GoldStone Resources Limited

Annual Report and Consolidated Financial Statements

for the year ended

31 December 2022

contents

general information

director details:

E Priestley	chief executive officer
A List	non-executive chair
W Trew	non-executive director
R Wilkins	independent non-executive director
O Fenn	independent non-executive director

company secretary:
Financial Consultants (Jersey) Limited
2nd Floor, International House, 41 The Parade, St. Helier, Jersey, JE2 3QQ

registered office:
2nd Floor, International House, 41 The Parade, St. Helier, Jersey, JE2 3QQ

company number:
71490

auditor:
Moore Stephens Audit & Assurance (Jersey) Limited
1 Waverley Place, Union Street, St. Helier, Jersey, JE4 8SG

nominated adviser:
Strand Hanson Limited
26 Mount Row, London, W1K 3SQ

broker:
SP Angel Corporate Finance LLP
35 Maddox Street, London, W1S 2PP

crest source adviser and UK transfer agent:
Computershare Investor Services
Queensway House, Hillgrove Street, St Helier, Jersey, JE1 1ES

CHAIR'S REPORT

It gives me great pleasure to present my first statement as Chair of GoldStone, having assumed the position in January 2024. I join as Chair at a pivotal time for GoldStone, as we look to solidify and extend our position as an emerging gold producer focussed on the famously productive Ashanti Gold Belt in Ghana. 2022 was a year of significant progress for GoldStone, with the commencement of commercial gold production, but also a year of challenge as we looked to remedy a number of technical issues in order to optimise production and move towards profitability. As shareholders will be aware, the publication of this report is now over nine months past our intended release date and so it is appropriate to also comment on the post period developments for the Company. As such, 2023 could be defined as year of reflection and innovation as we looked to address the stubborn agglomeration issues that we have experienced since operations commenced at our initial production asset, the Homase Mine in southwest Ghana.

During the year under review, GoldStone produced and sold 5,155 troy ounces of gold from Homase, realising an average price of US$1,727 per troy ounce for revenues of US$8.9m. From this gold production, gold loan repayments were made via the delivery of 675 troy ounces to Asia Investments Management Services Limited ("AIMSL").

As shareholders will be aware, this production figure would have been higher were it not for the estimated 192 troy ounces of gold, amounting to some US$350,000, that was stolen in a robbery, as announced on 29 June 2022. This was a serious incident for GoldStone, and one which highlighted various areas for improvement in terms of our security solution in-country. Investigations relating to the robbery are on-going, with the target of pursuing charges on those responsible, and all necessary changes have been made to our contract security to ensure that the highest levels of safety and security are enforced.

We were disappointed not to reach our 2022 production target of 7,000 troy ounces of gold, with the known complications of the heap leach operation which led to this shortfall, there are some 2,000 ounces remaining within the heap, classed as GIP (Gold in Process), but there will be limited recovery from this GIP gold until a new process method is introduced. As referred to previously, GoldStone has been working to ameliorate some persistent agglomeration issues, which, together with inclement weather during H2 2022, negatively impacted gold recovery rates and affected the stacking of the material. The Company continues to test and assess agglomeration methods to resolve and improve recovery factor.

Given the lower than forecast production for the year, the Board were mindful of the importance of preserving cash within the business for working capital purposes. Accordingly, during the year, certain directors agreed to convert US$239,250 of outstanding fees, accrued and unpaid to 30 June 2022, into equity. The Board's continued, and indeed, increased alignment with shareholders, is a clear signal of both their commitment to improving the financial performance of the Company and their confidence in the quality of our assets.

Post Period Developments

During 2023, the team on site have been working tirelessly to improve the performance of the dry plant, particularly the screening and application of cement into the agglomeration plant. Mining and staking recommenced in June 2023 and the cashflow projections are based upon increasing the production and staking, which will improve in 2024, and which in turn will improve revenues. Since the start of 2023, gold produced and sold amounted to approximately 1,250 ounces of gold bullion.

The Company announced in January 2023 that it had raised £2,400,000 via the issue of convertible loan notes and has invested in the necessary equipment and infrastructure to improve the long-term production profile of the Homase Mine. The prime objective is to improve the mine's production profile and to overcome the issues that hampered production during 2022. I look forward to reporting further on this in due course.

In April 2024 the Company was able to bolster its financial position through a £1.82m subscription for, in aggregate 182,000,000 new ordinary shares (the "Subscription Shares") at a subscription price of 1 penny per ordinary share (the "Subscription Price"). The Subscription Shares shall have one warrant attached with an exercise price of 2 pence for a period of 24 months from the date of admission to trading of the Subscription Shares ("Admission") (the "Warrants") (together, the "Fundraising"). This fundraising will support the Company and its new operational management team, supplied by Nguvu Mining Limited ("Nguvu") as part of the Standstill Agreement announced on 3 January 2024. Given Nguvu is an 11.9 per cent. shareholder in the Company and a company of which I am a director and the majority shareholder, this arrangement will be subject to a separate agreement which will constitute a Related Party Transaction pursuant to AIM Rule 13.

I would like to take this opportunity to thank the GoldStone management team, some of whom have been working in difficult conditions for many months at a time; their dedication and commitment to making a success of this project is commendable. I would also like to thank my predecessor, Bill Trew, for his contributions to the Company, who as of 1 April 2024 stood down from the Board of Directors. Above all, I would like to thank our very loyal and patient shareholders for their continued support. The road to gold production is rarely a straight or easy one, however with the Homase Mine in production, and with great exploration potential, and a defined plan to improve our production profile over the long-term, I think we are in a solid position to deliver growth in the future.

Angela List
Chair

CHIEF EXECUTIVE OFFICER'S REPORT

2022 was a landmark year for GoldStone and marked our transition from developer to gold producer. As investors will be aware, our ambition for GoldStone was to deliver maiden production and cash generation in as short a timeframe, and to this end, we have been successful. Our experiences throughout 2022 and 2023 have provided us with important information through which to optimise and enhance our production profile, and we are implementing this with the objective of increasing total ounces and lowering our cost of production over the coming years. In tandem with this, we are also working hard to increase our total resource inventory in order to deliver a long-life, high-grade and high-margin gold operation based on our priority targets at Homase and Akrokeri.

GoldStone's production journey started in November 2021 with our first pour, following the construction of the initial stage of the mine, which included a crushing, sizing, agglomeration and stacking unit, three heap leach pads, a carbon-in-column plant, and an elution and gold room. The gold pour was a technical success; however, it highlighted the need for remedial work to improve recoveries due to agglomeration issues, which has been a theme throughout 2022 and 2023.

Our work has focussed on performing detailed test work and cost analysis to further understand the leach kinetics in order to optimise the recovery of the remaining contained gold in the heap. This work informed the reconfiguration of the agglomeration and crushing circuit to handle the excess clay encountered and the greater than expected amount of silt originating from the oxide orebody's fragile phyllitic content. A modified screening system was designed and built to control the feed sizing, with the fines (<3mm), which represent approximately 20% of the ore body, being removed, which is fed to a gravity recovery circuit.

This work had a marginally positive impact on production, however recoveries still sat at a sub-optimal level of approximately 65%. The Company continues to test and assess agglomeration methods to seek to improve recovery. Testwork is showing very high recovery potential (in excess of 80%), and the Company will continue to make further improvements to the dry plant, particularly the screening and application of cement into the agglomeration plant, to improve recovery rates.

Notwithstanding the processing challenges experienced during 2022 and 2023, external factors, including supply shortages, volatile currency markets and spiralling costs for consumables, all played a part in the Company's financial performance. In light of this, Homase has not yet achieved consistent positive site-level cash flow, with an average All-in Cost ("AIC") of US$1,369 per ounce average for 2022, which is primarily due to a lower-than-expected production rate and ongoing inflationary pressures, in particular in relation to fuel, spares, consumables and reagents.

The Company is taking proportionate steps to improve production at the Homase Mine, which have been implemented during 2023 and will continue through 2024 following the recent announcement of a £1.82 million, (before expenses) conditional fundraising in April 2024, and building on the injection of capital in January 2023 through the issue of convertible loan notes to the sum of US$3 million (£2.4 million).

Alongside its strategy to improve its production profile, a core pillar of GoldStone's growth strategy remains the expansion of its mineralised footprint and resource inventory. As such, in August 2022, GoldStone commenced a diamond drilling programme at Akrokeri, the main focus for the GoldStone exploration team. Initial drill results were received in September 2022, followed by the full assay results in April 2023. These results, announced 5 April 2023, reconfirmed the Company's belief that the Akrokeri mineralisation occupies a significant structural corridor that extends to both the south and north of the historical underground mine. A particular highlight was the identification of a wide mineralised lode hosting gold at 4.1m @ 11.01 g/t, including 1m @ 41.04 g/t in hole 22AKDD002.

Significant intercepts from the 2022/23 diamond drilling include:

- 22AKDD001: 6.50 metres @ 1.63 g/t from 7.7 metres, including 3.5 metres @ 2.35 g/t,
- 22AKDD002: 4.10 metres @ 11.01g/t from 46.0 metres, including 1 metre @ 41.04g/t,
- 22AKDD003: 3.60 metres @ 5.77g/t from 69.4 metres, including 1 metre @ 12.06g/t,
- 22AKDD006: 5.74 metres @ 3.43g/t from 55.66 metres, including 1.1 metres @ 15.25g/t,
- 22AKDD008: 3.00 metres @ 3.08g/t from 34.8 metres, including 1.0 metre @ 5.23g/t,
- 22AKDD008: 3.70 metres @ 2.54g/t from 72.6 metres, including 2.2 metres @ 4.03g/t,
- 22AKDD009: 4.80 metres @ 7.31 g/t from surface, including 1.0 metre @ 25.8 g/t,
- 22AKDD015: 1.0 metre @ 4.53 g/t from 61.9 metres,
- 22AKDD015: 1.10 metres @ 11.23 g/t from 95.7 metres, including 0.5 metre @ 20.01 g/t,
- 22AKDD016: 12.0 metres @ 0.93 g/t from 79.3 metres, including 1.6 metres @ 2.97 g/t, and
- 22AKDD019: 2.80 metres @ 1.84 g/t from 72.0 metres, including 2.2 metres @ 2.21g/t

The Company also launched a soil- and auger-sampling programme during 2022 which targeted two areas, Esuaya in the north-east and Adubriem West, and a targeted augering programme was also undertaken over an area to the south-west of the known Homase Trend, with a total of 579 samples collected.

