

Forward

Annual Report &
Accounts 2022

HUMMINGBIRD
RESOURCES



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"The path of the righteous miner is beset on all sides by the inequities of the world and the duplicities of evil men. Blessed is he who in the name of charity and goodwill mines through the valley of darkness for he is truly his brother's keeper and the finder of lost riches" – Basil De Tent

Our Strategy



At Hummingbird, our primary corporate goal continues to be to maintain our growth trajectory to become a significant gold producer through efficient and profitable production and the delivery of our medium to long term growth initiatives. Our core focus is to operate responsibly through strict Environmental, Social and Governance (“ESG”) standards and respect for all of our stakeholders including the communities in which we operate. Furthermore, our vision is to extend on our current multi-asset, multi-jurisdiction gold asset base, that provides diversification of cash flows and returns from profitable projects, while maintaining and continually improving on our technical expertise, both in exploration and operationally, to support the sustainable growth of the Group for the longer term.







Our Priorities

PROFITABLE GROWTH

Focus on improving our production profile for the medium and longer term and generating consistent, accretive, and profitable cash flows for the Group.

- Our key short-term growth priority is to successfully advance our Kouroussa Gold Mine in Guinea to first gold pour by the end of Q2 2023 and complete a successful ramp up phase towards name plate production.
- Deliver an operational underground mine at Yanfolila, Mali for a full year of production in 2024. The newly developed mine will provide a base load production profile at that asset for the medium and longer term.
- Continue to advance the strategic review that is underway at Dugbe, Liberia with our joint venture partner, Pasofino Gold Ltd (“Pasofino”), to evaluate and execute on options to best realise the maximum value of the asset for all stakeholders.
- With a regionally influential strategic investor, CIG SA (“CIG”), continue to evaluate M&A opportunities for the long-term growth prospects of the Group.

EXPLORATION

Building on the Group’s Resources and Reserves base through brownfield and greenfield exploration.

- Life of mine (“LOM”) extension and increase of the Group’s Resources and Reserves continue to be a key strategic focus area.
- Dugbe, Liberia, although significant exploration has taken place historically by Hummingbird and Pasofino, material exploration upside remains on the c.2,500 km² exploration area.
- Focus on targeted greenfield exploration to identify additional Resources.

RESPONSIBLE MINING

Mining responsibly and adhering to leading ESG reporting framework, to provide positive benefits for all stakeholders in the regions and environments we operate in.

- In November 2022, Hummingbird successfully achieved a key strategic goal of achieving full World Gold Council (“WGC”) Responsible Gold Mining Principles (“RGMPs”) compliance, at both the Corporate and Yanfolila site level. The RGMPs provide a credible and internationally recognised framework through which Hummingbird can demonstrate and provide confidence that gold has been produced responsibly. The compliance against the RGMPs further demonstrates Hummingbird’s dedication to building a lasting positive legacy in the regions and communities in which we operate.
- Continued advancement of Single Mine Origin (“SMO”) initiative as the leading brand and standard in fully traceable precious metals to end source and galvanising more mining companies to join the SMO platform alongside Hummingbird and others already on the platform.
- Continue to enhance our community engagement and initiatives at all our assets to provide lasting benefits to the communities in the regions we operate.
- Embedding leading technologies where possible into our operations to better enhance energy efficiency and carbon emission reduction capabilities, such as those at Kouroussa, including a 7Mwh solar plant and heat recapturing recovery unit initiatives.

ENTREPRENEURIAL AND EXPERIENCED MANAGEMENT TEAM

Maintaining a culture of being entrepreneurial to create shareholder value and positive benefits for all stakeholders.

- Growing a culture of accountability, inclusiveness, and respect that is committed to driving an entrepreneurial mindset in how we conduct our business, to create shareholder value and positive benefits for all stakeholders.
- Focus on maintaining and continually improving on our expertise, from the board room, senior management team, head office to site levels, to support the growth of the Group for the longer term. This is achieved by adopting a culture of continuous professional development, corporate learning and other training and development initiatives to foster innovation and life-long learning at corporate and operational level.

Our Values and Principles

OUR VALUES

- Responsible mining
- Safe working environment
- Operational integrity
- Sustainable local engagement
- Environmental stewardship
- A lasting positive legacy



OUR PRINCIPLES



Hummingbird first

- Pride and value in Hummingbird
- Company-centric thinking and working
- Promoting our success and values, internally and externally



Forward

- Focus on core strategic priorities and common goals
- Delivering with urgency and agility
- Providing solutions to drive outcomes and progress



Care

- Thinking about others and the environment we operate in
- Providing regular mutual support and feedback to help us be the best we can
- Recognising and rewarding success together



Smarter

- Clear accountability and performance expectations
- Empowered teams, making timely, fact-based decisions
- Utilising collaborative processes, tools and technology



Interim Chairman and CEO's Statement



Dan Betts

Interim Chairman and
Chief Executive Officer

During the past year our key priorities were to: commence construction at our Kouroussa Gold Mine in Guinea with a target of achieving first gold pour by the end of Q2 2023; to fulfil our strategic objective of becoming a multi-asset, multi-jurisdiction gold producer; analyse, understand and increase the Group's Resources and Reserves profile on the back of the 2021 exploration drilling campaign; to assist our joint venture partners Pasofino, to deliver a robust and valuable definitive Feasibility study ("DFS") at Dugbe; to continue to improve on our ESG initiatives, including SMO; to achieve full compliance of the year 3 WGC RGMPs; and to achieve better overall performance at Yanfolila in Mali.

With Yanfolila ending the year in a significantly better state than at the beginning and with Kouroussa on track to pour gold imminently, I am pleased to be able to report that we have achieved all of those objectives.



In early January 2022, the Group formally commenced construction at Kouroussa following the mobilisation of equipment and personnel in December 2021, by the Project's construction and engineering firm WACOM, in line with the Project schedule and targeted first gold pour by the end of Q2 2023. Throughout the year construction advanced from first breaking ground and clearance works, towards the major civil work construction phase. By Q4 2022, an increasing focus turned to 'operational readiness' programmes, with James Francis joining the Group as General Manager for Kouroussa to lead the business forward.

Despite the well documented macro global inflationary challenges (which persist), and despite the regional backdrop of ECOWAS sanctions and restricted movements of people and goods in the region I am pleased to be able to report that the Kouroussa project remained on track and on budget throughout the period. Furthermore, as this Annual report goes to print, we are within days of "first gold" at Kouroussa with the project currently going through its commissioning phase and so I am confident that it will be delivered ahead of schedule and on budget. This will be the second mine that the Hummingbird team have designed, financed, and built on time and on budget; and given the challenging environment it is an extremely commendable achievement by the team.

In 2021 we embarked on a targeted c.44,000-meter exploration drilling campaign at Kouroussa and Yanfolila, with a focus to increase our overall Group Reserves profile and provide meaningful LOM extensions at our assets. This culminated in the release of our updated Group Resources and Reserves statement in June 2022, which showcased a material uplift to Kouroussa's Reserves profile to 647 kilo ounces ("Koz") at a high grade of 4.15 grammes a tonne ("g/t") and added Reserves net of depletions at Yanfolila totalling 719 Koz, including extending the underground Reserves profile at Yanfolila to 278 koz at 3.94 g/t. Further, at Dugbe via our joint venture partner, Pasofino, final DFS results were announced on 13 June 2022, establishing a material maiden

Reserves profile at Dugbe of 2.76 million ounces ("Moz") in which the Group retains a controlling 51% interest. The material uplift in the Group's Reserves profile was a significant achievement for the Group during 2022. This work has led the Group to two significant conclusions that will shape our focus going forward. Firstly, the exploration potential at Kouroussa is significant and we will be looking to ramp up our regional exploration efforts to extend the mine life as soon as possible. Secondly, the exploration potential at Yanfolila would seem to lie mainly in the underground potential which could go on for many years, and as time goes by will shape our focus towards making Yanfolila a smaller underground operation focussed on cost and profitable ounces.

On Dugbe, as noted above, our joint venture partner Pasofino released a detailed and robust DFS with key highlights being: strong financial metrics, with a pre-tax NPV 5% of US\$690 million, 26.35% IRR (23.6% post-tax); fast capital payback of approximately 3.5 years from start of production; a large mineral Reserve with potential for expansion of 2.27 Moz of gold, with a long 14-year LOM; and a detailed Environmental and Social Impact Assessment ("ESIA") study also completed.

With a robust Dugbe DFS completed, an increasing focus then turned towards working on a strategic review with our joint venture partner Pasofino on determining the best options to generate maximum value of Dugbe for all stakeholders. The strategic review remains ongoing, and we are confident of highlighting in 2023, a pathway towards unlocking the material value of that asset to our shareholders.

In relation to ESG, November 2022 saw a key milestone for the Group as it achieved Year 3 full compliance of the WGC RGMPs. Hummingbird is committed to operating responsibly with strict ESG protocols and practices. Adopting the WGC RGMPs is a key part of Hummingbird's strategy for building a long term, responsible mining company. Meeting and where possible exceeding these requirements demonstrate our continued

COMPANY OVERVIEW

commitment to adhering to international best practice ESG standards. Ever since the Company was founded, ESG concepts have been more than just a word to us. We want to be at the forefront of developing the art of responsible mining in the industry leaving a lasting positive legacy in the regions and communities in which we operate. For this reason, we established the Pygmy Hippo foundation (“PHF”) in 2011 to work to preserve the regional environment around our projects. In addition, we have worked very closely to establish community health benefit initiatives with our partner Critical Care International (“CCI”) whilst seeking to increase transparency and exposure through our support of Single Mine Origin Gold (“SMO”) creating a universe of environmental, social, healthcare and transparency impacts against which we can be measured.

SMO continues to gain increased industry recognition in 2022, with multiple jewellery brands using and endorsing SMO gold in their products, including British jewellers Boodles. As I noted in last year’s annual report, the SMO initiative gives us the opportunity to showcase mining as the force for good that we at Hummingbird fundamentally believe can and should be. It also gives us the opportunity to be a part of a larger movement that future proofs mining in a world of increased scrutiny and showcases responsible mines for all the valuable work that they do. I believe this initiative has the scope to transcend our Group and be a driver of change for the positive impact the mining industry delivers more broadly.

