash and future funding requirements through the use of on-going cash flow forecasts. All cash, with the exception of that required for immediate working capital requirements, is held on short term deposit.
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand, the Ghana Cedi's and Sterling. Foreign exchange risk arises from future commercial transactions and net investments in foreign operations. The Group does not hedge its exposure to foreign currencies and recognises the profits and losses resulting from currency fluctuations as and when they arise. The Group's liquidity risk is monitored through cash flow forecasts.

4. **adoption** of new and revised standards

(a) **new** and amended standards

The amendments and interpretations listed below apply for the first time from 1 January 2020. None of the standards have an impact on the Group financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7)
- Extension of the Temporary Exemptions from Applying IFRS 9 (Amendments to IFRS 4)

(b) **new** standards in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective (dates stated below for accounting periods beginning on or after such date).

- Covid-19 Related Rent Concessions (Amendment to IFRS 16) — 1 June 2020
- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 3, IFRS 7, IFRS 4, and IFRS 16) — 1 January 2021
- Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16) — 1 April 2021
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) — 1 January 2022
- Annual Improvements to IFRS Standards 2018-2020 — 1 January 2022
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16) — 1 January 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3) — 1 January 2022
- IFRS 17 Insurance Contracts — 1 January 2023
- Classification of liabilities as current or non-current (Amendments to IAS 1) — 1 January 2023
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2) — 1 January 2023
- Definition of Accounting Estimate (Amendment to IAS 8) — 1 January 2023

Where relevant, the Group evaluates the effect of new Standards, amendments to published Standards and Interpretations issued but not effective, on the presentation of the financial statements. The directors have assessed there to be no material impact on the financial statements.

5. operating segments

The Group has two reportable segments, exploration and corporate, which are the Group's strategic divisions. For each of the strategic divisions, the Group's CEO, deemed to be the Chief Operating Decision Maker ("CODM"), reviews internal management reports on at least a monthly basis. The results are then subsequently shared with the Board. The Group's reportable segments are:

Exploration and Evaluation: the exploration operating segment is presented as an aggregation of the Homase and Akrokeri licences (Ghana). Expenditure on exploration activities for each licence is used to measure agreed upon expenditure targets for each licence to ensure the licence clauses are met.

Corporate: the corporate segment includes the holding company costs in respect of managing the Group. There are varying levels of integration between the corporate segment and the combined exploration activities, which include resources spent and accounted for as corporate expenses that relate to furthering the exploration activities of individual licences.

information about reportable segments for the year ended 31 December 2020

in united states dollars	**exploration**	**corporate**	**total per consolidated income statement/financial position**
reportable segment expenditure	-	**(610,095)**	**(610,095)**
reportable segment (loss)	-	**(610,095)**	**(610,095)**
reportable segment assets	**14,359,654**	**3,318,286**	**17,677,940**
reportable segment liabilities	**(504,905)**	**(6,327,959)**	**(6,832,864)**

Included within exploration assets are intangible assets of US$14,339,772, which are held in Ghana.

information about reportable segments for the year ended 31 December 2019

in united states dollars	**exploration**	**corporate**	**total per consolidated income statement/financial position**
reportable segment expenditure	-	**(654,780)**	**(654,780)**
reportable segment (loss)	-	**(654,780)**	**(654,780)**
reportable segment assets	**8,321,000**	**212,686**	**8,533,686**

reportable segment liabilities	**(32,314)**	**(1,609,774)**	**(1,642,088)**

Included within exploration assets is property, plant and equipment of US$24,314 and intangible assets of US$8,256,380, which are held in Ghana.

