

Goldstone Resources Limited
Annual Report and Consolidated Financial Statements
for the year ended
31 December 2023

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director details:

E Priestley

A List

W Trew (Resigned 1st April 2024)

R Wilkins

O Fenn

C Smyth (Appointed 5th June 2024)

chief executive officer

non-executive chair

non-executive director

independent non-executive director

independent non-executive director

non-executive director

company secretary:

FCM Trust 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 and chief executive officer's report

CHAIR'S REPORT

The team has had a dual focus during 2023; firstly to improve operational performance at our first mining operation, the Homase Gold Project in the Ashanti Region of Ghana, and secondly to advance the corporate activities of the Company in order to resume trading of the Company's Ordinary Shares on the AIM market of the London stock exchange. 2023 was undoubtedly challenging for the whole team, however as at the time of writing, the business is now back on an even keel, and we are excited and enthusiastic about GoldStone's future.

The Company announced in January 2023 that it had raised £2,400,000 via the issue of a convertible loan note and used the proceeds to invest in the necessary equipment and infrastructure to improve the long-term production profile of the Homase Mine. Equipment was bought, and the plant was modified to increase the gold recovery factor to an average of 60-70%. Mining and stacking recommenced in June 2023, with approximately 1,257oz produced in 2023, and production and stacking is expected to increase throughout 2024 which will in turn increase the gold production and sales. At the time of writing, a total of 1,350oz has been produced from the Homase Mine in 2024, and the Board is confident that this production, combined with the Company's recent fundraising activities, will support production at this rate over the months to come.

Despite the hard work and perseverance of the team during 2023, we did not reach our production target for 2023. Today, approximately 810 ounces are estimated by management, remaining within the heap, classed as Gold in Process ("GIP"), but there will be limited recovery from this GIP gold until an alternative process method is introduced, which the Company is reviewing.

As Shareholders will be aware in November 2023, the Company's secured gold loan from Asian Investment Management Services Limited ("AIMSL") was due for repayment. Post period end, in January 2024 the Company agreed a standstill arrangement with AIMSL which, following a further amendment, has deferred repayment until 31 December 2025. This has been an important development for GoldStone, and one which prompted a corporate restructure, including the appointment of myself as Chair of the Board and the appointment of Campbell Smyth, who represents the AIMSL shareholder. This also prompted the recruitment of a new operational team at Homase, which the Nguvu Mining Ltd has aided and assisted in. I see this as a new dawn for GoldStone and, speaking on behalf of the Board, we are all extremely eager to ramp up production and, subject to availability of capital, conduct further exploration drilling to begin to unlock the true value of the Homase and Akrokeri Projects.

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 stood down from the Board of Directors on 1 April 2024. 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

chair's and chief executive officer's report

production, 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

Non-Executive Chair

CHIEF EXECUTIVE OFFICER'S REPORT

Whilst our operational efforts during 2023 were perhaps overshadowed by corporate and financial developments in the year, I am proud to say that our team on site continue to work towards the realisation of our production and expansion objectives at the Homase Project and the Akrokeri Underground Mine, located in Ghana.

The Company's strategy remains optimising current production at our first productive asset, the Homase Open Pit Mine. In the first half of the year, as announced in May 2023, the Company acquired front-end loaders, tractor and excavators, and the required plant, including a second stacker and vibrating screens, were delivered to site, with the objective of ramping up production at Homase.

The Company 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 and a second screen has been ordered, with the additional 30 metres of conveyors are to be fabricated. The Company 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 145,000 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, approximately 1,250 ounces (39 kilos) of fine gold was produced and shipped.

Notwithstanding the process plant challenges experienced during 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, the Homase Mine has not yet achieved consistent positive site-level cash flow, 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 were implemented during 2023 and will continue through 2024.

The second strand of our planned strategy for H2 2024 is the continued exploration within the licence areas of the Company's two prospecting Licences that encompass the expansion of the Homase Mine and at the former underground mine at Akrokeri

Continuous desktop reviews of historical exploration datasets for the Homase mine and its extended mineralised trend (announcement 20 June 2018) that extends north-east and south-west of the current Homase Mine and is open at depth. Within the Homase mining lease, the mineralised zone extends over NNE-SSW distance of approximately 5 km and this includes a substantial deeper gold

chair's and chief executive officer's report

resource of c. 600,000 oz underlying and NNE of the Homase pit. There is also a parallel zone (Adubriem) around 800 m in length within the exploration permit area that has yet to be systematically explored.