The results were combined with historical data to update the geochemical anomalies identified in 2018 and Q1 2023, and further confirmed the presence of multiple exploration targets which are yet to be fully evaluated. These new targets are being prioritised for follow-up work and the Company is focused on evaluating these systematically, with the objective being to expand the mineral resource that is currently being exploited at Homase.

The results received from this most recent exploration programme, together with additional exploration work undertaken over the past three years, provides significant evidence of our ability to materially grow our total mineral resource in the future, thus extending mining operations in the coming years.

Corporate and Financial Review

Losses from operations for the 12 months to 31 December 2022 were US$674k (2021: loss US$1,523k).

The financial statements at year end show the Group's balance sheet, with net assets standing at US$12.8 million against net assets of US$16.0 million at the end of the previous year.

Cash and cash equivalents as at 31 December 2022 were US$113k (2021: US$337k).

Post period end, on 27 January 2023, GoldStone announced that it had issued convertible loan notes to Blue Gold International Limited ("BGL" or "Blue Gold") in the nominal amount of £2,400,000 and which are due for redemption on 30 November 2024. At the election of BGL, the Loan Notes (together with accrued interest to date) may be converted (in whole or in part) at any time prior to redemption into new ordinary shares of 1 penny each in the capital of the Company ("Ordinary Shares") at a conversion price of £0.0325 per share.

BGL has also received warrants to subscribe for up to 60,000,000 Ordinary Shares at a price of £0.04 per share, exercisable at any time until 26 January 2025.

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 at a price of 3.0 pence per share, which provided £420,000 of additional funding to the Company.

In addition, Nguvu Holdings Limited (formerly known as BCM Investments Limited) ("Nguvu"), a company in which Angela List, a director of the Company, is a director of and a majority shareholder, 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 3.0 pence per share (the "Nguvu Warrants"). 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 and therefore, as the Nguvu Warrants had an expiry date of 22 June 2022, 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. Nguvu subsequently exercised 6,000,000 warrants providing £180,000 of additional funding to the Company.

Post Period Developments

As outlined above, 2022 and indeed 2023 were defined by significant operational developments, whilst being simultaneously curtailed by persistent technical challenges and macro-level issues including high inflation and supply chain problems. Whilst some of these technical challenges are yet to be completely remedied, I am confident that we are now in a much stronger position to realise our production ambitions.

On 3 January 2024, the Company announced a Standstill Agreement with AIMSL in respect of its gold loan agreement. This standstill agreement, which was necessary due to the inability to complete a negotiation on an extension within the appropriate timeframe, provides the Company with the potential to defer repayment of the gold loan until 29 June 2024. The standstill agreement has subsequently been extended to 31 December 2025. The standstill agreement also set out to appoint Angela List as the Chair, and for an operational management team to be mobilised to GoldStone’s operations. The Standstill Agreement allowed for the Company to renegotiate the terms, announced 10 April 2024, which was in conjunction with the Company announcing it has conditionally raised £1.82 million before expenses by way of the Subscription of, in aggregate, 182,000,000 new ordinary shares of 1 penny par value each in the capital of the Company ("Ordinary Shares") at a price of 1 penny per share Subscription Shares together with one warrant per Subscription Share to subscribe for a further new Ordinary Share at an exercise price of 2 pence during the period of 24 months from the date of Admission (the “Warrants”).

The Company has agreed with AIMSL in respect of the Gold Loan Agreement to extend the Standstill Period under terms of the Standstill Agreement dated 29 December 2023, to 31 December 2025. AIMSL have also agreed to convert and settle the interest accrued to 31 December 2023 by the issue of ordinary Shares of £0.01 each in the capital of the Company (the “Conversion Shares”), which will be in addition to the fundraise.

The net proceeds of the Fundraising will be used for general working capital purposes and to progress the Company's strategy of developing and improving production at its Homase Mine in Ghana, and during the first quarter of 2024, a new operational management team have been identified and upon the successful fundraise, are expected to have both a meaningful impact on the Company’s operations and ability to ramp up production.

Risk management

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

a. 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 projects, 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.

b. 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.

c. 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 2022 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 increases 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.

d. financial

AIMSL who hold the secured Gold Loan of US$3.0 million, supported the Group by agreeing to a number of deferments of interest payments throughout 2021 and 2022, continues to support the Company. Post Period End, as announced on 3 January 2024, the Company had received notification that a standstill agreement for a further 6 months, to the 29 June 2024 had been agreed, this has subsequently been extended to 31 December 2025. The conditions which have been agreed to, included a repayment plan to repay the loan, a change in leadership of the Chairman and operational team at the Homase mine. The Standstill Agreement allowed for the Company to renegotiate the terms, announced 10 April 2024, whereby, an agreement has been made with AIMSL in respect of the Gold Loan Agreement to extend the Standstill Period under terms of the Standstill Agreement dated 29 December 2023, to 31 December 2025. AIMSL have also agreed to convert and settle the interest accrued to 31 December 2023 by the issue of ordinary Shares.

This was in conjunction with the Company announcing it has conditionally raised £1.82 million before expenses by way of a Subscription of, in aggregate, 182,000,000 new ordinary shares of 1 penny par value each in the capital of the Company at a price of 1 penny per share, together with one warrant per ordinary share to subscribe for a further new Ordinary Share at an exercise price of 2 pence during the period of 24 months from the date of Admission.

The net proceeds of the Fundraising will be used for general working capital purposes and to progress the Company's strategy of developing and improving production at its Homase Mine in Ghana.

Emma Priestley
Chief Executive Officer

The directors present their report and consolidated financial statements (the "financial statements") for GoldStone Resources Limited ("GoldStone" or the "Company") and its subsidiaries (together "the Group") for the year ended 31 December 2022.

incorporation

The Company was incorporated in Jersey as a private company under the Companies (Jersey) Law 1991 on 17 April 1998. The Company was changed from a private company to a public company on 16 March 2004. The Company was successfully admitted to trading on the AIM market of the London Stock Exchange on 25 March 2004. As of 31 December 2022, the Company has an issued share capital of 496,190,047 ordinary shares of 1 penny each (31 December 2021: 459,033,996 ordinary shares).

principal activity and review of business

The Company's principal activity is that of a holding company. The Group's principal activity is development and exploration of gold and associated elements at the Group's Homase Mine which sits within Akrokeri-Homase Gold Licences ("AKHM") in Ghana. Mining started at the mine in 2021, and commercial production commenced in January 2022. The directors are working with management in seeking to optimise production at the Homase Mine and to continue to explore the prospects within the AKHM, which includes the former underground Akrokerri Ashanti Mine, which produced 75,000 oz gold at 24 g/t recovered grade in the early 1900s. A review of the Group's performance and indications of likely future development is included in the chief executive officer's report.

going concern

The financial statements have been prepared assuming the Group and Company will continue as a going concern for at least twelve months from the date of approval of these financial statements. 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 has recommenced gold production, and will be building production up with existing cash resources and available facilities.

The Group had available cash of US$113k as at 31 December 2022 (2021: US$337k).

AIMSL who hold the secured Gold Loan of US$3.0 million, supported the Group by agreeing to a number of deferments of interest payments throughout 2021 and 2022, continues to support the Company.

The Company continues to actively pursue funding proposals and/or similar potential solutions to enable the Company to seek to extend, renegotiate or refinance the outstanding secured Gold Loan and the provision of additional working capital, but there can be no guarantee that such an agreement can be reached or additional working capital provided. The Board is taking appropriate professional advice, but in the event that a solution cannot be achieved and the outstanding principal amount of the Gold Loan and accrued interest thereon (which as of 30 September 2023 amounted to, in aggregate, 2,354 ounces of gold) cannot be repaid or rescheduled prior to 31 December 2025, security over the Company's primary assets could potentially be enforced.

The Company's Ordinary Shares will remain suspended from trading on AIM until such time as it has satisfied the requirements of AIM Rule 19 with respect to publication of its 2022 Accounts and AIM Rule 18 with regard to publication of its interim results for the six-month period to 30 June 2023, which were required to be published by 30 September 2023, and completed the fundraise described above. On 3 January 2024, the Company announced that following the execution of the standstill agreement (which has subsequently been extended to 31 December 2025), the Board was pursuing various avenues to seek to raise additional funding to provide working capital for the group's operational development and to settle various balances due to the Company's outstanding creditors in order to facilitate publication of the 2022 Accounts and Interim Results on a going concern basis. The Board confirmed that such arrangements were due by the end of February 2024.

The Group commenced commercial production in January 2022, which was later than previously anticipated due to permitting issues. Subsequent operational setbacks have also impacted production, and therefore the Company has not yet been delivered the revenue levels expected. The CLN investment in January 2023 enabled the company to invest in new plant and equipment to help improve and increase the production and staking onto the Heap Leach. Mining and stacking recommenced in June 2023, and increased levels of production and stacking are expected to improve revenues in 2024.

The financial models and projections prepared by the Board, in order to monitor cash flow, demonstrate that the Group, in common with many businesses engaged in the early stages of development, will require additional funds and/or funding facilities in order to fully develop its business, which is a follow on from the delays and problems encountered with production and permitting, and for the exploration to expand the resource. With continued support from the Company's shareholders, including the Fundraise announced on 10 April 2024, the directors are confident that the Group and Company will be able to meet all their ongoing liabilities as they fall due.

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. 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 continue to adopt the going concern basis.

Although the Board is confident that it will be able to raise further funding if and when required, there is always a risk that this may not be possible in the timeframe and at the level required.

results and dividends

The loss for the financial year is set out in the consolidated statement of comprehensive income on page 29. The directors do not recommend a dividend for the year ended 31 December 2022 (year ended 31 December 2021: US$ nil).

events after the reporting period

See note 25 and the chairman's and chief executive officer's reports on pages 5-11.

directors

The directors of the Company, who served during the year and to the date of this report, are as set out on page 2.

