ABOSSO GOLDFIELDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2023

CONTENTS **PAGE(S)**

Corporate information 1

Corporate governance report 2 - 3

Report of the directors 4 - 5

Technical report 6 - 9

Independent auditor's report 10 - 12

Financial Statements:

Statement of comprehensive income 13

Statement of financial position 14 - 15

Statement of changes in equity 16

Statement of cash flows 17

Notes 18 - 66

CORPORATE INFORMATION

BOARD OF DIRECTORS	Michael John Fraser (Appointed on 1 January 2024) Elliot Twum (Acting Managing Director, Appointed on 1 May 2024) Alhassan Andani Kofi Ansah Kwasi Abeasi Isaac Yaw Opoku Martin Preece (Ag. Chairman, Resigned on 31 December 2023) Joshua Mortoti (Managing Director, Resigned on 25 March 2024) John Mawuli Ababio (Resigned on 5 May 2024)
SECRETARY	Michael Edem Akafia 7 Dr. Amilcar Cabral Road P. O. Box KA 30742 Airport Residential Area Accra
INDEPENDENT AUDITOR	PricewaterhouseCoopers Chartered Accountants PwC Tower, A4 Rangoon Lane Cantonments City PMB CT42 Cantonments Accra
REGISTERED OFFICE	7 Dr. Amilcar Cabral Road P. O. Box KA 30742 Airport Residential Area Accra
REGISTRATION NUMBER	38054

CORPORATE GOVERNANCE REPORT

Introduction

Abosso Goldfields Limited, (the "Company"), is committed to upholding good corporate governance in all of its business dealings with relevant stakeholders. All board members are expected to act in a professional manner, thereby upholding ethical values with due respect to their fiduciary duties and responsibilities and in accordance with the Company's code of ethics.

The Company is a member of the Gold Fields Group and as such supports and adheres to the corporate governance requirements and the code of corporate practices and conduct of the Gold Fields Group.

The directors

The Company has six directors. The directors meet periodically if required. Non-executive directors receive no other remuneration from the Company for their services as directors other than their fees. The non-executive directors are five (5) high calibre professionals.

The directors retain full and effective control over the Company. The directors have unrestricted access to the advice and services of the company secretary and the management team. The directors are entitled to seek independent professional advice concerning the affairs of the Company, if required, at the Company's expense.

Health, safety and environment

The Company is committed to working towards the prevention of all mining related accidents and the protection of the environment. Health, safety and environmental performance are reviewed regularly at management meetings. At the operational level, management and health and safety committees seek to enhance risk awareness, monitor performance on a regular basis and ensure that the Company's operations are in compliance with all health, safety and environmental regulations. The Company has achieved ISO 14001 and OHSAS 18001 status and regular reviews and audits by internal and external specialists are carried out to maintain this certification. The Company has also achieved International Cyanide Management Code certification.

Internal control

Internal control is strengthened through the proper delegation of responsibility within a clearly defined approval framework, effective accounting procedures and adequate segregation of duties. The Company's internal control and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain the accountability of its assets.

The Company uses the Gold Fields Group internal audit service to monitor the operation of the internal control system or specific parts thereof. The Company also obtains, where relevant, reports of internal control weaknesses identified by the external auditor while carrying out the audit of the financial statements. Corrective action is taken to address deficiencies or weaknesses as and when they are identified.

CORPORATE GOVERNANCE REPORT (continued)

Code of ethics

The Company has a code of ethics that applies to all of its directors and employees, who are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which, in all reasonable circumstances, is above reproach.

Risk management

The Company has adopted the risk management programme of the Gold Fields Group. The programme recognises that the Company's focus remains on the management of all risks that could significantly affect the achievement of the Company's objectives, including those related to the assurance of a safe working environment, the protection of assets, the continued generation of shareholder value and the maximisation of the risk-reward relationship presented by strategic opportunities. The risk management process presently employed recognises that sustainable growth of a business is inextricably linked to risk and that the most successful companies in the sector will be those that identify and manage their risks holistically and in time. This helps the Company to comply with its responsibilities to its customers, shareholders, employees, suppliers and the communities within which it operates.

The risk assessment process is refined on an ongoing basis to promote the formulation of appropriate strategies and initiatives that address the dynamic nature of risk.

The Company also participates in surveys by external consultants to regularly review loss prevention strategies and elements of control employed to manage areas of pure operational risks.

The Company has an insurance for events that are severe in nature, although infrequent, and which are usually beyond the control of management.

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2023.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year that give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss and cash flows for that year. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and complied with the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have no plans or intentions, for example to dispose of the business or cease operations, that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. Based on our assessment, nothing has come to the attention of the directors that indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Principal activities

The Company, which is incorporated in Ghana, conducts gold mining operations in the Abosso-Damang area of the Western Region of Ghana consisting of surface mining operations with an adjacent milling and recovery plant. Exploration to locate further reserves for additional mining projects as well as extension of existing ones is an ongoing process. There was no change in the nature of the Company's business during the year.

Shareholders

Gold Fields Company Holdings Limited, a company incorporated in South Africa, holds 90 percent of the Company's issued shares**.** The ultimate holding company is Gold Fields Limited, a company incorporated in South Africa.

The Government of Ghana holds the remaining 10% of the issued shares of the Company.

Financial statements review

The state of affairs of the Company for the year ended 31 December 2023 is as follows:

	US$000	GH¢000
Loss before tax	46,421	542,652
Loss after tax	53,703	627,777
Total assets	331,440	3,964,022
Total liabilities	98,907	1,182,928
Total equity	232,533	2,781,094

REPORT OF THE DIRECTORS (continued)

Dividend

The directors recommended an interim dividend for 2023 of US$10 million to its shareholders in January 2023. As a requirement of the development agreement between the Company and the Government of Ghana (GoG), the Company is expected to pay 5% of its net profit after tax to the Government of Ghana in any year where there is no dividend declaration. The Company did not provide any guaranteed dividend because it made a loss and dividend was declared and paid in FY2023.

Particulars of entries in the Interests Register during the financial year

No director had any interest in contracts and/or proposed contracts with the Company for the year ended 31 December 2023, hence there were no entries recorded in the interests register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate social responsibility

The Company committed a total of about US$0.43 million; GH¢5.10 million (2022: US$2.25 million; GH¢19.39 million) towards corporate social responsibility programmes with key focus on education, health, financial inclusion and others.

Capacity building of directors

On appointment to the Board, directors are provided with full, formal, and tailored programmes of induction, to enable them gain in-depth knowledge about the Company's business, risks and challenges faced, economic knowledge and the legal and regulatory environment in which the Company operates. Programmes on strategic and other reviews, together with the other training programmes provided during the year, ensured that directors continually updated their skills, knowledge, and familiarity with the Company's business. This further provided insights about the industry and other developments to enable them effectively fulfil their role on the Board and its sub-committees.

Auditor

The Company's auditor, PricewaterhouseCoopers, has expressed willingness to continue in office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992). Audit fee for the year ended 31 December 2023 was US$261,453; GH¢3,126,978.

BY ORDER OF THE BOARD

Name of director: ANDANI AL-HASSAN **Name of director:** KWASI ABEASI

Signature: **Signature:**

Date: 16/07/2024

TECHNICAL REPORT

1.1 PRODUCTION RESULTS

Item	Units	Year ended 31 December	Year ended 31 December	Variance %
		2023	2022	
Ore mined	Tonnes	**3,565,692**	5,872,317	-39%
Waste and low grade mined	Tonnes	**6,483,609**	15,435,745	-58%
Total mined	Tonnes	**10,049,301**	21,308,062	-53%
Ore milled	Tonnes	**4,820,891**	4,783,698	1%
Grade	g/t Au	**1.10**	1.49	-26%
Recovery	%	**92.1%**	91.2%	1%
Head Grade	g/t Au	**1.07**	1.63	-34%
Gold produced	Kg	**4,746**	7,154	-34%
Gold produced	Oz	**143,278**	230,001	-38%
Gold sold	Kg	**4,747**	7,121	-33%
Gold sold	Oz	**152,632**	228,944	-33%

1.2 KEY FINANCIAL HIGHLIGHTS

Financial figures in US$'000	Year ended 31 December	Year ended 31 December	Variance %
	2023	2022	
Revenue	**296,979**	**414,828**	-28%
Costs and expenses	**301,771**	**286,060**	5%
Total operating costs	160,304	172,323	-7%
Other gain - net	-	(3,948)	100%
Depreciation and amortisation expenses	80,509	97,132	-17%
Net finance costs	4,824	5,017	-4%
Government royalties	11,879	16,593	-28%
Other income	**(3,788)**	**2,633**	-244%
Net (loss)/profit before tax	**(46,421)**	**131,401**	-135%

Gold revenue decreased by 28% in the current year compared to the previous year. The decrease in revenue was because of the decrease in the ounces of gold produced and sold from 254,409oz to 228,944oz. The All-in cost for the year was US$1,679/oz (2022: US$1,083/oz).

TECHNICAL REPORT (continued)

1.2 CAPITAL EXPENDITURES

Financial figures in US$ '000	Year to date December 2023	Project commencement date to 31 December 2023
Capital work projects – closed out		
Buildings and infrastructure	186	11,479
Plant and equipment	5,366	171,371
Office furniture and equipment and intangible asset	-	8,466
Mine property and development in production	7,114	797,419
Right-of-use assets	(10,469)	40,687
Sub total	**2,197**	**1,029,422**
Capital work in progress – current year		
Ongoing projects	(9,201)	10,818
Sub total	**(9,201)**	**10,818**
Total	**(7,004)**	**1,040,240**

1.3 SAFETY AND ENVIRONMENT

The Company did not record any fatality in 2023. One (1) Lost Time Injury was recorded. No Serious Injuries, No Restricted Work Injuries and No Medically Treated Injuries were recorded. 630,909 fatality-free shifts had been worked as at 31 December 2023. The total recordable injury frequency rate for 2023 was 0.18.

There were five level one (1) environmental incidents recorded in 2023.The incidents were impact on fauna, release to air and loss of containment. All of these incidents had a minimal environmental impact and none of the incidents exceeded compliance obligations.

1.5 COMMUNITY AFFAIRS

The Foundation in 2023 invested US$1,110,513 in the host communities of Damang. The health and wellbeing sector received investment of US$43,579 representing 4% of the total spend for the year. The programmes sponsored under this sector included a medical outreach event at Bompieso. Adolescent sexual and reproductive health programmes were also held in the host communities. To mark World Clean Up day, the Foundation partnered with the youth associations of Damang, Aboso and Huni Valley to organize clean up exercises in these communities.

Infrastructure development continued to enjoy the larger share of host community investment. In 2023, 39% of the Foundation's spend went into the tarring of 1.7Km town roads in Damang, Doctors and Nurses' Quarters in Huni Valley, a community Center in Bompieso, among other infrastructure projects. The extension of electricity to Nyamebekyere, started several years ago, was completed in the year under review.

The year saw 47 community youths graduating from the Community Apprenticeship programme. This was under the Foundation's training programmes. Investment in training and education accounted for 45% of the Foundation's investment. Investment in Education came to US$255,144 while US$246,498 was spent in Training programmes.

Support was extended to beneficiaries of the Foundation's Cocoa Farmers Support programme and the Youth in Organic Horticulture Production programme. US$21,638 was invested in the provision of extension services as well as the supply of agrochemical to farmers.