Regrettably, the achievements as highlighted above were significantly hampered by the operational underperformance at Yanfolila in Mali during 2022, particularly for the first three quarters of the year. A key driver of this was the continual underperformance of our mining contractor’s fleet, materially hindering the ability to follow the scheduled mine plans. The Group, in turn, took decisive and necessary actions to stabilise ongoing production challenges and return Yanfolila to a cashflow positive position by addressing the poor mining performance of the Yanfolila mine both in the immediate and longer term. The Group stepped in to support our mining contractor by providing additional fleet such as extra excavators, reinforcing the contract miner’s maintenance teams to improve the overall mining fleet performance coupled with several other work stream initiatives; ultimately (post year-end) our relationship with our contract miner has come to an end and mining activities are now being carried out by a new contractor with much more internal support.

Pleasingly, by the end of 2022, the decisive initiatives the Group took as noted above, coupled with on site management changes, saw Yanfolila’s operational performance materially improve, which has continued into 2023. Hummingbird’s Q4 2022 production and AISC profile were amongst some of the best recorded for several years. Gold production was 28,264 oz at an AISC profile of US\$1,248 per oz, leading to a materially improved Group EBITDA of c.US\$11 million for the Q4 2022 quarter. This was a hugely positive outcome at the end of what was a challenging year at Yanfolila.

2023 OUTLOOK:

In March 2023 the Group secured a key, regionally influential strategic partner and strengthened the balance sheet with a c.US\$17 million placement led by CIG group. The placement has helped ensure Kouroussa gets into production as scheduled for first gold pour by the end of Q2 2023 and provide the ability to help fast-track further exploration at the asset. This investment by new and existing shareholders endorses the Group’s growth strategy in the West African region and beyond.

With this support, we will achieve our strategic goal this year of being a multi-asset, multi-jurisdiction gold producer.

At Yanfolila, a key focus is to maintain the improved operational performance, as exhibited by our Q4 2022 and Q1 2023 operational results and to bring online Yanfolila’s underground mine by year end for a full year of production in 2024. Further, at Dugbe, with a strategic review underway, our goal for 2023 is to show a pathway to unlocking the material value of that asset for all stakeholders.

On exploration, given limited drilling was undertaken in 2022, we are cognisant of the need to increase the Group’s exploration activities to maintain and extend the Group’s Reserves base. This is a priority for us going forward. We are completing a detailed review of exploration plans at Kouroussa and Yanfolila, with expectations in 2H 2023 and 2024 to have reinitiated exploration campaigns at those assets, particularly at Kouroussa.

We successfully achieved Year 3 WGC RGMP full compliance at both corporate and Yanfolila site levels, as part of our increasing focus to ensure these and other leading international ESG standards are embedded into the Group’s and mine site’s procedures and policies. Importantly we aim to continue to enhance sustainable community livelihood programmes and projects at our assets, whilst growing the SMO initiative across the broader gold market.

On a final note, I would like to thank our previous chairman, Russell King for his time and valuable guidance at the company. Since his retirement in June 2022, I have assumed the role of Interim Chairman in addition to being CEO. It is probably fair to say that the environment in the middle of last year for attracting a suitable Chair to help us drive forward with our next stage of growth was somewhat sub optimal; but we are in much better shape now as Kouroussa comes online and it is indeed our intention to find such a candidate. Whilst we will not rush into a hasty decision, it remains a priority for the group going forward.

In conclusion, with Yanfolila’s operational performance improving, and Kouroussa’s birth imminent, the Group is at a pivotal juncture for exponential growth, a key focus for the executive team this year is to show improved cash flow generation and a stronger balance sheet for the Group to underpin our growth strategy and ultimately drive shareholder returns.

Dan Betts
Interim Chairman and
Chief Executive Officer



Strong growth catalysts

	COMPLETED DURING 2022	NEAR TERM: NEXT 12 MONTHS - 2023	MEDIUM TERM: 24 - 36 MONTHS 2024+
KOUROUSSA, GUINEA	<ul style="list-style-type: none"> Key construction and delivery targets met Updated Reserves of 647 koz @ 4.15 g/t and Resources of 1.20 Moz at 3.02 g/t¹ General Manager with significant operational experience joined, with operational readiness beginning 	<ul style="list-style-type: none"> First gold pour end of Q2 2023 Expectations are that Kouroussa once fully operational, will add a material uplift to the Group's 2023 production profile Group guidance update once Kouroussa operational and ramping up 2H 2023 exploration plans developed 	<ul style="list-style-type: none"> +100,000 oz production taking the Group to a +200,000 oz FY 2024+ Further exploration programmes Annual update of Resources & Reserves
YANFOLILA, MALI	<ul style="list-style-type: none"> Updated Reserves of 719 koz @ 2.85 g/t and Resources of 1.20 Moz at 3.02 g/t¹ Strong Q4 2022 production of 28,264 oz with operational trends improving into 2023² FY 2022 80,178 oz of gold achieving revised guidance External support in the form of equipment, management expertise and funding for the contract miner Changes to the leadership team of the mine WGC RGMP full compliance achieved³ 	<ul style="list-style-type: none"> FY2023 production guidance for Yanfolila, Mali of 80,000 – 90,000 oz, AISC under US\$1,500 per oz⁴ Optimisation improvement strategies embedded including: mill grade feed; stabilised production; departmental cost control and reduction programmes & enhanced community engagement Komana East underground first gold pour end of Q4 2023 	<ul style="list-style-type: none"> Ongoing steady state production c.80,000 – 90,000 oz Komana East underground full year of production Gonika underground into FY 2025 mine plans Annual update of Resources & Reserves
DUGBE, LIBERIA	<ul style="list-style-type: none"> DFS Completed June 2022. Pre-tax NPV5% of US\$690 million and long 14 years LOM⁴ 	<ul style="list-style-type: none"> Strategic review underway with JV Partners Pasofino to maximise the value of Dugbe for all stake holders 	<ul style="list-style-type: none"> Strategic review finalised or being implemented

1. See release 30 June 2022 '2022 Updated Company Reserves and Resources Statement'.
 2. See release 8 February 2023 'Q4 2022 Operational Update and 2023 Outlook'

3. See release 15 November 2022 'WGC RGMP Full Compliance Achieved'.
 4. See release 13 June 2022 'Dugbe Gold Project Feasibility Study Results'

Operational Overview



Edward Montgomery
Managing Director,
Corporate Development

Hummingbird Resources plc (AIM: HUM) is a leading multi-asset, multi-jurisdiction gold company that is on track to organically grow to be a +200,000 oz per year gold producer. The company is a member of the WGC and founding member of Single Mine Origin (singlemineorigin.com). While adhering to strict ESG policies and practices, our vision is to continue to grow our asset base and producing profitable ounces.

The Group currently has three gold assets, the Yanfolila Gold Mine in Mali which has been operating since December 2017; the Kouroussa Gold Mine in Guinea, which is soon to be the Group's second producing gold mine with first gold pour scheduled by the end of Q2 2023; and the Dugbe Project in Liberia, which the Company has a controlling 51% interest in with our Joint Venture partners Pasofino, with a detailed and robust DFS study completed and a strategic review underway to determine the best options to generate maximum value of Dugbe for all stakeholders.



Yanfolila Gold Mine, Mali has been operating since 2017, and has a current Reserve base of 719 koz at 2.85 g/t, that produced 80,653 oz of gold in 2022. The mine has paid off over US\$100 million in debts and associated costs to fund its development, with the focus, as seen in the materially improved operating results of Q4 2022, to provide good cash flow returns consistently to the business for the near, medium, and longer term. Yanfolila has underground Reserves of 278 koz at 3.94 g/t, which once developed, is expected to provide a full year of production in 2024 to underpin Yanfolila's future production profile.



Dugbe, Liberia is our development asset, with a Definitive Feasibility Study ("DFS") completed in June 2022 by our joint venture partner, Pasofino, in which the Group maintains a controlling 51% interest. Dugbe is a strategically valuable asset for the Group with a DFS showcasing a pre-tax NPV of US\$690 million, for a 26.35% IRR at gold price of US\$1,750 per oz, long life of mine ("LOM") of 14 years, with c.200,000 oz per annum production in the first five years, at a low AISC profile of c.US\$1,005 per oz, and a short 3.5-year capital payback period once into production. With the DFS completed, a strategic review is underway with our joint venture partners Pasofino to determine the best options to generate maximum value of Dugbe for all stakeholders.

Kouroussa Gold Mine, Guinea was acquired in September 2020, with the Group granted the mining licences by the Guinea government in May 2021. The mine is situated in the prolific Siguiri Basin in Guinea, with a high-grade Resources base of 1.2 Moz at 3.02 g/t and Reserves of 647 koz at 4.15 g/t. Significant exploration potential is known to exist at depth beneath the Kouroussa's two key deposits, Koekoe and Kinkine, with several other high priority targets identified for further exploration and resource growth potential. Kouroussa is currently in the final stages of construction advancing rapidly towards first gold pour by the end of Q2 2023, which once producing and at name plate production is expected to more than double the Group's production profile to take Hummingbird to a be +200,000 oz per year gold producer.

RESPONSIBLE MINING

Core to the Group's principles is to operate responsibly to internationally recognised ESG standards for the benefit of all stakeholders. In June 2020 the Group joined the World Gold Council ("WGC") and that year committed to adhere to the high and internationally recognised Responsible Gold Mining Principles (RGMPs). The RGMPs provide a sustainable reporting framework that supports international best practice in addressing key ESG requirements as to what constitutes responsible gold mining via ten umbrella principles and 51 detailed principles. The Group is using the RGMPs to framework the ESG process and protocols throughout the organisation which we believe will benefit all stakeholders and our belief is this will also lead to a better and more productive Group as a whole. In November 2022, the Group successfully achieved full compliance with the World Gold Council's Responsible Gold Mining Principles ("RGMPs").

As part of our sustainable mining platform, the Group is a founding member of SMO, a gold certification initiative for mines which adhere to the WGC RGMPs. SMO accredited gold is segregated throughout the supply chain, with end customers provided with an auditable chain of custody from source mine to final product, providing assurance of responsible mining practices.

At Hummingbird, we have a key focus on community, health and safety and environmental practices which are detailed in the Sustainability Report section of this annual report.

Further details can be found in the Sustainability Report from page 30.



Key Highlights

Overview of key outcomes for 2022

1. KOUROUSSA GOLD MINE, GUINEA INTO CONSTRUCTION.

Commenced construction early January 2022, in line with the target of achieving first gold pour by the end of Q2 2023.

