Final Results

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Goldstone Resources Ltd
30 June 2022

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GOLDSTONE RESOURCES LIMITED
("GoldStone" or the "Company")

Final Results

GoldStone Resources Limited (AIM: GRL), the emerging gold producer and developer focussed on Ghana, is pleased to announce its final results for the year ended 31 December 2021.

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

HIGHLIGHTS

- Successful transition from explorer and developer to commercial gold producer
- Completion of first gold pour at Homase Mine in the Ashanti Gold Belt in Ghana in November 2021
- Export of first commercial gold pour of 42.96kg gold doré, producing 40.96kg of gold bullion (1,307 Troy Ounces) and 1.72 kg of silver bullion (55 Troy Ounces) and revenues of US$2.4 million
- Gold loan repayment of US$1.1 million resulting in the interest rate being taken out of default and improving GoldStone's financial performance moving forward
- Post period end, GoldStone has exported and received income from 46.44kg of gold bullion resulting in US$2.84 million of revenue and continues exporting gold monthly
- Optimisation and re-engineering programme undertaken post period end to improve efficiencies and gold recovery following agglomeration issues reported in January 2022
- Resource expansion programme progressing with grade control drilling for the third Homase pit underway to determine the pit planning and expanding the mineable resource inventory
- Additional geochemical soil sampling programmes underway across Homase and Akrokeri licence areas to seek parallel zones of mineralisation and drilling and trenching programme commenced at Akrokeri to move this forward towards recommissioning.

CHAIRMAN'S STATEMENT

GoldStone Resources Limited (the "Company" or, together with its subsidiaries, the "Group") has been steadily pursuing its main unwavering ambition to become an emerging gold producer in Ghana. During 2021, the year under review, this goal was achieved. In November 2021 we announced the successful completion of our first gold pour at our Homase Mine in the Ashanti Gold Belt in Ghana, an event which saw us commence our transition from an explorer and developer to a commercial gold producer.

This is a landmark moment for any gold mining company, however given the unique challenges presented in the 18 months to the first gold pour, I believe this is a particularly notable achievement. For this I would like to thank our operational team, our shareholders and other stakeholders for their staunch support, and patient and resolute determination over recent years.

As our shareholders will be acutely aware, the work doesn't stop at first gold pour, but rather starts the ongoing process of optimising and re-engineering aspects of the operation in order to strive for maximum efficiency as production ramps up. In many ways 2021 was an exceptionally challenging but successful year for GoldStone.

However, as we moved into 2022, we were presented with new challenges and, post period end, we updated the market with news regarding start-up agglomeration issues which impacted initial gold recoveries. With swift and decisive action by the GoldStone Board and management team, we were able to resolve these issues and increase gold recovery from the heap leach pads to over 60%. During this time our in-situ test work continued and all of the results from testing of stacked ore indicates that we will ultimately achieve an overall leach recovery of in excess of 82%. During this time, further testwork has indicated that modifying the circuit to include additional gravity for coarse gold recovery and re-crushing the oversize and the quartz particles will ensure the higher recovery is achieved. Additional construction work to modify the existing circuit has commenced and this is expected to be completed by Q3 2022.

The Group expects to have stacked some 450,000 tonnes of agglomerated ore by the end of the current financial year, which will be fed from the first two pits within the Homase Mine. With the improved dry plant and agglomeration modifications outlined in the announcement dated 25th March 2022, there has been an improvement in our production profile during H1 2022. However, our ability to deliver on our production target of 20,000oz of gold in 2022 has been impacted, inter alia, by diesel availability (which is impacting us and indeed Ghana as a whole), and an incident of theft (as reported in our announcement of 29 June 2022). The fuel issue is a changing and fast-moving situation, and we are working hard to secure a reliable source of fuel, however our current expectation for production in 2022 has been revised to 14,000 oz, rising to 20,000oz in 2023.

On 17 January 2022, the Group announced the export of the first commercial gold pour of 42.96 kg gold doré, which included the 14.46kg poured in November 2021. This produced 40.96 kg of gold bullion (1,307 Troy Ounces) and 1.72 kg of silver bullion (55 Troy Ounces), and revenues of US$2.4 million, of which US$1.1 million was credited as payment of the Gold Loan. Since January, the Group has exported and received income from 46.44 kg of gold bullion (approximately 1,493 ounces), 1.7 kg of silver bullion (approximately 100 ounces), resulting in US$2.84 million of revenue. The Group continues to produce and export gold monthly.

From a financial perspective, our position has improved significantly over recent months, and as noted above we reported, post period end, that Gold Loan repayments from first gold pour of US$1.1m, via the delivery of 610 troy ounces to Asia Investment Management Services Limited was completed, resulting in the interest rate on the Gold Loan being taken out of default. Once again, this development ensures that GoldStone is on an even footing and is now well placed to move forward from a position of strength and achieve its operational and commercial objectives through 2022 and in the coming years.

Looking ahead, our development plans extend further than our initial first two pits at Homase, and grade control drilling for the third pit is underway to determine the pit planning and expanding the mineable resource inventory at Homase. Additionally, the operational team has undertaken further geochemical soil sampling programmes within the Homase and Akrokeri Licence areas to seek parallel zones of mineralisation, following the programme carried out in 2018. This programme, and subsequent work, has continued to highlight the importance of our Akrokeri Licence, which includes the former Akrokeri Underground Mine, in the context of our asset portfolio, and the Group has commenced a drilling and trenching programme in this area to move this forward towards a mine plan.

With our production profile consistently improving at Homase and plans in place for expansion and optimisation extending across Homase and Akrokeri, we believe GoldStone is in a very strong position to look to deliver real returns to shareholders. I look forward to providing further updates as our growth strategy advances and our position as an emerging West African gold producer is firmly established.

