GOLDEN STAR (WASSA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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CORPORATE INFORMATION

Directors

Zhiyong Chen	Chairman
Mona K Quartey	Member
Dandan Xu	Member
Leon Appenteng	Member
Shaddrack Adjetey Sowah	Managing Director
Gerard Boakye	Member (Appointed on 21 March 2023)
Yi-Fang Yang	Member (Appointed on 19 December 2023)

Secretary

Frederick Owusu-Asare
Deila Court
House No. 19
Patrice Lumumba Street
Airport Residential Area
Accra

Solicitors

REM Law Consultancy

Independent auditor's

Ernst & Young Ghana
Chartered Accountants
60 Rangoon Lane
Cantonments City
P. O. Box KA 16009
Airport, Accra

Registered office

Deila Court
House No. 19
Patrice Lumumba Street
Airport Residential Area
Accra

Mine site

Wassa Akyempim
Western Region

Bankers

Absa Bank Ghana Limited
Barclays PLC Funding
Ecobank Ghana PLC
Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana PLC

CORPORATE GOVERNANCE REPORT

Introduction

Golden Star (Wassa) Limited (the "Company") subscribes to sound corporate governance and complies with the Golden Star Resources Group Code of Corporate Practices and Conduct.

Directors

The Company has seven directors. The directors generally meet at quarterly intervals or more frequently if required. The non-executive directors retire on a rotational basis and, if eligible, stand for re-election at the annual general meeting. Non-executive directors derive no benefits from the Company for their services as directors other than their fees. The non-executive directors are high-calibre professionals and sufficient in number for their independent views to carry significant weight in the board's deliberations and decisions.

The board retains full and effective control over the Company.

Health, safety and environment

The elimination of all mining-related accidents and the protection of the environment are primary objectives which are fostered through ongoing reviews.

Control environment

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

Code of Ethics

The Company has a code of ethics that applies to all 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.

SUMMARY OF PRODUCTION AND FINANCIAL RESULTS

1.1 PRODUCTION STATISTICS

Item	Units	**Year ended 31 December 2023**	Year ended 31 December 2022
Ore mined	Tonnes	**2,530,201**	2,166,255
Waste and low grade mined	Tonnes	**3,282,068**	1,590,362
Total mined	Tonnes	**5,812,269**	3,756,617
Waste: ore ratio	X:1	**1.30**	0.73
Plant feed	Tonnes	**2,550,842**	2,117,237
Mill Grade	g/t Au	**2.07**	2.62
Recovery	%	**95.54**	95.64
Gold produced	Kgs	**5,022**	5,310
Gold produced	Ozs	**161,457**	170,724
Gold sold	Kgs	**5,165**	5,188
Gold sold	Ozs	**166,050**	166,793

Gold production of 161,457oz for 2023 was less than the 2022 figure by 9,267oz. There was 950oz closing inventory for finished gold as at 31 December 2023 (2022: 5,543oz). Cash operating cost for 2023 was US$916 per oz of gold sold compared to US$837 per oz of gold sold in 2022.

1.2 FINANCIAL RESULTS

Details	**Year ended 31 December 2023**	Year ended 31 December 2022
	US$'000	US$'000
Revenue from gold and silver sales net of royalties	**307,634**	285,080
Other income	**1,968**	69
Finance income	**3,251**	1,347
Costs and expenses:	**(227,500)**	(234,430)
- Total operating costs and other general and administrative expenses	**(168,781)**	(192,949)
- Depreciation on property, plant and equipment	**(48,187)**	(36,429)
- Other expenses	**(704)**	(772)
- Finance costs	**(9,828)**	(4,280)
Profit before income tax	**85,352**	52,066

REPORT OF THE DIRECTORS

The directors present herewith their report together with the audited financial statements of Golden Star (Wassa) Limited (the "Company") for the year ended 31 December 2023, which disclose the state of affairs of the Company.

Principal activities

The Company conducts gold mining operations in the Wassa Akyempim area of the Western Region of Ghana consisting of an opencast and underground mine with an adjacent milling and recovery plant.

Mining interests

The Company holds various mining concessions from the Ghanaian Government and the registers thereof are available for inspection by members or their duly authorised agents at the Company's registered office.

Operations

Particulars of the operations for the year are contained in the technical report set out on pages 3 and 4.

Results and state of affairs

The financial statements comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes to the financial statements, which include significant accounting policies. The financial statements are presented in United States dollars, the functional currency of the Company.

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: Nil).

Stated Capital

During the year, The Company, by resolution of the Board of Directors increased the authorised shares from 10,000,000 ordinary shares to 500,000,000 of no par value. The new share ownership structure is as follows: Ministry of Lands and Natural Resources has 15,873,016 shares, representing 10% of the allotted shares and Wasford Holdings has 142,857,143 shares, representing 90% of the allotted shares. The stated capital has been increased from US$756 to $1,000,000.

Majority shareholders

The ultimate parent company is Chifeng Jilong Gold Mining Co. Ltd, a company incorporated in China with 90 percent of the issued shares and the Government of Ghana with 10 percent of the issued shares of the Company.

Directors' interest

During the year ended 31 December 2023, no significant or material contract was entered into in which the directors of the Company had an interest which significantly or materially affected the business of the Company.

Capacity building of directors

The directors undertook self-development studies during the year ended 31 December 2023 as part of their continuous development to enable them to play their roles as directors of the Company.

REPORT OF THE DIRECTORS (continued)

Corporate Social Responsibility

The Company undertook various corporate social responsibility activities during the year in the areas of health, education, safety, environment and community. The Company contributes US$1 per every ounce produced towards Golden Star Oil Palm Plantation (GSOPP) and US$1 per every ounce produced and 0.1% of pre-tax profits towards the Community Development Fund. A total amount of US$332,068 (2022: US$333,982) was spent in the year ended 31 December 2023.

Directors

The directors who held office during the year and to the date of this report are stated on page 1.

Auditor

The auditors Ernst & Young Chartered Accountants having indicated their willingness. continue in office under Section 139 (5) of the Companies Act, 2019 (Act 992).

BY ORDER OF THE BOARD

Name of Director: Zhiyong Chen

Signature:

Date: 27 June 2024

Name of Director: Shaddrack A. Sowah

Signature:

Date: 27 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that period. 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, followed IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 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 made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern.