- Early January 2022, the Group formally commenced construction at Kouroussa, in line with the Project schedule and targeted first gold pour by the end of Q2 2023.
- Progressive advancement of construction during the year of major civil works, into operational readiness programmes by year end achieved.
- Remaining on budget towards first gold pour the end of Q2 2023, while facing material inflationary and logistical macro headwinds during the year and into 2023, a key achievement by the project team.
- An experienced General Manager for Kouroussa hired in Q4 2022, to lead operational readiness programmes towards first gold pour and beyond.

2. MATERIAL GROUP RESERVES INCREASE TO 4.13 MOZ.

Material increases to the Group's Resources and Reserves profile achieved in June 2022.

- June 2022 the Group released an updated Group Resources and Reserves statement showcasing a material increase in Group Resources and Reserves totalling 4.13 Moz and 7.28 Moz respectively.¹
- Kouroussa's Reserves materially increased to 647 koz at a very high grade of 4.15 g/t.
- Yanfolilla, Mali Reserves increased to 719 koz, net of depletions, notably extending the underground Reserves profile to 278 koz at 3.94 g/t.
- Dugbe, Liberia via our earn in partners Pasofino, established a material maiden Reserve at Dugbe of 2.76 Moz, in which the Group retain a controlling 51% interest.

3. DUGBE, LIBERIA ROBUST AND HIGHLY VALUABLE DFS COMPLETED

Via our joint venture partners, Pasofino, a robust and highly valuable DFS was completed in June 2022.

- June 2022, joint venture partners Pasofino on Dugbe, released a detailed DFS highlighting:
 - High DFS pre-tax NPV of US\$690 million (US\$530 million post tax), for a 26.35% IRR (23.6% post-tax).
 - LOM AISC of US\$1,005/oz, with a 3.5-year capital payback period once into production.
 - 14-year LOM, with c.200,000 oz per annum in the first five years of production.
 - LOM strip ratio 4.21:1, lower in the first five years.
 - Detailed ESIA also completed.
- Strategic review initiated with our joint venture partners Pasofino, on determining the best options to generate maximum value of Dugbe for all stakeholders.

¹ All Group Reserves and Resources are shown on a 100% basis. Hummingbird retains a controlling interest in Dugbe of 51%.

² Adjusted EBITDA Earnings before interest, tax, depreciation and amortisation, effect of impairment charges, foreign currency translation gains/losses and other non-recurring expense adjustments but including IFRS 16 lease payments.





4. RESPONSIBLE MINING ADVANCEMENT WITH FULL COMPLIANCE OF THE YEAR THREE WGC RGMPs ACHIEVED

November 2022, the Company achieved full compliance of the WGC RGMPs, which address key environmental, social and governance issues for the gold mining sector.

- In November 2022 a key milestone for the Group was achieved with the awarding of the year three full compliance of the WGC RGMPs.
- Meeting and in some cases exceeding these requirements demonstrates our continued commitment to the highest standard of ESG performance.
- Adopting the WGC RGMPs is a key part of Hummingbird's strategy for building a long term, sustainable mining company.

5. 2022 SUSTAINABILITY REPORT HIGHLIGHTS

Inaugural Group Sustainability Report for 2022 issued.

- \$438,123 spent on community and livelihood projects in Mali
- \$15.2 million of economic contribution to host nations in respect of taxes and duties, in Mali, Guinea and Liberia
- 90% national employment at operations
- 0.84 LTIFR at Yanfolila with 0 fatalities
- Over 2.5m LTI free hours at Kouroussa
- 85% process water recycled
- 10,000 trees planted annually at Yanfolila through the Hummingbird Tree Initiative
- For full disclosure, please refer to the Sustainability Report section of this report.

6. PRODUCTION OUTCOMES

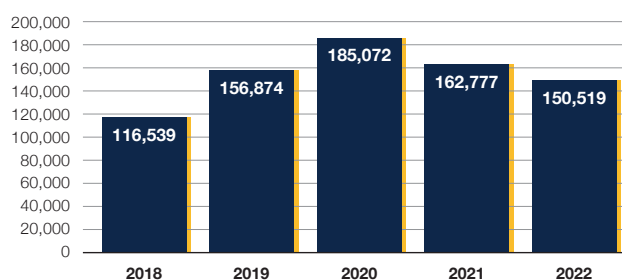
Q4 2022 saw material production and AISC improvements following a challenging 1H 2022.

- Full year 2022 production of 80,653 oz (2021: 87,558 oz) and 80,445 oz (2021: 87,553 oz) of gold sold at an AISC of US\$1,782 per oz (2021: \$1,536 per oz), meeting revised guidance.
- Q4 2022 saw a material improvement from previous 2022 quarterly results, with production of 28,264 oz, a +67% improvement from the 16,827 oz in Q3 2022, and improved AISC of US\$1,248 per oz (Q3 2022 US\$2,161 per oz).
- Generating Group 2022 revenues of US\$143.3 million (2021: \$156.6 million), with additional US\$7.2 million (2021: \$6.2 million) revenue generated from the sale of SMO gold.
- 2022 Group negative Adjusted EBITDA² of US\$7.0 million (vs positive Adjusted EBITDA of \$28.2 million in 2021). Refer to page 71 for reconciliation to GAAP measures.
- The first three quarters of 2022 production at Yanfolila, Mali, in particular were negatively impacted due to poor availability and performance of mining equipment by our contract miner to meet our scheduled mine plans.
- The Group intervened during the year with our contract miner in securing additional key equipment to site, including grade control and production rigs, coupled with onsite leadership changes.
- These measures have been broadly successful, with the Group being able to better achieve its mine plan schedule as highlighted above with a strong year end, 2022 production quarter, with these more positive results at Yanfolila being carried through into 2023.

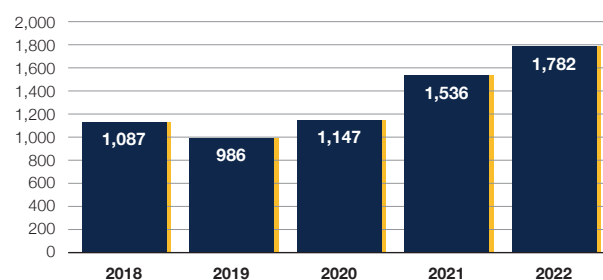


OPERATIONAL REVIEW

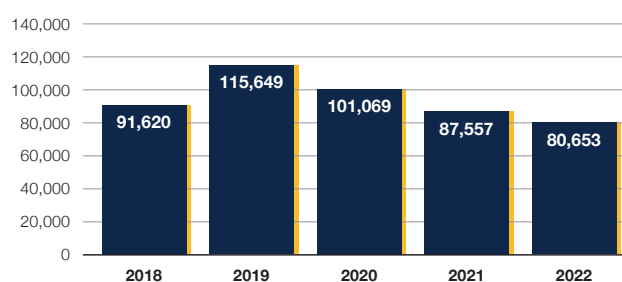
Group Revenue \$'000



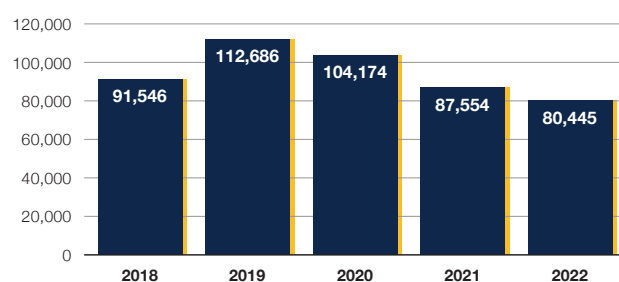
AISC \$/oz



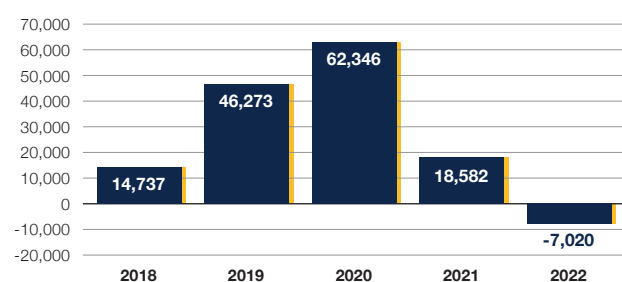
Gold Production - oz



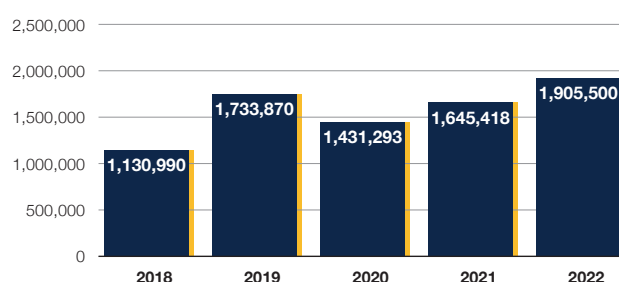
Gold Sales - oz



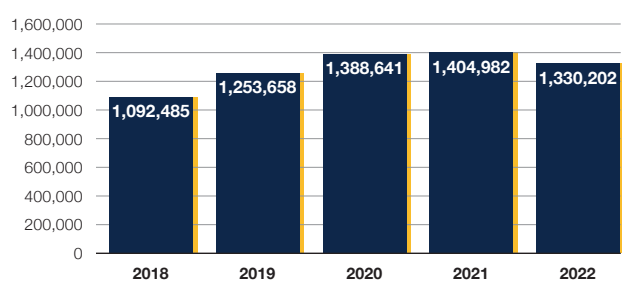
Adjusted EBITDA \$'000



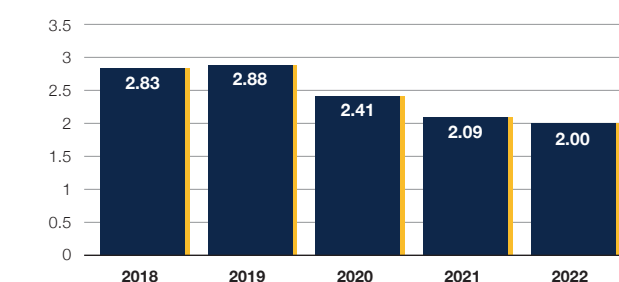
Tonnes Ore Mined - t



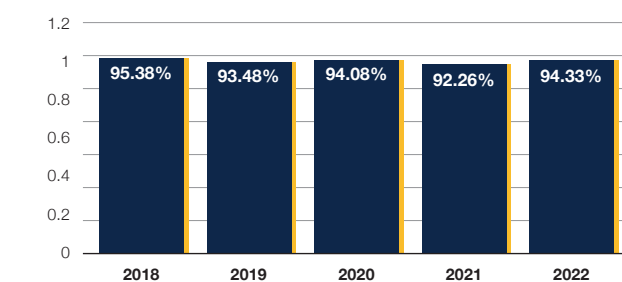
Tonnes Ore Processed - t



Average Grade Mill Feed - g/t



Recovery - %



Operational Overview Statement

With the commencement of construction at Kouroussa in early 2022, and major civil and operational readiness work programmes being implemented by year end, the Group will realise it's ambition of being a multi-asset, multi-jurisdiction gold producer in 2023 – taking the Group to being a +200,000 oz per annum gold producer.