Bill Trew
Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT

GoldStone has performed well over the past two years, with a proven gold mining operation now producing gold and significant further upside from its expansion and development initiatives. As many investors and industry veterans will attest, it is no easy feat for a company to get an asset from exploration, through development and into production - let alone doing this with the specific financial pressures of a pre-revenue growth company like GoldStone. Intensifying our particular list of challenges is its geographical location - GoldStone is the first junior to take an exploration company all the way to production in Ghana - a country which boasts several mining majors but that does not have a proven entry point for emerging producers such as us. With the consistent and tangible support of our investors and the tenacity and innovation of our operational team, we achieved this milestone in November 2021 with our first gold pour.

As shareholders will be aware, our route to gold production has taken various directions. However during the year under review, GoldStone completed construction for the initial stage of the mine, which includes crushing, sizing, agglomeration and stacking unit, three heap leach pads, a carbon-in-column plant, and an elution and gold room, for a total investment of US$15 million including overheads. This was a low capex route to cash flow for GoldStone in terms of benchmark industry standards, and importantly, it remains a capital efficient operation in the context of other emerging producers with an estimated cash cost of around US$1,200 per oz expected for the remainder of 2022, with an all-in sustaining cost of US$1,300 per ounce. This is the Group's current estimate, however as shareholders will understand, and as is evident across all industries on a global level, costs are liable to increase due to persistent supply chain bottlenecks and increased prices for major input materials such as fuel for the mining fleet and power generation costs which are seeing increases of over 25%. It is noted that Ghana's inflation rate has increased to its highest level in 18 years, with an inflation rate of 23.6% recorded in May 2022. The Group will continue to monitor the levels of cost inflation over the remainder of 2022, as we continue to target long-term cash flow and value our operation at industry costs per ounce of gold produced.

Looking back at our operations specifically, our transition into production has not been plain sailing and agglomeration issues at the end of the period resulted in much lower gold recovery than anticipated. The team subsequently carried out a programme of detailed test work and cost analysis to further understand the leach kinetics within the heap and therefore optimise the recovery of the remaining contained gold.

As part of this work programme, the agglomeration and crushing circuit was reconfigured to handle the excess clay encountered and the greater than expected amount of silt originating from the oxide orebody's phyllitic content. A modified screening system has been installed to control the feed sizing, with the fines (<3mm) being removed, which represents approximately 20% of the ore body, and fed initially to a gravity recovery circuit. The test work indicates that the gravity recovery circuit should recover between 14% and 24% of the contained gold, whilst reducing leaching costs and improving cashflow.

Concurrent with the preparation of Cell 3 of the heap leach to receive agglomerated ore, the Group is building an additional 1,000 tonne per day (tpd) crushing, agglomeration and stacking circuit, which will have double stacking capacity to 2,000 tpd and is now due to be commissioned during Q3 2022.

The current available mineable resource from the first pit within the Homase Mine was estimated by management to be 304,000 tonnes @ 1.7g/t of oxide ore (correction to the Press Release dated 25 March 2022, where it referred to two pits, when it should have been one). From the second pit it is estimated by management that there is 640,000 tonnes @ 1.25g/t of oxide ore, which was derived from the update regarding the mineable resource announced 12 November 2020. The mineable resource is within the confines of the 602,000oz JORC (2012) resource previously announced.

The free dig mining of the first pit was halted at 40metres, due to a silica alteration in the orebody being encountered, which means that a drill and blast method of mining will have to be instigated to continue the mining at depth. This has meant that the high grade southern ore shoot that was being mined, was curtailed, which has resulted in the average grade mined to date, dropping to 1.5g/t. The grade is expected to improve with depth, as the higher grade southern plunging oreshoot within the first pit, becomes more prominent. The first pit deepening, which is subject to the geotechnical assessment, requires a pushback, which will make the remaining oxide resources available, which is situated outside the current 40 metre optimised pit shell, and should see the average pit grade increasing to 1.7g/t.

The tonnes mined to date from the first pit are 202,138 tonnes of ore and 619,218 tonnes of waste, which is less that the 210,000 tonnes of ore reported tonnes at 25 March 2022, due to the final pit reconciliation, from which the average pit density measurements revealed that the oxidised material characterized by sub- average density is wider than originally anticipated.

The Group has undertaken geotechnical drilling within the first two pits, which is currently being assessed, and subject to the results and subsequent permitting, this could possibly allow these pits to extend into the fresh ores down to -80 metres, for a further 585,700 tonnes @ 1.7g/t and 1,261,600 tonnes @ 1.1g/t of fresh ore as outlined in the announcement 12 November 2021.

The Group has undertaken grade control drilling for the third pit within the Homase Mine, to determine the pit planning and expanding the mineable resource inventory, the results are awaited from the ALS Certified Laboratory in Kumasi.

Turning now to our Akrokeri Licence, centred on the former Akrokeri Underground Mine, our operational team continued with the reassessment of 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. This work has merited a diamond drilling campaign for which the Company is waiting for the arrival of a rig. The results will provide a better guide to the structural setting of the Akrokeri mineralisation and provide a route through which to advance further exploration and through to production.

In June 2022, the Group was dealt a financial blow post-period end in June 2022, due to an armed robbery at site which resulted in the loss of gold, with a value of approximately US$350k. Whilst this loss is not expecting to have a fundamental impact on the performance of the business, the Group was not in a position to make an announcement which was compliant with the AIM Rules, which led to a suspension in the trading of its ordinary shares on the AIM market on 10 June 2022 whilst an investigation was launched by the authorities in Ghana. The suspension was lifted following the Company's 29 June 2022 announcement. The investigation into the robbery is ongoing and, concurrently, Goldstone is reviewing its security protocols. A new security company has been appointed and additional security measures are being implemented on an urgent basis to enhance protection for the Company's operations, assets and personnel moving forward. These issues are causing some short-term disruption to operations, which are expected to continue into Q3 2022, but the Company expects to maintain regular production of gold doré throughout Q3 and Q4 2022.