Donations to institutions and the communities towards self help projects amounted to US$85,516, representing 8% of 2023 investment.

TECHNICAL REPORT (continued)

1.4 COMMUNITY AFFAIRS (continued)

The year ended on a good note and a positive outlook for the coming year 2023.

1.6 ATTRIBUTABLE MINERAL RESOURCES (EMR) AND ORE RESERVES

1.6.1 Inclusive Mineral resources and stockpiles

Resources were confined to optimized shells based on a gold price of **US$1,600/oz** and depleted with material mined up to 31 December 2023.

Attributable Mineral resources and stockpiles (EMR) – by location

	Tonnes (Mt)		Grade (g/t)		Gold (koz)	
Area	**December 2023**	December 2022	**December 2023**	December 2022	**December 2023**	December 2022
Damang	21.48	36.49	2.25	2.14	1,553	2,510
Huni	0.63	0.73	1.53	1.56	31	37
Juno	6.15	7.29	1.74	2.14	344	502
Amoanda	6.33	1.61	1.92	2.34	390	121
Rex	2.88	3.96	1.25	1.60	116	203
Kwesie Lima Gap	0.21	0.46	1.14	1.09	8	16
Lima South	1.10	0.89	1.10	1.12	39	32
Nyame	0.821	-	1.05	-	28	-
Tamang	0.40	-	1.33	-	17	-
Total open pit	**40.01**	51.43	**2.07**	2.07	**2,526**	3,421
Stockpiles	**-**	1.15	**-**	0.58	**-**	22
Grand Total	**40.01**	52.58	**1.96**	2.04	**2,526**	3,443

Attributable Mineral resources and stockpiles (EMR) – by category

	Tonnes (Mt)		Grade (g/t)		Gold (koz)	
Item	**December 2023**	December 2022	**December 2023**	December 2022	**December 2023**	December 2022
Measured	4.95	3.70	1.67	1.74	266	207
Indicated	27.78	39.68	1.96	2.11	1,753	2,688
Inferred	7.28	8.05	2.16	2.08	506	527
Total open pit	**40.01**	51.43	**1.96**	2.07	**2,525**	3,422
Measured Stockpiles	*0.00	*0.00	0.00	0.00	*0	*0
Indicated Stockpiles	-	-	-	-	-	-
****Inferred Stockpiles**		1.15	0.00	0.58	00	22
Grand Total	**40.01**	52.58	**1.96**	2.04	**2,525**	3,444

** Check Stockpiles (mineralisation outside defined ore polygons)

TECHNICAL REPORT (continued)

1.6 MINERAL RESOURCES AND ORE RESERVES (continued)

1.6.2 Ore reserves

Reserves were based on surface stockpiles depleted up to 31 December 2023.

Attributable Mineral reserves – by deposit

	Tonnes (Mt)		Grade (g/t)		Gold (koz)	
Deposit	**December 2023**	December 2022	**December 2023**	December 2022	**December 2023**	December 2022
Damang	-	-	-	-	-	-
Huni	-	2.09	-	1.30	-	87
Lima South	-	-	-	-	-	-
Amoanda	-	-	-	-	-	-
Tomento East	-	-	-	-	-	-
Abosso Tailings	-	-	-	-	-	-
Sub-total	-	2.09	-	1.30	-	87
Stockpiles	7.26	8.24	0.83	0.83	194	220
Grand Total	**7.26**	**10.33**	**0.83**	**0.92**	**194**	**307**

Attributable Mineral reserves – by category

	Tonnes (Mt)		Grade (g/t)		Gold (koz)	
Category	**December 2023**	December 2022	**December 2023**	December 2022	**December 2023**	December 2022
Proved	7.26	8.57	0.83	0.84	194	232
Probable	-	1.76	-	1.32	-	75
Grand Total	**7.26**	10.33	**0.83**	0.92	**194**	307

1.7 LABOUR

The total labour of the Company at year ended 31 December 2023 was 257. In addition, 1,228 people were employed by contractors delivering various services to the mine.

GENERAL MANAGER

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABOSSO GOLDFIELDS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Abosso Goldfields Limited (the "Company") as at 31 December 2023, and of its financial performance and its cash flows for the year then ended accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in the manner required by the Companies Act, 2019 (Act 992).

What we have audited

We have audited the financial statements of Abosso Goldfields Limited for the year ended 31 December 2023.

The financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising a summary of material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprise the Corporate Information, the Corporate Governance Report, the Report of the Directors and the Technical Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the Company's statement of financial position and the Company's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is George Kwesi Arhin (ICAG/P/1187).

PricewaterhouseCoopers (ICAG/F/2024/028)
Chartered Accountants
Accra, Ghana
17 July 2024

STATEMENT OF COMPREHENSIVE INCOME
(All amounts are in thousands)

Ghana Cedis Year ended 31 December				United States Dollars Year ended 31 December	
2023	2022		**Note**	**2023**	2022
3,471,631	3,569,635	Revenue	4	**296,979**	414,828
(3,084,721)	(2,107,744)	Cost of sales	5	**(263,881)**	(244,941)
386,910	1,461,891	**Gross profit**		**33,098**	169,887
(342,266)	(311,361)	General and administrative expenses	6	**(29,279)**	(36,183)
(44,281)	22,658	Other expenses	7	**(3,788)**	2,633
-	33,974	Other gain – net	8	**-**	3,948
(90,958)	(33,273)	Impairment loss on other financial assets	15b	**(7,781)**	(3,867)
(395,665)	-	Impairment loss on current assets		**(33,847)**	-
(486,260)	1,173,889	**Operating (loss)/profit**		**(41,597)**	136,418
2,513	1,639	Finance income	9	**215**	191
(58,905)	(44,814)	Finance costs	9	**(5,039)**	(5,208)
(56,392)	(43,175)	**Net finance costs**	9	**(4,824)**	(5,017)
(542,652)	1,130,714	**(Loss)/profit before tax**		**(46,421)**	131,401
(85,125)	(393,560)	Income tax expense	10(a)	**(7,282)**	(45,736)
(627,777)	737,154	**(Loss)/profit for the year**		**(53,703)**	85,665
		Other comprehensive income			
		Items that may be reclassified to profit or loss			
506,077	1,021,244	Translation difference		**-**	-
(121,700)	1,758,398	**Total comprehensive (loss)/income**		**(53,703)**	85,665

The notes on pages 18 to 66 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
(All amounts are in thousands)

United States Dollars		**At 31 December**	
ASSETS	Note	**2023**	2022
Non-current assets			
Property, plant and equipment	12(a) & 12(b)	**65,211**	136,846
Other financial asset at amortised cost	15	**-**	-
		65,211	136,846
Current assets			
Inventories	13	**201,038**	249,621
Trade and other receivables	14	**5,616**	8,159
Prepayments	16	**3,065**	11,165
Other assets	31	**11,944**	9,600
Cash and cash equivalents	20	**44,566**	33,225
		266,229	311,770
Total assets		**331,440**	448,616
EQUITY AND LIABILITIES			
Equity			
Stated capital	19	**84**	84
Retained earnings	19	**219,672**	283,375
Share-based reserve account	19	**15,328**	15,259
Other reserves	19	**(2,551)**	(7,632)
Total shareholders' equity		**232,533**	291,086
Non-current liabilities			
Related party borrowings	22(b)	**-**	21,006
Provisions	11	**23,864**	16,743
Deferred tax	10(c)	**-**	14,099
Lease liabilities	24	**6,135**	12,908
		29,999	64,756
Current liabilities			
Trade and other payables	17	**58,087**	84,048
Current income tax liabilities	10(b)	**4,515**	2,487
Lease liabilities	24	**6,306**	6,239
		68,908	92,774
Total liabilities		**98,907**	157,530
Total equity and liabilities		**331,440**	448,616

STATEMENT OF FINANCIAL POSITION (continued)
(All amounts are in thousands)

Ghana Cedis	Note	At 31 December 2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	12(a) & 12(b)	**779,924**	1,391,310
Other financial asset at amortised cost	15	**-**	-
		779,924	1,391,310
Current assets			
Inventories	13	**2,404,414**	2,537,898
Trade and other receivables	14	**67,168**	82,958
Prepayments	16	**36,657**	113,512
Other assets	31	**142,850**	97,603
Cash and cash equivalents	20	**533,009**	337,796
		3,184,098	3,169,767
Total assets		**3,964,022**	4,561,077
EQUITY AND LIABILITIES			
Equity			
Stated capital	19	**6**	6
Retained earnings	19	**632,041**	1,376,716
Share-based reserve account	19 & 25	**46,725**	45,918
Other reserves	19	**14,550**	(44,846)
Translation reserve	19	**2,087,772**	1,581,695
Total shareholders' equity		**2,781,094**	2,959,489
Non-current liabilities			
Related party borrowings	22(b)	**-**	213,567
Provisions	11	**285,413**	170,226
Deferred tax	10(c)	**-**	143,349
Lease liabilities	24	**73,375**	131,228
		358,788	658,370
Current liabilities			
Trade and other payables	17	**694,721**	854,510
Current income tax liabilities	10(b)	**53,999**	25,282
Lease liabilities	24	**75,420**	63,426
		824,140	943,218
Total liabilities		**1,182,928**	1,601,588
Total equity and liabilities		**3,964,022**	4,561,077

The notes on pages 18 to 66 form an integral part of the financial statements.

The financial statements on pages 13 to 66 were approved and authorised for issue by the Board of Directors on 16 July 2024 **and signed on their behalf by:**

Name of Director: AWDAH I ALHASSAN **Name of Director:** KWASI ABEASI

Signature: **Signature:**

STATEMENT OF CHANGES IN EQUITY
(All amounts are in thousands)

Ghana Cedis			United States Dollars	
Year ended 31 December			Year ended 31 December	
2023	2022		**2023**	2022
		Retained earnings		
1,376,716	725,613	Balance at 1 January	**283,375**	207,710
(627,777)	737,154	(Loss)/profit for the year	**(53,703)**	85,665
748,939	1,462,767	Balance at 31 December	**229,672**	293,375
		Transactions with owners of the Company:		
		Contributions and distributions		
(116,898)	(86,051)	Dividend paid	**(10,000)**	(10,000)
632,041	1,376,716	Balance at 31 December	**219,672**	283,375
		Share-based reserve account		
45,918	45,159	Balance at 1 January	**15,259**	15,171
807	759	Charge for the year	**69**	88
46,725	45,918	Balance at 31 December	**15,328**	15,259
		Other reserve		
(44,846)	(54,415)	Balance at 1 January	**(7,632)**	(9,484)
47,706	42,449	Guaranteed dividend reversed	**4,081**	4,933
11,690	8,605	Dividend offset	**1,000**	1,000
-	(41,485)	Guaranteed dividend	**-**	(4,081)
14,550	(44,846)	Balance at 31 December	**(2,551)**	(7,632)
		Translation reserve*		
1,581,695	560,451	Balance at 1 January	-	-
506,077	1,021,244	Translation differences for the year	-	-
2,087,772	1,581,695	Balance at 31 December	-	-
		Stated capital		
6	6	Balance at 1 January and 31 December	**84**	84
2,781,094	2,959,489	**Total shareholders' equity**	**232,533**	291,086

*The translation and share-based reserves account are non-distributable.