Name of Director: Zhiyong Chen

Signature:

Date: 27 June 2024

Name of Director: Shaddrack A. Sowah

Signature:

Date: 27 June 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN STAR (WASSA) LIMITED

Opinion

We have audited the financial statements of Golden Star (Wassa) Limited ('the Company') set out on pages 10 to 48, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Golden Star (Wassa) Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2019 (Act 992).

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 48-page document titled "Golden Star (Wassa) Limited, Annual Report and Financial Statements, 31 December 2023". The other information 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

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Partners : Pamela Des Bordes, Isaac Nketiah Sarpong, Priscilla Koranteng-Gyasi, Emmanuel Adekahlor, Kwadjo Yeboah

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of 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.

Auditors 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 judgment and maintain professional skepticism 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.

- 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.

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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.

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:

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;

iii. The statement of financial position and the statement of comprehensive income (statement of profit or loss and other comprehensive income) of the Company are in agreement with the underlying books of account;

iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and 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 for the financial year then ended;

v. We are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Priscilla Koranteng-Gyasi (ICAG/P/1459).

Ernst & Young (ICAG/F/2024/126)
Chartered Accountants
Accra, Ghana

Date: 27 June 2024

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Partners : Pamela Des Bordes, Isaac Nketiah Sarpong, Priscilla Koranteng-Gyasi, Emmanuel Adekahlor, Kwadjo Yeboah

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts are in thousands of United States dollars)

	Notes	Year ended 31 December	
		2023	2022
Revenue	7	**323,641**	299,937
Cost of sales	8(a)	**(196,527)**	(167,452)
Gross profit		**127,114**	132,485
Administrative expenses	8(b)	**(36,449)**	(76,783)
Other expenses	9(a)	**(704)**	(772)
Other income	10	**1,968**	69
Operating profit		**91,929**	54,999
Finance income	12	**3,251**	1,347
Finance costs	13	**(9,828)**	(4,280)
Net finance cost		**(6,577)**	(2,933)
Profit before income tax		**85,352**	52,066
Income tax expense	14(a)	**(28,710)**	(20,366)
Profit for the year		**56,642**	31,700
Other comprehensive income		**-**	-
Total comprehensive income for the year		**56,642**	31,700

The notes on pages 14 to 48 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands of United States dollars)

	Notes	At 31 December 2023	2022
Assets			
Non-current assets			
Property, plant and equipment	15(a)	**313,356**	292,801
Current assets			
Inventories	16	**36,615**	39,817
Intercompany loan	15(c)	**30,257**	46,348
Trade and other receivables	17	**112,269**	57,811
Cash and cash equivalents	19	**34,257**	27,215
		213,398	171,191
Total assets		**526,754**	463,992
Equity and liabilities			
Shareholders' equity			
Stated capital	20	**1,000**	1
Retained earnings		**265,924**	210,281
Total equity		**266,924**	210,282
Non-current liabilities			
Borrowings	21	**90,000**	90,000
Lease liabilities	15(b)	**22,535**	24,418
Deferred tax liabilities	18	**40,403**	39,132
Environmental rehabilitation provision	22	**17,347**	17,837
		170,285	171,387
Current liabilities			
Trade and other payables	23	**73,073**	60,732
Taxation	14(b)	**3,365**	7,364
Lease liabilities	15(b)	**3,175**	4,320
Borrowings	21	**9,932**	9,907
		89,545	82,323
Total liabilities		**259,830**	253,710
Total equity and liabilities		**526,754**	463,992

The financial statements on pages 11 to 48 were approved and authorised for issue by the Board of Directors on 27 June 2024 **and signed on their behalf by:**

Name of Director: Zhiyong Chen

Signature:

Name of Director: Shaddrack A. Sowah

Signature:

The notes on pages 14 to 48 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(All amounts are in thousands of United States dollars)

Year ended 31 December 2023	**Stated capital**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	**1**	**210,281**	**210,282**
Comprehensive income			
Profit for the year	**-**	**56,642**	**56,642**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**-**	**56,642**	**56,642**
Transactions with owners	**999**	**(999)**	**-**
Balance at 31 December 2023	**1,000**	**265,924**	**266,924**

Year ended 31 December 2022	Stated capital	Retained earnings	Total equity
Balance at 1 January 2022	1	181,501	181,502
Comprehensive income			
Profit for the year	-	31,700	31,700
Other comprehensive income	-	-	-
Total comprehensive income	-	31,700	31,700
Prior year adjustment	-	(2,920)	(2,920)
Transactions with owners	-	-	-
Balance at 31 December 2022	1	210,281	210,282

The notes on pages 14 to 48 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in thousands of United States dollars)

	Note	Year ended 31 December 2023	2022
Cash flows from operating activities			
Cash generated from operations	24	101,209	63,482
Interest received	12	3,251	1,347
Interest paid	13	(9,591)	(5,379)
Tax paid	14(b)	(31,439)	(11,838)
Rehabilitation expenditure paid	22	(727)	(1,170)
Net cash generated from operating activities		**62,703**	46,442
Cash flows from investing activities			
Purchase of property, plant and equipment	15(a)	**(70,111)**	(68,958)
Proceeds on disposal of assets		**1,362**	-
Investment in related parties		**16,091**	(46,348)
Net cash used in investing activities		**(52,658)**	(115,306)
Cash flows from financing activities			
Principal element of lease payments	15(b)	**(3,028)**	(2,889)
Proceeds from borrowings	21	**2,621**	90,000
Repayment of borrowings	21	**(2,596)**	(1,479)
Net cash used in financing activities		**(3,003)**	85,632
Net increase in cash and cash equivalents		**7,042**	16,768
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		**27,215**	10,447
Effects of exchange rate changes on cash and cash equivalents	13	**-**	1,335
Increase during the year		**7,042**	15,433
Cash and cash equivalents at 31 December	19	**34,257**	27,215

The notes on pages 14 to 48 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of United States dollars unless otherwise stated)

1. General information

Golden Star (Wassa) Limited (the "Company") is incorporated in Ghana under the Companies Act, 2019 (Act 992) as a limited liability company and is domiciled in Ghana. The address of its registered office is Deila Court, House No. 19, Patrice Lumumba Street, Airport Residential Area, Accra.