Corporate and Financial Review
Losses from operations for the 12 months to 31 December 2021 were US$1,523k (2020: loss of US$610k). This included a finance cost of US$729k (2020: US$nil) in respect of the restatement of the Gold Loan taken out in 2020 of US$3.0 million to the gold price at the year end.

After an exchange loss on the restatement of the Group's Ghanaian assets as 31 December 2020, to the exchange rate as at 31 December 2021 of US$1,250k (2020: US$30k), the comprehensive loss for the year was US$2,773k (2020: US$640k).

The financial statements at year end show the Group's balance sheet, with net assets standing at US$16.0 million against net assets of US$10.85 million at the end of the previous year.

Cash and cash equivalents as at 31 December 2021 were US$337k (2020: US$701k).

With the revenue now being generated from our gold production and the further funds issued from the revenue of warrants in June 2022, the Board is confident that it remains well positioned to continue the ramp up of production at Homase.

The Group 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.

Warrants
The Company announced on 23 June 2022, the exercise of 14,000,000 warrants to subscribe for new ordinary shares of 1 penny each in the capital of the Company ("Ordinary Shares") at a price of 3 pence per Ordinary Share (the "Warrant Exercise"). The Warrant Exercise provides £420,000 of additional funding to the Company.

Nguvu Holdings Limited (formerly known as BCM Investments Limited) ("Nguvu") gave notice to the Company in late May 2022 of its intention to exercise 6,000,000 of the 12,000,000 warrants it held to subscribe for Ordinary Shares at a price of 3 pence per Ordinary Share (the "Nguvu Warrants"), but Nguvu was unable to provide a signed notice of exercise before the Company entered into a close period pending publication of the annual report and accounts of the Company for the year ended 31 December 2021. As Angela List, a director of the Company, is a director of and shareholder in Nguvu, the Nguvu Warrants, which had an expiry date of 22 June 2022, could not be exercised during this close period. Accordingly, the Board of the Company resolved to extend the exercise period of the Nguvu Warrants by two weeks, to expire at midnight on 6 July 2022 (the "Warrant Extension"). If the Nguvu Warrants are exercised, in whole or in part, during such extended period, a further announcement will be made. The remaining 6 million Warrants held by Nguvu expired at midnight on 22 June 2022.

Former director's claim
As previously announced, following the claim against Goldstone Resources Limited ("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 Group agreed to issue 1,800,000 new Ordinary Shares of 1 pence each in the Company to the former director, which had 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.

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

a. 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 commences commercial gold production, existing cash resources and available facilities.

The Group had available cash of US$336,524 as at 31 December 2021 (2020: US$701,384).

The Group commenced commercial production in January 2022. This was later than previously anticipated due to permitting issues. As can be seen in note 15, warrants over 459,035,996 Ordinary Shares were exercised by shareholders during the year to generate funds for the Group and pay down borrowings. In addition, Asian Investment Management Services Limited ("AIMS"), who hold the secured Gold Loan of US$3.0 million, supported the Group by agreeing to a number of deferments of interest payments and, in September 2021, agreed to an extension of the facility to 31 August 2022 and a gold repayment plan (see note 18). As a result of the Group not commencing commercial production until early 2022 the first three repayments were not made until January 2022 (see note 18 for further details). This allowed the Group to exit the default interest rate of 17% on the Gold Loan, reverting back to 14%.

The Group is now generating revenues from commercial production. The financial models and projections prepared by the Board in order to monitor cash flow demonstrate that the Group is a viable going concern. However, if there are further delays or problems encountered with production, the ability to meet the repayment schedule of the Gold Loan would be at risk. The Board believes the flexibility and support afforded to the Group by AIMS to date demonstrates that, if required, this would be forthcoming. AIMS have confirmed their intention to continue to support the Group by agreeing to further extensions of the payment plan, however the interest rate would revert back to the default rate of 17% from September 2022.

At the date of this report the Board is, therefore, confident of the ability of the Group and Company to continue mining and make the on-going operational improvements, as announced in March 2022. The Board is 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 and therefore, the Board believes it is appropriate to adopt the going concern assumption.

b. development and mining
Development and mining for natural resources is speculative and involves significant risk.

Planned production schedules 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. Inflation and supply chain issues, which are affectively the global economy, may also impact on 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.

It is noted that security risk is inherent with a business operating in an emerging economy such as Ghana, particularly for a producing gold mine. The Company is increasing its engagement with the government and its governing bodies to monitor the emerging country risk in order to ascertain any particular risks or trends that can be identified and mitigated to seek to ensure the security of our people and our business.

The Company has increased its focus on security and management plans and is continuously monitoring any security issues, threats and emerging potential issues through global and national advisory services, government security intelligence and local engagement, to establish an appropriate and effective security approach that is also aligned with the Voluntary Principles of Security and Human Rights.

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.

The Group experienced no fatalities for the 2021 financial year and no lost-time injuries, which contributes to the Group's commendable safety performance.

The Group has set out to create an environment of zero harm by creating a safe and healthy workplace and managing our activities in a way that eliminates accidents, minimises health and safety risks and promotes excellence in the performance of our operations.

As the Homase Mine ramps up 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 continued to have a significant impact on the operations of many businesses both in Ghana and globally during 2021. The Group strictly adhered to government requirements and health guidelines at the height of the pandemic and continues to follow enhanced health and wellbeing protocols to safeguard our employees, local communities and partners within our supply chain.