The notes on pages 18 to 66 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
(All amounts are in thousands)

Ghana Cedis				United States Dollars	
Year ended 31 December			Note	Year ended 31 December	
2023	2022			**2023**	2022
		Cash flows from operating activities			
911,211	839,219	Cash generated from operations	18	**77,949**	179,149
2,513	1,639	Interest received	9	**215**	191
(19,452)	(22,845)	Interest paid	9	**(1,664)**	(2,655)
-	41,677	Cash realised – derivatives		**-**	4,843
(226,233)	(464,277)	Tax paid	10	**(19,353)**	(53,954)
(6,780)	(5,851)	Environmental rehabilitation expenditure	11(a)	**(580)**	(680)
661,259	389,562	Net cash generated from operating activities		**56,567**	126,894
		Cash flows from investing activities			
(86,551)	(522,967)	Payments for property, plant and equipment (PPE) (excluding ROU assets and rehabilitation assets)	12(a)	**(7,404)**	(60,774)
(86,551)	(522,967)	Net cash used in investing activities		**(7,404)**	(60,774)
		Cash flows from financing activities			
(245,556)	(817,485)	Repayment of borrowings	22	**(21,006)**	(95,000)
(105,208)	(77,446)	Dividends paid		**(9,000)**	(9,000)
(91,368)	(78,956)	Lease principal repayments	24	**(7,816)**	(9,175)
(442,132)	(973,887)	Net cash used in financing activities		**(37,822)**	(113,175)
132,576	(1,107,292)	**Net increase/(decrease) in cash and cash equivalents**		**11,341**	(47,055)
		Movement in cash and cash equivalents			
337,796	471,742	Cash and cash equivalents at 1 January	20	**33,225**	78,875
132,576	(1,107,292)	Net increase/(decrease) in cash and cash equivalents		**11,341**	(47,055)
-	20,882	Effect of exchange rate on cash and cash equivalents		**-**	1,405
62,637	952,464	Effect of exchange translation		**-**	-
533,009	337,796	**Cash and cash equivalents at 31 December**	20	**44,566**	33,225

The notes on pages 18 to 66 form an integral part of the financial statements.

NOTES

1. Reporting Entity

Abosso Goldfields Limited (the "Company") is a limited liability company incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The Company is authorised to conduct gold mining operations in the Abosso-Damang area of the Western Region of Ghana consisting of surface mining operations with an adjacent milling and recovery plant. Exploration to locate further reserves for additional mining projects as well as extension of existing ones is an ongoing process.

2. Summary of material accounting policies

2.1 Basis of preparation

The material accounting policies adopted by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in the manner required by the Companies Act 2019 (Act 992).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(b) Historical cost convention

The financial statements have been prepared under the historical cost convention except for derivatives that are measured at fair value. Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2.2 Change in accounting policies

(i) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2023:

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their material accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.2 Change in accounting policies (continued)

(i) New and amended standards adopted by the Company (continued)

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (continued)

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The amendments listed above did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect future periods.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. Those that are likely to have an impact on the Company's financial statements when the standards become effective are set out below:

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include*:*

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.2 Change in accounting policies (continued)

(ii) New standards and interpretations not yet adopted (continued)

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1 (continued)

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The effective date of the standard is 1 January 2024.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The IASB has issued new disclosure requirements about Supplier Financing Arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cashflows and the exposure to liquidity risk. The new disclosures include information about the following:

- The terms and conditions of SFAs.
- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities.
- Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months. This standard is effective for financial periods beginning on or after 1 January 2024.

These standards and amendment are not expected to have a material impact on the Company in the current and future periods.

There are no other IFRS Accounting Standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency") which is United States Dollars. The financial statements are presented in both Ghana cedis and United States Dollars, which are the Company's presentation currencies.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss, within 'finance expense'. All other foreign exchange gains and losses are presented in the profit or loss on a net basis within general and administrative expenses.

(iii) Translation from functional currency to presentation currency

The financial statements have been translated to Ghana cedis as follows:

- Each income and expense item presented in the statement of comprehensive income is translated from the functional currency to Ghana cedi at the average exchange rate for the year; and
- Each asset and liability item presented in the statement of financial position is translated at the spot exchange rate at the reporting date;
- All resulting exchange differences are recognised as a separate component of equity (translation reserve) in other comprehensive income. This reserve is non-distributable;
- Stated capital is translated at historical rate.

2.4 Revenue

The Company recognises revenue at a point in time, when control over its gold and silver is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the gold and silver. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the gold and silver before transferring them to the customer. Customers obtain control of the gold and silver on the settlement date and therefore there are no payment terms.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be. In determining the transaction price for the products delivered, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, breakage and consideration payable to the customer (if any).

The price is determined by market forces. Revenue is measured based on the consideration specified in a contract with the customer.

Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(iii) Uncertain tax positions

The Company examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately or together as a group, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Company concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

NOTES (continued)

2. Summary of material accounting policies (continued)

2.5 Income tax (continued)

(iii) Uncertain tax positions (continued)

The Company measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Company uses the most likely method where there are two possible outcomes, and the expected value method when there are a range of possible outcomes.

The Company assumes that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. As a result, it does not consider detection risk in the recognition and measurement of uncertain tax treatments. The Company applies consistent judgements and estimates on current and deferred taxes. Changes in tax laws or the presence of new tax information by the tax authority is treated as a change in estimate in line with IAS 8 - Accounting policies, changes in accounting estimates and errors.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

2.6 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract or determines that breakage is expected to occur. The Company updates its assessment of unfulfilled obligations for breakage at the end of each reporting period.

2.7 Property, plant and equipment

Mining assets, including mine development costs and mine plant facilities, are recorded at cost of acquisition less depreciation/amortisation and impairment losses.

Expenditure incurred to develop new ore bodies, to define mineralisation in existing ore bodies, to establish or expand productive capacity are capitalised until commercial levels of production are achieved. Expenditure incurred to maintain productive capacities, including pre-strip waste costs on mineable pit increments known as cut backs, are capitalised to the extent that it improves access to an identifiable ore body.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs incurred in respect of assets requiring a substantial period of time to prepare for their intended future use are capitalised to the date that the assets are substantially completed or achieve commercial levels of production.

Depreciation of mining assets

Mining assets, mine development costs and mine plant facilities are depreciated over the life of the mine using the units-of-production method based on estimated proved and probable ore reserves. Proved and probable ore reserves reflect estimated quantities of economically recoverable reserves, which can be recovered in future

NOTES (continued)

2. Summary of material accounting policies (continued)

2.7 Property, plant and equipment (continued)

Depreciation of mining assets (continued)

from known mineral deposits. The units of production method results in a depreciation charge proportional to the depletion of the economically recoverable mineral reserve. It is currently estimated that the current mineral reserves will be depleted in 2025. Dump trucks and heavy machinery are depreciated over their remaining useful lives.

The estimated useful lives of the heavy machinery for both current and prior years are as follows:

Dump trucks	60,000hrs
Excavator (Big)	48,000hrs
Excavator (Small)	36,000hrs
Drill rigs (Big)	42,000hrs
Drill rigs (Small)	30,000hrs

The Company allocates the amount initially recognised in respect of a mining asset to its significant parts and depreciates separately each part.

Land & buildings, plant & machinery and office furniture & equipment are recorded at cost. Land is not depreciated. Buildings, plant & machinery and office furniture & equipment are depreciated on a straight-line basis over their expected useful lives, (but limited to the current life of mine), as follows for both current and prior years:

Buildings	5 years
Office furniture and equipment	3 - 5 years
Plant & Machinery	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on all property, plant and equipment are recognised in cost of sales.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Capital work in progress

Assets under construction are recognised at initial cost and not depreciated. Assets are transferred from capital work in progress to an appropriate class of property, plant and equipment when available for use and are depreciated over the estimated useful life.

Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Company from either their use or disposal. The gain or loss on disposal of an item of property, plant, and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and is recognised in profit or loss.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.8 Intangible assets

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of an expected useful life, which does not exceed three years, using the straight–line method.

Subsequent expenditure on software is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2.9 Mineral and surface rights

Mineral and surface rights are recorded at cost of acquisition less depreciation/amortisation and impairment losses. Mineral and surface rights are amortised over the term of the respective mining lease. Where there is little likelihood of a mineral right being exploited, or the value of mineral rights has diminished below cost, an impairment expense is recognised.

2.10 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The Company determines fair value less costs to sell in accordance with the policy described under 'measurement of fair values (Note 3(v))'. An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised.

2.11 Trade and other receivables and prepayments

Trade receivables are amounts due from customers for bullion sales made in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 2.13.1(iv). Other receivables generally arise from transactions outside the usual operating activities of the Company. Prepayments are recognised at cost and amortised over the period of the service for which the payment was made.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Gold on hand represents production on hand after the smelting process.

Cost is determined on the following basis:

- Gold on hand and gold in process is valued using weighted average cost. Cost includes production, amortisation and directly related administration costs;

- Stockpile inventories are valued using weighted average cost. Cost includes production, amortisation and direct administration costs. The cost of materials on the heap leach and stockpiles from which metals are expected to be recovered in a period longer than 12 months is classified as non-current assets; and

- Consumable stores are valued at weighted average cost, after appropriate provision for redundant and slow-moving items.

Net realisable value is determined with reference to relevant market prices or the estimated future sales price of the product if it is expected to be realised in the long term.

2.13 Financial instruments

2.13.1 Financial assets

(i) Recognition and initial measurement

The Company's financial assets include trade and other receivables (excluding statutory receivables), other assets, other financial asset at amortised cost and cash and cash equivalents. Financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Classification

A financial asset is classified and measured at:

- Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

  - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES (continued)

2.13 Financial instruments (continued)

2.13.1 Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Classification (continued)

- Fair value through other comprehensive income ("FVOCI")

An investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

  - It is held with a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets – Classification of financial assets

The following information is considered by the Company in determining the classification of financial assets:

- The Company's business model for managing financial assets; and
- The contractual cash flow characteristics of the financial assets.

The business model assessment of the financial assets is based on the Company's strategy and rationale for holding the financial assets on a portfolio level. When considering the strategy, the following is considered:

- Whether the financial assets are held to collect contractual cash flows;
- Whether the financial assets are held for sale; or
- Whether the financial assets are held for both collecting contractual cash flows and to be sold.

Financial assets – Assessment of contractual cash flows

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.13 Financial instruments (continued)

2.13.1 Financial assets (continued)

Financial assets – Assessment of contractual cash flows (continued)

The Company has chosen to present interest paid and interest received on financial assets held for cash management purposes as operating cash flows.

(iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(iv) Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The forward-looking information includes discount rate, inflation and credit risk information. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ''credit-impaired'' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL is based on the Company's understanding of the financial position of the counterparty, including the consideration of their credit risk grade. For financial assets other than trade receivables, the Company applies the low credit risk simplification and the loss allowance determined during the year is limited to 12-month expect credit losses.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.13 Financial instruments (continued)

2.13.2 Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost) at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss.

2.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are measured at amortised cost which is deemed to be fair value as they have a short-term maturity. Cash and cash equivalents exclude restricted cash, which is not available for use by the Company and therefore is not considered highly liquid — for example, cash set aside to cover decommissioning obligations.