The directors' shareholdings are as follows:

Director	Number of shares held directly as at 31 December 2022 and 31 March 2024	Percentage shareholdings as at 31 December 2022	Percentage shareholdings as at 31 March 2024
Emma Priestley	5,196,658	1.05%	1.05%
Bill Trew**	4,000,000	0.81%	0.80%
Angela List***	320,660	0.06%	0.06%
Richard Wilkins	320,660	0.06%	0.06%
Orrie Fenn	526,798	0.11%	0.11%
Total	**10,364,776**	**2.09%**	**2.08%**

*** Mr Trew is a director and a significant shareholder of Paracale Gold Limited, which held 125,656,575 ordinary shares in GoldStone as at 31 December 2022, representing 25.2%. Together with his direct interest Bill Trew and Paracale Gold Limited shareholdings' represented 26% as at 31 December 2022 and 31 March 2024.*

**** Mrs List is a director and majority shareholder of Nguvu Holdings Limited (formerly BCM Investments Limited), which has an interest in 59,600,000 ordinary shares representing 11.9% of the Company's current issued share capital at 31 December 2022 and 30 September 2023. Together with her direct interest Angela List and Nguvu Holdings Limited shareholding's represented 12% as at 31 December 2022 and 31 March 2024.*

No director held any share options at the year-end (2021: Nil).

major shareholdings

As at 31 March 2024, the Company had been notified of the following interests in the Company's ordinary share capital:

Name	Number of shares	% shareholding
Paracale Gold Limited	125,656,575	25.3%
Asian Investment Management Services Ltd	122,000,000	24.5%
Nguvu Holdings Limited - (formerly BCM Investments Limited)	59,600,000	11.9%
Vidacos Nominees Limited	37,880,172	7.1%
Fiske Nominees Limited	28,764,300	5.8%
Interactive Investor Services Nominees Limited	20,010,708	4.0%

Nguvu Holdings Limited (formerly known as BCM Investments Limited) 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"). Nguvu subsequently exercised 6,000,000 warrants providing £180,000 of additional funding to the Company.

corporate governance

The Board is committed to high standards of corporate governance and seeks to continually evaluate its policies, procedures and structures to ensure that they are fit for purpose.

In order to protect the interests of its shareholders and other stakeholders, the Board has adopted the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies.

Most recently Angela List has been appointed as Chair to the Board, supported by Executive Director and CEO, Emma Priestley, the Independent Non-executive Directors Richard Wilkins and Dr Orrie Fenn. This follows on from the resignation of Bill Trew from the Board announced on 2 April 2024.

The Board is assisted by an Audit and Compliance Committee and a Remuneration Committee. The Audit and Compliance Committee comprises Richard Wilkins, as Chair, and Orrie Fenn. The Remuneration Committee comprises Richard Wilkins, as Chair, and Orrie Fenn.

During the year, the Audit and Compliance Committee received and reviewed reports from the executive director and external auditors (confirmed appointment on 3 July 2023), relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The objectivity and independence of the external auditors was safeguarded by reviewing the auditor's formal declarations and monitoring relationships between key audit staff and the Company.

The Audit and Compliance Committee met twice during the year, to review the annual accounts. The Committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting policies.

Since the year end, the Audit and Compliance Committee has met further with the auditor to consider the 2022 financial statements. In particular, the Committee discussed areas of judgement and the significant audit risks. The Audit and Compliance Committee also monitors the auditor firm's independence from the Company's management and has now been tasked with monitoring the Company's compliance pertaining to its Jersey registration and filing obligations.

The Remuneration Committee met independently of the executive director once in the year.

The directors' report in respect of corporate governance compliance and issues arising, is set out in the separate Corporate Governance Report on pages 18-21.

financial instruments

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Group has in place a risk management programme that seeks to contain, where appropriate, exposures in these financial risks in order to limit any negative impact on the Group's financial performance and financial position.

The Board maintains responsibility for monitoring financial risk and setting the policies that are implemented by the Group's finance function. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and credit risk, and circumstances where it would be appropriate to use financial instruments to manage these.

Details on the Group's exposure to foreign exchange risk, credit risk, liquidity risk and interest rate risk are shown in note 21 to the financial statements.

provision of information to auditor

The directors who held office at the date of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

auditor

Moore Stephens Audit & Assurance (Jersey) Limited were appointed as auditors on 3 July 2023 and have expressed their willingness to continue in office.

Approved by the Board of directors
and signed on behalf of the Board
Emma Priestley
Director

corporate governance report

The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers medium and long-term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

It should be noted that all five of the directors are shareholders (direct and indirectly) in the Company, and therefore, their own medium to long-term interests are directly linked to the medium and long-term value of the Company, and as such the interests of the directors are directly aligned with those of the shareholders.

The Quoted Company Alliance (''QCA'') Code sets out 10 corporate governance principles that should be applied by companies wishing to follow the QCA Code. These are listed below, with a short explanation of how the Company applies each of the principles together with an explanation of any divergence from these principles should there be any. Save as set out below, there are no exceptions to report for the current or previous financial years.

Principle 1 – business model and strategy

The Group is focussed on operations in Ghana and, in particular, the Ashanti Gold Belt, which is recognised as a pro-mining, geopolitically stable jurisdiction. The Group's principal activity is development and exploration of gold and associated elements at the Group's Homase Mine which sits within Akrokeri-Homase Gold Project ("AKHM") in Ghana. Mining started at the mine in 2021, and commercial production commenced in January 2022. The directors are working with the management in seeking to optimise production at the Homase Mine and to continue to explore the prospects within the AKHM Project, thereby enabling sound management of the mine in a manner that is professional and efficient. The Group is assisted in its work by internationally recognised mineral consultants where appropriate.

principle 2 – understanding shareholder needs and expectations

As noted above, all five of the directors are also shareholders and therefore their interests are aligned with the Company's wider shareholder base. The Company strives to maintain a close relationship with its shareholders. The Company regularly updates its website, participates in podcasts and investor presentations, attends mining conferences and releases news flow and operational updates. Shareholders are also encouraged to attend the Annual General Meeting.

principle 3 – consider wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon efforts of the employees of the Group and its contractors, advisers, suppliers, regulators and other stakeholders, including the local communities where the projects are located. The Board of the Company and the senior management of its operating subsidiary make every effort to ensure that all stakeholders are communicated with effectively, that contractual terms are compiled with, and that employees, in particular, are afforded a safe and enjoyable working environment and are remunerated appropriately. At the AKHM site, in Ghana, the Group engages with the local communities on a regular basis, via meetings with the local dignitaries and other officials, including project site visits and, at the State level, ongoing communication is maintained with the relevant regulatory authorities.

principle 4 – risk management

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Board is assisted in achieving this by the Company's Audit and Compliance Committee. The Board of Directors have decided that an internal audit function is not considered necessary or practical due to the size of the Company. Close day-to-day control is exercised by the executive director and these are shared with the Board. This position will be reviewed on an annual basis by the Board. The Group also takes out relevant insurance as appropriate.

principle 5 – a well-functioning board of directors

The Board consists of one executive director and three non-executive directors, two of which are independent non-executive directors. The directors comprise a combination of corporate, financial and technical experience.

The Board meets regularly by telephone conference call and in person once a year, where possible. The Company considers that, at this stage of its development, and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. This position will also be reviewed annually by the Board.

Richard Wilkins and Orrie Fenn are considered to be independent non-executive directors and Richard Wilkins chairs both the Audit and Compliance Committee and the Remuneration Committee.

As announced on 2 April 2024, Bill Trew, has resigned from the Board and his role as a Non-Executive Director. During his tenure, Mr Trew was not considered to be an independent director as he represents the Company's largest shareholder, Paracale Gold Ltd, in which he is also a substantial shareholder.

Angela List, the non-executive Chair of the Company, represents and is a director of and substantial shareholder in the third largest shareholder Nguvu Holdings Limited (formerly BCM Investments Limited), and is accordingly also considered not to be independent. The Board notes in particular, that the Chair will be involved with the oversight of the operational management team, to be procured by Nguvu. As this is not in-line with the guidance in the QCA Code, the Company intends to put in place appropriate policies and safeguards to manage any conflicts or perceived conflicts that may arise.

The Board will review its composition and the requirement for any further appointments as the Group's scale and complexity grows.

During the year there was a Remuneration Committee Meeting and two Audit Committee meetings.

corporate governance report

The Company reports annually on the number of Board and Committee meetings that have been held and the attendance record of individual directors. During the year, 6 conference call, Board meetings were held, these were either attended in person or via video conference. The attendance of the directors was as follows:

2022 Meetings	**Total**	**Number of Meetings Attended**				
Board		**E Priestley**	**B Trew**	**O Fenn**	**A List**	**R Wilkins**
Number of Meetings held	6	6	5	6	2	6
Audit Committee						
Number of meetings held	2	2		2		2
Remuneration Committee						
Number of meetings held	1		1	1		1

principle 5 – a well-functioning board of directors (continued)

The commitment required from the non-executive directors is 4 days per calendar month, on average and Emma Priestley is full time.

principle 6 – appropriate skills and experience of the directors

The Board consists of four directors, including Emma Priestley a qualified mineral surveyor and mining engineer, as Chief Executive Officer. Angela List and Richard Wilkins, Chair and Non-Executive Director respectively, are qualified accountants. Dr Orrie Fenn, a Non-Executive Director, holds a doctorate in engineering. The Company believes that the current balance of skills within the Board, as a whole, reflects a broad and appropriate range of commercial, technical and professional skills relevant to the mining sector and the successful development of the Company within that sector. Brief bios of each of the directors and officers are set out on the Company's website. In accordance with each professional discipline that the director holds, each complies with CPD (Continued Professional Development) for that profession.

principle 7 – evaluation of board performance

In accordance with the AIM Rules for Companies, GoldStone departs from the QCA Code in relation to this principle. As GoldStone's Board is small and extremely focussed on implementing the Group's strategy, the Board will closely monitor the need for formal performance evaluation, in light of Principle 7 of the QCA Code, as the Group develops.

principle 8 – corporate culture

The Company recognises the importance of promoting an ethical corporate culture, interacting responsibly with all stakeholders and the communities and environments in which the Group operates. The Board considers this to be essential if medium and long-term value is to be delivered. The directors consider that, at present, the Group has an open culture facilitating comprehensive dialogue and feedback, particularly with regard to environmental and related issues and relevant to the ongoing successful development of the Group. The Group also participates in local community projects within the Ashanti region and seeks to be regarded as a good corporate citizen within its spheres of operation.

principle 9 – maintenance of governance structures and processes

The Board will review annually the effectiveness of its corporate governance structures and processes, which includes Jersey and UK regulatory obligations. The Board currently considers that the balance between executive and non-executive directors, including the independent directors, and the roles of the Audit and Compliance Committee and the Remuneration Committee are appropriate for the Company's size and stage of development. The members and responsibilities of each Committee are set out on the Company's website. The Company has also implemented a code for directors and employees' dealings in shares which is appropriate for a company whose shares are traded on AIM and is in accordance with the requirements of the Market Abuse Regulations.

principle 10 – shareholder communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The directors will continue to meet with and receive calls from shareholders, large and small, institutional and private, as appropriate. The Company will continue to keep its website up to date, participate in podcasts and investor presentations, attend mining conferences, and to release news flow and operational updates as appropriate.