Historical records that there was significant close spaced drilling undertaken beneath the former pit mined by Ashanti Goldfields Corporation's ("AGC" - now AngloGold Ashanti), between 2002 and–2003, and it is evident that the grade improves markedly at depth with the transition through 5-10 m of transition ore to sulphide ore. This former AGC pit is referred to as Pit 4 under the current mine plan.

Notwithstanding the mineralogical changes with depth, the oxide cap that is currently being mined along the Homase trend is some 40-50 metres thick and averages 1.1g/t

The Company is fortunate to have the feasibility study and metallurgical testwork data that was undertaken by AGC in the early 2000's and this shows that the primary sulphide ore is predominantly non-refractory. Drilling beneath the AGC pit (now Pit 4) was in places drilled at 25 m intervals along strike, and has allowed the Company to identify an in-house resource of 41,702 oz gold with a grade of 6 g/t to an inclined depth of 60 m, the overall dip of the ore zone being steep to near-vertical.

The Company intends to undertake further drilling of this section of the Homase trend, including Pits 1-4, targeting the primary ore at vertical depths of 50-120 m, with the objective of exploiting the deeper ore via the existing open-pitting operation.

Exploration development of the formerly producing Akrokeri Underground Mine remains a key pillar of our expanded exploration strategy. In April 2023 the Company provided a comprehensive update on the diamond drilling undertaken in 2022 at Akrokeri. This diamond drilling programme at Akrokeri, confirmed 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, with significant intercepts 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.

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Key findings of the drilling, which comprised a total of 20 diamond drillholes, 14 probing the southern extension of the South Shaft and the remaining six holes around the North Shaft, showed the wide mineralised lode hosting gold at 4.1m @ 11.01 g/t, including 1m @ 41.04 g/t in hole 22AKDD002. The results give strong grounds for continued exploration and further core drilling at Akrokeri.

Corporate and Financial Review

Losses from operations for the 12 months to 31 December 2023 were US\$2,687,330 (2022: loss US\$674k).

The financial statements at year end show the Group's balance sheet, with net assets standing at US\$9.2 million against net assets of US\$12.8 million at the end of the previous year.

Cash and cash equivalents as at 31 December 2023 were US\$121k (2022: US\$113k).

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 requirements and potential future funding. The accounts and forecasts are regularly reviewed and challenged by the Board.

Post Period Developments

On 3 January 2024, the Company announced a Standstill Agreement with AIMSL in respect of its gold loan agreement to 29 June 2024, which was subsequently extended to 31 December 2025. In January 2024, the Company also appointed Angela List as Chair of the Board, and for an operational management team to be mobilised to GoldStone's operations. The Standstill Agreement allowed for the Company to complete a fundraising which raised gross proceeds of £834,000, as announced on 23 May 2024 (the "Fundraise").

In addition to the fundraising, AIMSL 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"), 52,800,000 Conversion Shares were allotted, representing approximately 300 oz of the 578.4 oz of gold interest accrued on the Gold Loan to 31 December 2023. This is in order to ensure AIMSL's interest in the Company remains below 30% of the Company's issued share capital on Admission. The balance of the Conversion Shares will be issued to AIMSL in due course on the same terms at such

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time as this can be achieved without increasing AIMSL's interest in the Company's Ordinary Shares above 30%. The resulting share issue to AIMSL is 194,800,000 ordinary shares representing 29.68%.

As part of the Standstill Agreement, Mr Campbell Smyth was appointed as a Non-Executive Director, as the nominee director of AIMSL on the 5 June 2024.

In 2024 to date, the Company has produced approximately 1,350oz, averaging 225 oz of gold per month, from the Homase Mine in 2024 to date, and the Board believes production can be maintained at least at this rate over the coming months. The Company may, in due course, seek to raise additional capital to support increasing its rate of production and additional exploration activities to increase the Company's resource base, and to reduce creditors.

Risk management

The Board has identified the following as being principal strategic and operational:

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 country of operation is 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 regulation 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 2023 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, which holds the secured Gold Loan of 2,000 troy ounces, @ USD1,500/ounce, evaluating to US\$3.0 million, supported the Group by agreeing to a number of deferments of interest payments throughout 2021 and 2022, and 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

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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 Chair and operational team at the Homase mine.

The Company announced on 23 May 2024 that it has raised £834,000 before expenses by way of a Subscription of, in aggregate, 83,400,000 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. AIMSL, subscribed for 20 million ordinary shares, taking their holding to 142 million ordinary shares.