6. **expenses** by nature

The operating loss is stated after charging:

in united states dollars	**year ended 31 December 2020**	**year ended 31 December 2019**
auditor's remuneration in respect of audit of the financial statements		
- current auditor	26,200	26,200
depreciation	14,617	11,140
foreign exchange difference	172,832	1,969

7. **finance** cost

in united states dollars	**year ended 31 December 2020**	**year ended 31 December 2019**
interest charged on borrowings	13,209	44,997
finance charges on borrowings	19,733	67,224
total	**32,942**	**112,221**

8. **property**, plant and equipment

	31 December 2020			**31 December 2019**		
in united states dollars	**cost**	**accumulated depreciation**	**carrying value**	**cost**	**accumulated depreciation**	**carrying value**
gold samples	4,570	-	4,570	4,570	-	4,570
computer equipment	73,368	(67,303)	6,065	67,696	(64,509)	3,187
office equipment	111,672	(108,567)	3,105	109,202	(108,047)	1,155
field/geological equipment	101,168	(62,953)	38,215	66,667	(60,795)	5,872
motor vehicles	477,444	(38,191)	439,253	38,576	(29,046)	9,530
total	**768,222**	**(277,014)**	**491,208**	**286,711**	**(262,397)**	**24,314**

reconciliation of property, plant and equipment - 31 December 2020

in united states dollars	**carrying value opening balance**	**additions**	**depreciation**	**carrying value ending balance**
gold samples	4,570	-	-	4,570
computer equipment	3,187	5,672	2,794	6,065
office equipment	1,155	2,470	520	3,105
field/geological equipment	5,872	34,501	2,158	3,714
motor vehicles	9,530	438,868	9,145	473,754
total	**24,314**	**481,511**	**14,617**	**491,208**

reconciliation of property, plant and equipment -31 December 2019

in united states dollars	**carrying value opening balance**	**additions**	**depreciation**	**carrying value ending balance**
gold samples	4,570	-	-	4,570
computer equipment	6,496	-	(3,309)	3,187
office equipment	1,732	-	(577)	1,155
field/geological equipment	8,482	-	(2,610)	5,872
motor vehicles	14,174	-	(4,644)	9,530

total	**35,454**	**-**	**(11,140)**	**24,314**

9. intangible assets - exploration and evaluation

The Group's intangible assets comprise wholly of exploration and evaluation assets in respect of AKHM in Ghana.

in united states dollars	**31 December**
balance as at 31 December 2018	**7,769,721**
Additions	486,659
balance as at 31 December 2019	**8,256,380**
Additions	6,083,392
balance as at 31 December 2020	**14,339,772**

Impairment of the above is considered in relation to the impairment indicators listed within IFRS 6. The key estimate in relation to AKHM is in respect of the mineral resource's potential. Details of AKHM can be found on the Group's website.

10. taxation

current and deferred tax

The Company is subject to Jersey income tax at the rate of 0%. The Group is also registered for income tax purposes with the South African Revenue Service. Due to the loss making position of the Group in all jurisdictions there is no tax charge and no deferred tax asset has been recognised in the current or prior periods due to uncertainty of future profits. As a result, no reconciliation has been prepared.

11. trade and other receivables

in united states dollars	**31 December 2020**	**31 December 2019**
other receivables	2,145,576	162,864
Total	**2,145,576**	**162,864**

Other receivables include US$1,852,791 (2019: US$162,484) in respect of the fair value of share warrants issued in the current and prior period.

12. cash and cash equivalents

The cash and cash equivalents balance at the year-end was made up of balances in the following currencies:

in united states dollars	**31 December 2020**	**31 December 2019**
sterling	620,961	6
US dollars	72,939	81,969
ghana cedis	7,484	8,153
Total	**701,384**	**90,128**

13. capital and reserves

(a) **share** capital

	31 December 2020	**31 December 2019**
ordinary shares		
called up, allotted and fully paid		
281,785,967 ordinary shares of 1 pence each (2019: 250,050,253)	£2,817,859	£2,500,503
converted to united states dollars at date of issue	$3,913,963	$3,484,580
deferred shares		
called up, allotted and fully paid		
in issue at 1 January	£3,730,772	£3,730,772
in issue at 31 December - fully paid 414,530,304 (December 2019: 414,530,304) deferred 0.9 pence shares	£3,730,772	£3,730,772
converted to united states dollars at date of issue	$6,077,013	$6,077,013
Authorised		
1,000,000,000 (December 2019: 1,000,000,000) authorised ordinary 1 pence shares	£10,000,000	£10,000,000