2.16 General and administrative expenses

General and administrative expenses are indirect costs incurred in the running of the Company's operations. They are recognised in the statement of comprehensive income in the period in which they are incurred on an accrual basis.

2.17 Cost of sales

Cost of sales relates to expenses incurred directly in the sale of goods to customers. They are recognised in the statement of comprehensive income in the period in which they are incurred on an accrual basis.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.18 Stated capital

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

2.19 Leases

The Company leases a power plant, mining fleet and buses.

Leases are recognised as a right-of-use (RoU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequent to initial recognition, the right-of-use asset is accounted for in accordance with the accounting policy applicable to the asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Cash payments for interest and the principal portion of the lease liabilities are classified as cash flows from financing activities.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. It is re-measured when there is a change in future lease payments:

- If there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee;
- If there is a revised in-substance fixed lease payment; or
- If there is a change in future lease payment resulting from a change in an index or a rate used to determine these payments.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.19 Leases (continued)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company did not apply any of the practical expedients for leases of low-value asset and short-term leases.

2.20 Non-current assets held for sale

Non-current assets (or disposal groups) comprising assets and liabilities, are classified as held for sale if it is highly probable they will be recovered primarily through sale rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. In addition, assets are held for sale when the following criteria are met:

- The assets must be actively marketed for a sale at a reasonable price in relation to its current fair value;
- The terms of asset sale must be usual and customary for sales of such assets;
- The assets are available for immediate sale in present condition; and
- The sale of the assets is highly probable; management is committed to the plan to sell and the sale is expected to be completed within a year.

Non-current assets held for sale are stated as the lower of carrying amount and fair value less costs to sell. Once classified as held for sale or distribution, the property, plant and equipment item are no longer amortised or depreciated.

2.21 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation resulting from past events, 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.

Provisions are measured at the present value of expenditures expected to be required to settle obligations using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the obligation.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.22 Deferred stripping costs and waste normalisation

Production stripping costs in a surface mine are capitalised to property, plant and equipment if, and only if, all of the following criteria are met:

- It is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.22 Deferred stripping costs and waste normalisation (continued)

These costs are then accounted for in profit or loss using the waste normalisation method once the ore body has been exposed. The objective of this method is to provide that every ounce mined from the relevant pit bears its equal pro-rata share of the total in-pit waste removal cost. In-pit waste removal costs are expensed to profit or loss by determining the ratio of ounces mined in each period to total proved and probable reserve ounces expected to be recovered from the pit and applying this ratio to total waste removal costs incurred to gain access to the ore body.

2.23 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration and evaluation expenditure for each area of interest is written off as incurred, except that it is capitalised provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sales; or

- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Exploration expenditure, which no longer satisfies the above policy, is written off. In addition, a provision is raised against exploration expenditure where the directors are of the opinion that the capitalised net costs may not be recoverable. The increase in the provision is charged against the results for the year.

2.24 Environmental rehabilitation obligation and rehabilitation assets

Long-term environmental obligations are based on the company's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring environmental disturbance that have occurred up to the reporting date. The unwinding of the obligation is accounted for in profit or loss under finance costs. Estimates are discounted at pre-tax rates that reflect current market assessments. Annual increases or decreases in the provision relating to changes in the net present value of the provision and inflationary increases are capitalised into the cost of the related asset, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure, in view of the uncertainty of estimating potential future proceeds. Bank guarantees are provided for funding of the environmental rehabilitation obligations. Rehabilitation assets are recognised at cost and represents additional environmental disturbances capitalised and amortised over the remaining life of the mine. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding rehabilitation assets and rehabilitation liability when incurred. Changes in estimates are capitalised or reversed against the relevant asset.

2.25 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 - 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after

NOTES (continued)

2. Summary of material accounting policies (continued)

2.25 Trade and other payables (continued)

the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.26 Other assets

Other assets represent reclamation security deposits in respect of environmental rehabilitation obligations. Other assets are recognised when incurred and measured at cost.

2.27 Other financial asset at amortised cost

This represents loan amount advanced to a mining contractor for their fleet replacement.

The amount is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. The amount advanced is subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses.The loan is interest bearing and secured. Amounts receivable within 12 months after the reporting period are presented as current assets, any amounts receivable beyond this period are classified as non-current.

2.28 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, in which case borrowings are classified as non-current.

2.29 Employee benefits

(i) Short term benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. These are expensed in cost of sales or general and administrative expenses depending on the nature of the staff it relates to. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(a) Provident fund

The Company operates a provident fund. The provident fund is funded by payments from employees and the Company, with each party contributing 10% of the employees' basic salary. Contributions to the provident fund by the Company are charged to profit or loss as incurred.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.29 Employee benefits (continued)

(ii) Defined contribution plans (continued)

(b) Social security contributions

The Company is required to contribute 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) under the terms of the National Pensions Act, 2008 (Act 766). The Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(iii) Share-based payments

Gold Fields Limited (the "Group") operates an equity-settled compensation plan which the Company participates in. The fair value of the equity-settled instrument is measured by reference to the fair value of the equity instrument granted which in turn is determined using the modified Black Scholes and Monte Carlo simulation models on the date of grant.

Fair value is based on market prices of the equity-settled instruments granted, if available, considering the terms and conditions upon which those equity-settled instruments were granted. Fair value of equity-settled instruments granted is estimated using appropriate valuation models and appropriate assumptions at grant date.

Non-market vesting conditions (service period prior to vesting) are not considered when estimating the fair value of the equity-settled instruments at grant date. Market conditions are taken into account in determining the fair value at grant date.

The fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment reserve. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Where the terms of an equity-settled award are modified, the originally determined expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participant as measured at the date of the modification. Share-based payment expenses are recognised in general and administrative expenses in profit or loss as incurred.

(iv) Long Term Incentive Plan

The Company operates a long-term incentive plan. The Company's net obligation in respect of the long-term incentive plan is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is estimated using appropriate assumptions and it is discounted to determine its present value at each reporting date. Re-measurements are recognised in general and administrative expenses in profit or loss in the period in which they arise.

2.30 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

2.31 Fair value measurement

The Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

NOTES (continued)

2. Summary of material accounting policies (continued)

2.31 Fair value measurement (continued)

- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Critical accounting estimates, assumptions and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and accompanying disclosures.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The more significant areas requiring the use of estimates and assumptions relate to mineral reserves that form the basis of future cash flow estimates used for impairment assessments and units-of-production depreciation and amortisation calculations; environmental rehabilitation obligations; income taxes; estimates of recoverable gold, write-downs of inventory to net realisable value; the fair value and accounting treatment of derivative financial instruments; Share - based payments and leases.

Information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

NOTES (continued)

3. Critical accounting estimates, assumptions and judgements (continued)

(i) Useful lives of property, plant and equipment

All mining assets are depreciated using the units-of-production method where the mine operating plan calls for production from proved and probable mineral reserves. For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated life of mine based on proved and probable mineral reserves as the useful lives of these assets are limited to the life of the relevant mine.

The calculation of the units-of-production rate of depreciation could be impacted to the extent that actual production in the future differs from current forecast production based on proved and probable mineral reserves. Production could be impacted by changes in any of the factors or assumptions used in estimating mineral reserves.

These factors include:

- Changes in proved and probable mineral reserves caused by variances in grade and volumes of mineral reserves, which may vary significantly from time to time;
- Differences between actual commodity prices and commodity price assumptions;
- Unforeseen operational issues at mine sites;
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates; and
- The impact of changes in mineral reserves on the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

(ii) Provision for environmental rehabilitation costs

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates could affect the carrying amount of this provision.

(iii) Stockpiles, gold-in-process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold-in-process, ore on leach pads and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing and long-term metal prices, less estimated costs to complete production and bring the product to sale. Subsequent price movements are also considered to determine whether they provide more information about conditions that were present at the reporting date. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

(iv) Mineral reserves estimate

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

NOTES (continued)

3. Critical accounting estimates, assumptions and judgements (continued)

(iv) Mineral reserves estimate (continued)

The Company is required to determine and report on its mineral reserves in accordance with the Company's guidelines. Estimates of mineral reserves may change from year to year due to changes in economic assumptions used to estimate ore reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable reserves may affect the Company's financial results and position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated cash flows;
- Depreciation and amortisation charges to profit or loss may change as these are calculated on the units-of production method, or where the useful economic lives of assets change;
- Deferred stripping costs recorded in the statement of financial position or charged to profit or loss may change due to changes in stripping ratios or the units-of-production method of depreciation;
- Decommissioning, site restoration and environmental provisions may change where changes in ore reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of tax benefits.

(v) Measurement of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(vi) Share-based payments

The Company issues equity-settled share-based payments to certain employees and executive directors. These instruments are measured at fair value at grant date, using the Black-Scholes or Monte Carlo simulation valuation models, which require assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While management believes that these assumptions are appropriate, the use of different assumptions could have a material impact on the fair value of the option grant and the related recognition of share-based compensation expense in profit or loss.

These options, relating to the ultimate holding company's shares, have characteristics significantly different from those of traded options and therefore fair values may also differ.

(vii) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

3. Critical accounting estimates, assumptions and judgements (continued)

(viii) Leases

In establishing the lease term for each lease contract that has an option to extend, judgement has been applied to determine the extension period. When it is concluded that it is reasonably certain that the extension option will be utilised, the lease term is extended to be aligned to a life of mine of the Company. The lease agreements have the option to extend the leases and the option to terminate the leases. The Company considers the life of mine when determining the lease term. In addition, IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. In case the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate should be used. That is the rate of interest that a lessee would have to pay to borrow over a similar value to the right of use asset in a similar economic environment. Accordingly, the Company elected to use the borrowing rates needed to borrow to acquire the asset.

4. Revenue

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
3,471,631	3,569,635	Revenue from mining operations - spot sales	**296,979**	414,828
=======	=======		**======**	**======**

Revenue from contracts with customers is recognised at a point in time.

5. Cost of sales

1,873,925	1,482,858	Operating costs	**160,304**	172,323
130,797	(353,727)	Gold inventory change	**11,189**	(41,107)
138,863	142,785	Royalties	**11,879**	16,593
941,136	835,828	Depreciation and amortisation (Note 12)	**80,509**	97,132
----------	----------		**----------**	----------
3,084,721	2,107,744		**263,881**	244,941
========	=======		**======**	======

Staff costs included in operating costs amounted to US$20.7 million; GH¢242.2 million (2022: US$31.9 million; GH¢274.6 million).

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

6. General and administrative expenses

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
3,127	2,150	Auditor's remuneration	**261**	250
807	759	Share-based payments	**69**	88
2,303	1,570	Directors' fees	**197**	182
41,324	34,319	Management fees	**3,535**	3,988
19,031	15,263	Insurance	**1,628**	1,774
12,683	10,063	Fees and licenses	**1,085**	1,169
1,251	1,765	Travel and transport	**107**	205
1,344	954	Bank charges	**115**	111
4,033	3,414	Training and development	**345**	397
35,023	11,524	Staff costs	**2,996**	1,339
5,062	19,388	Corporate social responsibility contribution	**433**	2,253
216,278	210,192	Sundry expenses	**18,508**	24,427
342,266	311,361		**29,279**	36,183

Staff costs included in both cost of sales and general administrative expenses amounted to US$23.7 million; GH¢277.3 million (2022: US$33.3 million; GH¢286.2 million).