In addition to the fundraise, AIMSL 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"), 52,800,000 Conversion Shares were allotted, representing approximately 300 oz of the 578.4 oz of gold interest accrued on the Gold Loan to 31 December 2023. This is in order to ensure AIMSL's interest in the Company remains below 30% of the Company's issued share capital on Admission. The balance of the Conversion Shares will be issued to AIMSL in due course on the same terms at such time as this can be achieved without increasing AIMSL's interest in the Company's Ordinary Shares above 30%. The resulting share issue to AIMSL is 194,800,000 ordinary shares representing 29.68%.

The Board believes that the Fundraise, in conjunction with the Group's ongoing revenues and creditor arrangements, provides sufficient working capital for continued operations.

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 2023.

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 2023, the Company has an issued share capital of 498,513,333 ordinary shares of 1 penny each (31 December 2022: 496,190,047 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 with a material uncertainty related to going concern. In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information for the foreseeable future; in particular for the 12 months from the date of approval of these financial statements. This assessment included consideration of future revenues as the Group has recommenced gold production, and will be building production up with existing cash resources and available facilities.

The Group had available cash of US\$121k as at 31 December 2023 (2022: US\$113k).

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 31 December 2023 amounted to, in

aggregate, 2,630 ounces of gold) cannot be repaid or rescheduled prior to 31 December 2025, security over the Company's primary assets could potentially be enforced.

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 stacking 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 23 May 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 2023 (year ended 31 December 2022: US\$ nil).

events after the reporting period

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

director's report

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 2023	Percentage shareholdings as at 31 December 2023	Percentage shareholdings as at 31 December 2022
Bill Trew*	5,442,465	1.09%	0.81%
Emma Priestley	5,196,658	1.05%	1.05%
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	11,807,241	2.37%	2.09%

* 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 2023, representing 25.2%. Together with his direct interest Bill Trew and Paracale Gold Limited shareholdings' represented 26.3% as at 31 December 2023 and 30 June 2024.

Mr Trew stepped down as a director 1 April 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 2023. Together with her direct interest Angela List and Nguvu Holdings Limited shareholding's represented 12% as at 31 December 2023.

No director held any share options at the year-end (2022: Nil).

Post period end, the following directors converted accrued fees as follows, which was announced 10 April 2024:

Director	Existing holding of Ordinary Shares 31 December 2023	No. of Director Fee Conversion Shares	Resulting holding of Ordinary Shares	Resulting percentage of Enlarged Share Capital
Emma Priestley	5,196,658	6,250,000	11,446,658	1.74
Angela List*	59,920,660	1,760,000	61,680,660	9.40
Richard Wilkins	320,660	1,760,000	2,080,660	0.32

* Angela List's interest includes that of Nguvu Holdings Limited, a company of which she is a director and major shareholder, which is currently holds an interest in 59,600,000 Ordinary Shares, representing approximately 9.4% of the Company's current issued share capital.

major shareholdings

director's report

As at 31 December 2023, 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	25.2%
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%

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.

director's report

Since the year end, the Audit and Compliance Committee has met further with the auditor to consider the 2023 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 16-19.

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.

corporate governance report

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 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.

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:

2023 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.

corporate governance report

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 2023 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

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

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of GoldStone Resources Limited and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information. 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 2023 and of its result 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 thus were unable to observe the counting of physical inventories at the end of the year of that financial year. We were unable to obtain sufficient appropriate evidence in respect of the existence and valuation of the inventory balances held at 31 December 2022 of \$114,376 by alternative means. This amount forms part of the cost of sales amount for the year ended 31 December 2023 of \$936,480 and any adjustment to the opening inventory amount would have a corresponding adjustment to cost of sales and the result for the year ended 31 December 2023. Consequently we were unable to determine whether any adjustment to this amount is 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 provide 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.

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 with a material uncertainty related to going concern. This assessment has taken into account 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 future revenues as the Group recommenced gold production and is building production up with existing cash resources and available facilities. 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 directors' 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 on 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 reasonableness of supporting cash flow forecast; 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