During the year the Company issued the following 1 pence fully paid shares:

		Number of Shares	Nominal Value	Share premium
1 January 2020	**Opening balance**	**250,050,253**	**$3,484,581**	**$27,222,084**
10 July 2020	Shares at 4.2p share	1,735,714	£17,357	£55,543
	Converted to United States Dollars at date of issue	-	$24,299	$48,601
18 December 2020	Shares at 3.0p share	30,000,000	£300,000	£600,000
	Converted to United States Dollars at date of issue	-	$405,083	$810,168
31 December 2020	**Closing balance**	**281,785,967**	**3,913,963**	**28,080,853**

(b) **ordinary** shares

Each holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

(c) deferred shares

Each holder of deferred shares shall not be entitled to receive notice of, attend or vote at any meeting of the Company (other than a meeting of the holder of the deferred shares), shall not be entitled to any dividends or other distributions (whether on a winding up of the Company or otherwise). On a winding up of the Company, each deferred share shall confer upon its holder the right to receive an amount equal to the nominal amount paid up on such deferred share.

The Company has not concluded any share repurchases since its incorporation.

(d) **dividends**

No dividends were proposed or declared during the period under review (2019: Nil).

(e) **description** and purpose of reserves

(i) share capital

Share capital consists of amounts subscribed for share capital at nominal value.

(ii) share premium

Share premium consists of amounts subscribed for share capital in excess of nominal value.

(iii) foreign exchange reserve

Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.

(iv) capital contribution reserve

Capital contribution reserve consists of deferred shares classified as equity.

(v) share options reserve

Share options and warrants reserve consists of the fair value of options and warrants outstanding at the year end.

(vi) accumulated deficit

Accumulated deficit reserve represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

14. earnings per share

The calculation of basic and diluted earnings per share at 31 December 2020 was based on the losses attributable to ordinary shareholders of US$610,095 (2019: US$654,780), and an average number of ordinary shares in issue of 252,004,667 (2019: 249,849,584).

in united states dollars	**31 December 2020**	**31 December 2019**
loss attributable to shareholders	(610,095)	(654,780)
weighted average number of ordinary shares	252,004,667	249,849,584
basic and diluted earnings per share	**(0.002)**	**(0.003)**

The Group has the following instruments which could potentially dilute basic earnings per share in the future:

in number of shares	**31 December 2020**	**31 December 2019**

Warrants	182,352,377	40,352,377

15. **share** based payment arrangements

At 31 December 2020, the Group has the following share-based payment arrangements.

(a) share option programmes (equity-settled)

The Group has adopted an Option Scheme in order to incentivise key management and staff. Pursuant to the option scheme, a duly authorised committee of the Board of the Company may, at its discretion, grant options to eligible employees, including directors, of the Company or any of its subsidiaries, to subscribe for shares in the Company at a price not less than the higher of (i) the closing price of the shares of the Company on the Stock Exchange on the date of grant of the particular option or (ii) the nominal value of the shares.

There were no market conditions within the terms of the grant of the options therefore the main vesting condition for all the options awarded was that the director or employee remained contracted to the Group at the date of exercise.

The conditions relating to the grants of the share option programmes are as follows:

The terms relating to the grants of the share option programmes are that on exercise date, the receiver of the options must still be employed by the Company, or in the case of the receiver being retrenched or retired, before three months thereafter, or in the case of the death of the receiver, before six months thereafter.

There were no such options granted during the year ended 31 December 2020 (2019: same).

(b) reconciliation of outstanding share options

There are no options outstanding at 31 December 2020 (2019: same).