The following items are included within staff costs:

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
88,702	100,768	Salaries and wages	**7,588**	11,710
167,059	162,653	Allowances and other short-term benefits	**14,291**	18,902
		Retirement benefits costs:		
12,111	12,481	Social security fund contributions	**1,036**	1,450
8,580	9,496	Provident fund contributions	**734**	1,103
807	759	Share-based payments	**69**	88
277,259	286,157		**23,718**	33,253

The average number of persons employed by the Company during the year was 257 (2022: 405).

7. Other income/(expenses)

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
140	208	Scrap sales	**12**	24
(44,421)	22,450	Foreign exchange loss	**(3,800)**	2,609
(44,281)	22,658		**(3,788)**	2,633

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

8. Other gain - net

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
-	33,974	Gain on derivatives (net)	**-**	3,948

9. Net finance costs

19,452	22,845	Interest expenses and commitment fees on borrowings (Note 21 and 22(b))	**1,664**	2,655
12,976	12,360	Interest expense on lease (Note 24)	**1,110**	1,436
26,477	9,609	Interest accretion on environmental rehabilitation obligation (Note 11(a))	**2,265**	1,117
58,905	44,814		**5,039**	5,208
(2,513)	(1,639)	Interest income	**(215)**	(191)
56,392	43,175		**4,824**	5,017

10. Income taxes

(a) Income tax expense

249,940	461,300	Current income tax expense	**21,381**	53,608
(164,815)	(67,740)	Deferred tax credit (Note 10c)	**(14,099)**	(7,872)
85,125	393,560		**7,282**	45,736

(b) Current income tax (liability)/asset

(25,282)	(16,942)	Balance at the beginning of the year	**(2,487)**	(2,833)
(249,940)	(461,300)	Tax charge for the year (Note 10a)	**(21,381)**	(53,608)
226,233	464,277	Tax paid	**19,353**	53,954
(5,010)	(11,317)	Translation adjustment	**-**	-
(53,999)	(25,282)	Balance at the end of the year	**(4,515)**	(2,487)

(c) Deferred tax

143,349	131,408	Balance at beginning of the year	**14,099**	21,971
(164,815)	(67,740)	Credit for the year	**(14,099)**	(7,872)
21,466	79,681	Translation adjustment	**-**	-
-	143,349	Balance at end of the year	**-**	14,099

Deferred tax is calculated using the applicable rate of 32.5% (December 2022: 32.5%). Deferred tax (assets)/liabilities (net) are attributable to the following:

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

10(c). Deferred tax (continued)

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
		Deferred tax liabilities		
-	235,429	Accelerated tax depreciation	**-**	23,156
-	13,575	Leases	**-**	1,335
		Deferred tax assets		
-	(105,655)	Other provisions	**-**	(10,392)
-	143,349		**-**	14,099
		Movement in deferred tax are as follows;		
		Deferred tax liabilities		
(270,689)	(71,250)	Accelerated tax depreciation	**(23,156)**	(8,280)
(15,606)	3,244	Leases	**(1,335)**	377
(1)	(1)	Translation adjustment	-	-
		Deferred tax assets		
-	-	Unused tax losses	**-**	-
121,481	267	Other provisions	**10,392**	31
(164,815)	(67,740)		**(14,099)**	(7,872)

(d) Tax reconciliation

The corporate income tax on the accounting profit differs from the theoretical amount that would arise using the basic tax rate as follows:

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
(542,652)	1,130,714	(Loss)/profit before tax	**(46,421)**	131,401
		Prima facie tax calculated at a tax rate of 32.5%		
(176,362)	367,482	(2022: 32.5%)	**(15,087)**	42,705
234,483	30,126	Non-deductible items	**20,059**	3,502
-	249	Share based payment provision	**-**	29
14,437	(18,872)	Deferred finance cost	**1,235**	(2,193)
12,567	14,575	Penalty	**1,075**	1,693
85,125	393,560		**7,282**	45,736

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

11. Provisions

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
248,912	151,196	Environmental rehabilitation obligations	**20,812**	14,871
36,501	19,030	Long term incentive plan	**3,052**	1,872
285,413	170,226		**23,864**	16,743

(a) Environmental rehabilitation obligations

151,196	100,514	Balance at 1 January	**14,871**	16,806
49,752	(20,402)	Changes in estimate	**4,256**	(2,372)
26,477	9,609	Interest accretion	**2,265**	1,117
(6,780)	(5,851)	Expenditure paid during the year	**(580)**	(680)
28,267	67,326	Translation adjustment	**-**	-
248,912	151,196	Balance at 31 December	**20,812**	14,871

This provision which will crystalise in 2025 represents the present value of closure, rehabilitation and other environmental obligations up to 31 December 2023. The provision increased in the current year due to an increase in the gross environmental rehabilitation costs. The provision is also updated annually to take account of inflation, the time value of money and any new environmental obligations incurred. The inflation and discount rates applied in 2023 and 2022 are:

	2023	2022
Inflation rate	**2.4%**	3.4%
Discount rate	**12.3%**	15.2%

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022

(b) Long term incentive plan

19,030	17,483	Balance at 1 January	**1,872**	2,923
13,794	(9,047)	Credit during the year	**1,180**	(1,051)
3,677	10,594	Translation adjustment	-	-
36,501	19,030	Balance at 31 December	**3,052**	1,872

The Company's net obligation in respect of the long-term incentive plan is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is estimated using appropriate valuation models and assumptions regarding the share price volatility and expected dividend yield. The assumptions, supporting the estimated amount expected to be paid, are reviewed at each reporting date. While the directors believe that these assumptions are appropriate, the use of different assumptions could have a material impact on the measurement of the awards and the related recognition of the compensation expense in profit or loss. Re-measurements are recognised in profit or loss in the period which they arise.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

12.(a) Property, plant and equipment

United States Dollars

	Land & Buildings	Plant & Machinery	Office Furniture & Equipment	MP&D in Production /Deferred Stripping	Right-of-use assets	Capital Work In Progress	Total
Cost							
At 1 January 2023	11,293	166,005	8,466	790,305	51,156	20,019	1,047,244
Additions	-	-	-	-	-	7,404	7,404
Disposals	-	-	-	(1,388)	(10,469)	(1,023)	(12,880)
Transfers	186	5,366	-	8,502	-	(14,054)	-
Reversal	-	-	-	-	-	(1,528)	(1,528)
At 31 December 2023	**11,479**	**171,371**	**8,466**	**797,419**	**40,687**	**10,818**	**1,040,240**
Accumulated depreciation							
At 1 January 2023	10,133	149,427	7,756	715,912	27,903	-	911,131
Charge for the year	557	9,578	396	56,780	12,609	-	79,920
Disposals	-	-	-	(1,153)	(10,469)	-	(11,622)
At 31 December 2023	**10,690**	**159,005**	**8,152**	**771,539**	**30,043**	**-**	**979,429**
Net book amount At 31 December 2023	**789**	**12,366**	**314**	**25,880**	**10,644**	**10,818**	**60,811**

MP&D in production represents Mine Planning and Development Cost.

Right-of-use assets relate to plant and machinery. Additions to right-of-use assets are non-cash.

NOTES (continued)

(All amounts are in thousands unless otherwise stated)

12.(a) Property, plant and equipment (continued)

Ghana Cedis

	Land & Buildings	Plant & Machinery	Office Furniture & Equipment	MP&D in Production /Deferred Stripping	Right-of-use assets	Capital Work In Progress	Total
Cost							
At 1 January 2023	114,812	1,687,763	85,160	8,035,020	520,100	203,559	10,646,414
Additions	-	-	-	-	-	86,551	86,551
Disposals	-	-	-	(16,225)	(122,381)	(11,959)	(150,565)
Transfers	2,174	62,728	-	99,387	-	(164,289)	-
Reversal	-	-	-	-	-	(17,862)	(17,862)
Translation adjustment	20,303	299,106	16,093	1,418,949	88,898	33,384	1,876,733
At 31 December 2023	**137,289**	**2,049,597**	**101,253**	**9,537,131**	**486,617**	**129,384**	**12,441,271**
Accumulated depreciation							
At 1 January 2023	103,020	1,519,940	77,908	7,277,992	283,692	-	9,262,552
Charge for the year	6,511	111,965	4,629	663,748	147,397	-	934,250
Disposals	-	-	-	(13,478)	(122,381)	-	(135,859)
Translation adjustment	18,321	269,795	14,961	1,299,344	50,607	-	1,653,028
At 31 December 2023	**127,852**	**1,901,700**	**97,498**	**9,227,606**	**359,315**	**-**	**11,713,971**
Net book amount							
At 31 December 2023	**9,437**	**147,897**	**3,755**	**309,525**	**127,302**	**129,384**	**727,300**

MP&D in production represents Mine Planning and Development Cost.

Right-of-use assets relate to plant and machinery. Additions to right-of-use assets are non-cash.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

12.(a) Property, plant and equipment (continued)

United States Dollars

	Land & Buildings	Plant & Machinery	Office Furniture & Equipment	MP&D in Production /Deferred Stripping	Right-of-use assets	Capital Work In Progress	Total
Cost							
At 1 January 2022	11,017	163,616	7,718	729,217	47,537	24,459	983,564
Additions	-	232	-	49,153	3,619	11,389	64,393
Transfers	276	2,157	748	11,935	-	(15,116)	-
Reversal	-	-	-	-	-	(713)	(713)
At 31 December 2022	11,293	166,005	8,466	790,305	51,156	20,019	1,047,244
Accumulated depreciation							
At 1 January 2022	9,657	139,410	7,340	639,474	19,876	-	815,757
Charge for the year	476	10,017	416	76,438	8,027	-	95,374
At 31 December 2022	10,133	149,427	7,756	715,912	27,903	-	911,131
Net book amount							
At 31 December 2022	1,160	16,578	710	74,393	23,253	20,019	136,113

MP&D in production represents Mine Planning and Development Cost.

Right-of-use assets relate to plant and machinery. Additions to right-of-use assets are non-cash.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

12.(a) Property, plant and equipment (continued)
Ghana Cedis

	Land & Buildings	Plant & Machinery	Office Furniture & Equipment	MP&D in Production /Deferred Stripping	Right-of-use assets	Capital Work In Progress	Total
Cost							
At 1 January 2022	65,892	978,571	46,163	4,361,374	284,313	146,287	5,882,600
Additions	-	1,996	-	422,966	31,140	98,005	554,107
Transfers	2,379	18,559	6,438	102,698	-	(130,074)	-
Reversal	-	-	-	-	-	(6,134)	(6,134)
Translation adjustment	46,541	688,637	32,559	3,147,982	204,647	95,475	4,215,841
At 31 December 2022	114,812	1,687,763	85,160	8,035,020	520,100	203,559	10,646,414
Accumulated depreciation							
At 1 January 2022	57,752	833,802	43,906	3,824,626	118,878	-	4,878,964
Charge for the year	4,094	86,201	3,582	657,753	69,072	-	820,702
Translation adjustment	41,174	599,937	30,420	2,795,613	95,742	-	3,562,886
At 31 December 2022	103,020	1,519,940	77,908	7,277,992	283,692	-	9,262,552
Net book amount							
At 31 December 2022	11,792	167,823	7,252	757,028	236,408	203,559	1,383,862

MP&D in production represents Mine Planning and Development Cost.