Key Audit Matter	How the matter was addressed in the audit
<p><i>Risk of fraud in revenue recognition</i></p> <p>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.</p> <p>The Group's main source of income is the sale of gold.</p> <p>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.</p>	<p>Our main audit procedures in respect of revenue recognition were as follows:</p> <ul style="list-style-type: none"> ▪ 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 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 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. <p>Key Observations</p> <p>We did not note 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.</p>
<p><i>Risk of Material Misstatement in the Existence and Valuation of the producing mine</i></p> <p>The Group's property, plant and equipment balance is mainly comprised of the producing mine, for which the assessment for any internal and external indications of potential impairment, involved 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.</p> <p>Considering the nature and significance of the producing mine for the operations of the Group, there is a risk that the asset is non-existent, and its value may not be reasonable.</p>	<p>Our main audit procedures were as follows:</p> <ul style="list-style-type: none"> • We engaged a Ghana-based firm, through our component auditor, to perform physical inspection of the producing mine; • We performed independent lapsing 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 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. <p>Key Observations</p> <p>We did not note any material issues arising from the procedures performed in this area. We concluded that the accounting for the producing mine was in accordance with the requirements of UK-adopted International Accounting Standards.</p>

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

Key Audit Matter	How the matter was addressed in the audit
<p><i>Risk of Material Misstatement in the Valuation of the provision for rehabilitation</i></p> <p>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 not appropriate.</p>	<p>Our main audit procedures were as follows:</p> <ul style="list-style-type: none"> • We performed a review of the independent valuation report. • We performed a re-calculation of the Present Value of the estimated value of future rehabilitation. <p>Key Observations</p> <p>We did not note 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.</p>

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 \$300,000 based on a calculation of 1.5% 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.

Communication of misstatements to the Board:

We agreed with the Directors that any misstatement above \$15,000 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Goldstone Resources Limited Annual Report and Consolidated Financial Statements" set out on pages 2 to 21 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.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE RESOURCES LIMITED (CONTINUED)**Matters on which we are Required to Report by Exception.**

Except for the matter 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, 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 20, 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 responsibility is to conduct an audit of the consolidated financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Qualified Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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: 28/6/24

consolidated statement of financial position

as at 31 December 2023

<i>in united states dollars</i>	note	31 December 2023	31 December 2022
Assets			
non-current assets			
property, plant and equipment	9	19,429,551	19,967,587
total non-current assets		19,429,551	19,967,587
current assets			
inventory	12	2,189,375	114,376
trade and other receivables	11	407,455	870,468
cash and cash equivalents	13	121,432	113,312
total current assets		2,718,262	1,098,156
total assets		22,147,813	21,065,743
Equity			
share capital – ordinary shares	15	6,865,393	6,836,778
share capital – deferred shares	15	6,077,013	6,077,013
share premium	15	35,218,946	35,143,117
foreign exchange reserve	15	(6,910,817)	(5,930,054)
capital contribution reserve	15	555,110	555,110
share options reserve	15, 17	-	-
accumulated deficit	15	(32,584,552)	(29,897,222)
total equity		9,221,093	12,784,742
Liabilities			
non-current liabilities			
provision for rehabilitation	14	821,622	821,622
total non-current liabilities		821,622	821,622
current liabilities			
trade and other payables	19	3,972,329	3,647,352
Borrowings	18	8,132,769	3,812,027
total current liabilities		12,105,098	7,459,379
total liabilities		12,926,720	8,281,001
total equity and liabilities		22,147,813	21,065,743

The accounting policies and notes on pages 34 to 63 form part of these consolidated financial statements. The consolidated financial statements were approved by the Board of directors on
Signed on behalf of the Board of directors.

Emma Priestley
chief executive officer

consolidated statement of comprehensive income

for the year ended 31 December 2023

<i>in united states dollars</i>	<i>note</i>	year ended 31 December 2023	year ended 31 December 2022
revenue	5	2,197,660	8,902,549
cost of sales	7	(936,480)	(5,746,204)
Gross profit		1,261,180	3,156,345
expenses	7	(2,559,369)	(3,319,225)
operating loss	7	(1,298,189)	(162,880)
finance costs	8	(1,389,141)	(511,533)
loss before and after tax from continuing operations		(2,687,330)	(674,413)
<i>items that may be reclassified subsequently to profit and loss:</i>			
foreign exchange translation movement		(980,763)	(4,597,658)
total comprehensive loss for the year		(3,668,093)	(5,272,071)
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)	16	(0.005)	(0.001)

The accounting policies and notes on pages 34 to 63 form part of these consolidated financial statements.