Signed on behalf of the Board of directors
Angela List
Chair

statement of directors' responsibilities

The directors are responsible for preparing the consolidated financial statements (the "financial statements") for GoldStone Resources Limited ("GoldStone" or the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2022 in accordance with applicable law and regulations.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year. Under that law, as required by the rules of AIM of the London Stock Exchange, the directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied, they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Jersey governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Signed on behalf of the Board of directors

Emma Priestley
director

MOORE Stephens

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE RESOURCES LIMITED

Qualified Opinion

We have audited the consolidated financial statements of GoldStone Resources Limited and its subsidiaries (the "Group") for the year ended 31 December 2022 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes to the consolidated financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for qualified opinion

We were not appointed as auditors of the Company until after 31 December 2022 and consequently were unable to observe the counting of physical inventories at the beginning and end of the reporting period. We were unable to obtain sufficient appropriate audit evidence in respect of the existence and valuation of the inventory balances held at 31 December 2022 and 2021, which are recorded in the statements of financial position at $114,376 and $1,959,083, respectively, by alternative means. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

In addition, as we were not appointed as auditors of the Company until after 31 December 2022, we did not audit the financial statements for the year ended 31 December 2021. There were no satisfactory audit procedures that we could apply to obtain sufficient appropriate audit evidence in respect of the existence, completeness and valuation of the property, plant and equipment balance as at 1 January 2022 amounting to $21,280,257 by alternative means. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

An overview of the scope of our audit

Whilst planning our audit engagement, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements including the consideration of where Directors made subjective judgements, for example, in respect of the assumptions that underlie significant accounting estimates and their assessment of future events that are inherently uncertain. We tailored the scope of our audit in order to perform sufficient work to enable us to express an opinion on the consolidated financial statements as a whole taking into account the Group, its accounting processes and controls and the industry in which it operates.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE RESOURCES LIMITED (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the basis for qualified opinion section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Going Concern The Company's management has prepared the Group's consolidated financial statements on the assumption that the Company and Group is a going concern. Considering that the Group has an accumulated deficit balance of $29.9 million and a net current liability position of $6.4 million as at the reporting date, there is a risk that management's use of the going concern assumption in preparing the financial statements is not appropriate.	**Key Observations** Our work performed and our conclusions in respect of going concern have been detailed in the 'Material uncertainty related to going concern section' of our audit report.
Risk of fraud in revenue recognition Material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through, for example, premature revenue recognition or recording fictitious revenues. It may also result from an understatement of revenues through, for example, improperly shifting revenues to a later period. The Group's main source of income is the sale of gold. We have not become aware of opportunities and pressure which could lead us to believe that potential misstatements may arise as a result of fraudulent financial reporting.	Our main audit procedures in respect of revenue recognition were as follows: • We obtained an understanding of the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of the design and implementation of controls related to revenue recognition employed by the Group; • We performed an assessment of the client accounting treatment of the gold used to repay the loan; • We performed sample-based tests of details over the accuracy and occurrence of sales during the year specially responsive to the risk of fraud in revenue occurrence; • We performed a reconciliation of amounts per the client's revenue listing with amounts as per third party statements to ensure proper cut-off of revenue; • We tested a sample of journal entries relating to income recognition by reference to supporting documents; and • We reviewed the disclosures related to revenue included in the notes to the consolidated financial statements. **Key Observations** We did not identify any material issues arising from the procedures performed in this area. We concluded that the Group's accounting for revenue recognition, and the related disclosures, were in accordance with the requirements of UK-adopted International Accounting Standards.

Key Audit Matter	How the matter was addressed in the audit
Risk of Material Misstatement in the Existence and Valuation of the producing mine The Group's property, plant and equipment balance is mainly comprised of the producing mine asset, for which the assessment for any internal and external indications of potential impairment, involves a significant degree of judgement. Moreover, determining whether the projects are impaired requires an estimation of the recoverable value of the individual areas to which the value has been ascribed and of the value in use which represents the estimated future cash flows expected to arise from the projects. Considering the nature and significance of the producing mine for the operations of the Group, there is a risk that its value may be materially misstated.	Our main audit procedures were as follows: • We engaged a Ghana-based audit firm, through our component auditor, to perform a physical inspection of the producing mine to confirm its existence; • We performed an independent review of the fixed asset register; • We performed sample-based tests of details over the accuracy and existence of additions and disposals during the year; • We performed a re-computation of the depreciation expense incurred during the year; and • We critically assessed management's assessment of any potential impairment and considered whether there were any other indicators that the producing mine may be impaired. **Key Observations** We did not identify any material issues arising from the procedures performed in this area. We concluded that the accounting for the producing mine and the relevant disclosures in the financial statements were in accordance with the requirements of UK-adopted International Accounting Standards.
Risk of Material Misstatement in the Valuation of the provision for rehabilitation 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 that the Group will have to pay. These factors include estimates of the extent and cost of rehabilitation activities, technological changes, regulatory changes, and changes in discount rates. As such, there is a risk that the valuation of the provision for rehabilitation is materially misstated.	Our main audit procedures were as follows: • We critically assessed the cost closure report prepared by a third party, and assessed the competency and qualifications of the third party preparer; and • We performed a re-calculation of the Present Value of the estimated value of future rehabilitation costs. **Key Observations** We did not identify any material issues arising from the procedures performed in this area. We concluded that the accounting for the rehabilitation provision was in accordance with the requirements of UK-adopted International Accounting Standards.

Material uncertainty related to going concern

We draw attention to note 2 (b), in the consolidated financial statements, which indicates that the consolidated financial statements have been prepared on a going concern basis but with a material uncertainty related to going concern. This assessment has taken into consideration all available information for the foreseeable future, in particular for the 12 months from the date of approval of these consolidated financial statements. This assessment included consideration of projected future cashflows from gold sales, the Standstill Agreement and the progress of the Company's fundraising efforts, alongside the ability of the Group to raise further equity or debt financing. These conditions, along with other matters as set in note 2 (b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate. In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:

- A critical assessment of management's assessment of going concern and the basis for their assertion that the going concern basis of preparation of the financial statements was appropriate;
- A critical assessment of the assumptions underlying the cash flow forecast for the period to August 2027; and
- A critical assessment of post year-end trading, debt facilities and other relevant information.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We define materiality as the magnitude of misstatements in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements would be changed or influenced. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the results of that work. Materiality was determined as follows:

Consolidated financial statements as a whole:
Materiality was calculated at $210,650 based on a calculation of *1% of gross assets*. This benchmark is considered the most appropriate because, based on our professional judgement, we considered that this is the primary measure used by the users of the consolidated financial statements in assessing the performance and value of the Group.

Performance materiality was set at 60% of materiality and was calculated at $126,390.

Communication of misstatements to the Board:
We agreed with the Directors that any misstatement above $10,533 identified during our audit will be reported to the Audit Committee, together with any misstatement below that threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE RESOURCES LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report set out on page 2 to 22 other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate evidence concerning inventory of $114,376 and $1,959,083 as at 31 December 2022 and 31 December 2021, respectively. We are also unable to obtain sufficient appropriate evidence concerning the balance of property, plant and equipment of $21,280,257 as at 1 January 2022. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales and the opening balance of property, plant and equipment, it may be materially misstated for the same reason.

Matters on which we are required to report by exception

Except for the matters described in the basis for qualified opinion section of our report, in light of the knowledge and understanding of the Group and its environment which we obtained during the course of the audit, we have not identified material misstatements in the Directors' report.

Arising solely from the limitation on the scope of our work relating to inventory and the opening balance of property, plant and equipment, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of directors for the consolidated financial statements

As explained more fully in the Statement of Directors' Responsibilities on page 22, the Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the Companies (Jersey) Law 1991, UK adopted International Accounting Standards and the AIM Rules for Companies. We also reviewed the laws and regulations applicable to the Group that have an indirect impact on the financial statements.

• We gained an understanding of how the Group is complying with Companies (Jersey) Law 1991, UK adopted International Accounting Standards and the AIM Rules for Companies by making inquiries of management. We corroborated our inquiries through our review of minutes of Board of Directors meetings and the review of various correspondence examined in the context of our audit and noted that there was no contradictory evidence.

• We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence management to manage earnings and revenue by overriding internal controls. We performed specific procedures to respond to the fraud risk of inappropriate revenue recognition. Our procedures also included testing a risk-based sample of journal entries that may have been posted with the intention of overriding internal controls to manipulate earnings. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

• Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

MOORE Stephens

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE RESOURCES LIMITED (CONTINUED)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the consolidated financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the Group's shareholders as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jeff Vincent

For and on behalf of Moore Stephens Audit & Assurance (Jersey) Limited
1 Waverley Place
Union Street
St Helier
Jersey
Channel Islands
JE4 8SG

Dated: 10/4/24

consolidated statement of financial position

as at 31 December 2022

in united states dollars	note	31 December 2022	31 December 2021
Assets			
non-current assets			
property, plant and equipment	9	19,967,587	21,280,257
intangible assets – exploration and evaluation	10	-	-
total non-current assets		**19,967,587**	**21,280,257**
current assets			
inventory	13	114,376	1,959,083
trade and other receivables	12	870,468	257,013
cash and cash equivalents	14	113,312	336,524
total current assets		**1,098,156**	**2,552,620**
total assets		**21,065,743**	**23,832,877**
Equity			
share capital – ordinary shares	16	6,836,778	6,383,213
share capital – deferred shares	16	6,077,013	6,077,013
share premium	16	35,143,117	33,535,384
foreign exchange reserve	16	(5,930,054)	(1,332,396)
capital contribution reserve	16	555,110	555,110
share options reserve	16, 18	-	3,535,197
accumulated deficit	16	(29,897,222)	(32,758,006)
total equity		**12,784,742**	**15,995,515**
Liabilities			
non-current liabilities			
provision for rehabilitation	15	821,622	901,284
total non-current liabilities		**821,622**	**901,284**
current liabilities			
trade and other payables	20	3,647,352	1,395,221
Borrowings	19	3,812,027	5,540,857
total current liabilities		**7,459,379**	**6,936,078**
total liabilities		**8,281,001**	**7,837,362**
total equity and liabilities		**21,065,743**	**23,832,877**

The accounting policies and notes on pages 35 to 68 form part of these consolidated financial statements. The consolidated financial statements were approved by the Board of directors on 9 April 2024. Signed on behalf of the Board of directors.