Right-of-use assets relate to plant and machinery. Additions to right-of-use assets are non-cash.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

12.(a) Property, plant and equipment (continued)

There were no exploration and evaluation assets included in Mine Planning and Development Cost (December 2022: Nil). The Company's property, plant and equipment have not been pledged as securities for liabilities at 31 December 2023 and 31 December 2022.

12.(b) Rehabilitation assets

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
7,448	29,075	At 1 January	**733**	4,861
49,752	(20,394)	Change in estimate	**4,256**	(2,370)
(6,885)	(15,126)	Amortisation charge	**(589)**	(1,758)
2,309	13,893	Translation adjustment	**-**	-
52,624	7,448	At 31 December	**4,400**	733

13. Inventories

2,278,009	2,055,828	Recoverable metal inventory	**190,469**	202,206
(404,810)	-	Impairment of stockpile inventory	**(33,847)**	-
1,873,199	2,055,828	Recoverable metal inventory (net)	**156,622**	202,206
548,366	518,081	Mine stores	**45,850**	50,957
23,477	14,378	Gold on hand	**1,963**	1,414
(40,628)	(50,389)	Provision for obsolete stock – mine stores	**(3,397)**	(4,956)
2,404,414	2,537,898		**201,038**	249,621

Inventories recognised as an expense during the year ended 31 December 2023 amounted to US$0.492 million (2022 – US$0.615 million). These were included in cost of sales and the direct cost.

14. Trade and other receivables

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
3,038	61,073	Bullion debtors	**254**	6,007
16,385	5,815	Staff debtors	**1,370**	572
36,227	16,070	VAT receivables	**3,029**	1,580
11,518	-	Related party receivables	**963**	-
67,168	82,958		**5,616**	8,159

Bullion debtors mainly relate to amounts receivable from a bullion customer. This is usually settled under 1 week after the transaction date. There has been no history of default on bullion debtors.

Staff debtors are due within one year and the balance outstanding as at year end amounted to US$1.37 million; GH¢16.38 million (2022: US$0.57 million; GH¢5.82 million). The maximum amount of staff indebtedness to the Company during the year did not exceed US$1.55 million; GH¢18 million (2022:US$1.74 million; GH¢17.68 million). The fair value of the trade and other receivables approximate their carrying values due to their short-term nature.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

15. Other financial asset at amortised cost

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
251,232	213,568	Loan advanced to contractor	**21,006**	**21,006**
90,958	-	Other contractor receivables	**7,781**	**-**
7,026	6,110	Interest capitalised	**601**	**601**
(343,540)	(136,345)	Impairment losses	**(29,388)**	**(21,607)**
(5,676)	(83,333)	Translation adjustment	**-**	**-**
-	-		**-**	**-**
-	-	Current portion	**-**	**-**
-	-	Non-current portion	**-**	**-**
-	-		**-**	**-**

This relates to loan advanced to the Company's mining contractor repayable at demand and bears interest at the rate of London Inter-Bank Offered Rate (LIBOR) plus 2% per annum. During the year ended 31 December 2022, the remaining balance was impaired. This is due to failure of the contractor to make contractual payment over an extended period.

16. Prepayments

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
25,415	103,182	Trade prepayments	**2,125**	10,149
203	196	Duty exemption	**17**	19
1,794	1,405	Withholding taxes	**150**	138
9,245	8,729	General prepayments	**773**	859
36,657	113,512		**3,065**	11,165

Trade prepayments relate to advance payments made to vendors for goods and services. General prepayments relate to insurance expenses prepaid at the end of the year.

17. Trade and other payables

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
133,593	99,830	Trade payables	**11,170**	9,819
212,625	159,698	Accrual for mining contractors	**17,778**	15,706
-	102,839	Contract termination liabilities (Note 23)	**-**	10,115
34,265	33,872	Payable to Ghana Revenue Authority	**2,865**	3,332
826	27,510	Intercompany payables (Note 22 (c))	**69**	2,706
-	41,480	Dividends payable	**-**	4,081
313,412	389,281	Accruals and other payables	**26,205**	38,289
694,721	854,510		**58,087**	84,048

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

17. Trade and other payables (continued)

i) Accruals for mining contractors mainly comprise accruals made in respect of contractors engaged in the Company's core mining operations.

ii) Accruals and other payables include all other accruals made in respect of supplier payments and other contractual liabilities that do not form part of trade payables and accrual for mining contractors.

iii) Amounts payable to Ghana Revenue Authority relate to outstanding balances for royalties, Value Added Taxes (VAT), withholding taxes and Pay-As-You-Earn (PAYE).

iv) Contract termination liabilities relate to a provision for probable costs of demobilisation of the fleet, non-mobile fleet as well as the potential costs as a result of termination of mining contract.

18. Cash generated from operations

Ghana Cedis			**United States Dollars**	
2023	2022		**2023**	2022
(542,652)	1,130,714	(Loss)/profit before tax	**(46,421)**	131,401
		Adjustment for non-cash items and interest		
941,136	835,828	Depreciation and amortisation (Note 12)	**80,509**	97,132
(18,224)	24,425	Inventory provision for the year	**(1,559)**	615
14,706	-	Loss on disposal of asset	**1,258**	-
90,958	23,126	Impairment loss on other financial assets (Note 15)	**7,781**	3,867
395,665	-	Impairment of stockpile inventory	**33,847**	-
44,421	(22,450)	Exchange gain (Note 7)	**3,800**	(2,609)
-	(33,974)	Gain on derivative (Note 8)	**-**	(3,948)
13,794	(9,047)	Long-term incentive plan credit (Note 11(b))	**1,180**	(1,051)
56,392	43,175	Net finance costs (Note 9)	**4,824**	5,017
807	759	Share-based payments (Note 6)	**69**	88
		Changes in working capital:		
190,485	(1,331,892)	Movement in inventories (excluding provision)	**16,295**	(44,509)
(49,974)	(9,861)	Movement in trade and other receivables	**(5,238)**	4,063
(27,401)	(51,982)	Movement in other assets	**(2,344)**	(1,972)
(293,590)	307,662	Movement in trade and other payables	**(24,152)**	(5,513)
94,688	(67,264)	Movement in prepayments	**8,100**	(3,432)
911,211	839,219	Cash generated from operations	**77,949**	179,149

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

19. Capital and reserves

Number of ordinary shares	**2023**	2022
Authorised shares		
Class A shares	**54,000**	54,000
Class B shares	**6,000**	6,000
	60,000	60,000
Issued shares		
Class A shares	**54,000**	54,000
Class B shares	**6,000**	6,000
	60,000	60,000

Stated capital

Ghana Cedis			**United States Dollars**	
2023	2022		**2023**	2022
6	6	Balance at the end of year	**84**	84

Class A shares were issued for cash consideration. Class 'B' shares were issued to the Government of Ghana under section 8(1) of the Minerals and Mining Law 1986 (PNDCL 153) for no consideration.

There is no unpaid liability on any share and there are no calls or instalments unpaid. There were no treasury shares. All shares have equal rights and there are no restrictions.

(b) Retained earnings

Retained earnings represent cumulative earnings available for distribution to members of the Company subject to the requirements of the Companies Act, 2019 (Act 992). Movements in the retained earnings are shown in the statement of changes in equity on page 16 of the financial statements.

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements from the functional currency to Ghana Cedis.

(d) Share-based reserve account

Share-based reserve account relate to the accumulated expenses in respect of the Company's share-based payments scheme (Note 25). Movements in the share-based reserve account are shown in the statement of changes in equity on page 16 of the financial statements.

(e) Other reserves

Other reserves relate to dividend payable or paid to the Government of Ghana. The Development Agreement between the Company and the Government of Ghana requires that in years where the Company does not declare and pay dividends, the Company would have to pay to the Government of Ghana 5% of the Company's profit after tax as an advance payment against dividends.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

20. Cash and cash equivalents

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
24	29	Cash on hand	**2**	3
532,985	337,767	Cash at bank	**44,564**	33,222
533,009	337,796		**44,566**	33,225

21. Borrowings

Abosso Goldfields Limited entered into a senior revolving loan facility with Standard Finance (Isle of Man) Limited. The facility amounted to US$70 million of which US$35 million was utilised during 2013 and a further US$10 million drawdown in 2015. The facility was novated to Standard Bank of South Africa and on 17 July 2017, the facility amount was increased from US$70 million to US$100 million. There was no outstanding amount on this facility as at 31 December 2022 (2021: Nil). However, in line with the facility agreement, the Company was expected to pay commitment fees on the facility during the facility availability period. The availability period will end on 23 November 2023.

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
11,234	6,833	Commitment fees (included in finance costs)	**961**	794

22. Related party disclosures

Gold Fields Company Holdings Limited, a company incorporated in South Africa and other affiliate companies in the Gold Fields Group, own 90 percent of the issued shares while the Government of Ghana owns the remaining 10%. The Company's ultimate holding company is Gold Fields Limited, a company incorporated in South Africa. Other companies related to the Company through common shareholding or common directorship, with whom the Company conducted business are detailed below:

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
		(a) Purchase of services:		
25,652	25,268	Gold Fields Group Services Ltd. – services	**2,145**	2,936
42,095	70,812	Gold Fields Ghana Limited - services	**3,601**	8,229

Gold Fields Group Services Ltd, Goldfields Australia Pty Ltd and Gold Fields Ghana Limited are Gold Fields Limited controlled companies and provide, on an agency basis, management, procurement, insurance brokering and technical services to the Company. Services procured externally on behalf of the Company are charged at cost and interest of LIBOR plus 1.75% may be charged on unpaid balances over 60 days old. The balances are payable on demand.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

22. Related party disclosures (continued)

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
		(b) Related party borrowing		
		Gold Fields Ghana Limited:		
213,567	693,818	Balance at 1 January	**21,006**	116,006
8,218	16,012	Interest expense	**703**	1,861
(8,218)	(16,014)	Interest paid	**(703)**	(1,861)
(245,556)	(817,485)	Principal repayment	**(21,006)**	(95,000)
31,989	337,236	Translation adjustment	-	-
-	213,567	**Balance at 31 December**	**-**	21,006

The Company entered into a loan agreement with Gold Fields Ghana Limited (a related party) on 12 November 2013 for a loan amount of up to US$60 million to be advanced as and when required by the Company in writing. The agreement was amended by the extension of the maturity date to 11 November 2024 and the increase of the principal amount to US$230 million. The Company pays interest quarterly at the rate of LIBOR plus 2% per annum. The effective interest rate of the loan is 3%. The principal amount shall be repaid on maturity of the loan.

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
		(c) Intercompany payable:		
-	27,260	Gold Fields Ghana Limited	**-**	2,681
826	250	Gold Fields Group Services Pty Ltd.	**69**	25
826	27,510		**69**	2,706
		(d) Intercompany receivable:		
11,514	-	Gold Fields Ghana Limited	**963**	-
		Key management compensation:		
5,435	17,445	Salaries and other short-term employee benefits	**1,140**	2,027
13,324	10,871	Share - based payments	**465**	1,263
18,759	28,316		**1,605**	3,290

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company (directly or indirectly) and comprise the Directors and Senior Management of the Company.