The Company conducts gold mining operations in the Wassa Akyempim area of the Western Region of Ghana consisting of opencast and underground mines with an adjacent milling and recovery plant.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements comply with IFRS and in the manner required by the Companies Act 2019 (Act 992).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgment 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.

The directors do not have the ability to amend the audited financial statements after issue.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

2.1.1 New standards, amendments and interpretations

(i) New standards, amendments and interpretations adopted by the Company

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. In June 2020, the IASB issued amendments to IFRS 17. In September 2017, the Board established a Transition Resource Group (TRG) for IFRS 17 to analyse implementation related questions. The TRG met four times and while no further meetings have been scheduled, the TRG submission process remains open for stakeholders to send in questions they believe meet the TRG submission criteria.
The amendments are effective for annual periods beginning on or after 1 January 2023.
The amendments are not expected to have a material impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

(ii) New standards, amendments and interpretations adopted by the Company

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

In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information' and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company.

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

In May 2021, the Board issued amendments to IAS 12, which narrowed the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense).

This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are applicable for annual periods beginning on or after 1 January 2023.

The amendment is not expected to have a material impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

(iii) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.

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

In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:
- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification and
- Disclosures.

The amendment is effective for annual periods beginning on or after 1 January 2024. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

(iii) Standards issued but not yet effective (continued)

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (continued)

The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The amendment is effective to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments is effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments provide some transition reliefs regarding comparative and quantitative information as at the beginning of the annual reporting period and interim disclosures.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

(iii) Standards issued but not yet effective (continued)

Lack of exchangeability – Amendments to IAS 21 (continued)

An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.2 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 entity operates ('the functional currency'). The financial statements are presented in United States Dollars ("USD") which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using 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, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'other income' or 'other expenses'.

Non-monetary items that are measured at cost are in a foreign currency are translated using the historical rates at the date of recognition.

2.3 Revenue

The Company recognises revenue from gold bullion sales as its obligations are satisfied in accordance with an agreed contract between the Company and its customers. Revenue is recognised at a point-in-time when the gold bullion has been delivered to the customer or its appointed agent. It is at this point that control over the gold bullion has been passed to the customer and the Company has fulfilled its obligations under the contract.

Revenue is measured as the amount of consideration that the Company expects to be entitled to in exchange for transferring goods to its customers. This is based on the consideration specified in a contract with the customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the gold before transferring it to the customer.

Financing component

The Company does not expect to have any contracts where the period between the transfer of the promised services 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 TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Income tax

The tax expense for the period comprises current income tax and deferred tax. 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 this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. The current income tax charge is calculated on the basis of tax rates and tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of 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 recognised, 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 is 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 either accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at 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 when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(iii) Uncertain tax positions

The Company examines where there is 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).

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.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Income tax (continued)

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.

2.5 Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment (PPE), include machinery, processing equipment, mining equipment, mine site facilities, buildings, vehicles and expenditures that extend the life of such assets are stated at historical cost less depreciation and any impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii. Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred and included in cost of sales and administrative expenses for the year.

iii. Depreciation

Depreciation for mobile equipment and other assets having estimated lives shorter than the estimated life of the ore reserves is computed using the straight-line method at rates calculated to allocate the cost of the assets, less their anticipated residual values, if any, over their estimated useful lives as follows:

Buildings	Unit of production
Plant and machinery	Unit of production
Mobile equipment and other equipment	2 - 5 years
Mine properties	Unit of production

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

iii. Depreciation (continued)

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment charges are reported under administrative expenses in the statement of comprehensive income.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

Where the major components of an item of property, plant and equipment have significantly different patterns of consumption or economic benefits, then the initial cost of the asset is allocated to those major components and each such component is depreciated separately over its useful life. It is considered that the current aggregation of PPE properly reflects their pattern of consumption and no significant value may be achieved at this time by componentisation of such assets.

Mine properties represent the accumulation of all exploration, evaluation, and development expenditure incurred by or on behalf of the Company in relation to areas of interest in which mining of a mineral resource has commenced.

When development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is capitalised as part of the cost of that mine property only when substantial future economic benefits are thereby established; otherwise such expenditure is classified as part of the cost of production.

Depreciation of capitalised costs is provided on the unit-of-production method with separate calculations made for each mineral resource. The unit-of-production basis results in a depreciation charge proportional to the depletion of the economically recoverable reserves.

iv. De-recognition

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is fully provided against or written off in the financial year in which this is determined.

There is no depreciation charge on capital work in progress.

2.6 Leases

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.

Assets and liabilities arising from a lease are initially measured on a present value basis.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.6 Leases *(continued)*

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 payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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. The Company's right-of-use assets has been presented within property, plant and equipment in note 15.

The Company's lease contracts as at 31 December 2023 do not contain any variable payments or extension and termination options.

2.7 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 an area of interest.

Exploration and evaluation expenditure for each area of interest is expensed as incurred and included in cost of sales, 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 expensed. 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.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.8 Development expenditure

Development expenditure incurred by, or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable mineral resources have been identified to the satisfaction of the directors. It comprises direct development expenditure, pre-operating and equipment start-up costs, and an appropriate portion of related overhead expenditure having a specific nexus with the development expenditure.

Once a development decision has been taken, future related exploration, evaluation and acquisition expenditure in respect of the area of interest is aggregated with the costs of developing the property and classified under non-current assets as "development expenditure".

All development expenditure incurred prior to the commencement of commercial levels of production from each particular development property is capitalised to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property or from sale of that property is reasonably assured.

No depreciation is provided in respect of development expenditure until it is reclassified as "mine properties" following a decision to commence mining.

When development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is capitalised as part of the cost of that mine property only when substantial future economic benefits are thereby established; otherwise such expenditure is classified as part of the cost of production.

Depreciation of capitalised costs is provided on the unit-of-production method with separate calculations made for each mineral resource. The unit-of-production basis results in depreciation charge proportional to the depletion of the economically recoverable reserves.