Emma Priestley
chief executive officer

consolidated statement of comprehensive income

for the year ended 31 December 2022

in united states dollars	note	**year ended 31 December 2022**	**year ended 31 December 2021**
revenue	5	8,902,549	-
cost of sales	7	(5,746,204)	-
gross profit		**3,156,345**	-
expenses	7	(3,319,225)	(794,208)
operating loss	7	**(162,880)**	**(794,208)**
finance costs	8	(511,533)	(728,887)
loss before and after tax from continuing operations		(674,413)	(1,523,095)
items that may be reclassified subsequently to profit and loss: foreign exchange translation movement		(4,597,658)	(1,250,247)
total comprehensive loss for the year		**(5,272,071)**	**(2,773,342)**
loss per share from operations			
basic and diluted losses per share, from continuing and total operations, attributable to the equity holders of the company during the year (expressed in cents per share)	17	(0.001)	(0.004)

The accounting policies and notes on pages 35 to 68 form part of these consolidated financial statements.

consolidated statement of changes in equity

for the year ended 31 December 2022

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 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		-	-	-	-	-	-	-	**-**
warrants exercised in period		2,191,715	-	3,367,140	-	-	-	-	**5,558,855**
share issue		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)**	**15,995,515**
total loss for the year		-	-	-	-	-	-	(674,413)	**(674,413)**
translation movement		-	-	-	(4,597,658)	-	-	-	**(4,597,658)**
total comprehensive loss for the year		**-**	**-**	**-**	**(4,597,658)**	**-**	**-**	**(674,413)**	**(5,272,071)**
warrants granted in period	18	-	-	-	-	-	-	-	**-**
warrants exercised in period	18	251,885	-	497,875	-	-	-	-	**749,760**
share issue	16	201,680	-	1,109,858	-	-	-	-	**1,311,538**
transfer	16	-	-	-	-	-	(3,535,197)	3,535,197	**-**
Balance as at 31 December 2022		**6,836,778**	**6,077,013**	**35,143,117**	**(5,930,054)**	**555,110**	**-**	**(29,897,222)**	**12,784,742**

The accounting policies and notes on pages 35 to 68 form part of these consolidated financial statements.

consolidated statement of cash flows

for the year ended 31 December 2022

In united states dollars	note	year ended 31 December 2022	year ended 31 December 2021
cash flow from operating activities			
operating loss for the year before and after tax		(674,413)	(1,523,095)
adjusted for:			
- finance costs	8	511,533	728,887
- depreciation	9	272,404	71,300
- gold loan settlement		(1,191,427)	-
- director and senior management fees		245,839	-
- foreign exchange differences		812,410	164,170
- changes in working capital		645,290	(462,499)
net cash generated by/(used in) operating activities		621,636	**(1,021,237)**
cash flow from investing activities			
capitalisation of exploration costs	10	-	(746,640)
acquisition of property, plant and equipment	9	(1,593,787)	(4,872,653)
net cash used in investing activities		(1,593,787)	**(5,619,293)**
cash flow from financing activities			
repayment from bond issues	19	-	(300,000)
proceeds from share issues	16	748,939	6,575,670
net cash generated from financing activities		**748,939**	**6,275,670**
net decrease in cash and cash equivalents		**(223,212)**	**(364,860)**
cash and cash equivalents at beginning of the year	14	336,524	701,384
cash and cash equivalents at end of the year	14	**113,312**	**336,524**

consolidated statement of cash flows

for the year ended 31 December 2022

in united states dollars	year ended 31 December 2021	cash flows	other non-cash changes	**year ended 31 December 2022**
net cash:				
cash at bank and in hand	336,524	(223,212)	-	**113,312**
debt:				
shareholder loan	(742,587)	-	742,587	-
gold loan	(3,769,500)	-	863,238	(2,906,262)
derivative	(728,770)	-	(176,995)	(905,765)
bonds	(300,000)	-	300,000	-
	(5,540,857)	**-**	**1,728,830**	**(3,812,027)**
net debt:	**(5,204,333)**	**(223,212)**	**1,728,830**	**(3,698,715)**

Other non-cash changes relate to the repayment of the shareholder loan and bonds via the issue of new Ordinary Shares in the year and the gold loan is repaid out of gold sales; see note 19 for further details.

The accounting policies and notes on pages 35 to 68 form part of these consolidated financial statements.

1. reporting entity

The consolidated financial statements for the year ended 31 December 2022 (the "financial statements") comprise GoldStone Resources Limited (the "Company") and its subsidiaries, set out in note 23, (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 2022 and includes the consolidated financial statements of the Group prepared in accordance with UK-adopted International Accounting Standards.

The consolidated financial statements have been prepared using accounting policies set out in note 3 which are consistent with all applicable UK-adopted International Accounting Standards.

The consolidated financial statements have been prepared under the historical cost convention except for the treatment of share-based payments and derivatives. The consolidated financial statements are presented in United States Dollars ("$").

The preparation of consolidated financial statements in conformity with UK-adopted International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the consolidated financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the consolidated 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 for at least twelve months from the date of approval of these financial statements. 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 has recommenced gold production, and is building production up with existing cash resources and available facilities.

The Group had available cash of US$113k as at 31 December 2022 (2021: US$337k).

AIMSL, who hold the secured Gold Loan of US$3.0 million, supported the Group by agreeing to a number of deferments of interest payments throughout 2021 and 2022, continues to support the Company. Post Period End, the Company has entered into a standstill agreement to 31 December 2025, the conditions which have been agreed to, included a repayment plan to repay the loan from month 7, a change in leadership of the Chairman and operational team at the Homase mine. The Standstill Agreement allowed for the Company to renegotiate the terms, announced 10 April 2024, whereby, an agreement has been made with AIMSL in respect of the Gold Loan Agreement to extend the Standstill Period under terms of the Standstill Agreement dated 29 December 2023, to 31 December 2025. AIMSL have also agreed to convert and settle the interest accrued to 31 December 2023 by the issue of new Ordinary Shares

2. **basis** of preparation (continued)

(b) **going** concern (continued)

The Company continues to actively pursue funding proposals and/or similar potential solutions to enable the Company to seek to extend, renegotiate or refinance the outstanding secured Gold Loan and the provision of additional working capital, but there can be no guarantee that such an agreement can be reached or additional working capital provided. On 10 April 2024, the Company announced an extension to the Standstill Agreement, to 31 December 2025, and agreed to convert and settle the interest accrued to 31 December 2023 by the issue of ordinary Shares. If the Gold Loan cannot be repaid or rescheduled prior to 31 December 2025, security over the Company's primary assets could potentially be enforced.

The Company's Ordinary Shares will remain suspended from trading on AIM until such time as it has satisfied the requirements of AIM Rule 19 with respect to publication of its 2022 Accounts and AIM Rule 18 with regard to publication of its interim results for the six-month period to 30 June 2023, which were required to be published by 30 September 2023. On 3 January 2024, the Company announced that following the execution of the standstill agreement, the Board was pursuing various avenues to seek to raise additional funding to provide working capital for the group's operational development and to settle various balances due to the Company's outstanding creditors in order to facilitate publication of the 2022 Accounts and Interim Results on a going concern basis.

The Group commenced commercial production in January 2022. This was later than previously anticipated due to permitting issues and then with the operational setbacks, production has not been delivering the expected revenues. With the CLN investment in January 2023, this enabled the Company to invest in new plant and equipment to help improve and increase the production and staking onto the Heap Leach. Mining and Staking recommenced in June 2023 and the cashflow projections are based upon increasing the production and staking, which will improve in 2024, which in turn will improve revenues. 2023 gold produced and sold amounted to approximately 1,250 ounces of gold bullion.

The financial models and projections prepared by the Board, in order to monitor cash flow, demonstrate that the Group, in common with many businesses engaged in the early stages of development will require additional funds and/or funding facilities in order to fully develop its business, which is a follow on from the delays and problems encountered with production and permitting, and for the exploration to expand the resource. With continued support from the Group and Companies shareholders, the directors are confident that the Group and Company are able to meet their liabilities as they fall due.

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 January 2023. 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 continue to adopt the going concern basis.

Although the Board is confident that it will be able to raise further funding if and when required, there is always a risk that this may not be possible. In April 2024 the Company announced a conditional Subscription of 182,000,000 new ordinary shares at the closing offer price of 1 penny per ordinary share. The Subscription Shares shall have one warrant attached with an exercise price of 2 pence for a period of 24 months from the date of admission. In addition, the Company has agreed an extension of the standstill agreement until 31 December 2025, as announced on 10 April 2024 and for the conversion of the accrued interest to 31 December 2023 to be converted in addition to the conditional Subscription

(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.

2. **basis** of preparation (continued)

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

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

(i) impairment of property, plant and equipment

The assessment of property, plant and equipment 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 are 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.

(ii) 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. The Group considers that the above criteria was met in the year and the asset was transferred from Assets under construction to a Producing Mine.

(iii) 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.

The Company had paused mining in Q4 2022 as Pit 1 had reached the limit of the accessible free dig oxide ore. The mine planning of Pit 2 was being undertaken and consultation with the local communities to ensure smooth operations for the future, therefore the ore on the rompad had been depleted at the year end.

2. basis of preparation (continued)

(d) use of estimates and judgements (continued)

(iv) 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 depreciation/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 best 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.

(vii) gold bullion loan

A loan repayable in gold bullion is recorded as a revenue transaction as the extracted gold used in settlement would otherwise generate income. A currency value is placed on repayments based on pre agreed US$ value per ounce.

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 as at 31 December 2022. 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.

3. **significant** accounting policies (continued)

(a) **basis** of consolidation

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 and cash on hand.

(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.

3. **significant** accounting policies (continued)

(b) **financial instruments (continued)**

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

(iii) gold loan

The gold loan is initially valued at cost on day one and then revalued at spot rate at each financial year end. This gives rise to an embedded swap which is recorded separately in the financial statements as a financial derivative but is part of the overall gold loan.

(iv) 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 any tax effects.

(v) deferred shares

Deferred shares are classified as equity and held in the capital contribution reserve.