Operationally, the Group faced challenging worldwide conditions in 2022 with ongoing issues from the Covid-19, including restricted goods and services movements and rising inflation. While facing these challenges, the Group began construction at Kouroussa, and moved rapidly into the advanced civil construction phase, remaining on time and on budget for the year, which was a commendable effort by the Kouroussa project teams given the difficult wider global challenges. Further, at Yanfolila, despite these challenging wider global conditions, production did continue even though 2022 was a more disappointing year in terms of production and cost profile. With several measures put in place as detailed throughout this Annual Report, Yanfolila had a strong Q4 2022. At Dugbe, Liberia, our joint venture partners, Pasofino, delivered a robust DFS at that asset middle of the year, while also facing these difficult macro conditions.

YANFOLILA, MALI 2022 OPERATIONAL SUMMARY

Overall progress of the Group was impacted by the underperformance at Yanfolila, particularly the first three quarters of the year. Whilst the mine faced difficult macro conditions as noted above, a key factor impacting the production and cost performance at Yanfolila was the continual underperformance of our mining contractor's fleet, materially hindering the ability to follow the scheduled mine plans at that asset. Full year guidance was impacted, and reduced to 77,000 - 87,000 oz, coupled with an adjustment to full year AISC guidance to US\$1,600 - US\$1,800 per ounce.

Faced with these operational challenges at Yanfolila, the Group took decisive and at times difficult decisions in 2H 2022 to stabilise ongoing production and return Yanfolila to being cashflow positive by addressing the poor mining performance of the Yanfolila mine both in the immediate and longer term, including:

- The replacement of the mining contractor's production and grade control rigs by third party contractors.
- Increased external support in the form of equipment, management expertise and funding for the contract miner.
- Changes to the leadership team of the mine.

These changes, although difficult, were necessary and have been broadly successful in delivering improved operational results at Yanfolila. Q4 2022 production and AISC profile were some of the bests recorded for several years. Gold production was 28,264 oz at an AISC profile of US\$1,248 per oz sold, leading to a materially improved Group EBITDA of c.US\$11.0 million for the quarter. Encouragingly these better results have been carried into 2023, with ongoing improvement work streams, including a real drive to reduce costs at the mine, while not impacting production taking place.

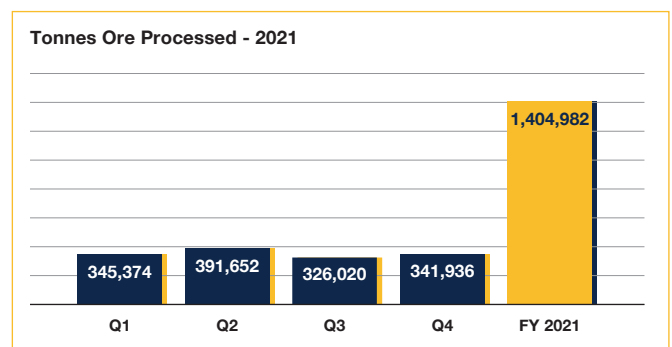
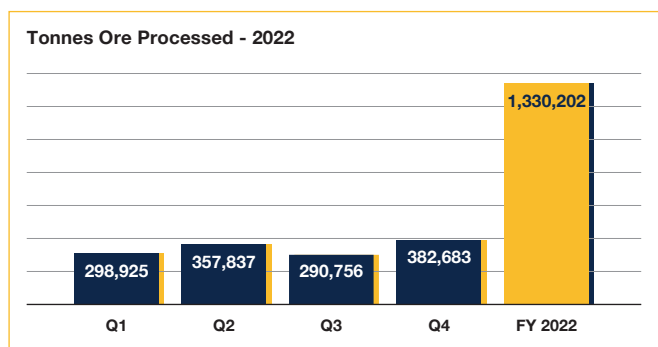
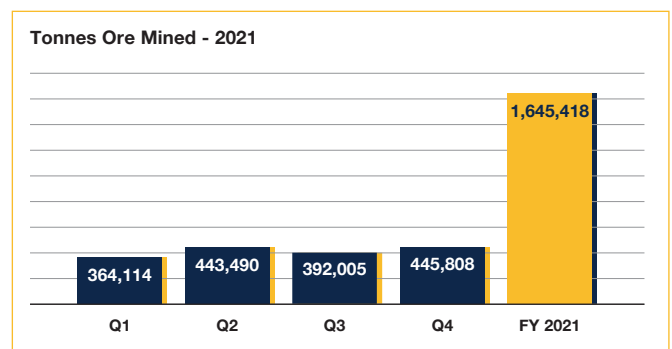
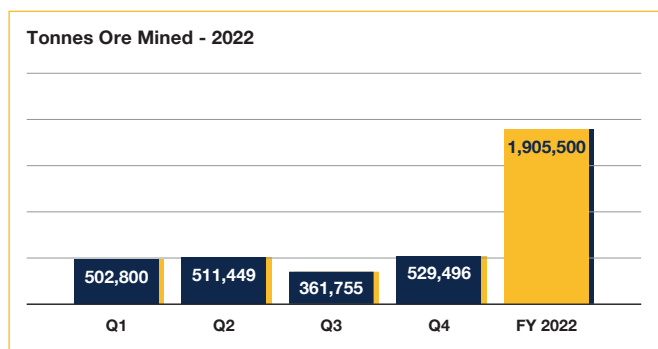
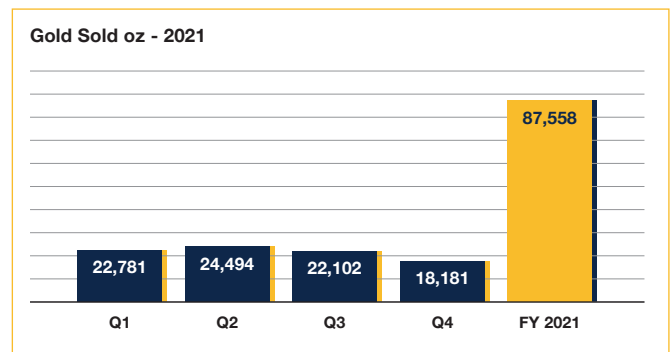
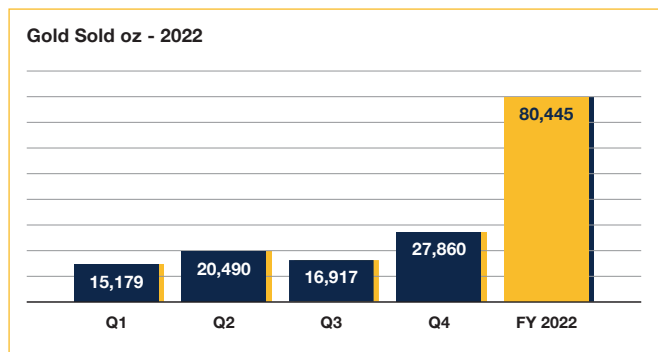
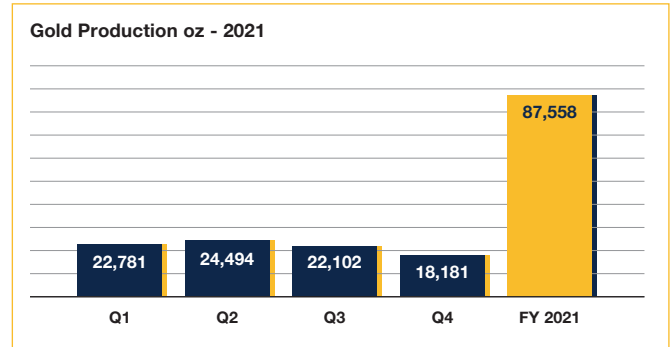
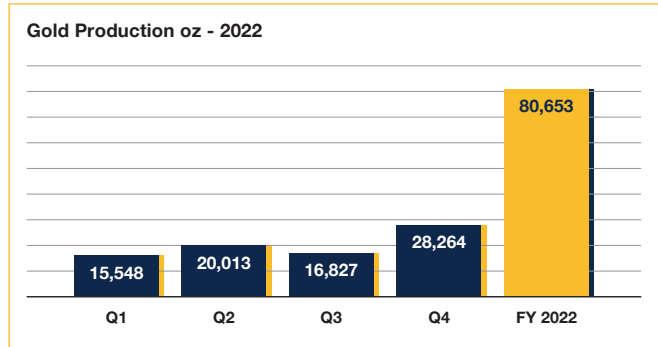
OPERATIONAL REVIEW