2.9 Impairment of non-financial assets

Non-financial assets include buildings, plant and machinery, mine properties, mobile and other equipment. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is recognised immediately in profit or loss under administrative expenses and the carrying amount of the asset is reduced.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all direct expenses incurred in bringing the inventories to their present location. Net realisable value is the estimated sales proceeds less expenses incurred in making the sale.

For ore and gold inventories, cost comprises all direct production costs and attributable operating expenses, including depreciation. For consumables and spare parts, cost comprises direct purchase costs, import duties and other taxes (other than those subsequently recoverable from the tax authorities) and transaction handling cost. Where appropriate, provision is made for obsolescence. Borrowing costs and taxes that are subsequently recoverable from the tax authorities are not included in the cost of inventories.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.11 Trade and other receivables

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 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 2.17(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.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Stated capital

Ordinary shares are classified as "stated capital" in equity. All ordinary shares of the Company are issued at no par value.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 end of the reporting period. 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. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.14 Borrowings (continued)

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.15 Environmental rehabilitation provision

The Company records the present value of the estimated cost of the legal and constructive obligations to restore the environmental disturbance to the operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding assets and rehabilitation liability when incurred. 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.

The unwinding of the effect of discounting on the provision is recorded as a finance cost in the profit or loss. The carrying amount capitalised is depreciated over the life 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.

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.17 Financial assets

(i) Classification

The Company classifies its financial assets as 'financial assets at amortised cost'. Financial instruments are classified as 'financial assets at amortised cost' when both criteria outlined below are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The types of financial assets that are classified at amortised cost are trade and other receivables (excluding prepayments) and cash and cash equivalents.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures its financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method. Interest income from these financial assets is included in finance income using the effective interest rate method.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

In applying the provision matrix, the Company estimates the ultimate write offs for a defined population of trade receivables. A loss ratio is calculated according to the ageing profile of the trade receivables by applying the historic write offs to the payment profile of the population adjusted to reflect current and forward-looking information on microeconomic factors.

2.18 Financial liabilities

The Company's financial liabilities comprise trade and other payables, borrowings and lease liabilities. These financial liabilities are initially recognised at its fair value plus transaction costs that are directly attributable and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.19 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.20 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post employment benefit

The Company contributes to defined contribution plans on behalf of its employees.

A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity.

The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense (staff costs) when they are due.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.21 Amounts due from/(to) related parties

These include advances to and from related parties, expenses settled on behalf of related parties and on the Company's behalf by related parties. They are recognised initially at fair value plus direct transaction costs. Amounts due from related parties are classified as financial assets at amortised cost. Amounts due to related parties are classified as financial liabilities at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

3. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires that the Company's directors make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from those estimates. The more significant areas requiring the use of directors' estimates and assumptions relate to mineral reserves that are the basis of future cash flow estimates, depreciation and amortisation calculations; environmental, reclamation and closure obligations; estimates of recoverable gold, write-downs of inventory to net realisable value and income taxes.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions 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.

3.1 Carrying value of property, plant and equipment

All mining assets are amortised 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 mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the units-of-production rate of amortisation 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 would be impacted by changes in any of the factors or assumptions used in estimating mineral reserves.

These factors could 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 the useful lives are limited to the life of the mine.

An impairment loss is recognised when the carrying value of an asset is higher than the recoverable amount. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, discount rates, future production and sale volumes, metal prices, mineral reserves, mineral resource quantities, future operating and capital cost and reclamation cost to the end of the mine's life.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

3. Critical accounting estimates and judgements (continued)

3.1 Carrying value of property, plant and equipment (continued)

These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the asset.

3.2 Provision for environmental rehabilitation costs

The Company assesses its mine rehabilitation provision at least annually in accordance with the accounting policy stated in Note (2.15). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability include future development, changes in technology, commodity price changes and changes in interest rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known, which in turn would impact future financial results.

3.3 Stockpiles, gold-in-process and product inventories

Costs that are incurred in or benefit the productive process are accumulated as stockpiles, gold-in-process and product inventories. Net realisable value tests are performed at least quarterly 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.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of gold actually recovered (metallurgical reconciliation), the nature of the process inherently limit the ability to precisely forecast recoverability levels. As a result, the metallurgical process is constantly monitored and the engineering estimates are refined based on actual results over time.

3.4 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 recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the 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 TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

4. Financial risk management

4.1 Financial risk conditions

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

The Board of Directors provide guidance for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

4.2 Market risk

(i) Foreign exchange risk

The table below shows the Company's exposure to foreign exchange risk at the end of the reporting date, expressed in US dollar, at their carrying amount.

	GHS	EUR	AUD	GBP	Total
At 31 December 2023					
Financial assets					
Cash and cash equivalents	**6,230**	-	-	-	**6,230**
Trade and other receivables	**2,737**	-	-	-	**2,737**
Total financial assets	**8,967**	-	-	-	**8,967**
Financial liabilities					
Trade and other payables	**3,494**	**246**	**34**	**44**	**3,818**
Total financial liabilities	**3,494**	**246**	**34**	**44**	**3,818**
At 31 December 2022					
Financial assets					
Cash and cash equivalents	903	-	-	-	903
Trade and other receivables	9,254	-	-	-	9,254
Total financial assets	10,157	-	-	-	10,157
Financial liabilities					
Trade and other payables	3,813	418	44	98	4,373
Total financial liabilities	3,813	418	44	98	4,373

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

4. Financial risk management (continued)

4.2 Market risk (continued)

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Ghana Cedi, Australian Dollar, Great Britain Pound and Euro. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. The Company has a policy to manage foreign exchange risk against its functional currency.

The Company does not hedge any of its risk exposures; however, it maintain bank accounts in other currencies to settle transactions. This ensures currency risk exposure is minimised.

At 31 December 2023, if the currency had weakened/strengthened by 10% against the Euro with all other variables held constant, post-tax profit for the year would have been US$22,292 (2022: US$39,289) lower/higher, mainly as a result of Euro denominated trade and other payables.

At 31 December 2023, if the currency had weakened/strengthened by 10% against the Ghana cedi with all other variables held constant, post-tax profit for the year would have been US$3,243,159 (2022: US$2,709,690) higher/lower, mainly as a result of Ghana Cedi denominated trade and other payables and bank balances.