(c) warrants

On 19 March 2020 the Company granted warrants of 52,000,000, with an exercise price of 3 pence, exercisable at any time during the period to 22 June 2022 in consideration of the issue of corporate bonds see note 16 for further details.

The Company granted warrants of 120,000,000 with an exercise price of 3 pence on 22 June 2020, exercisable at any time during the period to 22 June 2022, in consideration of a gold loan see note 16 for further details

All Ordinary Shares issued (excluding deferred shares) pursuant to the exercise of warrants rank *pari passu* in all respects with the ordinary shares.

The fair value of the warrants issued was measured based on the Black-Scholes formula. Expected volatility was estimated by considering historical volatility of the Company's share price over the period commensurate with the expected return.

reconciliation of outstanding warrants

the number and weighted average exercise prices

	number of warrants 31 December 2020	**weighted average exercise price 31 December 2020**	**number of warrants 31 December 2019**	**weighted average exercise price 31 December 2019**
outstanding as at 1 January	40,352,377	1.2p	40,352,377	1.2p
granted during the year	172,000,000	3.0p	-	-
exercised during the year	(30,000,000)	3.0p	-	-
outstanding at 31 December	**182,352,377**	**2.6p**	**40,352,377**	**1.2p**
exercisable at 31 December	**182,352,377**	**2.6p**	**40,352,377**	**1.2p**

The warrants outstanding at 31 December 2020 have a weighted exercise price of 2.6p (2019: 1.2p) and a weighted average life of 1.5 years (2019: 2.4 years).

(d) measurement of fair value

The inputs used in measuring the fair values of the warrants at grant date were as follows:

	warrants 19 March 2020	**warrants 22 June 2020**	**warrants 27 December 2018**
share price at grant	2.10p	4.20p	1.20p

warrant exercise price	3.00p	3.00p	1.20p
expected life of warrants from exercise date	2.3 years	2.0 years	3.4 years
expected volatility	63.74%	65.71%	51.6%
expected dividend yield	0.00%	0.00%	0.00%
risk free rate	0.27%	(0.05)%	0.74%
fair value per warrant	0.56p	1.96p	0.67p
US$:GBP exchange rate used	1.27258	1.24785	1.2469

The risk free rate has been determined based on 3 year UK government bonds.

Total fair value recognised in the share options and warrants reserve in respect of warrants issued in the year was US$3,305,509 (2019: nil).

(e) expense recognised in statement of comprehensive income

The fair value of the warrants issued on 27 December 2018 has been reflected within trade and other receivables and is being released and initially capitalised as part of the exploration asset, over the period of the loan facility; see note 11 and 16 for further details. The amount capitalised during the year was US$67,400 (2019: US$67,224).

The fair value of the warrants issued on 19 March 2020 has been reflected within trade and other receivables and is being released and initially capitalised as part of the exploration asset over the period of the bond facility, see note 11 and 16 for further details. The amount capitalised during the year was US$295,000.

The fair vale of value of the warrants issued on 22 June 2020 has been reflected within trade and other receivables and is being released and initially capitalised as part of the exploration asset over the period of the gold loan facility, see note 11 and 16 for further details. The amount capitalised during the year was US$1,252,328.

16. borrowings

in united states dollars	**31 December 2020**	**31 December 2019**
shareholder loan	1,346,642	-
gold loan	3,184,224	-
current borrowing	**4,530,866**	**-**
shareholder loan	-	1,168,997
bonds	1,300,000	-
non-current borrowing	**1,300,000**	**1,168,997**
Total	**5,830,866**	**1,168,997**

Shareholder loan

The Company entered into a loan agreement with Paracale Gold Limited (''Paracale''), the Company's major shareholder, in December 2018, for a loan of up to US$1,224k.

The loan will accrue interest at 6.0% per annum, compounded daily against the loan's outstanding balance, until it is repaid. A total of US$1,124k had been drawn as at 31 December 2020. The loan will be repaid in full on or before 2 June 2022.