2022 YANFOLILA PRODUCTION STATISTICAL SUMMARY

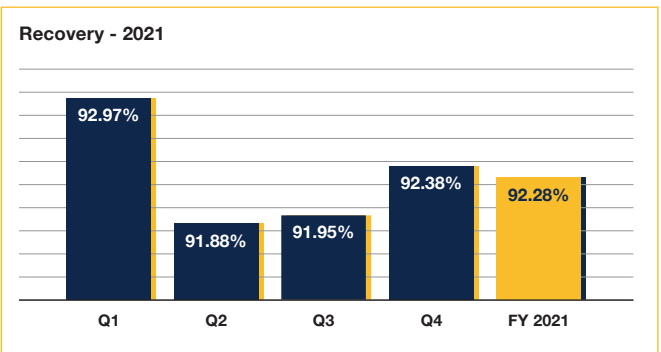
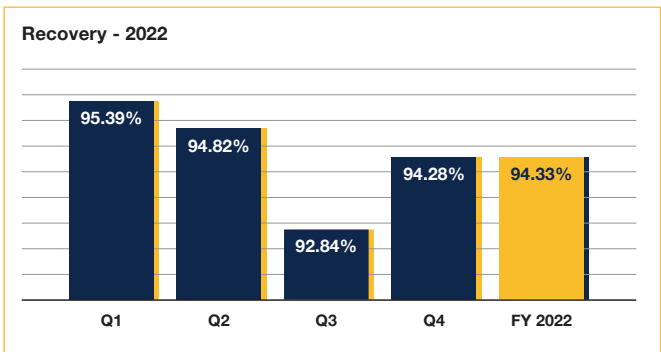
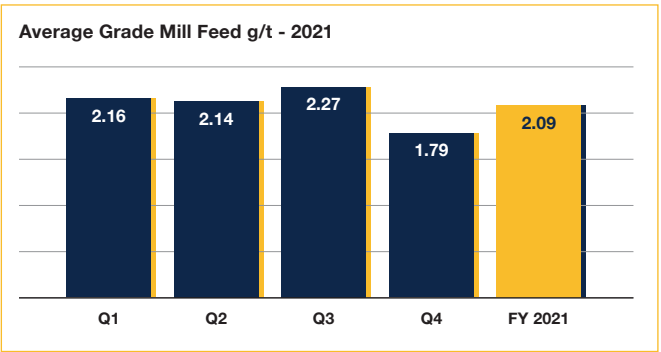
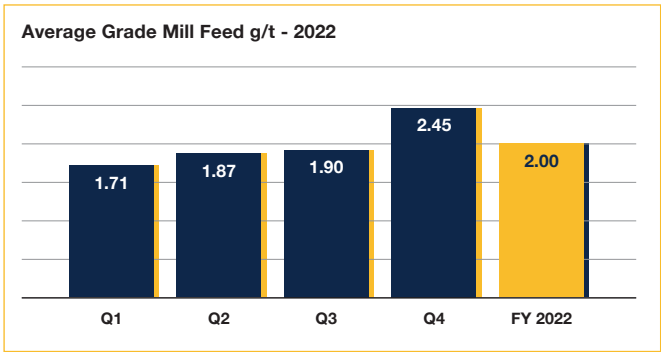
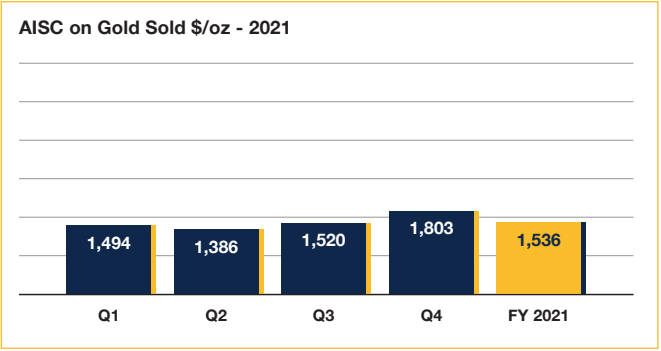
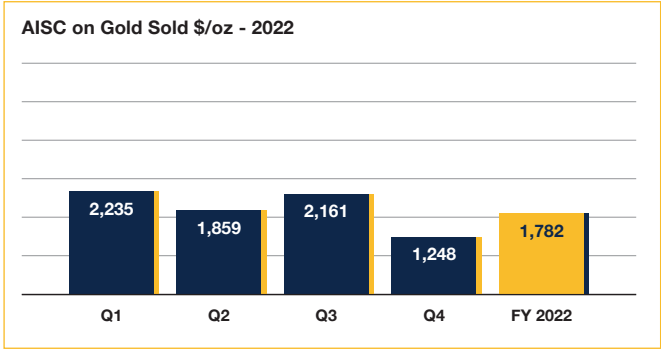
Q4 2022 saw material production and AISC improvements following a more difficult 1H 2022.

- Full year 2022 production of 80,653 oz and 80,445 oz of gold sold at an AISC of US\$1,782 per oz, meeting revised guidance.
- Q4 2022 saw a material improvement from previous 2022 quarterly results, with production of 28,264 oz, a +67% improvement from the 16,827 oz in Q3 2022, and improved AISC of US\$1,248 per oz (Q3 2022 US\$2,161 per oz).
- Yanfolila, Mali full year 2023 guidance set at 80,000 – 90,000 oz of gold, with an AISC of <US\$1,500 per oz of gold.

2022 FULL YEAR RESULTS



OPERATIONAL REVIEW



OPERATIONAL REVIEW

KOUROUSSA, GUINEA 2022 OPERATIONAL SUMMARY

December 2021 saw the increased mobilisation of equipment and personnel on site at Kouroussa by the Projects' construction and engineering firm WACOM, to enable construction, which formally began in early January 2022. This was in line with the targeted first gold pour by the end of Q2 2023 as detailed in the timeline chart below.

Ground clearing works and increasing equipment and personnel arriving on site began in early 2022, advancing rapidly towards the major civil construction works phase, and then into operational readiness programmes by year end. Detailed engineering design, planning and construction implementation took place throughout 2022 on the 1 mtpa CIL processing plant and surrounding infrastructure. Further, detailed planning and execution by specialist tailing facility storage ("TSF") developers also took place in 2022, with the TSF completed at the time of publishing this report ready for the commissioning and production phase at Kouroussa. As the civil, relating infrastructure, permanent mine camp and TSF construction advanced into year end,

increasing attention turned to 'operational readiness' programmes, with the hiring of an experienced general manager in November 2022 to implement the team and processes required for mining, and operating the plant. Importantly, Kouroussa's construction advancement was achieved with a high-quality health and safety environment reaching >1 million lost time injury ("LTI") free hours by the end of 2022, and over 2.5 million LTI free injury hours in Q1 2023. Also as detailed in the Group's Sustainability report, detailed ESG programmes, policies and practices were implemented at Kouroussa in 2022, with details of these in that report and the Sustainability section of this annual report.

The advancement of the Kouroussa Gold Mine during 2022 importantly remained on time and on budget towards first gold pour by the end of Q2 2023. Given this backdrop and the improving gold price trends, especially early 2023, the Group continues to and increasingly believes with the high-grade nature of the Kouroussa's deposits, coupled with further material exploration potential, that the cash flow returns and longevity of the Kouroussa

project look very promising. Details of Kouroussa's project economics were published in October 2021, showcasing a high returning asset once into production.

With the current Reserve of 647 koz at 4.15 g/t with upside potential to extend LOM the Group estimates Kouroussa once at name plate production will produce an average of between 120,000 - 140,000 oz for the first three years of production and average 100,000 oz over the initial LOM.

Details of Kouroussa's project economics detailed in the table below, as previously published on 12 October 2021.

Kouroussa, Guinea – project timeline to production



CAPITAL ITEM	ESTIMATE (US\$MILLION)
Processing plant	56.0
Tailing storage facility	10.5
Camp and related infrastructure	7.2
Mining establishment	8.3
Project management, support and other equipment	15.5
Total processing plant and establishment costs	97.5
Pre-production mining costs	10.0
Contingencies	7.5
Total project cost	115.0

GOLD PRICE (US\$/OZ)	IRR	NPV 10% (US\$MILLION)
1,350	34%	75
1,500	49%	126
1,750	71%	210
2,000	93%	294
2,350	123%	412



DUGBE, LIBERIA 2022 OPERATIONAL SUMMARY

In June 2022, our joint venture partners, Pasofino released a robust DFS on Dugbe, in which Hummingbird retains a controlling interest of 51%. With the DFS completed, a strategic review was initiated with Pasofino to determine the best options to generate maximum value of Dugbe for all stakeholders, which remains ongoing.

KEY HIGHLIGHTS OF DUGBE, AND THE DFS INCLUDE:

Reserves & Resources

- The Birimian geological region of West Africa is one of the largest gold producing areas in the world
- Dugbe is one of the largest deposits in this part of the Birimian
- 2.74 Moz Reserves and 4.01 Moz Resources
- 2,559 km² under MDA for 25 years, with +100 exploration targets
- 6 key targets explored

High DFS value¹

- High DFS pre-tax NPV of US\$690 million (US\$530 million post tax)
- 26.35% IRR (23.6% post-tax)
- LOM AISC of US1,005/oz
- 3.5 years capital payback
- 14-year LOM, with c.200,000 oz per annum in the first five years of production
- LOM strip ratio 4.21:1, lower in first five years
- Detailed ESIA completed

Current

- Strategic review underway with JV partner Pasofino to best realise the maximum value of Dugbe for all stakeholders

¹ See release dated 13 June 2022: "Dugbe Gold Project Feasibility Study Results".

OPERATIONAL REVIEW

2022 GROUP RESOURCES AND RESERVES STATEMENTS

7.28 million ounces of Group Resources

COMPANY RESOURCES			
Asset	kt	g/t	koz
Yanfolilla, Mali (net of mining depletions)	28,946	2.22	2,065
Kouroussa, Guinea	12,365	3.02	1,200
Dugbe, Liberia	98,100	1.27	4,013
Total Company Resources	139,411	1.62	7,279

4.13 million ounces of Company Reserves

COMPANY RESERVES			
Asset	kt	g/t	koz
Yanfolilla, Mali (net of mining depletions)	7,853	2.85	719
Kouroussa, Guinea	4,856	4.15	647
Dugbe, Liberia	66,000	1.30	2,760
Total Company Reserves	78,709	1.63	4,126

- All Company Reserves and Resources are shown on a 100% basis. Hummingbird will retain a controlling interest in Dugbe of 51%.
- Yanfolilla Reserves and Resources statements effective 31.12.2021.
- Dugbe Reserves statement effective as at 01.05.2022 and Resources statement effective as at 17.11.2021 as produced by Pasofino Gold Ltd.
- Yanfolilla and Kouroussa Reserves based on US\$1,500 AU and Dugbe Reserves based on US\$1,600 AU as prepared by Pasofino Gold Ltd.
- Total g/t is based on a total weighted average ounces calculation per asset.
- See release 30 June 2022 "2022 Updated Company Reserves and Resources Statements" for more details.

A core value-accretive strategy for Hummingbird has been to increase the Group's Reserves asset base through extensive drilling programmes that occurred during the 2021 year at all three of its assets.

June 2022 the Group provided an updated Reserves and Resources Estimate statements for each of its three gold assets which included: Yanfolilla in Mali; Kouroussa in Guinea, including a maiden Ore Reserve at the Kinkine deposit and higher-grade Ore Reserves at the Koekoe deposit; and maiden Reserves for Dugbe in Liberia, as announced by Hummingbird's joint venture partners in Dugbe, Pasofino.