Key management personnel do not have any loans outstanding with the Company as at 31 December 2023 (2022: nil).

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

23. Non-current assets held for sale

A mining contractor providing contractor mining services to Abosso Goldfields Limited (AGL) was served a termination notice on 24 September 2019 and the contract was effectively terminated on 23 December 2019. As a result of the termination, the following obligations arose in terms of the early termination clauses in the contract:

- Purchase of mining fleet from the contractor at the higher of market value plus a 25% premium or the finance pay-out value plus a premium of 25%;
- Demobilisation costs;
- Early termination payment; and
- Purchase of stores inventory.

As part of the transition process to engage another contractor to continue mining, AGL obtained commitment from a new contractor to purchase the mining fleet from AGL at its market value in a back-to-back arrangement. The sale was expected to be completed before the end of 2021.

As a result, the assets to be purchased from the former mining contractor as per the termination clauses of the contract were recognised as held for sale in line with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

The fair value of the mining fleet was determined using the sales comparison approach. This is a level 2 measurement of non-financial assets as per the fair value hierarchy in Note 2.31. The market value of the assets which was determined by two, independent external valuers was US$29.4 million.

In 2021, the non-current assets held for sale and the associated liability have been derecognised because the directors are of the view that, the Company is no longer obliged to purchase any equipment from the mining contractor. It never had an obligation to purchase the unapproved equipment and the approved equipment was not released timeously, and time was of the essence in the mining agreement. The directors have maintained a provision of US$10m for probable costs of demobilisation of the fleet, non-mobile fleet as well as the potential costs as a result of the arbitration proceedings.

The costs associated with the termination of the contract include:

Ghana Cedis			Note	United States Dollars	
2023	2022			**2023**	2022
		Amount recognised in trade and other payables:			
-	18,016	Non-mobile fleet incl. dewatering equipment		-	1,772
-	74,656	Premium on mining fleet		-	7,343
-	10,167	Demobilisation costs		-	1,000
-	102,839		**17**	-	10,115

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

24. Leases

(i) Amounts recognised in the statement of financial position

The lease contracts are for a period ranging from 6 months to 6 years but may have extension options. Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable by mutual agreement between the Company and the respective lessor.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The balances arising from the Company's leasing activities are set out below:

Ghana Cedis			United States Dollars	
2023	2022	*Right-of-use assets*	**2023**	2022
120,978	154,196	Power Plant	**10,115**	15,166
-	67,652	Mining fleet	**-**	6,654
6,315	14,560	Buses	**529**	1,433
127,293	236,408		**10,644**	23,253

Right-of-use assets of the Company are included in 'Property, plant and equipment' in note 12.

Ghana Cedis			United States Dollars	
2023	2022	*Lease liabilities*	**2023**	2022
194,654	139,149	Balance at 1 January	**19,147**	23,267
-	31,140	Additions during the year (Note 12)	**-**	3,619
12,976	12,360	Interest expense (Note 9)	**1,110**	1,436
(91,368)	(78,956)	Lease payments	**(7,816)**	(9,175)
32,533	90,961	Translation adjustment	-	-
148,795	194,654	Balance at 31 December	**12,441**	19,147
75,420	63,426	*Current portion of lease liabilities*	**6,306**	6,239
73,375	131,228	*Non-current portion of lease liabilities*	**6,135**	12,908
148,795	194,654		**12,441**	19,147

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

24. Leases (continued)

(ii) Amounts recognised in the statement of comprehensive income

Ghana Cedis			United States Dollars	
2023	2022	*Depreciation charge on right-of-use assets*	**2023**	2022
60,410	43,464	Power Plant	**5,051**	5,051
79,570	17,365	Mining fleet	**6,653**	2,018
7,417	8,243	Buses	**905**	958
147,397	69,072		**12,609**	8,027
12,978	12,360	Interest expense (included in finance costs)	**1,110**	1,436

No short term or low value leases were expensed in the statement of comprehensive income.

Expense relating to variable lease payments not included in lease liabilities (included in cost of sales) amounted to US$30.6 million; GH¢357.37 million (2021: US$39.9 million; GH¢343.18 million).

(iii) Amounts recognised in the statement of cash flows

The total cash outflow for leases in 2023 was US$7.8 million; GH¢91.4 million (2022: US$9.2 million; GH¢79 million).

25. Share - based payments

Gold Fields Limited, the ultimate parent of the Company, granted equity-settled instruments comprising share options and restricted shares to executive directors, certain officers and employees. During the year ended 31 December 2023, the Gold Fields Limited 2012 share plan as amended in 2016 was in place. Allocations under this plan were made during 2018, 2019 and 2020.

The following information is available for the plan:

Ghana Cedis (million)			United States Dollars (million)	
2023	2022		**2023**	2022
0.8	0.8	(i) Gold Fields Limited 2012 Share Plan amended – Performance shares	**0.07**	0.09
0.8	0.8	**Total included in profit or loss for the year**	**0.07**	0.09

The movement in share-based reserve account is shown in the statement of changes in equity.

Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016

At the Group's Annual General Meeting on 18 May 2016, shareholders approved the adoption of the revised Gold Fields Limited 2012 Share Plan to replace the Long-Term Incentive Plan (LTIP). The plan provides for four types of participation, namely Performance Shares ("PS"), Retention Shares ("RS"), Restricted Shares ("RSS") and Matching Shares ("MS"). This plan is in place to attract, retain, motivate and reward participating employees on a basis which seeks to align the interests of such employees with those of the Company's shareholders. Currently, the last vesting date is 25 February 2024.

The following table summarises the movement of share awards under the Gold Fields Limited 2012 Share Plan as amended in 2016 during the year ended 31 December 2023:

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

25. Share - based payments (continued)

Gold Fields Limited 2012 Share Plan amended – awards after 1 March 2016 (continued)

	Performance shares ("PS")	Performance shares ("PS")
	2023	2022
Outstanding at the beginning of the year	**118**	285
Movement during the year:		
Granted	**38**	19
Exercised and released	**(7)**	(42)
Forfeited	**(41)**	(144)
Outstanding at the end of the year	**108**	118

None of the outstanding awards of 108,312 above have vested.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

26. Commitments

(a) There were no capital commitments as at 31 December 2023 (2022: Nil).

(b) Leases

	Lease liabilities[1]	Non-lease elements[2]	Fully variable lease payments[3]	Total
As at 31 December 2023		**United States Dollars**		
- within one year	6,952	15,297	12,293	**34,542**
- later than one and not later than five years	6,353	15,274	13,628	**35,255**
- later than five years	-	-	-	-
Total	**13,305**	**30,571**	**25,921**	**69,797**
		Ghana Cedis		
- within one year	83,141	182,949	147,020	**413,110**
- later than one and not later than five years	75,979	182,680	162,991	**421,650**
- later than five years	-	-	-	-
Total	**159,120**	**365,629**	**310,011**	**834,760**

	Lease liabilities[1]	Non-lease elements[2]	Fully variable lease payments[3]	Total
As at 31 December 2022		United States Dollars		
- within one year	7,349	14,761	40,227	62,337
- later than one and not later than five years	13,793	25,121	12,448	51,362
- later than five years	-	-	-	-
Total	21,142	39,882	52,675	113,699
		Ghana Cedis		
- within one year	74,718	150,069	408,990	633,777
- later than one and not later than five years	140,237	255,407	126,556	522,200
- later than five years	-	-	-	-
Total	214,955	405,476	535,546	1,155,977

1. The undiscounted lease liabilities relate to the gross cash flows used to determine the lease liabilities in terms of *IFRS 16 Leases* and will not agree to the leases recognised in Note 24.
2. The non-lease elements are the amounts in the lease contracts that are not accounted for as part of the lease liabilities.
3. These are the total commitments per lease contracts where the payments have been determined to be fully variable, as a result no lease liability has been recorded. Variable lease payments are from leases for power and bus services. The entity has control over the assets but due to the varying nature of usage, a "fixed" amount is not paid. The entity pays what is demanded of them by the lessor. These are expensed in profit or loss under cost of sales.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

27. Contingent liabilities

The Company has contingent liabilities in respect of farm, land and building compensation claims. The maximum liability that would be incurred by the Company is not expected to exceed US$960,597; GH¢11,488,735 (2022: US$433,973; GH¢4,412,203). The Company has other contingent liabilities from claims by ex-employees. The maximum liability in all these claims is not expected to exceed US$125,418; GH¢1,500,000 (2022: US$123,066,741; GH¢1,251,219,565).

In 2019, the Customs Division of the Ghana Revenue Authority (GRA) conducted a customs audit of the Company for the financial years 2013 to 2017. The audit resulted in a provisional liability. The issues raised by the GRA are being contested by the Company. The final assessment is yet to be determined by the GRA.

There is a pending case between the Company and its former mining contractor resulting from the termination of the contract mining agreement. The outcome of the case is yet to be determined by the court.

28. Financial instruments

Classification of financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities. The carrying amounts of financial assets such as trade and other receivables, other assets, cash and cash equivalents and financial liabilities such as trade and other payables and lease liabilities which are not measured at fair value are a reasonable approximation of their fair values due to their short-term nature.

The fair value of other financial asset at amortised cost and the related party borrowings approximate the carrying values as the interest rates are variable. The fair values have been determined using discounted cash flow.

Financial instruments measured at amortised cost:

	United States Dollars			
	At 31 December 2023		At 31 December 2022	
Financial assets	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Trade and other receivables (excluding statutory receivables)	**2,587**	**2,587**	6,579	6,579
Other assets	**11,944**	**11,944**	9,600	9,600
Cash and cash equivalents	**44,566**	**44,566**	33,225	33,225
	59,097	**59,097**	49,404	49,404

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

28. Financial instruments (continued)

Classification of financial instruments (continued)

Financial instruments measured at amortised cost (continued)

	United States Dollars			
	At 31 December 2023		At 31 December 2022	
	Carrying amount	**Fair value**	Carrying Amount	Fair value
Financial liabilities				
Trade and other payables (excluding statutory payments)	**55,222**	**55,222**	80,716	80,716
Related party borrowing	**-**	**-**	21,006	21,006
Lease liabilities	**12,441**	**12,441**	19,147	19,147
	67,663	**67,663**	120,869	120,869

Financial instruments measured at amortised cost:

	Ghana Cedis			
	At 31 December 2023		At 31 December 2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Trade and other receivables (excluding statutory receivables)	**30,941**	**30,941**	66,888	66,888
Other assets	**142,850**	**142,850**	97,603	97,603
Cash and cash equivalents	**533,009**	**533,009**	337,796	337,796
	706,800	**706,800**	502,287	502,287
Financial liabilities				
Trade and other payables (excluding statutory payments)	**660,456**	**660,456**	820,638	820,638
Related party borrowing	**-**	**-**	213,567	213,567
Lease liabilities	**148,795**	**148,795**	194,654	194,654
	809,251	**809,251**	1,228,859	1,228,859

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

28. Financial instruments (continued)

Classification of financial instruments (continued)

The Company considers its financial assets and liabilities excluding derivatives to be level 3 in the fair value hierarchy i.e. inputs for the asset or liability are not based on observable market data. Derivatives fall within Level 2 of the fair value hierarchy as at the reporting date. Inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) were used in determining the year end valuation. The fair values of these contracts are determined by using the applicable valuation models for each instrument type with the key inputs being forward prices, interest rates, volatilities and exchange rates.