At 31 December 2023, if the currency had weakened/strengthened by 10% against the Australian Dollar (AUD) with all other variables held constant, post-tax profit for the year would have been US$4,927 (2022: US$6,552) higher/lower, mainly as a result of AUD denominated trade and other payables.

At 31 December 2023, if the currency had weakened/strengthened by 10% against the Great British Pound (GBP) with all other variables held constant, post-tax profit for the year would have been US$3,456 (2022: US$8,033) higher/lower, mainly as a result of GBP denominated trade and other payables.

The directors' policy to manage foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for purchases of imported raw materials.

(ii) Price risk

The Company is not exposed to equity securities price risk because it has no investments in equity securities.

(iii) Interest rate risk

At the reporting date, the Company did not have any interest-bearing financial instruments and was therefore not exposed to interest rate risk.

The directors manage interest rate risk by borrowing from related parties.

4.3 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

4. Financial risk management (continued)

4.3 Credit risk (continued)

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk is managed by the finance manager. The Company sells all its gold produced to one customer, Rand Refinery Limited. Although trade receivables are concentrated with one customer, these amounts are received within three days of sale and therefore there is no exposure for the trade receivables as at year end. No impairment loss was recognized during the year ended 31 December 2023 and 31 December 2022 as the Company had no history of default from its customers and no forward-looking information were readily available which could negatively impact the payment profile of the Company's customers. Expected credit loss related to the Company's cash at bank and amount due from related entities were deemed to be insignificant.

To manage the Company's credit risk relating to cash and cash equivalents, the Company's cash and cash equivalents are deposited with financial institutions licensed by the regulator of banks.

To manage credit risk arising from trade receivables, the Company assesses the credit quality of customers, taking account of the customer's financial position, past experiences and other factors. Individual credit limits are set by the directors of the Company and implemented by its management.

No credit limits were exceeded during the reporting period and management does not expect any losses from any of its financial assets exposed to credit risks as at 31 December 2023.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected credit losses also incorporate forward looking information where available.

The Company's maximum exposure to credit risk at the end of the reporting date is as follows:

	2023	2022
Trade and other receivables		
Counterparties with external credit rating		
- Trade receivables	**10,361**	6
Counterparties without external credit rating		
- Amount due from related parties	**87,798**	38,031
- Other receivables	**2,757**	2,426
	100,916	40,463

No loss allowance has been recognised as at 31 December 2023 (2022: Nil) as the Company had no history of default and the directors have also determined that there are no forward-looking information that affects the payment profile of this customer.

The Company's trade receivables as at 31 December 2023 and 31 December 2022 respectively were all less than a month old from the date of their issue to the reporting date.

Cash at bank and short-term bank deposits	**2023**	2022
- Deposits held abroad	**23,225**	26,266
- Deposits held in Ghana	**11,032**	949
	34,257	27,215

The Company does not hold any collateral security over its trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

4. Financial risk management (continued)

4.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

The directors perform cash flow forecasting and monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs. The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity analysis of financial liabilities

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

	Due within one year		**Due after one year**	
	Carrying amount	**Cash flow**	**Carrying amount**	**Cash flow**
At 31 December 2023				
- Wasford Holdings II	**9,932**	**9,932**	**-**	**-**
- Lease liabilities	**3,175**	**3,175**	**22,535**	**22,535**
- Stanbic Loan			**90,000**	**90,000**
- Trade and other payables (excluding statutory payments)	**73,073**	**73,073**	**-**	**-**
Total	**86,180**	**86,180**	**112,535**	**112,535**
At 31 December 2022				
- Wasford Holdings II	9,907	9,907	-	-
- Lease liabilities	3,029	3,029	25,709	25,709
- Stanbic Loan			90,000	90,000
- Trade and other payables (excluding statutory payments)	60,732	60,732	-	-
Total	73,668	73,668	115,709	115,709

The Company will fund its obligations from operating cash flows and working capital.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of United States dollars unless otherwise stated)

5. Fair value of financial assets and liabilities

The following table summarises the fair values and carrying amounts of the various financial assets and financial liabilities. The carrying amounts of the following financial assets and financial liabilities are at a reasonable approximation of their fair value because of their short-term nature.

	2023		2022	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	**34,257**	**34,257**	27,215	27,215
Trade and other receivables	**112,269**	**112,269**	57,811	57,811
	146,526	**146,526**	85,026	85,026
Financial liabilities				
Trade and other payables	**73,073**	**73,073**	60,732	60,732
Lease liabilities	**25,710**	**25,710**	28,738	28,738
Borrowings	**99,932**	**99,932**	99,907	99,907
	198,715	**198,715**	189,377	189,377

6. Capital management

The Company's primary objective of managing capital is to ensure that there is sufficient capital available to support the funding requirements of the Company, including capital expenditure, in a way that: (a) optimises the cost of capital; (b) maximises shareholders' returns; and (c) ensures that the Company remains in a sound financial position. The Company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratios at 31 December 2023 and 31 December 2022 were as follows:

	2023	2022
Borrowings	99,932	99,907
Lease liabilities	25,710	28,738
Less: cash and cash equivalents	(34,257)	(27,215)
Net debt	**91,385**	101,430
Equity	**266,924**	213,202
Total capital	**358,309**	314,632
Gearing ratio (%)	**26%**	32%

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

7. Revenue

	2023	2022
Revenue from gold sales	**323,641**	299,937

8(a). Cost of sales

	2023	2022
Operating costs	**95,902**	88,828
Changes in ore inventory	**2,336**	(4,579)
Employee benefits (Note 11)	**35,600**	33,984
Ghana Government royalties	**16,194**	15,007
Depreciation on property, plant and equipment (Note 15a)	**46,072**	34,099
Silver sales	**(186)**	(150)
Write down of inventories	**609**	263
	196,527	167,452

The Government of Ghana's mineral royalty rate remained at a fixed rate of 5% of sales from gold and silver in 2023 and 2022.

Silver is a by-product in the production of gold and as such income recognised from the sale of silver is reported as negative costs.

Change in ore inventory relates to the cost of metal inventory - crushed ore and gold-in-process used in gold production for sale.