The success of 2021 drilling campaigns resulted in a material uplift to the Group Reserves and Resources, providing Life of Mine ("LOM") extensions to our asset base. Group Reserves increased materially to 4.13 Moz of gold ("Au") from 1.12Moz, as reported in November 2021 and Resources increased 8% to 7.28Moz of Au since previous statements as summarised in the Group Reserves and Resources tables above.

YANFOLILA, MALI RESOURCES AND RESERVES STATEMENTS

Yanfolila Reserves and Resources total 719 thousand ounces (“koz”), an increase of 13 koz (+2%) at 2.85 grams a tonne (“g/t”), and 2.07 Moz at 2.22 g/t, an increase of 100 koz (+5%) net of depletion from mining since the previous statements respectively.

Notably underground Reserves at Komana East Underground (“KEUG”) increased by 75koz (+37%), to total 278koz at 3.94 g/t and Gonka underground Resources totalled 225 koz at high grades of 4.16 g/t, being an addition of 68koz (+43%) since the last statement. With Yanfolila’s current Reserves and Resources profile the Group is confident of a minimum seven-year LOM, with potential to maintain and extend Yanfolila’s LOM with further drilling campaigns, in particular at the underground deposits which are of a higher grade to the open pit operations.

Yanfolila, Mali summary Resources and Reserves tables below.

YANFOLILA, MALI RESOURCES			
Deposit	kt	Au (g/t)	koz
Komana West (KW)	5,951	1.84	353
Komana East (KE)	1,116	3.20	115
Sonioumale West (SW)	3,462	1.72	191
Sonioumale East (SE)	2,949	2.49	236
Gonka (GK)	601	3.45	67
Komana East Underground (KEUG)	4,379	3.94	555
Gonka Underground (GKUG)	1,680	4.16	225
Gurin West (GW)	1,161	1.98	74
Kabaya South (KS)	2,020	1.31	85
Kabaya South (KS non code)	950	1.50	46
Badogo-Malikila (BM non code)	2,347	0.81	61
Run-of-Mine Stockpiles	722	1.19	28
Heap Leachable Stockpiles (HLS)	1,607	0.60	31
Total Yanfolila Resources	28,946	2.22	2,065

1. Yanfolila Resources Statement effective as 31.12.21.

2. See release 30 June 2022 “2022 Updated Company Reserves and Resources Statements” for more details.

OPERATIONAL REVIEW

YANFOLILA, MALI RESOURCES AND RESERVES STATEMENTS (CONTINUED)

YANFOLILA, MALI RESERVES			
Deposit	kt	Au (g/t)	koz
Komana West (KW)	891	2.62	75
Komana East (KE)	1,099	2.99	106
Sonioumale West (SW)	922	1.86	55
Sonioumale East (SE)	1,375	2.53	112
Gonka (GK)	651	3.15	66
Komana East Underground (KEUG)	2,192	3.94	278
Run-of-Mine Stockpiles	723	1.19	28
Total Yanfolila Reserves	7,853	2.85	719

¹ Yanfolila Resources Statement effective as 31.12.21.

KOUROUSSA, GUINEA RESOURCES AND RESERVES STATEMENTS

Kouroussa Reserves totalled 647 thousand ounces ("koz"), an increase from the last announced reserves.

Kouroussa, Guinea summary Resources and Reserves tables below.

KOUROUSSA, GUINEA RESOURCES			
Deposit	kt	Au (g/t)	koz
Kinkine (KI)	1,947	2.18	136.6
Koekoe (KK)	5,680	3.85	704.0
Kinkine Underground (KIUG)	421	1.75	23.7
Koekoe Underground (KKUG)	2,220	2.30	165
Bag Farm Junction (BFJ)	1,743	1.59	89.0
X-Vein (XV)	354	7.33	83.0
Total Kouroussa Resources	12,365	3.02	1,200.3

KOUROUSSA, GUINEA RESERVES			
Deposit	kt	Au (g/t)	koz
Kinkine (KI)	1,234	2.56	101.4
Koekoe (KK)	3,622	4.69	545.8
Total Kouroussa Reserves	4,856	4.15	647.2

DUGBE, LIBERIA RESOURCES AND RESERVES STATEMENTS

On 13 June 2022, joint venture partners at Dugbe, Pasofino, released the results of the Dugbe Gold Project DFS. The release highlighted a material maiden Reserve of 2.76 Moz and Resources of 4.01 Moz being an increase of 447 koz since Pasofino's last Mineral Resources Estimate ("MRE") update, of which Hummingbird will retain a 51% controlling interest in the project.

Dugbe is a large-scale gold asset with a 14-year LOM, low AISC profile of US\$1,005/oz, with material exploration upside potential given only six of the probable 100 targets have been explored over the 2,559 km² exploration license area.

As noted previously, the Group is working with Pasofino conducting a strategic review of our options to best realise the maximum value of Dugbe for all stakeholders.

Dugbe, Liberia summary Resources and Reserves tables below.

BUGBE, LIBERIA RESOURCES			
Deposit	kt	Au (g/t)	koz
Dugbe F and Tuzon	98,100	1.27	4,013

BUGBE, LIBERIA RESERVES			
Deposit	kt	Au (g/t)	koz
Dugbe F and Tuzon	66,000	1.30	2,760

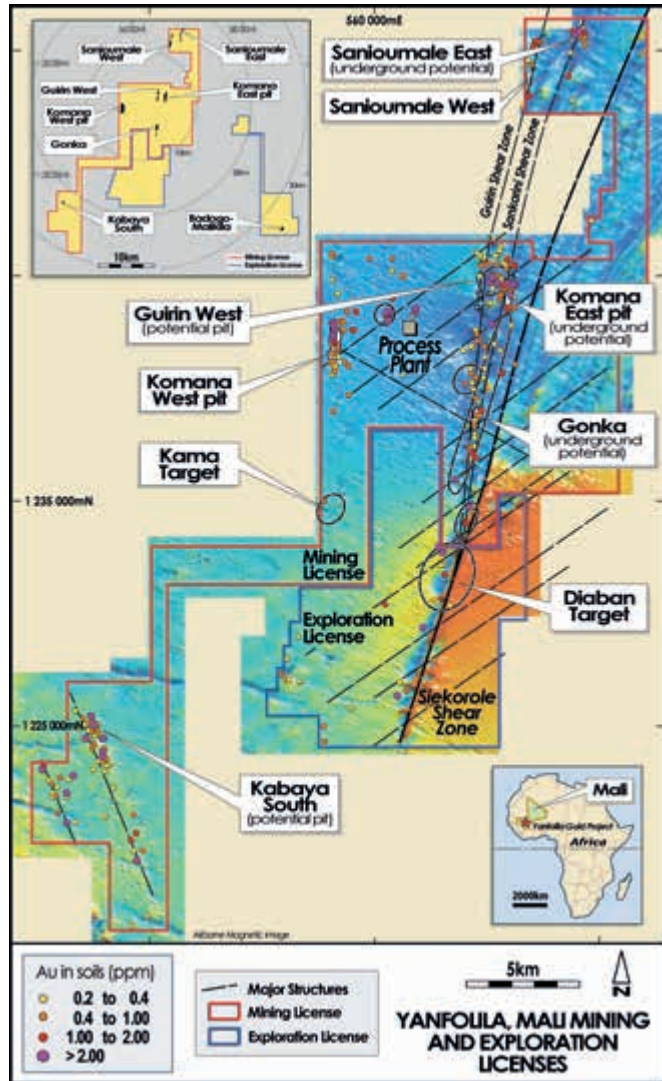
1. Dugbe Reserves and Resources are shown on a 100% basis. Hummingbird will retain a controlling interest in Dugbe of 51%.
2. See release dated 13 June 2022 "Dugbe Gold Project Feasibility Study Results" for more details.