Emma Priestley
Chief Executive Officer

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

St Brides Partners Limited
Susie Geliher / Catherine Leftley

Tel: +44 (0) 20 7236 1177

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated statement of financial position
as at 31 December 2021

in united states dollars	note	31 December 2021	31 December 2020
Assets			
non-current assets			
property, plant and equipment	8	21,280,257	491,208
intangible assets - exploration and evaluation	9	-	14,339,772
total non-current assets		**21,280,257**	**14,830,980**
current assets			
inventory	12	1,959,083	-
trade and other receivables	11	257,013	2,145,576
cash and cash equivalents	13	336,524	701,384
total current assets		**2,552,620**	**2,846,960**
total assets		**23,832,877**	**17,677,940**
Equity			
share capital - ordinary shares	15	6,383,213	3,913,963
share capital - deferred shares	15	6,077,013	6,077,013
share premium	15	33,535,384	28,080,853
foreign exchange reserve	15	(1,332,396)	(82,149)
capital contribution reserve	15	555,110	555,110
share options reserve	15, 17	3,535,197	3,535,197
accumulated deficit	15	(32,758,006)	(31,234,911)
total equity		**15,995,514**	**10,845,076**
Liabilities			
non-current liabilities			
borrowings	18	-	1,300,000
provision for rehabilitation	14	901,284	-
total non-current liabilities		**901,284**	**1,300,000**
current liabilities			
trade and other payables	19	1,395,222	1,001,998
borrowings	18	5,540,857	4,530,866
total current liabilities		**6,936,079**	**5,532,864**
total liabilities		**7,837,363**	**6,832,864**
total equity and liabilities		**23,832,877**	**17,677,940**

Consolidated statement of comprehensive income
for the year ended 31 December 2021

in united states dollars	note	year ended 31 December 2021	year ended 31 December 2020
administrative expenses		(794,208)	(577,153)
operating loss	6	**(794,208)**	**(577,153)**
finance costs	7	(728,887)	(32,942)
loss before and after tax from continuing operations		(1,523,095)	(610,095)

items that may be reclassified subsequently to profit and loss:			
foreign exchange translation movement		(1,250,247)	(30,088)
total comprehensive loss for the year		**(2,773,342)**	**(640,183)**
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)	**16**	(0.004)	(0.002)

Consolidated statement of changes in equity
for the year ended 31 December 2021

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 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 movement		-	-	-	(30,088)	-	-	-	**(30,088)**
total comprehensive loss for the year		-	-	-	**(30,088)**	-	-	**(610,095)**	**(640,183)**
warrants granted in period	17	-	-	-	-	-	3,305,509	-	**3,305,509**
warrants exercised in period	17	405,084	-	810,168	-	-	-	-	**1,215,252**
share issue	15	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**
Total loss for the year		-	-	-	-	-	-	(794,208)	**(794,208)**
translation movement		-	-	-	(1,250,247)	-	-	-	**(1,250,247)**
loan derivative movement		-	-	-	-	-	-	(728,887)	**(728,887)**
total comprehensive loss for the year		-	-	-	**(1,250,247)**	-	-	**(1,523,095)**	**(2,773,342)**
warrants granted in period	17	-	-	-	-	-	-	-	-
warrants exercised in period	17	2,191,715	-	3,367,140	-	-	-	-	**5,558,855**
share issue	15	277,535	-	2,087,391	-	-	-	-	**2,364,926**
Balance as at 31 December 2021		**6,383,213**	**6,077,013**	**33,535,384**	**(1,332,396)**	**555,110**	**3,535,197**	**(32,758,006)**	**15,995,514**

Consolidated statement of cash flows
for the year ended 31 December 2021

in united states dollars	note	year ended 31 December 2021	year ended 31 December 2020

cash flow from operating activities			
operating loss for the year		(794,208)	(577,153)
adjusted for:			
- depreciation	8	71,300	14,617
- foreign exchange differences		164,170	(30,088)
- provisions		-	25,737
- changes in working capital		(462,382)	329,937
net cash used in operating activities		**(1,021,237)**	**(236,950)**
cash flow from investing activities			
capitalisation of exploration costs	9	(746,640)	(4,185,534)
acquisition of property, plant and equipment	8	(4,872,653)	(481,511)
net cash used in investing activities		**(5,619,293)**	**(4,667,045)**
cash flow from financing activities			
proceeds from loan	18	-	3,000,000
(repayment)/proceeds from bond issue	18	(300,000)	1,300,000
proceeds from share issue	15	6,575,670	1,215,251
net cash generated from financing activities		**6,275,670**	**5,515,251**
net decrease in cash and cash equivalents		**(364,860)**	**611,256**
cash and cash equivalents at beginning of the year	13	701,384	90,128
cash and cash equivalents at end of the year	**13**	**336,524**	**701,384**

Notes to the consolidated financial statements

1. Reporting entity

The consolidated financial statements for the year ended 31 December 2021 (the "financial statements") comprise GoldStone Resources Limited (the "Company") and its subsidiaries, set out in note 22, (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 Group's annual report is for the year ended 31 December 2021 and includes the consolidated financial statements of the Group prepared in accordance with international accounting standards in accordance with UK-adopted-IFRSs.

The Group financial statements have been prepared using accounting policies set out in note 3 which are consistent with all applicable IFRSs. For these purposes, IFRSs comprise the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee that have been endorsed by the UK Endorsement Board.

The Group financial statements have been prepared under the historical cost convention except for the treatment of share based payments, certain debtors at fair value and derivatives. The Group financial statements are presented in United States Dollars ("$") and all values are rounded to the nearest thousand except where otherwise stated.

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 commences commercial gold production, existing cash resources and available facilities.

The Group had available cash of US$336,524 as at 31 December 2021 (2020: US$701,384).