(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. Fair value at the date of issue is recognised in the share option reserve and then transferred to the profit and loss reserve once warrants have been exercised.

(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 construction period expenditure directly attributable to the construction of each individual asset is 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. Accumulated mine development costs within producing mines are depreciated on a units-of-production basis over the economically viable reserves of the mine.

3. **significant** accounting policies (continued)

(d) **property,** plant and equipment (continued)

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 property, plant and equipment 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 statement of comprehensive 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 transferred to property, plant and equipment and depreciated.

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. Once 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 based on useful economic life.

3. **significant** accounting policies (continued)

(f) **impairment** of financial assets (continued)

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.

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECL's, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

(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 required 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 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 statement of comprehensive income 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 statement of comprehensive income.

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.

3. **significant** accounting policies (continued)

(h) **related** parties

For the purposes of the consolidated 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 effected 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 presumed to be carried out on an arm's 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 ore 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).

3. significant accounting policies (continued)

(j) inventories (continued)

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 statement of comprehensive income of the period in which they are incurred.

(l) revenue

The Group is principally engaged in the business of producing gold and silver bullion concentrate. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

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 2022:

- Amendments to IAS 37, IFRS 3, IAS 16, IFRS 1, IFRS 9 and IAS 41.

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 consolidated 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 IAS 8: Definition of accounting estimates;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies; and
- 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. revenue

The Group's revenue consists of sales of gold and silver bullion to a third party refiner.

in united states dollars	**31 December 2022**	**31 December 2021**
gold bullion concentrate	8,894,210	-
silver bullion concentrate	8,339	-
Total	**8,902,549**	**-**

Sales of gold and silver bullion were made to one main customer, Metalor Technologies SA, the Group's gold and silver refiners, who are based in Switzerland. The gold bullion concentrate figure includes US$1,191,427 used to repay the Gold Loan Facility, set out in the Consolidated Statement of Cash Flows and in note 19.

6. 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, Evaluation and production: 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 2022

in united states dollars	**exploration**	**corporate**	**total per consolidated statement of comprehensive income/statement of financial position**
reportable segment revenue	**8,902,549**	**-**	**8,902,549**
reportable segment cost of sales	**(5,746,204)**	**-**	**(5,746,204)**
reportable segment expenditure	**(2,169,216)**	**(1,661,542)**	**(3,830,758)**
reportable segment profit/(loss)	**987,129**	**(1,661,542)**	**(674,413)**
reportable segment non- current assets	**19,967,587**	**-**	**19,967,587**
reportable segment current assets	**1,080,570**	**17,586**	**1,098,156**
reportable segment liabilities	**(4,196,956)**	**(4,084,045)**	**(8,281,001)**

6. **operating** segments (continued)

information about reportable segments for the year ended 31 December 2021

in united states dollars	**exploration**	**corporate**	**total per consolidated statement of comprehensive income/statement of 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 non- current assets	**21,280,257**	**-**	**21,280,257**
reportable segment current assets	**2,277,860**	**274,760**	**2,552,620**
reportable segment liabilities	**(2,066,460)**	**(5,770,902)**	**(7,837,362)**

7. **expenses** by nature

in united states dollars	**31 December 2022**	**31 December 2021**
cost of sales		
community, environmental and H&S costs	239,291	-
engineering and maintenance	457,183	-
mining costs	2,314,661	-
processing costs	2,442,833	-
human resource costs	292,236	-
Total	**5,746,204**	**-**

in united states dollars	**31 December 2022**	**31 December 2021**
administrative expenses		
finance and administration costs	3,319,225	794,208
Total	**3,319,225**	**794,208**

The operating loss is stated after charging:

in united states dollars	**year ended 31 December 2022**	**year ended 31 December 2021**
auditor's remuneration in respect of audit of the financial statements		
- group auditor	50,645	30,000
- subsidiary auditor	9,450	2,900
depreciation	272,404	71,300
foreign exchange difference	812,410	164,170

8. **finance** costs

in united states dollars	year ended 31 December 2022	year ended 31 December 2021
loan derivative and interest	511,533	728,887
Total	**511,533**	**728,887**

9. **property**, plant and equipment

	31 December 2022			
in united states dollars	cost	accumulated depreciation	accumulated exchange movement	carrying value
producing mine*	21,680,553	(142,600)	(2,510,256)	19,027,697
gold samples	4,570	-	-	4,570
computer equipment	96,904	(75,169)	-	21,735
office equipment	119,759	(112,343)	-	7,416
field/geological equipment	1,236,388	(234,051)	(123,797)	878,540
motor vehicles	84,184	(56,555)	-	27,629
Total	**23,222,358**	**(620,718)**	**(2,634,053)**	**19,967,587**

	31 December 2021		
in united states dollars	cost	accumulated depreciation	carrying value
assets under construction*	20,408,816		20,408,816
gold samples	4,570	-	4,570
computer equipment	74,468	(68,263)	6,205
office equipment	117,182	(110,115)	7,067
field/geological equipment	953,231	(125,529)	827,702
motor vehicles	70,304	(44,407)	25,897
Total	**21,628,571**	**(348,314)**	**21,280,257**

9. **property**, plant and equipment (continued)

reconciliation of property, plant and equipment – 31 December 2022

in united states dollars	**carrying value opening balance**	**additions**	**depreciation**	**exchange movement**	**transfer**	**carrying value ending balance**
assets under construction*	20,408,816	-	-		(20,408,816)	-
producing mine*	-	1,271,737	(142,600)	(2,510,256)	20,408,816	19,027,697
gold samples	4,570	-	-		-	4,570
computer equipment	6,205	22,436	(6,906)	-	-	21,735
office equipment	7,067	2,577	(2,228)		-	7,416
field/geological equipment	827,702	283,157	(108,522)	(123,797)	-	878,540
motor vehicles	25,897	13,880	(12,148)	-	-	27,629
Total	**21,280,257**	**1,593,787**	**(272,404)**	**(2,634,053)**	**-**	**19,967,587**

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 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 $821,622 (2021: $901,284).
Exchange losses on opening assets of $2,634,053 were recognised in the financial statements.

10. **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 2020	**14,339,772**
additions	746,640
transfer to assets under construction (see note 9)	(15,086,412)
balance as at 31 December 2021 and 2022	**-**

Once commercially viable reserves are established and development is sanctioned, exploration and evaluation assets are transferred to assets under construction. This took place in 31 December 2021 see Note 9 for further details.

11. **taxation**

current and deferred tax

The Company is subject to Jersey income tax at the rate of 0%. The subsidiary is registered for income tax purposes with the Ghana 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. The Company should be registered for UK Corporation Tax and management are currently in the process of registering it for such.

12. **trade** and other receivables

in united states dollars	**31 December 2022**	**31 December 2021**
trade receivables	405,414	-
other receivables	465,054	257,013
Total	**870,468**	**257,013**

Other receivables include US$ nil (2021: US$27,955) in respect of the fair value of share warrants issued in the relevant period.

13. inventory

in united states dollars	31 December 2022	31 December 2021
gold in circuit	-	602,097
gold on hand	-	1,142,276
ore stockpile	85,098	214,710
consumables	29,278	-
Total	**114,376**	**1,959,083**

At the Homase Mine Heap Leach Operation, from the process recovery sheet, it has been calculated that there is 66.3 kilos of gold, 2,134 ounces, that is still within the heap leach process circuit, this is classed as “Gold in Process” (“GIP”). This GIP is currently locked within the heap leach circuit. This is due to previous operational issues, including inefficient screening, agglomeration and stacking methods, as such, there will be limited recovery from this GIP gold until a new process method is introduced. The current JORC Resource, at 602,000 ounces is between measured, indicated and inferred. The Resource which was calculated in 2012, and requires infill drilling, to reduce the wide spacing within the Resource, to bring the JORC Resource to modern parameters.

In order to incorporate the GIP, a Revised Resource was calculated for the Statement 31 December 2022. It was noted that in 2022, 5,155 ounces of gold were sold to Metalor Technologies SA. The GIP is 66.3 kilos of gold, 2,134 ounces, that is locked within the heap leach process circuit, requires a new process method to liberate it, it was agreed to classify this GIP as an inferred resource. Therefore, the Revised Resource Statement 31 December 2022, calculated to 2012 Standards, stands as:

	Tonnage Tonnes (million)	Grade (Au g/t)	Contained Gold Ounces
Inferred JORC Resource	10.6	1.64	602,000
2022 Ounces Deducted	0.2	1.53	5,155
Sub-Total Inferred	10.4	1.64	596,845
GIP	0.21	1.34	2,134
2022 Inferred Resource	6.23	1.77	598,979

14. cash and cash equivalents

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

in united states dollars	31 December 2022	31 December 2021
sterling	5,557	78,372
US dollars	55,170	218,818
ghana cedis	52,585	39,334
Total	**113,312**	**336,524**

15. provision for rehabilitation

in united states dollars	31 December 2022	31 December 2021
1 January	901,284	-
additions	-	901,284
movement in discount rate	(79,622)	-
Total	**821,622**	**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.

16. capital and reserves

(a) share capital

	31 December 2022	31 December 2021
ordinary shares		
called up, allotted and fully paid		
496,190,047 ordinary shares of 1 penny each (31 December 2021: 459,033,996)	£4,961,901	£4,590,340
converted to united states dollars at date of issue	$6,836,778	$6,383,213
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 (31 December 2021: 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 (31 December 2021: 1,000,000,000) authorised ordinary 1 penny shares	£10,000,000	£10,000,000

16. **capital** and reserves (continued)

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

		Number of Shares	Nominal Value	Share premium
1 January 2022	**Opening balance**	**459,033,996**	**$6,383,213**	**$33,535,384**
28 June 2022	Shares at 3p share	14,000,000	£140,000	£280,000
	Converted to United States Dollars at date of issue	-	$180,653	$355,410
13 July 2022	Shares at 3p share	6,000,000	£60,000	£120,000
	Converted to United States Dollars at date of issue	-	$71,233	$142,465
	Shares at 7p share	3,600,000	£36,000	£216,000
	Converted to United States Dollars at date of issue *	-	$42,740	$256,437
19 July 2022	Shares at 6.55p share	9,802,821	£98,028	£544,057
	Converted to United States Dollars at date of issue **	-	$117,026	$649,495
18 October 2022	Shares at 5.9p share	3,753,230	£37,532	£183,908
	Converted to United States Dollars at date of issue	-	$41,913	$203,926
31 December 2022	**Closing balance**	**496,190,047**	**$6,836,778**	**$35,143,117**

*During the year, six bond notes held by Nguvu Holdings Limited were redeemed in shares (note 19).