In consideration of entering into the loan agreement, Paracale, were issued with 40,352,377 warrants to subscribe for such number of 1p ordinary shares at an exercise price of 1.2p per share, at any time during the period through to 2 June 2022. See note 15 for further details.

Gold loan

The Company entered into a loan agreement with Asian Investment Management Services Limited ("AIMS") in June 2020, for a gold loan of up to 2,000 troy ounces of gold at a price of US$1,500 per troy ounce, equating to a value of US$3.0 million before expenses. The loan was fully drawn by 31 December 2020.

The gold loan accrues interest at 14.0% per annum, compounded daily against the loan's outstanding balance, until it is repaid. The gold loan will be repaid in full on or before 19 September 2021.

In consideration of entering into the loan agreement AIMS were issued with 120,000,000 warrants to subscribe for such number of Ordinary Shares at an exercise of 3.0 pence per share (the "Exercise Price"), at any time during the period through to 22 June 2022. This resulted in an increase in the share option reserve and other receivables of US$2.9 million in the period. In December 2020, AIMS had exercised 30,000,000, of their warrants. (see note 15)

Bonds

In March 20202 the Company issued twenty-six unsecured bond notes of US$50,000 each to certain existing and new investors, raising, in aggregate, US$1.3 million before expenses. Paracale Gold and BCM, the Company's major shareholders, each subscribed for six bonds with a value of, in aggregate, US$0.3 million respectively.

In conclusion of entering into the Bonds, a total of 52,000,000 warrants were issued to subscribe for such number of Ordinary Shares at the Exercise Price, at any time during the period through to 22 June 2022 (see note 15). This led to an increase in the share option reserve and other receivables of US$371K in the period.

17. **trade** and other payables

in united states dollars	**31 December 2020**	**31 December 2019**

trade payables	570,391	49,928
other payables	242,289	218,436
accruals	189,318	204,727
Total	**1,001,998**	**473,091**

Other payables includes an amount due to Mr Schloemann, a former director of the Company, for damages of US$140,000 plus interest and legal fees.

18. **financial** instruments

(a) **financial** risk management

The Group's principal financial instruments comprise of cash, receivables and payables including the various loans and bonds. Financial risk management of the Group is governed by policies and guidelines described in the Group's Financial Reporting Memorandum approved by the Board. Group policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's financial performance and financial position.

(b) **credit** risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the consolidated statement of financial position date. The Group's exposure to significant concentration on credit risk on trade and other receivables is considered low.

(c) **liquidity** risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and by preserving cash resources through minimising the cash burn out rate achieved through cost reduction. The financial liabilities of the Group are mainly creditors which are payable on demand, hence it is the opinion of the board that an analysis of liabilities by maturity dates is not appropriate.

(d) **market** risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holding in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has cash assets denominated in Sterling, United States Dollars South African Rand, Ghana Cedis and incurs liabilities for its working capital expenditure in one of these denominations. Payments are made in Sterling (GBP), United States Dollars (US$), South African Rand (ZAR) and Ghana Cedis (GHS), or Euro at the pre-agreed price and converted (if necessary) as soon as payment needs to occur. Currency conversions and provisions for expenditure are only made as soon as debts are due and payable. The Group is therefore exposed to currency risk in so far as its liabilities are incurred in South African Rand and Ghanaian Cedi and fluctuations occur due to changes in the ZAR/GBP, ZAR/US$ and GHS/US$ exchange rates. The Group's policy is not to enter into any currency hedging transactions.

The directors consider currency risk to be manifested in the expenditure made on a day to day basis in Sterling, South African Rand, Ghanaian Cedi and US Dollars. The directors have undertaken a policy of holding cash raised in Sterling and US Dollars and to convert funds to South African Rand and Ghanaian Cedi as and when required.