The Group commenced commercial production in January 2022. This was later than previously anticipated due to permitting issues. As can be seen in note 15, warrants over 459,035,996 Ordinary Shares were exercised by shareholders during the year to generate funds for the Group and pay down borrowings. In addition, Asian Investment Management Services Limited ("AIMS"), who hold the secured Gold Loan of US$3.0 million, supported the Group by agreeing to a number of deferments of interest payments and, in September 2021, agreed to an extension of the facility to 31 August 2022 and a gold repayment plan (see note 18). As a result of the Group not commencing commercial production until early 2022 the first three repayments were not made until January 2022 (see note 18 for further details). This allowed the Group to exit the default interest rate of 17% on the Gold Loan, reverting back to 14%.

(b) going concern

The Group is now generating revenues from commercial production. The financial models and projections prepared by the Board in order to monitor cash flow demonstrate that the Group is a viable going concern. However, if there are further delays or problems encountered with production, the ability to meet the repayment schedule of the Gold Loan would be at risk. The Board believes the flexibility and support afforded to the Group by the shareholders and AIMS to date demonstrates that, if required, this would be forthcoming. AIMS have confirmed their intention to continue to support the Group by agreeing to further extensions of the payment plan, however the interest rate would revert back to the default rate of 17% from September 2022.

At the date of this report the Board is, therefore, confident of the ability of the Group and Company to continue mining and make the on-going operational improvements, as announced in March 2022. The Board is 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 and 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 application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely from future exploration. If information becomes available suggesting that recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available.

(ii) impairment of intangible and tangible assets
The assessment of tangible and intangible assets for any internal and external indications of impairment involves judgement. Each reporting period, the Group assesses whether there are any indicators of impairment, if indicated then a formal estimate of the recoverable amount is performed and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined as the value in use. Determining whether the projects re impaired requires an estimation of the recoverable value of the individual areas to which value has been ascribed. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the projects in order to calculate present value.

(iii) production start date
The Group assesses the stage of the mine under construction to determine when the mine moves into production stage. The criteria used to assess the start date are determined based on the complexities and operational status of the mine. The Group considers various criteria to assess when the mine is commercially operational and should be reclassified from Assets under construction to 'Producing Mines' or 'Property plant and equipment.' Some of the criteria will include, but not limited to the following:

- completion of a reasonable period of testing the mine plant and equipment;
- completion of the commissioning period;
- ability to produce metal in a saleable form;
- ability to sustain ongoing production of metal; and
- ability to be able to export product for commercial sale.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs cease and costs are either regarded as inventory or expenses except for costs that qualify for capitalisation relating to mining assets. This is also the point at which the depreciation/amortisation recognition criteria commences.

(iv) inventory
Net realisable tests are performed at least annually and represent the future sale price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measure by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data and estimated recovery percentage based on expected processing method.

(v) ore reserves and resources
Ore reserves are estimates of the amount of ore that can economically and legally be extracted from the mine. The Group estimates its ore reserves and mineral resources, based on information compiled by appropriately qualified person relating to the geological data on the size, depth and share of the ore body and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchanges rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may

impact upon the carrying value of exploration and evaluation asses, mine properties, property plant and equipment provision for rehabilitation and deprecation/amortisation charges.

(v) mine rehabilitation provision
The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for the mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and cost of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the reporting date represents managements base estimate of the present value of the rehabilitation provision.

(vi) 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.

(a) basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(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 Group has applied the requirements of IFRS 2 - 'Share based payment.' IFRS 2 has been applied to all grants of equity instruments.

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
Upon completion of mine construction, the assets initially charged to 'Assets under construction' are transferred to 'Plant and equipment and motor vehicles' or 'Producing mines.' Items of 'Plant and equipment and motor vehicles' and 'Producing Mines' are stated at cost, less accumulated depreciation and accumulated impairment losses.

During the production period expenditure directly attributable to the construction of each individual asset are capitalised as 'Assets under construction' up to the period when the asset is ready to be put into operation. When an asset is put into operation it is transferred to 'Plant and equipment and motor vehicles' or 'Producing mines.' Additional capital cost incurred subsequent to the date of commencement of operation of the asset are charged directly to 'Plant and equipment motor vehicles' or 'Producing mines', i.e. where the asset itself was transferred.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When a mine construction project moves into production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

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 costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration and evaluation assets are carried forward during the exploration and evaluation stage and are assessed for impairment in accordance with indicators of impairment set out in IFRS 6 - 'Exploration for and Evaluation of Mineral Resources.'

In circumstances where a property is abandoned, the cumulative capitalised costs relating to the property are written off in the period. No amortisation is charged prior to commencement of production.

Once commercially viable reserves are established and development is sanctioned, exploration and evaluation assets are transferred to assets under construction.

When commercial production commences, exploration, evaluation and development costs previously capitalised are amortised.

Exploration and evaluation costs incurred after commercial production start date in relation to evaluation of potential mineral reserves and resources that are expected to result in increase of reserves are capitalised as evaluation and exploration assets within intangible assets. Oncer there is evidence that reserves are increased, such costs are tested for impairment and transferred to producing mines.

(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) provisions
(i) general
Provisions are recognised when (a) the Group has a present obligation (legal or constructive) as a result of a past event and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a risk free rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii) rehabilitation provision
The Group records the present value of estimated costs of legal and constructive obligations require to restore the operating locations in the period in which the obligation is incurred. The nature of these restoration activities include

dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

The obligation generally arises when the asset is installed or the group or environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining asset to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognised in the Group income statement as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Any reduction in the rehabilitation liability and therefore any deduction from the rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the Group income statement.

If the change in estimate results in an increase in the rehabilitation liability and therefore an addition to the carrying value of the asset, the Group is required to consider whether this is an indication of impairment of the asset as whole and test for impairment in accordance with IAS 36.