** The outstanding balance on the Paracale loan of US$766,521 was converted into 9,802,821 new Ordinary Shares (the **''Conversion Shares''**) at a price of 6.55p per Ordinary Share. Following the Loan Conversion, there are no outstanding loans or warrants held by Paracale (note 19).

16. capital and reserves (continued)

(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 (2021: 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. As there are no share options and warrants outstanding as at year end, the whole balance has been transferred to accumulated deficit.

(vi) accumulated deficit

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

17. earnings per share

The calculation of basic and diluted earnings per share at 31 December 2022 was based on the losses attributable to ordinary shareholders of US$674,413 (2021: US$1,523,095), and an average number of ordinary shares in issue of 474,744,043 (2021: 353,369,120).

	31 December 2022	31 December 2021
loss attributable to shareholders (in US$)	(674,413)	(1,523,095)
weighted average number of ordinary shares	474,744,043	353,369,120
basic and diluted earnings per share (in US$)	**(0.001)**	**(0.004)**

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

in number of shares	31 December 2022	31 December 2021
Warrants	-	26,000,000

Please refer to note 25 as a potentially diluting instrument has been issued post year end.

18. share based payment arrangements

At 31 December 2022, 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 years ended 31 December 2022 or 31 December 2021.

(b) reconciliation of outstanding share options

There are no options outstanding at 31 December 2022 or 31 December 2021.

18. **share** based payment arrangements (continued)

(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 using the Black-Scholes model. 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 2022	weighted average exercise price 31 December 2022	number of warrants 31 December 2021	weighted average exercise price 31 December 2021
outstanding as at 1 January	26,000,000	3.0p	182,352,377	2.6p
granted during the year	-	-	-	-
lapsed during the year	(6,000,000)	-		
exercised during the year	(20,000,000)	3.0p	(156,352,377)	2.5p
outstanding at 31 December	**-**	**-**	**26,000,000**	**3.0p**
exercisable at 31 December	**-**	**-**	**26,000,000**	**3.0p**

There are no warrants outstanding as at 31 December 2022. In the prior year the weighted exercise price was 3.0p and weighted average life was 0.5 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 (2021: US$ nil).

18. share based payment arrangements (continued)

(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 19 for further details. The amount capitalised during the year was US$nil (2021: US$67,100).

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 19 for further details. The amount capitalised during the year was US$nil (2021: US$75,130).

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 19 for further details. The amount capitalised during the year was US$nil (2021: US$1,682,615).

19. borrowings

in united states dollars	**31 December 2022**	**31 December 2021**
shareholder loan	-	742,587
gold loan	2,906,262	3,769,500
loan derivative	905,765	728,770
bonds	-	300,000
current borrowing	**3,812,027**	**5,540,857**

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$1.2 million.

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. At 31 December 2022, Paracale had exercised all its warrants.

During the year the outstanding balance on the Paracale loan of $766,521 was converted into 9,802,821 new Ordinary Shares (the **''Conversion Shares''**) at a price of 6.55p per Ordinary Share. Following the Loan Conversion, there are no outstanding loans or warrants held by Paracale.

19. borrowings (continued)

Gold Loan
The Company entered into a loan agreement with AIMSL 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. AIMSL and the Company agreed during 2021 to a further extension to the timing of payment of the principal and interest on the Gold Loan, to 19 September 2021 (being the maturity date of the Gold Loan) (the ''Extension''), although at the default interest rate of 17%. Interest therefore accrued at the default rate of 17%.

In January 2022, a payment of 19kg of gold was made in order to repay the interest due for October, November, and December 2021. The payment was against the principal and accrued interest, with the interest paid in full and reducing the principal from 2,000 oz to 1,924.61 oz.

It was further agreed with AIMSL that in order to enable the Company to efficiently manage shipments, it would not be deemed an event of default if the monthly payments set out in the Company's announcement on 20 September 2021 were not made at the end of each month.

On 29 September 2022, it was agreed with AIMSL to vary the terms of the Agreement as follows:

- the date for repayment of the Gold Loan shall be extended to 30 September 2023 (the ''Revised Term'') and the Maturity Date stated in Schedule 1 of the Agreement shall be amended accordingly; and
- interest shall continue to accrue on the Gold Loan at the non-default rate of 14% per annum until the date of repayment.

On 3 January 2024, the Company announced a Standstill Agreement with AIMSL which provided the Company with the potential to defer repayment of the gold loan until 29 June 2024, this has subsequently been extended to 31 December 2025.

The outstanding principal of the Gold Loan stands at 1,871.31oz, with accrued interest to date of 578.43oz, as at 30 December 2023. A total of 675 oz (21 kilos) of gold has been paid to AIMSL in respect of the Gold Loan, to the date of signing this report.

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, the remaining six bond notes held by Nguvu Holdings Limited were redeemed in shares. When 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. During the year 20,000,000 warrants were redeemed and 6,000,000 expired.

20. trade and other payables

in united states dollars	**31 December 2022**	**31 December 2021**
trade payables	1,513,058	882,045
other payables	971,948	302,738
accruals	1,162,346	210,438
Total	**3,647,352**	**1,395,221**

21. **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 its main customer 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 as the main customer is reputable and the company has a strong relationship in place.

(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.

21. **financial** instruments (continued)

(d) **market** risk (continued)

(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 Ghanaian Cedis and incurs liabilities for its working capital expenditure in one of these denominations. Payments are made in Sterling (GBP), United States Dollars (US$) and Ghanaian Cedis (GHS), or Euro at the pre-agreed price and converted (if necessary) as soon as payment needs to occur. Currency conversions and provisions for expenditure are only made as soon as debts are due and payable. The Group is therefore exposed to currency risk in so far as its liabilities are incurred in South African Rand and Ghanaian Cedi and fluctuations occur due to changes in the GHS/US$ 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 2022	reporting date spot rate 2022	average rate 2021	reporting date spot rate 2021
Sterling to US dollars	1.229	1.210	1.376	1.353
Ghanaian Cedis to US dollars	0.110	0.101	0.157	0.162

A strengthening (weakening) of GBP or GHS against all other currencies at 31 December 2022 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 2022	equity weakening 2022	equity strengthening 2021	equity weakening 2021
ghanaian cedis 10% (2021: 10%)	1,569,844	(1,569,844)	2,298,000	(2,298,000)
Total	**1,569,844**	**(1,569,844)**	**2,298,000**	**(2,298,000)**

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.

21. financial instruments (continued)

(d) market risk (continued)

(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 had a loan arrangement with Paracale as detailed in note 19. The interest rate was fixed at 6% for the duration of the term of the loan; this balance has been settled in full in the year. The Group also has a loan agreement with AIMSL. 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.

22. 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 2022**	**31 December 2021**
Director's remuneration: executive – E Priestley – cash	77,500	65,500
Director's remuneration: executive – E Priestley – shares	24,500	-
Director's remuneration (accrued fee): executive – E Priestley	25,500	54,500
Director's remuneration (accrued BIK): executive – E Priestley	28,125	-
Director's remuneration: non-executive – R Wilkins – cash	-	-
Director's remuneration: non-executive – R Wilkins – shares	6,000	-
Director's remuneration (accrued fee): non-executive – R Wilkins	9,000	12,000
Director's remuneration (accrued BIK): non-executive – R Wilkins	3,750	
Director's remuneration: non-executive – W Trew – cash	-	-
Director's remuneration: (accrued fee): non-executive – W Trew	27,000	24,000
Director's remuneration: (accrued BIK): non-executive – W Trew	6,750	
Director's remuneration: non-executive – A List – cash	-	-
Director's remuneration: non-executive – A List – shares	6,000	-
Director's remuneration (accrued fee): non-executive – A List	9,000	12,000
Director's remuneration (accrued BIK): non-executive – A List	3,750	
Director's remuneration: non-executive – O Fenn – cash	-	-
Director's remuneration: non-executive – O Fenn – shares	12,000	-
Director's remuneration (accrued fee): non-executive – O Fenn	9,000	12,000
Director's remuneration (accrued BIK): non-executive – O Fenn	3,750	
total	**251,625**	**180,000**

The total amount payable to the highest paid director in respect of emoluments was US$127,500 (2021: US$120,000). No directors exercised any share options during the year (2021: nil).

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

R Wilkins's remuneration was paid to KSJ Investments Limited, a company in which he is a director. R Wilkins owns 90% of the parent company that in turn owns 100% of KSJ Investments Limited.

22. **related** parties (continued)

During the year, certain of the Company Directors agreed to convert, in aggregate US$239,250 of outstanding fees accrued and unpaid to 30 June 2022 into 3,653,230 new Ordinary Shares at a conversion price of 5.9p, being the mid-market closing price of the Company's Ordinary Shares on 11 October 2022.

Name	Number of Ordinary Shares Currently Owned	Number of Fee Conversion Shares	Resultant Shareholding in the Company	Percentage of the issued Share Capital of the Company
Angela List	59,600,000*	320,660	59,920,660	12.08%
Emma Priestley	2,711,546	2,485,112	5,196,658	1.05%
Richard Wilkins	-	320,660	320,660	0.06%
Orrie Fenn	-	526,798	526,798	0.11%

* *Held by Nguvu Holdings Limited, a company of which Angela List is a director and shareholder.*

During 2018, the Company entered into a loan agreement for an amount up to US$1,224k with Paracale, the Company's major shareholder and a company in which Bill Trew, a non-executive director (resigned 2 April 2024), holds an interest in. At 31 December 2022 the balance was US$ nil (2021: US$743k), which includes interest accrued to date of US$ nil (2021: US$19k)- see note 19 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 19 for further details.

MAED (UK) Limited (''MAED'') is a related party, as it is wholly owned by Bill Trew. At the year-end there is an amount owing to MAED of US$329,288 (2021: US$266,109), for services provided during the financial year.

23. **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 2022	ownership interest 2021
GoldStone Akrokeri Limited	Ghana	Development and exploration of gold and associated elements	100%	100%
GoldStone Homase Limited	Ghana	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.

24. **ultimate** controlling party

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

25. **subsequent** events

Since the period end, on 27 January 2023 the parent Company, GRL, issued convertible loan notes to Blue Gold International Limited, ("BGL") in the nominal amount of £2,400,000 (the "Loan Notes") which are due for redemption on 30 November 2024.