29. Financial risk management activities

In the normal course of its operations, the Company is exposed to market risk (i.e. commodity price, foreign currency, interest rate), liquidity and credit risk. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks. Management of financial risk is centralised at the Group's Treasury Department, which manages financial risk in accordance with the policies and procedures established by the Group's Board of Directors and Executive Committee, in order to protect profit and cash flows.

The financial risk management objectives of the Company are defined as follows:

Risk management objectives	**Description**
Market risk	
Commodity price sensitivity	Commodity risk management takes place within limits and with counterparties approved in the Gold Fields Group's Treasury Framework.
Foreign currency risk	The objective is to maximise the Company's profits by minimising currency fluctuations and exposures.
Interest rate risk	The objective is to identify opportunities to prudently manage interest rate exposures.
Credit risk	
Counterparty exposure	The objective is to only deal with approved counterparties that are of sound financial standing and who have an official credit rating. The Company is limited to a maximum investment of between 4 and 5 per cent of the financial institutions' equity, which is dependent on the institutions' credit rating. This credit rating is Fitch Ratings' short-term credit rating for financial institutions.
Investment risk management	The objective is to achieve optimal returns on surplus funds.
Liquidity risk	
Liquidity risk management	The objective is to ensure that the Company is able to meet its commitments through the effective and efficient use of credit facilities.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

29. Financial risk management activities

(a) Market risk

(i) Commodity price sensitivity

Gold

The market price of gold has a significant effect on the results of operations of the Company, the ability of the Company to pay dividends and to undertake capital expenditures. Standard scenarios that are considered on a monthly basis include a parallel fall or rise in the market price. A change in the price of gold at the reporting date would have impacted the statement of financial position by the amounts shown below:

	United States Dollars		Ghana Cedis	
	Increase	Decrease	Increase	Decrease
At 31 December 2023				
Gold price impact (5% movement)	**13**	**(13)**	**152**	**(152)**
At 31 December 2022				
Gold price impact (5% movement)	300	(300)	3,054	(3,054)

Oil market price

The market price of oil has a significant effect on the results and costs of operations of the Company. The Company's operations consume large quantities of diesel in the running of the mining and milling equipment. Oil prices have historically fluctuated widely and are affected by numerous factors over which the Company does not have any control. To the extent that it enters into derivative arrangements, the Company seeks to use different counterparty banks consisting of local and international banks to spread risk. None of the counterparties is affiliated with, or a related party to the Company.

(ii) Foreign currency risk

In the normal course of business, the Company enters into transactions for the purchase of goods and services denominated in other currencies. In addition, the Company has assets and liabilities in a number of different currencies primarily in Australian Dollar (AUD), Euro (EUR), Great British Pound (GBP), Ghana Cedis (GH₵) and South African Rand (ZAR). As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Foreign currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of financial statements into the Company's presentation currency are not taken into account.

Below is the sensitivity analysis of the Company's exposure to various currencies at the end of the period in respect of transactions with its creditors and debtors.

Exchange risk exposure

At 31 December 2023	**AUD**	**EUR**	**GBP**	**GH₵**	**ZAR**
Cash and cash equivalents	-	-	-	140,654	-
Related party payables	-	-	-	-	(1,255)
Trade payables	(44)	(12)	(4)	(3,761)	(3,106)
Statement of financial position exposure	**(44)**	**(12)**	**(4)**	**136,893**	**(4,361)**

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

At 31 December 2022	**AUD**	**EUR**	**GBP**	**GH¢**	**ZAR**
Cash and cash equivalents	-	-	-	97,850	-
Related party payables	-	-	-	-	(419)
Trade payables	(38)	(87)	(15)	(54)	(112)
Statement of financial position exposure	**(38)**	**(87)**	**(15)**	**97,796**	**(531)**

The following exchange rates were applied during the year:

US$/unit of currency

Financial year	**AUD**	**CAD**	**EUR**	**GBP**	**GH¢**	**ZAR**
2023 - Average	**0.6641**	**0.7410**	**1.0814**	**1.2431**	**0.0855**	**0.0542**
Reporting date – Spot rate	**0.6807**	**0.7546**	**1.1049**	**1.2708**	**0.0836**	**0.0539**
2022 - Average	0.6958	0.7686	1.0555	1.2365	0.1162	0.0613
Reporting date – Spot rate	0.6795	0.7389	1.0668	1.2050	0.0984	0.0590

Sensitivity Analysis

A strengthening/weakening of the US$ as indicated below, against the major currencies at 31 December 2022 would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considers reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

December 2023	**AUD**	**EUR**	**GBP**	**GH¢**	**ZAR**
10% Strengthening	**(3)**	**(1)**	**(0)**	**1,145**	**(24)**
5% Strengthening	**(1)**	**(1)**	**(0)**	**572**	**(12)**
10% Weakening	**3**	**1**	**0**	**(1,145)**	**24**
5% Weakening	**1**	**1**	**0**	**(572)**	**12**
December 2022	AUD	EUR	GBP	GH¢	ZAR
10% Strengthening	(3)	(9)	(2)	962	(3)
5% Strengthening	(1)	(5)	(1)	481	(2)
10% Weakening	3	9	2	(962)	3
5% Weakening	1	5	1	(481)	2

The Company does not currently hedge its exposure to foreign currency exchange rates.

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

29. Financial risk management activities (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Fluctuations in interest rates impact the value of short-term investments and financing activities, giving rise to interest rate risk. The effect of a 240bp change in interest rates (2022: 240bp) at the reporting rate would impact profit or loss and equity as follows:

Ghana Cedis			United States Dollars	
		At 31 December 2023		
Increase	**Decrease**		**Increase**	**Decrease**
-	**-**	Financial liabilities	**-**	**-**
======	**=====**		**=====**	**====**
		At 31 December 2022		
(22,132)	**22,132**	Financial liabilities	**(2,177)**	**2,177**
======	=====		=====	====

LIBOR developments

Developments in respect of the proposed reform/cessation of US dollar LIBOR and the impact thereof on the Company's LIBOR linked facilities are actively monitored by the Goldfields Treasury Department. Changes to the interest rate benchmark will be considered in conjunction with the surrounding facts and circumstances at the time and appropriate changes and resetting/replacement of rates with counterparties will be negotiated and agreed. As at 31 December 2023, the balance expected be impacted is the loan to the Company's mining contractor of US$21 million. The loan has been fully impaired. The Company does not believe that LIBOR reform will have a material impact on it.

(b) Credit risk

Credit risk represents risk that an entity will suffer financial loss due to the other party of a financial instrument not discharging its obligation. The Company has reduced its exposure to credit risk by dealing with just one counterparty considered to be of good credit rating. The Company determines each exposure to credit risk based on data that is determined to be predictive of the risk of loss and past experienced credit judgement. The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customer. The Company also considers other factors that might impact the credit risk of its customer base including default risk and the country in which the customer operates. Impairment of trade receivables, carried at amortised cost, has been determined using the simplified expected credit loss ("ECL") approach and reflects the short-term maturities of the exposures. The combined maximum credit risk exposure of the Company is as follows:

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
3,038	61,073	Bullion debtors	**254**	6,007
16,385	5,815	Staff debtors	**1,370**	572
142,850	97,603	Other assets	**11,944**	9,600
532,985	337,767	Cash at bank	**44,564**	33,222
----------	----------		---------	---------
695,258	502,258		**58,132**	49,401
======	======		=====	=====

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

29. Financial risk management activities (continued)

(b) Credit risk (continued)

Based on the assessment performed, none of the receivables was impaired. Cash and cash equivalents are balances held with financial institutions licensed by relevant regulatory bodies. The impairment loss on cash and cash equivalents is immaterial. There is no credit risk associated with cash on hand. For bullion debtors and staff debtors, there have been no history of defaults.

The other financial assets at amortised cost fall under stage 3 of the impairment model and thus were assessed using lifetime ECL approach as a result of an increase in credit risk since initial recognition. The ECL was based on the Company's understanding of the financial position of the counterparty, including the consideration of their credit risk grade. The credit risk is managed through the Company's offsetting rights of invoices against the loan advanced to the contractor.

(c) Liquidity risk

In the ordinary course of business, the Company uses cash proceeds from its operations to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent possible by investing only with regulator-licensed financial institutions. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date:

	United States Dollars	
	Less than 1 year Cash flow	**More than 1 year Cash flow**
At 31 December 2023		
Trade payables and other payables (excluding statutory payments)	55,222	-
Lease liabilities	6,952	6,353
	62,174	**6,353**
At 31 December 2022		
Trade payables and other payables (excluding statutory payments)	80,716	-
Related party borrowing	10,218	12,080
Lease liabilities	7,349	13,793
	98,283	25,873

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

29. Financial risk management activities (continued)

(c) Liquidity risk (continued)

At 31 December 2023	Ghana Cedis Less than 1 year Cash flow	 More than 1 year Cash flow
Trade payables and other payables (excluding statutory payments)	660,456	-
Lease liabilities	83,146	75,982
	743,602	**75,982**
At 31 December 2022		
Trade payables and other payables (excluding statutory payments)	820,638	-
Related party borrowing	103,886	122,817
Lease liabilities	74,718	140,237
	999,242	263,054

30. Capital management

Capital comprises of shareholders' equity. The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding requirements, including capital expenditure, in a way that:
- optimises the cost of capital;
- maximises shareholders' returns; and
- ensures that the company remains in a sound financial position.

There were no changes to the Company's overall capital management approach during the current year.

The Company monitors capital using a gearing ratio, which is defined as net debt divided by shareholders' equity. The indicative gearing ratios are as shown below:

Ghana Cedi			United States Dollars	
2023	2022		**2023**	2022
-	213,567	Borrowings	**-**	21,006
148,795	194,654	Lease liabilities	**12,441**	19,147
(533,009)	(337,796)	Cash and cash equivalents	**(44,564)**	(33,225)
(384,214)	70,425	Net debt	**(32,123)**	6,928
2,781,094	2,959,489	Total shareholders' equity	**232,533**	291,086
-	2.3%	Gearing ratio (%)	**-**	2.3%

NOTES (continued)
(All amounts are in thousands unless otherwise stated)

31. Other assets

Ghana Cedis			United States Dollars	
2023	2022		**2023**	2022
142,850	97,603	Restricted cash	**11,944**	9,600
======	=====		**=====**	=====

Abosso Goldfields Limited has a Reclamation Security Agreement with the Environmental Protection Agency (EPA). Pursuant to this agreement and based on the Reclamation Plan and Decommissioning Study (RPCDS), a security guarantee of US$24.1 million; GH¢288.2 million (2022: US$15 million; GH¢89.71 million) was deposited with the EPA. This consists of a cash deposit of US$11.9 million; GH¢142.9 million (2022: US$9.60 million; GH¢97.6 million) and an Irrevocable Letter of Credit of US$12.2 million; GH¢145.9 million (2022: US$7.6 million; GH¢65.40 million) with First National Bank Limited.

32. Events after the reporting period

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

The directors recommended an interim dividend for 2024 of US$45 million to its shareholders in February and May 2024.

Apart from the above, the directors are not aware of any material events that have occurred between the date of the statement of financial position and the date of this report that may require adjustment and, or disclosure in the financial statements.