(h) related parties

For the purposes of the Group financial statements, the following parties are considered to be related:

- Where one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions
- Entities under common control; and
- Key management personnel

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not and transactions between related parties may not be affected on the same terms, condition and amounts as transaction between unrelated parties. It is the nature of transactions with related parties that they cannot be presume to be carried out on an arms length basis.

(i) 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.

(j) inventories

Metal in circuit consists of in-circuit material at properties with milling or processing operations and dore awaiting refinement, all valued at the lower of average cost and net realisable value. In-process inventory costs consist of direct production costs (including mining, crushing and processing and site administration costs) and allocated indirect costs (including depreciation, depletion and amortisation of producing mines and mining interests).

Ore stockpiles consist of stockpiled ore, ore on surface and crushed ore, all valued at the lower of average cost and net realisable value. Ore stockpile costs consist of direct production costs (including mining, crushing and processing and site administration costs) and allocated indirect costs (including depreciation, depletion and amortisation of producing mines and mining interests).

Finished goods consist of dore bars that have been refined and assayed and are in the form that allows them to be sold. Finished goods valued at the lower of average cost and net realisable value. Finished goods cost consist of direct production costs (including mining, crushing and processing and site administration costs) and allocated indirect costs (including depreciation, depletion and amortisation of producing mines and mining interests).

(k) finance cost

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time the asset are considered substantially ready for intended use i.e commercial production. When funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred.

Any general borrowing costs are recognised in the profit and loss period in which they are incurred.

4. Adoption of new and revised standards

(a) new and amended standards

The following standards and amendments were applicable for annual financial statements beginning on or after 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2

The above amendments had no impact on the consolidated financial statements of the Group.

(b) new standards in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective;

- IFRS 17: Insurance Contracts

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Amendments to IFRS 3: Reference to Conceptual Framework
- Amendments to IAS 16: Property, Plant and Equipment: proceeds before intended use
- Amendments to IAS 37: Onerous contracts - costs of Fulfilling a Contract
- IFRS 1: First time adoption of International Financial Reporting Standards: subsidiary as a first time adopter
- IFRS 9: Financial Instruments: Fees in the "10 per cent" test for derecognition of financial liabilities
- IAS 41: Agriculture - Taxation in fair value measurement
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred Tax related to assets and liabilities arising from a single transaction.

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 2021

in united states dollars	**exploration**	**corporate**	**total per consolidated income statement/financial position**
reportable segment expenditure	**(1,236,963)**	**(286,132)**	**(1,523,095)**
reportable segment (loss)	**(1,236,963)**	**(286,132)**	**(1,523,095)**
reportable segment assets	**23,558,117**	**274,760**	**23,832,877**
reportable segment liabilities	**2,066,460**	**5,770,903**	**7,837,363**

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)**

6. Expenses by nature

The operating loss is stated after charging:

in united states dollars	**year ended 31 December 2021**	**year ended 31 December 2020**
auditor's remuneration in respect of audit of the financial statements		
- current auditor	30,000	26,200
depreciation	71,300	14,617
foreign exchange difference	164,170	172,832

7. Finance cost

in united states dollars	**year ended 31 December 2021**	**year ended 31 December 2020**
interest charged on borrowings	-	13,209
finance charges on borrowings	-	19,733
loan derivative	728,887	-
total	**728,887**	**32,942**

The Gold Loan (see note 18) is repayable in gold, at the choice of the lender. As the Group is now in production the Loan has been restated in the year to reflect the gold price as at 31 December 2021. The resulting loss of US$728,887 is reported as a finance cost.

8. Property, plant and equipment

	31 December 2021	**31 December 2020**

in united states dollars	**cost**	**accumulated depreciation**	**carrying value**	**cost**	**accumulated depreciation**	**carrying value**
assets under the course of construction*	20,408,816	-	20,408,816	-	-	-
gold samples	4,570	-	4,570	4,570	-	4,570
computer equipment	74,468	(68,263)	6,205	73,368	(67,303)	6,065
office equipment	117,182	(110,115)	7,067	111,672	(108,567)	3,105
field/geological equipment	953,231	(125,529)	827,702	101,168	(62,953)	38,215
motor vehicles	70,304	(44,407)	25,897	477,444	(38,191)	439,253
total	**21,628,571**	**(348,314)**	**21,280,257**	**768,222**	**(277,014)**	**491,208**

* During the period, the Group's exploration and evaluation assets, which represent the mining assets in Ghana, were transferred from intangible assets to property, plant and equipment as the Group moved towards commencement of commercial production in 2022.

reconciliation of property, plant and equipment - 31 December 2021

in united states dollars	**carrying value opening balance**	**additions**	**depreciation**	**transfer**	**carrying value ending balance**
assets under the course of construction*	-	5,322,404	-	15,086,412	20,408,816
gold samples	4,570	-	-	-	4,570
computer equipment	6,065	1,100	(960)	-	6,205
office equipment	3,105	5,510	(1,548)	-	7,067
field/geological equipment	38,215	444,923	(12,558)	357,122	827,702
motor vehicles	439,253	-	(56,234)	(357,122)	25,897
total	**491,208**	**5,773,937**	**(71,300)**	**15,086,412**	**21,280,257**

* Includes a provision for rehabilitation costs of £901,284.

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)	38,215
motor vehicles	9,530	438,868		(9,145)	439,253
total	**24,314**	**481,511**		**(14,617)**	**491,208**

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 2019	**8,256,380**
additions	6,083,392
balance as at 31 December 2020	**14,339,772**
additions	746,640
transfer to assets under construction (see note 8)	(15,086,412)
balance as at 31 December 2021	-

Once commercially viable reserves are established and development is sanctioned, exploration and evaluation assets are transferred to assets under construction.

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 the uncertainty and timing of future profits. As a result, no reconciliation has been prepared.