As with all equity and debt raised by GRL, all monies are intended for GAL only as this is the sole subsidiary trading company. As such every time monies are raised there is a subsequent intercompany loan taken out between the two companies.

At the election of BGL, the Loan Notes (together with accrued interest to date) may be converted (in whole or in part) at any time prior to redemption into new ordinary shares of 1 penny each in the capital of the Company ("Ordinary Shares") at a conversion price of £0.0325 per share. BGL also received warrants to subscribe for up to 60,000,000 Ordinary Shares at a price of £0.04 per share exercisable at any time until 26 January 2025 (the "Warrants").

Summary terms of the Loan Notes

- Issue of £2,400,000 unsecured convertible loan notes due for redemption on 30 November 2024;
- The Loan Notes are denominated in units of £10,000, are unsecured and will attract interest at a rate of 8 per cent per annum, compounded daily until redemption or conversion;
- The Loan Notes, including accrued interest, are convertible at any time prior to cash redemption, at the holder's election, into new Ordinary Shares at a price of £0.0325 per Ordinary Share (the "Conversion Shares");
- BGL shall also receive Warrants to subscribe for up to 60,000,000 new Ordinary Shares at a price of 4 pence per Ordinary Share at any time during the 2-year period following the grant date; and
- Pursuant to the Loan Note agreement, BGL has the right to appoint a non-executive director to the Board, subject, *inter alia*, to the consent of the Company's Nominated Adviser with respect to suitability.

The proceeds from the Loan Notes will also contribute towards the expansion of the Company's Homase Mine, seeking to increase production and improvement of the recovery of the heap leach operation, which is currently yielding 65% of the contained gold delivered to the heap. The proceeds will also contribute towards the purchase of plant and equipment to assist in reducing the operating costs of the operation. The Company also reviewed the exploration programme along strike and down dip of the current JORC resource, as well as exploring the anomalies that were identified, referred to in the 24 March 2022 announcement, with the soil sampling and auguring programme.

The accrued and unpaid fees to 31 December 2022 due to Bill Trew, Non-Executive Director of the Company (resigned 1 April 2024) during the year, amount to £52,650, were converted into 1,442,465 new Ordinary Shares at a conversion price of 3.65p, being the mid-market closing price of the Company's Ordinary Shares on 30 January 2023, this was the latest practicable date prior to this announcement (the "Director Fee Conversion Shares"). The Director Fee Conversion Shares were issued to Oxus Mining Limited, a Company solely owned and controlled by Bill Trew, whose direct and indirect resulting beneficial interest in the Company's Ordinary Shares following the issue of the Director Fee Conversion Shares will be as shown below.

Name	Number of Ordinary Shares Currently Owned	Number of Fee Conversion Shares	Resultant Shareholding in the Company	Percentage of the issued Share Capital of the Company
William (Bill) Trew	129,656,575	1,442,465	131,099,040*	26.30%

** Of which, 125,656,575 Ordinary Shares are held by Paracale Gold Limited, a company of which Mr William Trew is a director and a significant shareholder, 4,000,000 are held directly by Mr Trew and 1,442,465 Ordinary Shares, being the Director Fee Conversion Shares, will be held by Oxus Mining Limited.*

On 5 April 2023, the Company provided a comprehensive update on the diamond drilling undertaken in 2022 at the former Akrokeri Underground Mine ("AUM") and the soil and auger geochemical programmes within the Akrokeri and Homase prospecting licences, ("AKHM").

This diamond drilling programme at AUM, confirmed the Company's belief that the Akrokeri mineralization occupies a significant structural corridor that extends to both the south and north of the historical underground mine, with Significant Intercepts 2022/23 diamond drilling including:

- 22AKDD001: 6.50 metres @ 1.63 g/t from 7.7 metres, including 3.5 metres @ 2.35 g/t;
- 22AKDD002: 4.10 metres @ 11.01g/t from 46.0 metres, including 1 metre @ 41.04g/t;
- 22AKDD003: 3.60 metres @ 5.77g/t from 69.4 metres, including 1 metre @ 12.06g/t;
- 22AKDD006: 5.74 metres @ 3.43g/t from 55.66 metres, including 1.1 metres @ 15.25g/t;
- 22AKDD008: 3.00 metres @ 3.08g/t from 34.8 metres, including 1.0 metre @ 5.23g/t;
- 22AKDD008: 3.70 metres @ 2.54g/t from 72.6 metres, including 2.2 metres @ 4.03g/t;
- 22AKDD009: 4.80 metres @ 7.31 g/t from surface, including 1.0 metre @ 25.8 g/t;
- 22AKDD015: 1.0 metre @ 4.53 g/t from 61.9 metres;
- 22AKDD015: 1.10 metres @ 11.23 g/t from 95.7 metres, including 0.5 metre @ 20.01 g/t;
- 22AKDD016: 12.0 metres @ 0.93 g/t from 79.3 metres, including 1.6 metres @ 2.97 g/t; and
- 22AKDD019: 2.80 metres @ 1.84 g/t from 72.0 metres, including 2.2 metres @ 2.21g/t.

Key findings showed:

- A total of 20 diamond drillholes have now been drilled, 14 probing the southern extension of the South Shaft and the remaining 6 holes around the North Shaft;
- Results show the wide mineralised lode hosting gold at 4.1m @ 11.01 g/t, including 1m @ 41.04 g/t in hole 22AKDD002;
- Results give strong grounds for continued exploration and further core drilling at Akrokeri; and
- At Homase, the results from soil and auger sampling has confirmed anomalies that demonstrate a new mineralised zone to the west of the main Homase orebody and also shows further extension along strike to the north and south of the known Homase Trend.

The Soil and Auger Sampling Programmes within the Homase Mineralised Trend that continued during Q3 and Q4 2022 and into Q1 2023, were targeting two areas, Esuaya in the north-east and Adubriem West, and a targeted augering programme was also undertaken over an area to the south-west of known Homase Trend, with a total of 579 samples collected.

These results were combined with the historical data to update the geochemical anomalies identified in the announcements of 17 June 2018 and 25 March 2022. This exploration has further confirmed the presence of multiple exploration targets, which are yet to be fully evaluated.

The Company is confident that the results of the drilling and geochemical survey programmes completed over the past three years demonstrate the potential to add to the total mineral resource and thus considerably extend mining operations in the coming years. Prioritisation will be given to the most promising prospects and a more detailed drilling programme will begin in the coming months, initially focusing on Akrokeri South and the new Homase geochemical targets.

In addition, the Company is continuing with the ongoing exploration programme at Akrokeri Underground Mine.

An operational update was provided on the 31 May 2023 in relation to mining and production activities at the Homase Gold Mine in south-western Ghana, with the following overview:

- Front-end loaders, tractor and excavators, and the required plant including a second stacker and vibrating screens delivered to site with the objective of optimising production at Homase;
- ~$1.5 million invested into new and second-hand plant, equipment and components for the second dry plant and to complete the construction of next pad for the heap leach operation;
- Mining production levels forecast for 60,000 tonnes per month of ore, within three months following mine plan revision during Q1 2023;
- Revision of mine plan and improvements to the process plant to improve long-term performance has impacted Q1 2023 production, resulting in a small gold pour of 250 ounces doré for the quarter; and
- Second dry plant will allow stacking to increase to some 40,000 tonnes pcm over the coming months, thus improving gold production for the remainder of 2023.

Further to 31 May 2023, the Company has subsequently made significant improvements to the existing dry plant to enable it to perform more in line with expectations. The agglomeration drum for the second dry plant has been completed, the second screen is on order and the additional 30 metres of conveyors are to be fabricated. The Company has also purchased two second hand 30 tonne excavators, two new front end loaders, a truck crane, TLB, tractor and supporting associated accessories.

In-line with the enhancements to the dry plant, mining commenced in Pit 2 of the Homase Mine in May 2023, with an initial stripping ratio of 3:1, and to date some 65,300 tonnes of ore have been mined at an inferred grade of 1.1g/t. Stacking recommenced in June 2023, and plant feed has been maintained at an average of 1,000 tonnes per shift, running on a single shift basis. The Company can report that for 2023, some 1,250 ounces (39 kilos) of fine gold has been shipped.

After reconciling mine development and production from 2022, including investigating the issues with the heap leach process, which have been an on-going problem, and the impact of no stacking on to the heap for the first six months of 2023, the Company is currently undertaking a review of its Homase production plan and forecast.

On 3 January 2024, the Company announced a Standstill Agreement with AIMSL in respect of its gold loan agreement. This standstill agreement, which was necessary due to the inability to complete a negotiation on an extension within the appropriate timeframe, provides the Company with the potential to defer repayment of the gold loan until 29 June 2024, this has subsequently been extended until 31 December 2025. The standstill agreement also set out to appoint Angela List as the Chair, and for an operational management team to be mobilised to GoldStone's operations. The Standstill Agreement allowed for the Company to renegotiate the terms, announced 10 April 2024, which was in conjunction with the Company announcing it has conditionally raised £1.82 million before expenses by way of a Subscription of, in aggregate, 182,000,000 new ordinary shares of 1 penny par value each in the capital of the Company at a price of 1 penny per share together with one warrant per Subscription Share to subscribe for a further new Ordinary Share at an exercise price of 2 pence during the period of 24 months from the date of Admission.

The Company has agreed with AIMSL in respect of the Gold Loan Agreement to extend the Standstill Period under terms of the Standstill Agreement dated 29 December 2023, to 31 December 2025. AIMSL have also agreed to convert and settle the interest accrued to 31 December 2023 by the issue of ordinary Shares of £0.01 each in the capital of the Company (the “Conversion Shares”).

Of the, in aggregate, 182,000,000 Subscription Shares, and corresponding 182,000,000 Warrants and 182,000,000 New Ordinary Shares to be issued pursuant to the Warrant Subscription and approximately 101,803,680 for the Conversion Shares, together the "Conditional Subscription Shares") is conditional, inter alia, on the Company obtaining the requisite shareholder approvals in respect of the issue of such shares from its Shareholders at a forthcoming general meeting to be convened shortly (the "General Meeting").

The net proceeds of the Fundraising will be used for general working capital purposes and to progress the Company's strategy of developing and improving production at its Homase Mine in Ghana, and during the first quarter of 2024, a new operational management team have been identified and upon the successful fundraise, are expected to have both a meaningful impact on the Company’s operations and ability to ramp up production.

It was announced that Mr William (Bill) Trew stood down as Non-Executive Director to the Company on the 1 April 2024.