consolidated statement of changes in equity

for the year ended 31 December 2023

<i>in united states dollars</i>	<i>note</i>	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 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)
loan derivative movement		-	-	-	-	-	-	-	-
total comprehensive loss for the year		-	-	-	(4,597,658)	-	-	(674,413)	(5,272,071)
warrants granted in period		-	-	-	-	-	-	-	-
warrants exercised in period		251,885	-	497,875	-	-	-	-	749,760
share issue		201,680	-	1,109,858	-	-	-	-	1,311,538
transfer	15	-	-	-	-	-	(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
total loss for the year		-	-	-	-	-	-	(2,687,330)	(2,687,330)
translation movement		-	-	-	(980,763)	-	-	-	(980,763)
total comprehensive loss for the year		-	-	-	(980,763)	-	-	(2,687,330)	(3,668,093)
warrants granted in period	17	-	-	-	-	-	-	-	-
warrants exercised in period	17	-	-	-	-	-	-	-	-
share issue	15	28,615	-	75,829	-	-	-	-	104,444
transfer	15	-	-	-	-	-	-	-	-
Balance as at 31 December 2023		6,865,393	6,077,013	35,218,946	(6,910,817)	555,110	-	(32,584,552)	9,221,093

The accounting policies and notes on pages 34 to 63 form part of these consolidated financial statements.

consolidated statement of cash flows

for the year ended 31 December 2023

<i>In united states dollars</i>	<i>note</i>	year ended 31 December 2023	year ended 31 December 2022
cash flow from operating activities			
operating loss for the year before and after tax		(2,687,330)	(674,413)
adjusted for:			
- finance costs	8	1,389,141	511,533
- depreciation	9	288,653	272,404
- gold loan settlement		(10,529)	(1,191,427)
- director and senior management fees		104,444	245,839
- foreign exchange differences		452,145	812,410
- changes in working capital		(1,287,006)	645,290
net cash generated by/(used in) operating activities		(1,750,482)	621,636
cash flow from investing activities			
acquisition of property, plant and equipment	9	(1,183,526)	(1,593,787)
net cash used in investing activities		(1,183,526)	(1,593,787)
cash flow from financing activities			
proceeds from loan note issues	18	2,942,128	-
repayment from bond issues	18	-	-
proceeds from share issues		-	748,939
net cash generated from financing activities		2,942,128	748,939
net decrease in cash and cash equivalents		8,120	(223,212)
cash and cash equivalents at beginning of the year	13	113,312	336,524
cash and cash equivalents at end of the year	13	121,432	113,312

consolidated statement of cash flows

for the year ended 31 December 2023

<i>in united states dollars</i>	year ended 31 December 2022	cash flows	other non-cash changes	year ended 31 December 2023
net cash:				
cash at bank and in hand	113,312	8,120	-	121,432
debt:				
shareholder loan	-			
gold loan	(2,906,262)	10,529	(504,120)	(3,399,853)
derivative	(905,765)	-	(657,996)	(1,563,761)
loan notes	-	(2,942,128)	(227,027)	(3,169,155)
	(3,812,027)	(2,931,599)	(1,389,143)	(8,132,769)
net debt:	(3,698,715)	(2,923,479)	(1,389,143)	(8,011,337)

Other non-cash changes relate to interest accruing on the gold loan.

<i>in united states dollars</i>	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)

The accounting policies and notes on pages 34 to 63 form part of these consolidated financial statements.

notes to the consolidated financial statements

1. reporting entity

The consolidated financial statements for the year ended 31 December 2023 (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 2023 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\$121k as at 31 December 2023 (2022: US\$113k).

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, the conditions of which included a plan to repay the loan from July 2024 and a change in Chairman and the operational team at the Homase mine. A further agreement then extended the standstill period 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.

notes to the consolidated financial statements

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. 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 31 December 2023 amounted to, in aggregate, 2,449 ounces of gold) as of 10 April 2024, the Company extended 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 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 has improved 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.

notes to the consolidated financial statements

2. basis of preparation (continued)

(b) going concern (continued)

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 83,400,000 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.

notes to the consolidated financial statements

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.

notes to the consolidated financial statements

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 warrants and the employee share option scheme is calculated at the grant date using the intrinsic value as the share price never exceeded the warrant exercise price. 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 2023. 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.

notes to the consolidated financial statements

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.

notes to the consolidated financial statements

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. The loan is repayable in ounces of gold at a pre-determined rate, with interest accruing in ounces. Gold prices at the year end are used to convert these amounts into a US dollar value. Ounces of mined gold used as repayment are recorded and recognised as revenue in the financial statements.

(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 intrinsic value as the share price never exceeded the warrant exercise price. 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.

notes to the consolidated financial statements

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, 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.

notes to the consolidated financial statements

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.