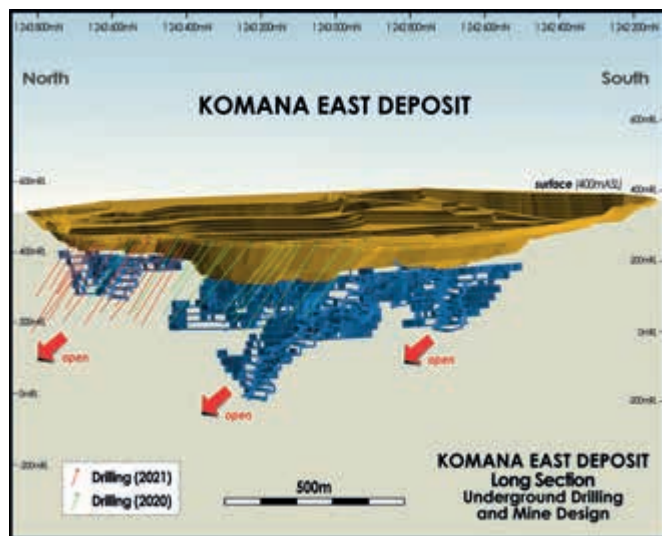
OPERATIONAL REVIEW

YANFOLILA, MALI

Mining and exploration licences

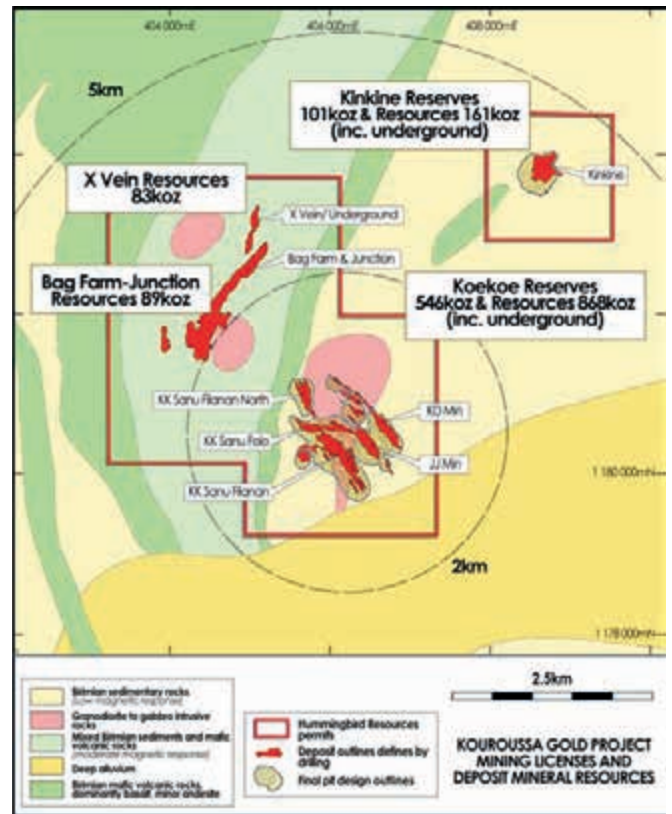


Komana East Deposit illustration

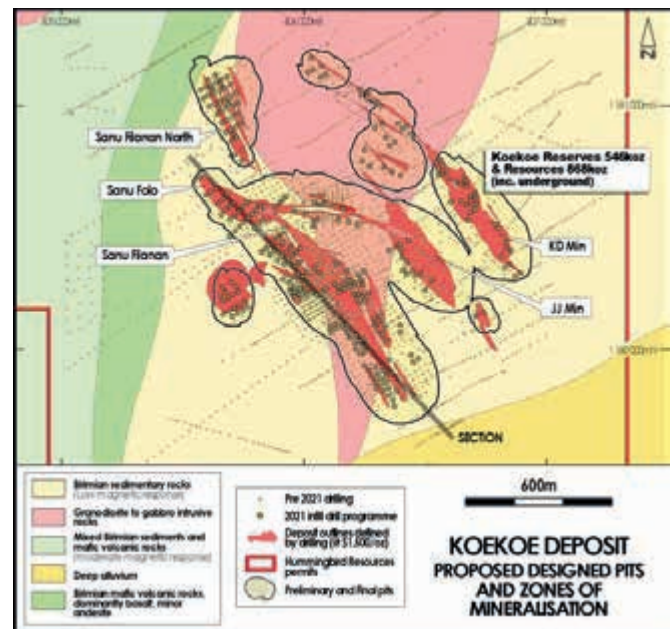


KOUROUSSA, GUINEA

Mining licences



Koekoe deposit and historical drilling holes illustration





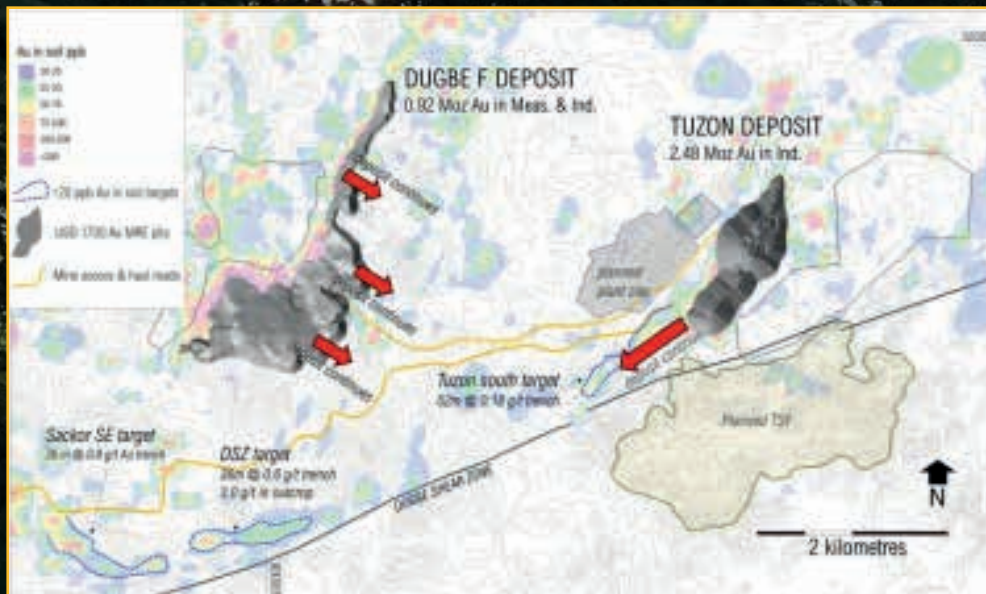
OPERATIONAL REVIEW

DUGBE, LIBERIA

West Africa and Liberia key mining map and Dugbe illustration



Dugbe F and Tuzon deposit illustration





Sustainability Report



Dan Betts

Interim Chairman and
Chief Executive Officer

INTRODUCTORY REMARKS

I am pleased to share with you the following Sustainability Report, which summarises the progress we have made over the past year and beyond on sustainability issues, and demonstrates our ongoing commitment to improving our performance as we continue to advance towards a high level of Environmental, Social and Governance (“ESG”) disclosure.

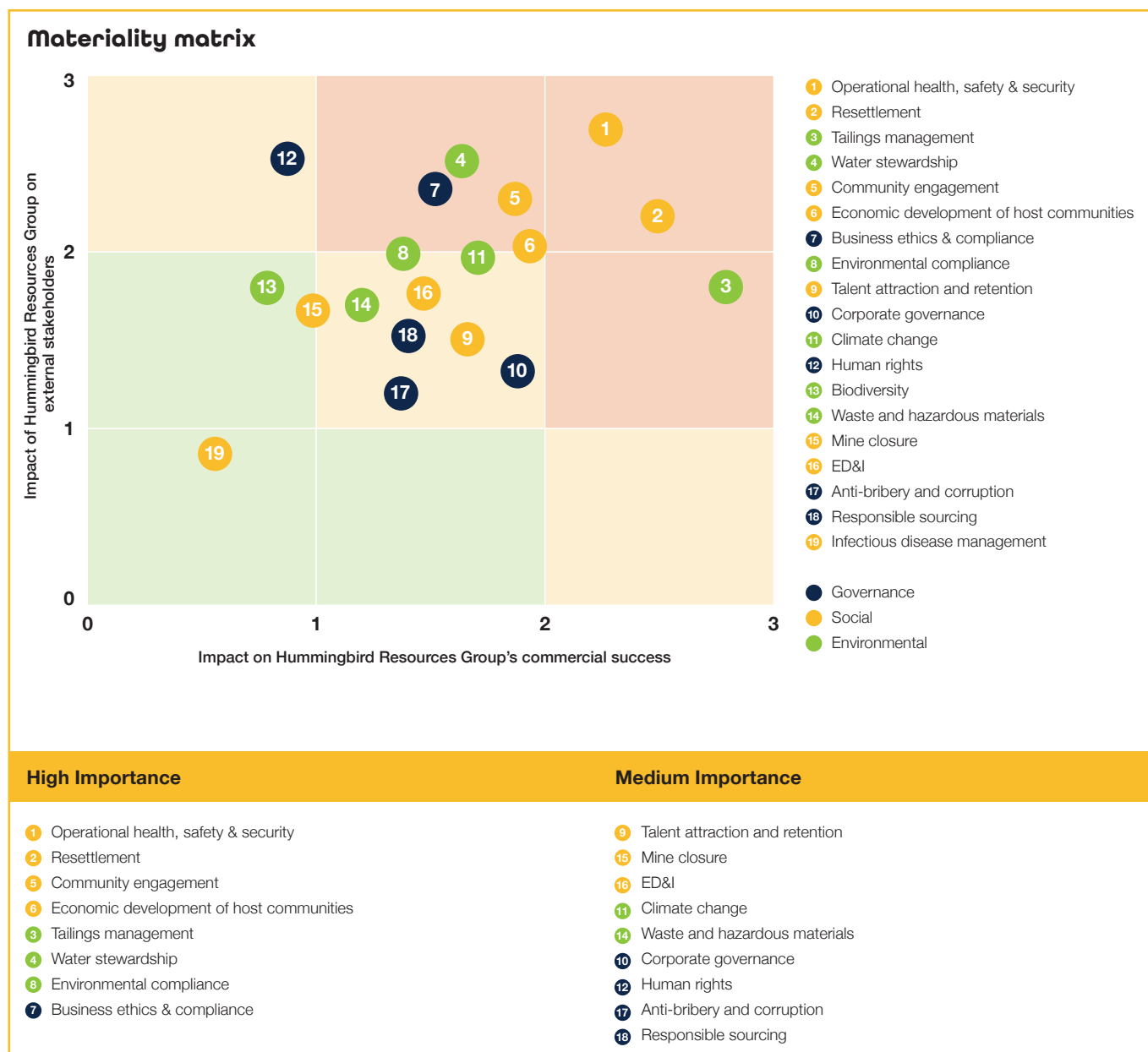
Strong ESG performance is essential to the sustainable success of our business, as it underpins our social licence to operate, and serves as the foundation of our important relationships with the communities and governments of our host nations. Our core value of responsible mining underpins our internal practices, and our focus on providing a positive lasting legacy in the regions where we operate.

MATERIALITY

In order to identify the material sustainability issues which are most important to Hummingbird and its stakeholders, we undertook a materiality assessment focused on ESG issues.

Working with an external consultant, we reviewed key issues for the mining sector by their impact on our key stakeholders and on Hummingbird’s business, in order to determine their materiality to the company. The determination of material topics and their

importance in turn inform the disclosures in the Sustainability Report. This process in turn informs the disclosures included in this report and ensures that the report addresses all topics which are determined to be most material to mining companies by recognised ESG frameworks. In future reports, we will consider different frameworks to align our sustainability disclosures against in addition to the RGMPs and intend for our 2023 sustainability report to be our first report to address the recommendations of the Task force on Climate-related Financial Disclosures (“TCFD”).



Hummingbird’s key stakeholder groups include:

- Local host communities
- Employees
- Governments of the countries we operate in, at local and national level
- Shareholders
- Customers
- Suppliers and contractors

WGC RGMP COMPLIANCE

In November 2022, the Group successfully achieved full compliance with the World Gold Council's Responsible Gold Mining Principles ("RGMPs"). The result of significant work over the past three years on improving ESG integration and monitoring, this is a significant step on our ESG journey which the Group can take pride in.

The process of achieving compliance, which is subject to annual independent audits, also strengthened our practices in a number of areas. We now have a stronger governance framework and a robust range of policies, which we will continue to make sure are operationalised by our HSEC teams and will monitor for continued effectiveness.

The World Gold Council ("WGC") launched the RGMPs in 2019 in order to create a framework for gold mining companies which sets out clear expectations for consumers, investors and the gold supply chain as to what constitutes responsible gold mining.

Developed through extensive external consultation, the RGMPs reflect the perspectives on responsible mining of a broad range of stakeholders, including governments, international organisations, civil society, supply chain participants and investors. The 10 principles cover material governance, social and environmental topics for the industry.