11. Trade and other receivables

in united states dollars	**31 December 2021**	**31 December 2020**
other receivables	257,013	2,145,576
Total	**257,013**	**2,145,576**

Other receivables include US$27,955 (2020: US$1,852,791) in respect of the fair value of share warrants issued in the current and prior period.

12. Inventory

in united states dollars	**31 December 2021**	**31 December 2020**
gold in circuit	602,097	-
gold on hand	1,142,276	-

ore stockpile	214,710	-
Total	**1,959,083**	**-**

Inventory is recognised at the lower of cost or net realisable value.

13. 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 2021	31 December 2020
sterling	78,372	620,961
US dollars	218,818	72,939
ghana cedis	39,334	7,484
Total	**336,524**	**701,384**

14. Provision for rehabilitation

in united states dollars	31 December 2021	31 December 2020
1 January	-	-
additions	901,284	-
Total	**901,284**	**-**

The Group has a liability for restoration, rehabilitation and environmental costs arising from its mining operations. Estimates of the cost of this work including reclamation costs, close down and pollution control are made on an ongoing basis, based on the estimated life of the mine. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate any environmental disturbances caused by mining operations.

15. Capital and reserves

(a) share capital

	31 December 2021	31 December 2020
ordinary shares		
called up, allotted and fully paid		
459,033,996 ordinary shares of 1 pence each (2020: 281,785,967)	£4,590,340	£2,817,859
converted to united states dollars at date of issue	$6,383,213	$3,913,963
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 2020: 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 2020: 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 2021	**Opening balance**	**281,785,967**	**$3,913,963**	**$28,080,853**
21 January 2021	Shares at 9.1p share	1,800,000	£18,000	£145,800
	Converted to United States Dollars at date of issue	-	$24,480	$198,288
5 March 2021	Shares at 3p share	42,000,000	£420,000	£840,000
	Converted to United States Dollars at date of issue	-	$583,532	$1,196,198
8 June 2021	Shares at 1.2p share*	20,352,377	£203,524	£40,705
	Converted to United States Dollars at date of issue	-	$286,969	$57,395
	Shares at 3p share	66,000,000	£660,000	£1,320,000
	Converted to United States Dollars at date of issue	-	$934,030	$1,868,060
12 July 2021	Shares at 7p share	8,400,000	£84,000	£420,000
	Converted to United States Dollars at date of issue	-	$116,717	$583,585
29 July 2021	Shares at 1.2p share*	20,000,000	£200,000	£40,000
	Converted to United States Dollars at date of issue	-	$277,638	$55,528
17 September 2021	Shares at 3p share	4,000,000	£40,000	£80,000
	Converted to United States Dollars at date of issue	-	$55,239	$110,478
27 September 2021	Shares at 3p share	6,000,000	£60,000	£120,000

	Converted to United States Dollars at date of issue	-	$82,000	$164,000
11 November 2021	Shares at 11.5p share	8,695,652	£86,956	£913,044
	Converted to United States Dollars at date of issue	-	$108,645	$1,220,999
31 December 2021	**Closing balance**	**459,033,996**	**$6,383,213**	**$33,535,384**

*Proceeds of exercise used to pay down shareholder loan (note 18).

(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 (2020: 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.

16. Earnings per share

The calculation of basic and diluted earnings per share at 31 December 2021 was based on the losses attributable to ordinary shareholders of US$1,523,095 (2020: US$610,095), and an average number of ordinary shares in issue of 353,369,120 (2020: 252,004,667).

in united states dollars	**31 December 2021**	**31 December 2020**
loss attributable to shareholders	(1,523,095)	(610,095)
weighted average number of ordinary shares	353,369,120	252,004,667
basic and diluted earnings per share	**0.004**	**(0.002)**

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

in number of shares	**31 December 2021**	**31 December 2020**
Warrants	26,000,000	182,352,377

17. **Share** based payment arrangements

At 31 December 2021, 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 2021 (2020: same).

(b) reconciliation of outstanding share options
There are no options outstanding at 31 December 2021 (2020: same).

(c) warrants
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 2021	weighted average exercise price 31 December 2021	number of warrants 31 December 2020	weighted average exercise price 31 December 2020
outstanding as at 1 January	182,352,377	2.6p	40,352,377	1.2p
granted during the year	-	-	172,000,000	3.0p
exercised during the year	(156,352,377)	2.5p	(30,000,000)	3.0p
outstanding at 31 December	**26,000,000**	**3.0p**	**182,352,377**	**2.6p**
exercisable at 31 December	**26,000,000**	**3.0p**	**182,352,377**	**2.6p**

The warrants outstanding at 31 December 2021 have a weighted exercise price of 3.0p (2020: 2.6p) and a weighted average life of 0.5 years (2020: 1.5 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$ nil (2020: $3,305,509).

(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 18 for further details. The amount capitalised during the year was US$67,100 (2020: US$67,400).

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 18 for further details. The amount capitalised during the year was US$75,130 (2020: US$295,000).

The fair 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 18 for further details. The amount capitalised during the year was US$1,682,615 (2020: US$1,252,328).

18. Borrowings

in united states dollars	31 December 2021	31 December 2020
shareholder loan	742,587	1,346,642
gold loan	3,769,500	3,184,224
loan derivative	728,770	-
bonds	300,000	-
current borrowing	**5,540,857**	**4,530,866**
bonds	-	1,300,000
non-current borrowing	**-**	**1,300,000**
Total	**5,540,857**	**5,830,866**

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.

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.

In June 2021 Paracale exercised warrants totalling 32,352,377 new ordinary shares of which 20,352,377 at a price of 1.2 pence were set against the loan (US$344,364). The balance of the warrants were exercised for cash. A further exercise in July 2021 for 20,000,000 ordinary shares of 1.2p (US$333,166) was also used to reduce the loan.

At 31 December 2021, Paracale had exercised all its warrants.

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.