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.

notes to the consolidated financial statements

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).

notes to the consolidated financial statements

3. significant accounting policies (continued)

(j) inventories (continued)

Finished goods consist of doré 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.

notes to the consolidated financial statements

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 2023:

- Amendments to IFRS 17, IAS 8, IAS 1 and IAS 12.

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;

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between and investor and its associate or joint venture;
- Amendments to IFRS 16: Lease liability in a sale and leaseback;
- Amendments to IAS 1: Non-current liabilities with covenants;

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.

<i>in united states dollars</i>	31 December 2023	31 December 2022
gold bullion concentrate	2,196,340	8,894,210
silver bullion concentrate	1,320	8,339
Total	2,197,660	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\$10,529 (2022: US\$1,191,427) used to repay the Gold Loan Facility, set out in the Consolidated Statement of Cash Flows and in note 18.

notes to the consolidated financial statements

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 2023

<i>in united states dollars</i>	exploration	corporate	total per consolidated statement of comprehensive income/statement of financial position
reportable segment revenue	2,197,660	-	2,197,660
reportable segment cost of sales	(936,480)	-	(936,480)
reportable segment expenditure	(1,543,271)	(2,405,239)	(3,948,510)
reportable segment profit/(loss)	(282,091)	(2,405,239)	(2,687,330)
reportable segment non- current assets	19,429,551	-	19,429,551
reportable segment current assets	2650,999	67,263	2,718,262
reportable segment liabilities	(4,387,551)	(8,539,169)	(12,926,720)

notes to the consolidated financial statements

6. operating segments (continued)

information about reportable segments for the year ended 31 December 2022

<i>in united states dollars</i>	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)

7. expenses by nature

<i>in united states dollars</i>	31 December 2023	31 December 2022
cost of sales		
community, environmental and H&S costs	128,956	239,291
engineering and maintenance	224,230	457,183
mining costs including stock movement	(977,065)	2,314,661
processing costs	1,326,897	2,442,833
human resource costs	233,462	292,236
Total	936,480	5,746,204
<i>in united states dollars</i>	31 December 2023	31 December 2022
administrative expenses		
finance and administration costs	2,559,369	3,319,225
Total	2,559,369	3,319,225

The operating loss is stated after charging:

<i>in united states dollars</i>	year ended 31 December 2023	year ended 31 December 2022
auditor's remuneration in respect of audit of the financial statements		
- group auditor	39,312	50,645
- subsidiary auditor	154	9,450
depreciation	288,653	272,404
foreign exchange difference	637,154	812,410

notes to the consolidated financial statements

8. finance costs

<i>in united states dollars</i>	year ended 31 December 2023	year ended 31 December 2022
loan derivative and interest	1,389,141	511,533
Total	1,389,141	511,533

9. property, plant and equipment

31 December 2023				
<i>in united states dollars</i>	cost	accumulated depreciation	accumulated exchange movement	carrying value
producing mine*	22,098,874	(158,123)	(3,866,864)	18,073,887
gold samples	4,570	-	-	4,570
computer equipment	71,881	(54,898)	(2,301)	14,682
office equipment	125,847	(125,852)	5	-
field/geological equipment	1,914,238	(410,412)	(194,323)	1,309,503
motor vehicles	82,894	(52,506)	(3,479)	26,909
Total	24,298,304	(801,791)	(4,066,962)	19,429,551

31 December 2022				
<i>in united states dollars</i>	cost	accumulated depreciation	accumulated exchange movement	carrying value
assets under construction*	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

notes to the consolidated financial statements

9. property, plant and equipment (continued)

reconciliation of property, plant and equipment – 31 December 2023

<i>in united states dollars</i>	carrying value opening balance	additions	depreciation	exchange movement	transfer	carrying value ending balance
assets under construction*	-	-	-	-	-	-
producing mine*	19,027,697	418,321	15,523	(1,356,608)	-	18,073,887
gold samples	4,570	-	-	-	-	4,570
computer equipment	21,735	1,086	5,838	(2,301)	-	14,682
office equipment	7,416	8,021	15,442	5	-	(0)
field/geological equipment	878,540	742,392	240,903	(70,526)	-	1,309,503
motor vehicles	27,629	13,706	10,947	(3,479)	-	26,909
Total	19,967,587	1,183,526	288,653	(1,432,909)	-	19,429,551

reconciliation of property, plant and equipment – 31 December 2022

<i>in united states dollars</i>	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

* Includes a provision for rehabilitation costs of \$821,622 (2022: \$821,622). The opening balance includes transfer from intangible assets of \$15,086,412 (refer to note 10).