The exchange rates converted to United States Dollars affecting the Group were as follows:

	average rate 2020	reporting date spot rate 2020	average rate 2019	reporting date spot rate 2019
Sterling to US dollars	1.284	1.380	1.276	1.312
South African Rand to US dollars	0.061	0.070	0.069	0.071
Ghana Cedis to US dollars	0.176	0.170	0.185	0.175

A strengthening (weakening) of GBP, ZAR or GHS against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity analysis includes only outstanding foreign currency denominated financial assets and liabilities and adjusts this translation at year end for a percentage change in foreign currency rate thus indicating the potential movement in equity.

in united states dollars	equity strengthening 2020	equity weakening 2020	equity strengthening 2019	equity weakening 2019
sterling 13% (2019: 13%)	-	-	-	-
south african rand 20% (2019: 20%)	-	-	-	-
ghana cedis 10% (2019: 10%)	192,036	(192,036)	39,343	(39,343)
Total	**192,036**	**(192,036)**	**39,343**	**(39,343)**

The percentage change in foreign currency rate used to adjust the translation of outstanding foreign currency denominated financial assets and liabilities is in the opinion of the directors appropriate.

(ii) interest rate risk
The risks caused by changes in interest rates are minimal since the Group's only interest bearing financial asset pertains to cash. At the end of the prior year the Group entered into a loan arrangement with Paracale as detailed in note 16. The interest rate is fixed at 6% for the duration of the term of the loan. The Group is therefore not subject to a significant amount of risk due to fluctuations in the prevailing levels of market interest rates and as such has not prepared a sensitivity analysis.

19. **related** parties
The key management personnel is considered to be only the directors. Details of their remuneration are disclosed below.

salaries and other short-term benefits - detail:

in united states dollars	31 December 2020	31 December 2019
Director's remuneration: executive - E Priestley	68,750	87,890
Director's remuneration (accrued): executive - E Priestley (*)	51,250	32,500
Director's remuneration: non-executive - R Lloyd	-	700
Director's remuneration (shares); non-executive - R Lloyd	-	6,972
Director's remuneration: non-executive - R Wilkins	12,000	5,650
Director's remuneration (accrued): non-executive - R Wilkins (*)	-	6,500
Director's remuneration: non-executive - W Trew	5,000	13,537
Director's remuneration: (accrued): non-executive - W Trew	7,000	-
Director's remuneration: non-executive - A List	12,000	7,263
Director's remuneration (accrued): non-executive - A List (*)	-	6,500
Director's remuneration: non-executive - O Fenn	1,500	-
Director's remuneration (accrued): non-executive - O Fenn (*)	10,500	2,000
total	**168,000**	**169,512**

(*) Represents the value of accrued fees for the period 31 December 2019 to 31 December 2020 for each director.

The total amount payable to the highest paid director in respect of emoluments was US$120,000 (2019: US$120,390). No directors exercised any share options during the year (2019: nil).

Bill Trew's remuneration is paid to Oxus Mining Limited, a company in which he is a director.

E Priestley's remuneration was paid to Santon Consultancy Services Limited, a company in which she is a director. R Wilkins's remuneration was paid to KSJ Investments Limited, a company in which he is a director.

During 2018, the Company entered into a loan agreement for an amount up to US$1,224k with Paracale, the Company's major shareholder and a company in which Bill Trew, the Company's chairman, is interested. At year end the balance was US$1,346k (2019: US$1,169k), being funds drawn down as at 31 December 2020 included interest accrued to date of US$177k- see note 7 and 16 for further details.

On 16 March 2020 the Company entered into a bond agreement with Paracale and BCM, for 6, 14% bonds of US$50K each. In addition 12,000,000 warrants over 1.0p Ordinary Shares of the Company were awarded to both parties at 3.0p each. Bill Trew is a director and shareholder of Paracale and A List is a director of BCM.