On 20 September 2021, AIMS agreed to extend the maturity date on the US$3 million secured gold loan to 31 August 2022. The extension restructures the repayment obligations as shown below. The Company retains the right to repay the Gold Loan early without penalty.

Interest will continue to accrue at the default rate of 17% until January 2022, then will revert to the original interest rate of 14% until maturity. In conjunction with the extension, the Company has agreed a repayment schedule for the Gold Loan and accrued and ongoing interest, as set out below:

Month	Gold Loan payments (in kilos of gold)
October 2021	5
November 2021	6
December 2021	8
January 2022	8
February 2022	8
March 2022	8
April 2022	8
May 2022	8
June 2022	8
July 2022	8
August 2022	7.4

In the event that any payment is not made when due in accordance with the agreed repayment schedule, this will be deemed an event of default. Any interest that is not paid when due will accrue interest at the default rate of 17% until payment.

In January 2022, a payment of 19Kg of gold was made in order to repay the interest due for October, November and December 2021. It was further agreed with AIMS that in order to enable the Company to efficiently manage shipments, it shall not be deemed an event of default if the monthly payments set out in the Company's announcement on 20 September 2021 are not made at the end of each month.

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 prior period. At 31 December 2021, AIMS had exercised all of their warrants.

Bonds

In March 2020 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 Nguvu Holdings Limited (formerly BCM Investments Limited) the Company's major shareholders, each subscribed for six bonds with a value of, in aggregate, US$0.3 million respectively. During the year, twenty of the bond notes were redeemed in cash or shares. 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. At 31 December 2021, 26,000,000 warrants remain outstanding.

19. Trade and other payables

in united states dollars	**31 December 2021**	**31 December 2020**
trade payables	882,045	570,391
other payables	302,739	242,289
accruals	210,439	189,318
Total	**1,395,223**	**1,001,998**

20. 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 and 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$) and Ghana Cedis (GHS), or Euro at the pre-agreed price and converted (if necessary) as soon as payment needs to occur. Currency conversions and provisions for expenditure are only made as soon as debts are due and payable. The Group is therefore exposed to currency risk in so far as its liabilities are incurred in South African Rand and Ghanaian Cedi and fluctuations occur due to changes in the GHS/US$ 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, 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 Ghanaian Cedi as and when required.

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

	average rate 2021	**reporting date spot rate 2021**	**average rate 2020**	**reporting date spot rate 2020**
Sterling to US dollars	1.376	1.353	1.284	1.380
Ghana Cedis to US dollars	0.157	0.162	0.176	0.170

A strengthening (weakening) of GBP or GHS against all other currencies at 31 December 2021 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 2021**	**equity weakening 2021**	**equity strengthening 2020**	**equity weakening 2020**
ghana cedis 10% (2020: 10%)	2,298,000	(2,298,000)	1,432,000	(1,432,000)
Total	**2,298,000**	**(2,298,000)**	**1,432,000**	**(1,432,000)**

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. The Group has a loan arrangement with Paracale as detailed in note 18. The interest rate is fixed at 6% for the duration of the term of the loan. The Group also has a loan agreement with AIMS. The interest rate is fixed at 14% or 17%. 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.

21. 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 2021**	**31 December 2020**
Director's remuneration: executive - E Priestley	65,500	68,750
Director's remuneration (accrued): executive - E Priestley (*)	54,500	51,250
Director's remuneration: non-executive - R Wilkins	-	12,000
Director's remuneration (accrued): non-executive - R Wilkins (*)	12,000	-
Director's remuneration: non-executive - W Trew	-	5,000
Director's remuneration: (accrued): non-executive - W Trew (*)	24,000	7,000
Director's remuneration: non-executive - A List	-	12,000
Director's remuneration (accrued): non-executive - A List (*)	12,000	-
Director's remuneration: non-executive - O Fenn	-	1,500
Director's remuneration (accrued): non-executive - O Fenn (*)	12,000	10,500

total	180,000	168,000

(*) Represents the value of accrued fees for the period 31 December 2020 to 31 December 2021 for each director.

The total amount payable to the highest paid director in respect of emoluments was US$120,000 (2020: US$120,000). No directors exercised any share options during the year (2020: nil).

Bill Trew's remuneration is paid to Oxus Mining Limited, a company in which he is a director. Nothing was paid in the year and has all been accrued.

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$743k (2020: US$1,346k), as at 31 December 2021 and included interest accrued to date of US$19 (2020: US$177k)- see note 18 for further details.

On 16 March 2020 the Company entered into a bond agreement with Paracale and Nguvu Holdings Limited (formerly BCM Investments Limited), 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 Nguvu Holdings Limited (formerly BCM Investments Limited) see note 18 for further details.

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. At the year end there is an amount owing to MAED of US$266,109 (2020: US$nil), for services provided during the financial year.

22. 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 2021	ownership interest 2020
GoldStone Akrokeri Limited	Ghana	Development and exploration of gold and associated elements	100%	100%
GoldStone Homase Limited	Ghana	Dormant	100%(*)	100%(*)
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.

23. Ultimate controlling party

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

24. Subsequent events

On 4 January 2022, the Company announced that it had commenced commercial gold production and that repayments of Gold Loan instalments were to be made out of stock held and a further gold pour (see note 18). Shipment of this gold was announced on 17 January 2022.

The Board issued an operational and exploration update in March 2022.

On 10 June 2022 shares in the Company were temporarily suspended from trading on AIM pending an announcement in respect of the armed robbery at the mine which was made on 29 June 2022. The shares were readmitted for trading on 29 June 2022.

On 23 June 2022, the Company announced the exercise of 14,000,000 warrants to subscribe for new Ordinary Shares of 1 penny at a price of 3.0 pence per share. The exercise provided £420,000 of additional funding to the Company.

****ENDS****

END

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