Exchange losses on opening assets of \$1,432,908 (2022: \$2,634,053) were recognised in the financial statements.

notes to the consolidated financial statements

10. 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.

11. trade and other receivables

<i>in united states dollars</i>	31 December 2023	31 December 2022
trade receivables	(160,142)	405,414
other receivables	567,597	465,054
Total	407,455	870,468

notes to the consolidated financial statements

12. inventory

<i>in united states dollars</i>	31 December 2023	31 December 2022
gold in process	-	-
gold on hand	-	-
ore stockpile	2,069,704	85,098
consumables	119,671	29,278
Total	2,189,375	114,376

At the Homase Mine Heap Leach Operation, from the process recovery sheet, it has been calculated that there is 25.3 kilos of gold, 813.29 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 and classed within the stockpile. The gold price as at 31 December 2023 was USD2063.45.

The GIP calculated for 2022 was calculated as 66.3 kilos which was valued as zero due to 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. Therefore the 2022 GIP was incorporated into the current JORC Resource, at 602,000 ounces.

13. cash and cash equivalents

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

<i>in united states dollars</i>	31 December 2023	31 December 2022
sterling	48,468	5,557
US dollars	42,086	55,170
ghana cedis	30,878	52,585
Total	121,432	113,312

notes to the consolidated financial statements

14. provision for rehabilitation

<i>in united states dollars</i>	31 December 2023	31 December 2022
1 January	821,622	901,284
additions	-	-
movement in discount rate	-	(79,622)
Total	821,622	821,622

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

15. capital and reserves

(a) share capital

	31 December 2023	31 December 2022
ordinary shares		
called up, allotted and fully paid		
498,513,333 ordinary shares of 1 penny each (31 December 2022: 496,190,047)	£4,985,133	£4,961,901
converted to united states dollars at date of issue	\$6,865,393	\$6,836,778
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 2022: 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 2022: 1,000,000,000) authorised ordinary 1 penny shares	£10,000,000	£10,000,000

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

		Number of Shares	Nominal Value	Share premium
1 January 2023	Opening balance	496,190,047	\$6,836,778	\$35,143,117
31 January 2023	Shares at 3.65p share	2,323,286	£23,233	£61,567
	Converted to United States Dollars at date of issue	-	\$28,615	\$75,829
31 December 2023	Closing balance	498,513,333	\$6,865,393	\$35,218,946

notes to the consolidated financial statements

15. 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 (2022: 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.

notes to the consolidated financial statements

16. earnings per share

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the losses attributable to ordinary shareholders of US\$2,687,330 (2022: US\$674,413), and an average number of ordinary shares in issue of 498,513,333 (2022: 474,744,043).

	31 December 2023	31 December 2022
loss attributable to shareholders (in US\$)	(2,687,330)	(674,413)
weighted average number of ordinary shares	498,513,333	474,744,043
basic and diluted earnings per share (in US\$)	(0.005)	(0.001)

17. share based payment arrangements

At 31 December 2023, 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 2023 or 31 December 2022.

(b) reconciliation of outstanding share options

There are no options outstanding at 31 December 2023 or 31 December 2022.

notes to the consolidated financial statements

17. 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.

There were 60,000,000 warrants granted 27 January 2023 for a two-year period following the grant date. The value of the warrants issued was valued at \$nil. As the share price was never above the exercise price of the warrant in the financial year ended 31 December 2023, this the intrinsic value was a negative amount, coupled with the fact that the company was suspended for 6 months of the financial year.

reconciliation of outstanding warrants

the number and weighted average exercise prices

	number of warrants	weighted average exercise price	number of warrants	weighted average exercise price
	31 December 2023	31 December 2023	31 December 2022	31 December 2022
outstanding as at 1 January	-	-	26,000,000	3.0p
granted during the year	60,000,000	4.0p	-	-
lapsed during the year	-	-	(6,000,000)	-
exercised during the year	-	-	(20,000,000)	3.0p
outstanding at 31 December	60,000,000	4.0p	-	-
exercisable at 31 December	60,000,000	4.0p	-	-

The warrants outstanding as at 31 December 2023 have a weighted exercise price of 4.0p and weighted average life was 1 year.

notes to the consolidated financial statements

17. 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 18 for further details. The amount capitalised during the year was US\$nil (2022: US\$nil).

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 18 for further details. The amount capitalised during the year was US\$nil (2022: US\$nil).