8(b). Administrative expenses

	2023	2022
Redundancy costs	**221**	32,961
Depreciation on property, plant and equipment (Note 15a)	**2,116**	2,330
Employee benefits (Note 11)	**13,385**	15,972
Auditor's remuneration and expenses	**59**	153
Management fees – related party (Note 25)	**7,925**	6,915
Directors' emoluments	**58**	58
Medical expenses	**1,422**	1,753
Fees and charges	**205**	155
Transport expense	**1,797**	1,901
Insurance	**1,301**	1,696
Other administration costs	**7,960**	12,889
	36,449	76,783

9. Other expenses

Foreign exchange losses	**704**	772

10. Other income

Scrap sales	**42**	69
Hedging transaction	**1,926**	-
	1,968	69

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

11. Employee benefits

The following items are included within employee benefits expense:

	2023	2022
Salaries and other short-term employment benefits	**44,958**	46,660
Employer's social security contributions	**1,892**	1,794
Employer's provident fund contributions	**2,135**	1,501
	48,985	49,955

The employee benefits have been charged to:

	2023	2022
Cost of sales	**35,600**	33,984
Administrative expenses	**13,385**	15,971
	48,985	49,955

Average number of staff employed during the year ended 31 December 2023 was 803 (2022: 807).

12. Finance income

	2023	2022
Intercompany loan	**2,928**	1,291
Other interest income	**323**	56
	3,251	1,347

13. Finance costs

	2023	2022
Net foreign exchange loss on cash and cash equivalents	**-**	(1,335)
Interest expense – Lease	**1,291**	1,431
Interest expense – Stanbic loan facility	**8,300**	3,947
	9,591	4,043
Accretion arising on unwinding of interest on rehabilitation (Note 22)	**237**	237
	9,828	4,280

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of United States dollars unless otherwise stated)

14(a). Income tax expense

	2023	2022
Current income tax charge	**22,513**	11,852
Adjustment in respect of current income tax of	**2,721**	6,473
Growth and sustainability levy	**2,206**	-
Deferred tax expense (Note 18)	**1,270**	2,041
Income tax expense recognised in profit or loss	**28,710**	20,366

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2023	2022
Profit before income tax	**85,352**	52,066
Tax calculated at the statutory income tax rate of 35%	**29,873**	18,223
Non-deductible expenses for tax purposes	**(1,163)**	2,143
Income tax expense	**28,710**	20,366
Effective tax rate	**34%**	39%

14(b). Current income tax

Year ended 31 December 2023

	At 1 January	Charge for the year	Tax audit adjustment	Payments in the year	At 31 December
Up to 2022	**7,364**	**-**	**-**	**8,617**	**7,364**
2023	**-**	**24,719**	**2,721**	**(22,822)**	**(3,999)**
	7,364	**24,719**	**2,721**	**(31,439)**	**3,365**

The charge and payments for the year include the Growth and Sustainability Levy.
This is a tax provision and subject to the agreement with the Commissioner General of the Ghana Revenue Authority.

Year ended 31 December 2022

	At 1 January	Charge for the year	Tax audit adjustment	Payments in the year	At 31 December
Up to 2022	(619)	-	-	-	(619)
2022	-	11,852	7,969	(11,838)	7,983
	(619)	11,852	7,969	(11,838)	7,364

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in thousands of United States dollars unless otherwise stated)

15(a) Property, plant and equipment

Year ended 31 December 2023

	Buildings and freehold land	Plant & machinery	Mobile & other equipment	Mine properties	Capital work in progress	Tot
Opening carrying amount	**4,286**	**32,330**	**21,139**	**221,254**	**13,792**	**292,80**
Additions	**-**	**-**	**-**	**-**	**70,111**	**70,11**
Revision of environmental rehabilitation provision	**-**	**-**	**-**	**-**	**-**	
Disposals	**-**	**-**	**(1,369)**	**-**	**-**	**(1,36**
Transfers from CWIP	**-**	**360**	**8,654**	**63,642**	**(72,656)**	
Depreciation charge	**(582)**	**(4,157)**	**(9,673)**	**(33,775)**	**-**	**(48,18**
Closing carrying amount	**3,704**	**28,533**	**18,751**	**251,121**	**11,247**	**313,35**
At 31 December 2023						
Cost	**11,142**	**74,671**	**131,934**	**553,340**	**11,247**	**782,33**
Accumulated depreciation	**(7,438)**	**(46,138)**	**(113,183)**	**(302,219)**	**-**	**(468,97**
	3,704	**28,533**	**18,751**	**251,121**	**11,247**	**313,35**
Carrying amount	**3,704**	**28,533**	**18,751**	**251,121**	**11,247**	**313,35**

Year ended 31 December 2022

	Buildings and freehold land	Plant & machinery	Mobile & other equipment	Mine properties	Capital work in progress	Tota
Opening carrying amount	5,114	34,590	21,010	195,641	2,267	258,62
Additions	-	-	-	-	68,957	68,95
Revision of environmental rehabilitation provision	-	-	-	1,651	-	1,65
Transfers from CWIP	(214)	1,930	11,492	44,224	(57,432)	
Depreciation charge	(614)	(4,190)	(11,363)	(20,262)	-	(36,42
Closing carrying amount	4,286	32,330	21,139	221,254	13,792	292,80
At 31 December 2022						
Cost	11,142	74,311	128,046	489,698	13,792	716,98
Accumulated depreciation	(6,856)	(41,981)	(106,907)	(268,444)	-	(424,18
Carrying amount	4,286	32,330	21,139	221,254	13,792	292,80

Included in mobile & other equipment and plant & machinery are assets with a carrying amount of US$23,72 million (2022: US$26,893 million) classified as right-of-use assets under IFRS 16. This is presented in note 15(b)

There were additions in respect of right-of-use assets of US$ 360,000 during the year. (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

15(a) Property, plant and equipment (continued)

Disposal of property, plant and equipment

	2023	2022
Cost	**4,766**	5,004
Accumulated depreciation	**(3,397)**	(5,004)
Carrying amount	**1,369**	-
Disposal proceeds	**(1,362)**	-
Loss on disposal of property, plant and equipment	**7**	-

The depreciation expenses have been charged to:

	2023	2022
Cost of sales	**46,071**	34,099
Administrative expenses	**2,116**	2,330
	48,187	36,429

15(b). Leases

(i) Amounts recognised in the statement of financial position

The statements of financial position show the following amounts relating to leases:

	2023	2022
(i) Right-of-use-assets (included in Property, plant and equipment)		
At 1 January	**33,987**	37,471
Adjustment to cost	**-**	(3,484)
Additions	**360**	-
At 31 December	**34,347**	33,987
Accumulated depreciation		
At 1 January	**7,094**	6,153
Charge for the year	**3,526**	941
At 31 December	**10,620**	7,094
Net book amount		
At 31 December	**23,727**	26,893

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

15(b). Leases (continued)

(ii) Lease liabilities

	2023	2022
Current	**3,175**	4,320
Non-current	**22,535**	24,418
At 31 December	**25,710**	28,738

(ii) Amounts recognised in the statement of comprehensive income

Depreciation charge on right-of-use assets	**3,526**	3,525
Interest expense on lease liabilities (included in finance costs) (note 13)	**1,291**	1,431

There are no expenses relating to short-term leases or low value assets included in administrative expenses for the year ended 31 December 2023 (2022: Nil).

(iii) The movement in lease liabilities

At 1 January	**28,738**	31,627
Additions	**-**	-
Interest expenses	**1,291**	1,431
Interest paid	**(1,291)**	(1,431)
Principal lease payments	**(3,028)**	(2,889)
At 31 December	**25,710**	28,738

15(c) Intercompany loan

The Company established a US$30 million intercompany loan arrangement, with Caystar Holdings Limited as the borrower to provide for operating cash needs and for any other purpose deemed necessary by the Company and Caystar Holdings Limited. Caystar Holdings Limited shall be obliged to pay the interest of LIBOR plus 4.5% to the company on the unpaid principal amount of the loan. Payment of the above Interest shall be made every three months ("Interest Accrual Period") and three business days after the last date of each Interest Accrual Period. The term of the Loan is one year. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall give written notice to the other party not less than 30 days prior to the expiration of any term notifying the other party that such party is terminating this Agreement upon the date on which the current term expires ("Termination Date")." Applicable LIBOR is the one month LIBOR two days prior to the beginning of the calendar month.

16. Inventories

	2023	2022
Consumables and spares	**29,478**	30,344
Metal inventory - finished gold	**728**	4,736
Metal inventory - crushed ore	**5,228**	4,260
Gold-in-process	**1,181**	477
	36,615	39,817

NOTES TO THE FINANCIAL STATEMENTS
(All amounts are in thousands of United States dollars unless otherwise stated)

17. Trade and other receivables

	2023	2022
Trade receivables	**10,361**	6
Amount due from related parties (Note 25)	**87,798**	38,031
Prepayments	**6,361**	7,168
VAT receivables	**2,677**	7,864
EPA Bond deposit	**2,315**	2,315
Other receivables	**2,757**	2,426
	112,269	57,810

a) Prepayments are mainly advance payments to companies for goods in transit and insurance. Other receivables include staff advances. The directors' assessment of staff advances resulted in no impairment as at the end of the reporting period as the provident fund covers the outstanding balance of the staff advances and the company has a direct control over the provident fund.

b) The maximum amount of staff indebtedness during the year did not exceed US$0.842 million (2022: US$1.964 million).

The carrying amount of trade and other receivables approximates their fair value due to their short-term nature.

The Company does not hold any collateral as security.

18. Deferred tax liability

Deferred tax is calculated using the enacted income tax rate of 35% (2022: 35%). The movement on the deferred tax account is as follows:

	2023	2022
At 1 January	**39,132**	35,669
Adjustment	**-**	1,422
Charge to profit or loss (note 14a)	**1,271**	2,041
At 31 December	**40,403**	39,132

The deferred tax recognised by the Company as at 31 December 2023 and 31 December 2022 relates to the potential deferred tax liabilities, deferred tax charge/(credit) to profit or loss attributable to the following items:

Year ended 31 December 2023	**At 1 January**	**Charge/ (credit) to profit or loss**	**At 31 December**
Property, plant and equipment	**46,069**	**1,099**	**47,168**
Provisions	**(6,937)**	**172**	**(6,765)**
Deferred tax liabilities	**39,132**	**1,271**	**40,403**

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

18. Deferred tax liability (continued)

Year ended 31 December 2022	At 1 January	Charge/ (credit) to profit or loss	At 31 December
Property, plant and equipment	31,099	14,970	46,069
Provisions	4,570	(11,507)	(6,937)
Deferred tax liabilities	35,669	3,463	39,132

19. Cash and cash equivalents

	2023	2022
Cash on hand	**77**	65
Bank balances held within Ghana	**10,955**	884
Bank balances held outside Ghana	**23,225**	26,266
	34,257	27,215

20. Stated capital

The Company has 500,000,000 (2022: 10,000,000) authorised ordinary shares of no par value issued as follows:

	Number of shares ('000)	**Proceeds**
Balance at 31 December 2022		
Class 'A'	120	1
Class 'B'	-	-
Balance at 1 January 2023	**120**	1
Issue of shares	**158,610**	999
Balance at 31 December 2023	**158,730**	1,000

There is no unpaid liability on any share and there are no calls or instalments unpaid. There were no treasury shares.

21. Borrowings

	2023	2022
Non-current		
Stanbic Bank loan facility	**90,000**	90,000
Current		
Wasford Holdings II	**9,932**	9,907
Total borrowings	**99,932**	99,907

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

21. Borrowings (continued)

Stanbic Bank Loan Facility

In May 2022, the Company secured a $90 million United States Dollar revolving loan facility. The facility was arranged by the Standard Bank of South Africa Limited (acting through its corporate & investment banking division) and Stanbic Bank Ghana Ltd with the Standard Bank of South Africa Limited (acting through its corporate & investment banking division) acting as agent and the Standard Bank of South Africa Limited (acting through its corporate and investment banking division) acting as security agent. The loan amount under the facility shall be applied for general corporate and working capital purposes.

The rate of interest on each Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable: (i) Margin; and (ii) Compounded Reference Rate for that day. (b) If any day during an Interest Period for a Loan is not an RFR Banking Day, the rate of interest on that Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

Wasford Holdings II

This represents funds provided as working capital to the Company. There is no fixed repayment date. This is a non-interest-bearing facility. There are no securities on the facility.