During the year, MAED (UK) Limited ("MAED") began undertaking the update of the Definitive Economic Plan ("DEP") report which was originally prepared in 2019 by them. This was an agreed review under the original engagement between MAED and the Company. MAED is a related party, as it is wholly owned by the Company's non-executive chairman Bill Trew.

20. **group** entities
Details of the Group's subsidiaries at the end of the reporting period are as follows:

	country of incorporation and operation	principal activity	ownership interest 2020	ownership interest 2019
GoldStone Akrokeri Limited	Ghana	Development and exploration of gold and associated elements	100%	100%
GoldStone Homase Limited	Ghana	Dormant	100%(*)	90% (*)
GoldStone Resources Limited Gabon S.A.R.L.	Gabon	Dormant	100%	100%

(*) Held indirectly via GoldStone Akrokeri Limited

Under Article 105(11) of the Companies (Jersey) Law 1991, the directors of the holding company need not prepare separate accounts (i.e. company only accounts) if consolidated accounts for the Company are prepared, unless required to do so by the members of the Company by ordinary resolution. The members of the Company have not passed a resolution requiring separate accounts and, in the directors' opinion, the Company meets the definition of a holding company. As permitted by the law, the directors have elected not to prepare separate accounts.

21. **ultimate** controlling party

The directors believe that there is no ultimate controlling party of the Group.

22. **subsequent** events

On 18 January 2021, the Company announced that it had reached agreement with a former director of the Company, for the full and final settlement of damages awarded by the South African Labour Court in December 2018.

The Company agreed to issue 1,800,000 new Ordinary Shares of 1pence each in the Company to the former director in respect of the claim. The shares issued had a value of £163,800 (US$227,768) which in addition to an amount of US$22,500 already paid to the former director, represented full and final settlement of the claim.

On 12 February 2021, the Company announced that the Ghanaian Environmental Protection Agency had granted the Environmental Permit for the Group's Homase South Pit within the AKHM Project. The Environmental Permit has allowed the Group to proceed towards the production phase of the Project.

On 19 February 2021, the Company announced it had been awarded the necessary permits for the Group's Homase South Pit within the AKHM Project to progress the production phase of the Project.

On 1 March 2021, the Company agreed with Asian Investment Management Services Limited ("AIMS") to a further deferral of the gold loan interest payment, previously deferred to 31 March 2021, to 30 June 2021. AIMS exercised 40,000,000 of warrants over new Ordinary Shares of 1penny in the capital of the Company at a price of 3pence per Ordinary Share and in consideration the Company issued 2,000,000 Ordinary Shares to AIMS.

On 17 March 2021, the Company agreed to extend the initial term for 20 of its unsecured bonds of US$50,000 each in issue to 15 June 2021.

On 13 May 2021, the Company announced that mining and ore stacking at the Homase Mine within the AKHM Project had commenced.

On 1 June 2021, the Company announced that Paracale Gold Limited ("Paracale") had exercised 32,352,377 warrants to subscribe for new Ordinary Shares of 1penny each in the Company comprising 20,352,377 new Ordinary Shares at a price of 1.2pence per Ordinary Share and 12,000,000 new Ordinary Shares at a price of 3pence per Ordinary Share, made £244,229 (US$344,362) of the funds raised was used to settle part of the loan to the Company from Paracale in December 2018. The remaining £360,000 (US$507,598) of the funds raised provided additional funding to the Company.

On 2 June 2021, AIMS exercised warrants to subscribe for 50,000,000 new Ordinary Shares of 1penny each in the capital of the Company at a price of 3pence per Ordinary Share, providing £1,500,000 (US$2,114,911) of additional funding to the Company.

On 8 June 2021, the Company announced an exercise of 4,000,000 warrants by a bond holder to subscribe for new Ordinary Shares of 1penny each in the capital of the Company at a price of 3pence per Ordinary Share, providing an additional £120,000 (US$169,119) of additional funding to the Company.

END

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