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 18 for further details. The amount capitalised during the year was US\$nil (2022: US\$nil).

18. borrowings

<i>in united states dollars</i>	31 December 2023	31 December 2022
gold loan	3,399,853	2,906,262
loan derivative	1,563,761	905,765
loan notes	3,169,155	-
current borrowing	8,132,769	3,812,027

Loan notes

On 27 January 2023 the parent Company, Goldstone Resources Limited ("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 Goldstone Akrokeri Limited ("GAK") 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

notes to the consolidated financial statements

18. borrowings (continued)

Loan Notes (continued)

- 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.

Gold Loan

The Company entered into a loan agreement with Asian Investment Management Services Limited ("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.

As part of the fundraise, on 23 May 2024, AIMSL 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"), 52,800,000 Conversion Shares were allotted, representing approximately 300 oz of the 578.4 oz of gold interest accrued on the Gold Loan to 31 December 2023. This is in order to ensure AIMSL's interest in the Company remains below 30% of the Company's issued share capital on Admission. The balance of the Conversion Shares will be issued to AIMSL in due course on the same terms at such time as this can be achieved without increasing AIMSL's interest in the Company's Ordinary Shares above 30%. The resulting share issue to AIMSL is 194,800,000 ordinary shares representing 29.68%.

notes to the consolidated financial statements

19. trade and other payables

<i>in united states dollars</i>	31 December 2023	31 December 2022
trade payables	1,937,595	1,513,058
other payables	984,918	971,948
accruals	1,049,816	1,162,346
Total	3,972,329	3,647,352

20. contingent liabilities

Goldstone Akrokeri Limited has a contingent liability for 2,913,448 Ghanian Cedi equivalent to US\$ 191,007 to cover the litigation cases for alleged land and crop compensation disputes.

21. financial instruments

(a) financial risk management

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.

notes to the consolidated financial statements

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 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 2023	reporting date spot rate 2023	average rate 2022	reporting date spot rate 2022
Sterling to US dollars	1.247	1.273	1.229	1.210
Ghanaian Cedis to US dollars	0.086	0.084	0.110	0.101

A strengthening (weakening) of GBP or GHS against all other currencies at 31 December 2023 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.

<i>in united states dollars</i>	equity strengthening 2023	equity weakening 2023	equity strengthening 2022	equity weakening 2022
ghanaian cedis 10% (2022: 10%)	1,757,458	(1,757,458)	1,569,844	(1,569,844)
Total	1,757,458	(1,757,458)	1,569,844	(1,569,844)

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.

notes to the consolidated financial statements

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 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:

<i>in united states dollars</i>	31 December 2023	31 December 2022
Director's remuneration: executive – E Priestley – cash	85,000	77,500
Director's remuneration: executive – E Priestley – shares	-	24,500
Director's remuneration (accrued fee): executive – E Priestley	90,000	25,500
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	28,000	9,000
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	42,000	27,000
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	28,000	9,000
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	28,000	9,000
Director's remuneration (accrued BIK): non-executive – O Fenn	-	3,750
total	301,000	251,625

The total amount payable to the highest paid director in respect of emoluments was US\$175,000 (2022: US\$127,500). No directors exercised any share options during the year (2022: 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.

notes to the consolidated financial statements

22. related parties (continued)

During the year, certain of the Company Directors agreed to convert, in aggregate US\$64,846 of outstanding fees accrued and unpaid to 31 December 2022 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.

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
W Trew	129,656,575	1,442,465	131,099,040	26.3%

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\$104,620 (2022: US\$329,288), 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 2023	ownership interest 2022
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

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 raised £834k before expenses by way of a Subscription of, in aggregate, 83,400,000 new Ordinary Shares of 1 penny par value each in the capital of the Company at a price of 1 penny per Ordinary 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").

The Company received funds in respect of its subscription to raise total gross proceeds of £834,000, and accordingly, issued 83,400,000 Subscription Shares, 52,800,000 Conversion Shares, 14,090,000 Director Fee Conversion Shares and 7,500,000 Adviser Fee Shares, with corresponding 104,990,000 Warrants.

As a result of, *inter alia*, completion of the Fundraise, and following publication of the Accounts on 10 April 2024, trading in the Company's Ordinary Shares on AIM was restored at 7.30 a.m. on 23 May 2024.

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.

It was announced on 5 June 2024, that as part of the Standstill Agreement, Mr Campbell Smyth was appointed as a Non-Executive Director, as the nominee director of AIMSL.