Borrowings	**At 1 January 2023**	**Drawdowns**	**Interest charged**	**Principal repayment**	**Interest repayment**	**At 31 December 2023**
Wasford Holdings II	**9,907**	**2,621**	**-**	**(2,596)**	**-**	**9,932**
Current						**9,932**
Non-current						**-**

Borrowings	At 1 January 2022	Drawdowns	Interest charged	Principal repayment	Interest repayment	A 31 December 2022
Wasford Holdings II	**11,386**	**3,692**	**-**	**(5,171)**	**-**	**9,907**
Current						**9,907**
Non-current						**-**

22. Environmental rehabilitation provision

	2023	2022
At 1 January	**17,837**	17,119
Interest accretion	**237**	237
Provision during the year	**-**	1,651
Rehabilitation expenditure paid during the year	**(727)**	(1,170)
At 31 December	**17,347**	17,837

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

22. Environmental rehabilitation provision (continued)

The environmental rehabilitation provision is recorded in relation to mining operations as a result of an obligation on the Company to restore the areas it disturbs through its mining activities to a state acceptable to Government authorities. The Company engages the services of a specialist third party from time to time (usually every three years) to independently estimate the costs of rehabilitation using current restoration methodology. The environmental rehabilitation provision is measured using the expected value of future cash flows, discounted to their present value. The environmental rehabilitation provision is expected to be utilised at the end of the projected life of mine.

In determining the environmental rehabilitation provision, the following assumptions were used:

	2023	2022
Inflation rate	**2.44%**	1.98%
Discount rate	**1.38%**	1.38%
Risk premium	**5.00%**	5.00%

23. Trade and other payables

	2023	2022
Trade payables	**32,796**	20,129
Amounts due to related companies (Note 25)	**18,333**	12,468
Accrued expenses	**21,944**	28,135
	73,073	60,732

24. Cash generated from operations

	2023	2022
Profit before income tax	**85,352**	52,066
Adjustments for:		
Finance income (Note 12)	**(3,251)**	(1,347)
Finance costs (Note 13)	**9,828**	5,615
Depreciation (Note 15)	**48,187**	36,429
Loss on disposal of property, plant and equipment (Note 15)	**7**	-
Changes in working capital		
– inventories	**3,202**	(10,382)
– trade and other receivables	**(54,457)**	(38,640)
– trade and other payables	**12,341**	19,741
Cash generated from operations	**101,209**	63,482

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

25. Related party disclosures

Prior to 28 January 2022, the Company's ultimate parent and ultimate controlling party is Golden Star Resources Ltd., a company incorporated in Canada, which owns 90% of the issued shares. The Government of Ghana holds the remaining 10%. There are other related entities that are related to the Company through common shareholding as at 31 December 2023. On 28 January 2022, Chifeng Jilong Gold Mining Co. Ltd. acquired all of the issued and outstanding common shares of the Company by way of a statutory plan of arrangement.

The following transactions were carried out during the year with related entities:

(i) Purchase of services:

	2023	2022
Parent - Chifeng JiLong Gold Mining Co. Ltd		
- Management fees Chifeng Gold Mining Co. Ltd (Note 8)	**7,500**	6,000
Transactions with related parties:		
Wasford Holdings (Caystar Management)		
- Salaries and bonuses for expatriates	**25**	5,290
- Interest on loans to Caystar Holdings (Note 12)	**(2,928)**	(1,291)
Golden Star Resources (UK) Ltd.		
- Payment on behalf of Golden Star Resources (UK) Ltd.	**406**	712
Golden Star Resources (Canada)		
- Repayment of intercompany balance.	**230**	227

Transactions with related entities in respect of loans and advances are disclosed in Note 21.

(ii) Transactions with key management personnel

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). Key management includes directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for services is shown below:

Key management compensation (including executive directors)

	2023	2022
Salaries and other short-term employment benefits	**5,023**	6,555
Employer's Social Security contribution	**181**	164
Provident fund	**139**	126
Bonus	**116**	422
	5,459	7,267

Key management compensation (Non- executive directors)

Fees for services as director	**58**	**58**

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

25. Related party disclosures (continued)

(iii) Outstanding balances with related entities

Payable to related entities:	**2023**	2022
Parent:		
Chifeng JiLong Gold Mining Co. Ltd	**13,500**	6,000
Fellow Subsidiaries:		
Golden Star Resources Ltd.	**-**	227
Chijin Int'l Hong Kong	**2,000**	1,500
Caystar Holding	**-**	1,502
Golden Star Resources (UK) Ltd.	**2,833**	3,240
	18,333	12,469
Receivable from related entities:		
Parent:		
Chifeng JiLong Gold Mining Co Ltd	**-**	-
Fellow subsidiary:		
Caystar Finance Co. Ltd	**68,571**	34,585
Golden Star Resources (Canada)	**3**	-
Caystar Holding	**14,846**	-
Golden Star Exploration Ghana Ltd	**4,378**	3,446
	87,798	38,031
Investment in related entities		
Caystar Holdings Limited	**30,257**	46,348
Borrowings from related entity:		
Wasford Holdings II	**9,932**	**9,907**

The amounts receivable from and payable to related parties are mainly due to payments made on behalf of each related party and are unsecured, bear no interest and have no fixed repayment period.

26. Contingent liabilities

There were no contingent liabilities as of 31 December 2023 (31 December 2022: Nil).

27. Commitments and guarantees

Capital commitments

A capital commitment is the projected capital expenditure a company commits to spending on long-term assets over a period of time. Capital commitments authorised and contracted at the reporting date are as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)
(All amounts are in thousands of United States dollars unless otherwise stated)

27. Commitments and guarantees (continued)

Capital commitments (continued)

	2023	2022
Capital expenditure		
-authorised	**66,777**	47,857
-contracted	**3,749**	3,261

Guarantees

The Company has a reclamation bond of US$14.4 million guaranteed by Stanbic Bank Limited. This is to enable the Company to meet the environmental compliance requirement of the Environmental Protection Agency (EPA).

28. Events after the reporting period

There were no events after the end of the reporting date, which could have had a material effect on the state of affairs of the Company as at 31 December 2023 and on the results for the year then ended which have not been adequately provided for and/or disclosed.