During 2022 Hummingbird underwent an internal assessment against the principles in order to achieve compliance with them, benchmarking and in many cases improving its ESG practices. In November 2022, we were proud to announce that we had achieved full RGMP compliance. As required by the WGC, we worked with an external assurance provider to confirm our conformance with the principles.

Compliance with the RGMPs, which are subject to annual assurance, is a reflection of our ongoing commitment to responsible operation, and indicative of our ambition to consistently improve on our ESG performance.

COMMUNITY INVESTMENT

At our Yanfolila site, throughout 2022 we continued to support initiatives which are having a positive impact on the ground, working in tandem with community needs. Water infrastructure was expanded as part of our successful WASH Programme, with boreholes installed at several villages to provide vital sources of water.

The market garden programme, which provides an alternative source of livelihood for around 900 people in local communities, primarily women, was expanded further. A total of 48 wells have now been constructed, serving 16 villages in the local area.

Additional community projects included the continued sponsorship of teachers to support the education system, the construction of three new classrooms at Sanioumale with funding of teacher salaries, the ongoing poultry farm project which provides skills for young people, spraying programmes to prevent malaria, and improvements to local road infrastructure.

Our progressive reforestation programme, the Hummingbird Tree Initiative, now successfully plants 10,000 trees a year, creating a source of income while providing skills in plant propagation.

Similar initiatives are now underway at our Kouroussa site, where we seek to have an equivalent degree of community involvement to that in Yanfolila.

EMPLOYMENT PRACTICES

We are proud to be committed to local employment, with a high proportion of employees at our sites being Malian or Guinean nationals. In 2022 our Equality, Diversity and Inclusion ("ED&I") principles were further embedded into our employment practices through the implementation of policies at the local level, as we continue to promote a workforce which fully represents the communities where we live and work.

GHG CALCULATION

2022 saw our measurement practices for our GHG emissions improve, with the Group calculating its Scope 2 and contractor emissions at sites for the first time. Building on this, we continue to assess options for reducing the carbon intensity of our operations. Key emissions reduction strategies include our 7MW solar PV system and heat recovery system to be installed at our Kouroussa site, which we expect to have a significant impact on emissions, while also saving cost.

Going forward, we have developed a plan for further improving the measurement and monitoring of our GHG emissions, in order to identify important areas for reduction and integrate management of these areas at site level. We're looking forward to sharing more on our emissions reduction approach in due course.

DUGBE

On the environmental front, an Environmental and Social Impact Assessment ("ESIA") was completed at Dugbe. Building on previous studies, alongside social impacts the ESIA highlights areas of sensitivity in the surrounding ecosystem, to help ensure the project progresses with due regard to biodiversity. This matches the approach to environmental protection we take at our other sites, which are supported by site-specific biodiversity management plans.

SMO AND CLOSING REMARKS

The Single Mine Origin (SMO) initiative, of which Hummingbird is a founding member, continued to be adopted by miners and manufacturers in 2022. Enabled by our compliance with the RGMPs, our SMO certification provides assurance of our responsible operation for our whole supply chain, including end consumers.

This year we are working towards further improving our sustainability-related disclosures, and intend for our 2023 report to be our first report to address the recommendations of the Task force on Climate-related Financial Disclosures (TCFD). We recognise that sustainability is an area where we have to make continual progress, and we look forward to improving the degree and depth of our ESG disclosures in coming reports.

I would like to thank our employees, communities and host countries for their collaboration and support throughout the year, as we continue to realise our vision of sustainable gold mining.

Sustainability Highlights



\$438,123

SPENT ON COMMUNITY AND LIVELIHOOD PROJECTS IN MALI



\$15.2 MILLION

ECONOMIC CONTRIBUTION TO HOST NATIONS IN TAXES AND DUTIES



90%

NATIONAL EMPLOYMENT AT OPERATIONS



0.84 LTIFR

AT YANFOLILA

0

FATALITIES



85%

PROCESS WATER RECYCLED



10,000

TREES PLANTED ANNUALLY IN YANFOLILA THROUGH THE HUMMINGBIRD TREE INITIATIVE



GOVERNANCE

Principle 1: Ethical conduct

We will conduct our business with integrity, including absolute opposition to corruption

Principle 2: Understanding our impacts

We will engage with our stakeholders and implement management systems so as to ensure that we assess, understand and manage our impacts, realise opportunities and provide remedy where needed

Principle 3: Supply chain

We will require that our suppliers conduct their business ethically and responsibly as a condition of doing business with us

SOCIAL

Principle 4: Safety and health

We will protect and promote the safety and occupational health of our workforce (employees and contractors) above all other priorities and will empower them to speak up if they encounter unsafe working conditions

Principle 5: Human rights and conflict

We will respect the human rights of our workforce, affected communities and all those people with whom we interact

Principle 6: Labour rights

We will ensure that our operations are places where employees and contractors are treated with respect and are free from discrimination or abusive labour practices

Principle 7: Working with communities

We will contribute to the socio-economic advancement of communities associated with our operations and treat them with dignity and respect

ENVIRONMENT

Principle 8: Environmental stewardship

We will ensure that environmental responsibility is at the core of how we work

Principle 9: Biodiversity, land use and mine closure

We will work to ensure that fragile ecosystems, habitats and endangered species are protected from damage, and will plan for responsible mine closure

Principle 10: Water, energy and climate change

We will improve the efficiency of our use of water and energy, recognising that the impacts of climate change and water constraints may increasingly become a threat to the locations where we work and a risk to our licence to operate.

Sustainability Governance

Hummingbird recognises the importance of robust governance mechanisms to ensure sustainability and ESG issues are monitored, discussed and addressed at the local and corporate levels.

The success and viability of our operations and long-term sustainability of the business depend on responsible management of the impacts we have on communities and the environments in which we operate, and on ensuring a safe working environment for all employees and contractors. Hummingbird's focus on sustainability matters is intended to benefit all stakeholders, including its host communities in the countries where it operates, and its employees, suppliers and shareholders.

Hummingbird's ESG Committee, established in 2018, provides a formal and transparent governance mechanism for ensuring that the Board is provided with oversight and guidance on ESG issues, and so that the Board can develop and revise the Group ESG and sustainability policy appropriately.

The ESG Committee provides support in managing key sustainability risks and objectives. It is responsible for reviewing Group performance against these issues, and the effectiveness of management systems. The Committee's remit is focused on, but not limited to, key material issues including occupational and community health and safety, environmental stewardship and compliance, social performance and community development, stakeholder engagement, and cultural heritage. The ESG Committee also provides advice and guidance on relevant aspects of the licence to operate, including strategies on security, procurement, tax and human resources.

This Committee reports quarterly to the board and is currently chaired by an external ESG and sustainability specialist. The Board and Corporate Executive Team are invited to the quarterly meetings, in addition to the local Health, Safety, Environment and Community ("HSEC") managers at the Yanfolila and Kouroussa sites.

Additionally, the Committee holds weekly meetings with the HSEC managers, during which key areas of ESG progress and risk are raised and discussed.

Responsibility for sustainability matters is assigned at operational level. HSEC managers at each site, supported by staff within their departments, are responsible for day-to-day implementation of policy and sustainability strategy, and provide updates to the general managers at each site.



CODE OF CONDUCT

Hummingbird’s company-wide Code of Conduct and associated policy framework is intended to ensure that all parts of the business are conducted with integrity, including absolute opposition to bribery and corruption. The Code of Conduct is

distributed and signed by all employees at both corporate and local level and describes what is expected of employees, and is developed in line with our organisational principles and values (see page 6). We endeavour to always operate in a way that respects the human rights of our employees and all those within our supply chain.



GOVERNED BY THE ESG COMMITTEE

Responsible for ESG and sustainability strategy at Group level

RESPONSIBLE SOURCING

Responsible sourcing and the safety and wellbeing of workers is of paramount importance to Hummingbird. We require that all our suppliers conduct their business ethically and responsibly as a condition of doing business with us, and operate to our standards of ethics, safety, health, human rights, and social and environmental performance.

These core principles are reflected in our Supplier Code of Conduct, implemented in 2022, which is distributed to all suppliers as a matter of course and establishes the minimum standards that must be met by any entity that supplies products or services to Hummingbird.

Our Supplier Code of Conduct requires all suppliers to be compliant on issues including:

Slavery, human trafficking and child labour

Never using child, compulsory or forced labour or any other form of slavery

Human rights

Compliance with all internationally recognised human rights

Equal opportunities

No discrimination to employees based on race, gender, or any other characteristic

Freedom of association

Respecting the right of workers to associate with groups of their choice including trade unions

Safe working environment

Provision of a safe and healthy working environment and compliance with all applicable health and safety laws

Environmental responsibility

Compliance with all applicable environmental laws, and environmental management in place to address environmental risks and continuously improve environmental performance

Bribery and corruption

Suppliers do not accept or offer bribes or political contributions

In 2022, we began distributing our Supplier Code of Conduct to all suppliers, beginning with those that service the Yanfolilla site both locally and internationally.

From April 2022, we implemented a new due diligence framework and checklist, which are applied to each new supplier. Our due diligence process includes the requirement for suppliers to confirm their compliance on human rights issues in the upstream, core operation and downstream parts of their own supply chains.

We are in the process of implementing additional annual due diligence checks, to be applied to key suppliers and suppliers categorised as high-risk, in order to ensure continued compliance. Supply chain teams at each site are responsible for performing risk assessment on suppliers. In 2022, no incidents of non-compliance by our suppliers against the Supplier Code of Conduct were recorded.

All the gold dore produced by Hummingbird's mines is purchased by Auramet, a US-based specialist in metal transactions, which then refines the gold at three refiners: Metalor, Rand Refinery, and Argor-Heraeus. All three refiners are London Bullion Market Association ("LBMA") certified, meaning they meet the authority's standards for responsible operation and strong governance. Hummingbird does not currently have any contracts with refiners.

Hummingbird is a founding member of SMO, a gold certification initiative for mines which adhere to the WGC RGMPs. All gold produced from our Yanfolilla site is SMO accredited. SMO gold remains segregated throughout the supply chain, with end customers provided with an auditable chain of custody from source mine to final product, providing assurance of responsible mining practices.

SINGLE MINE ORIGIN

Single Mine Origin (SMO) is a gold certification standard which provides a consistent global supply of responsibly sourced gold, fully traceable to a single mine.

All SMO gold is produced by mines that adhere to exacting standards for responsible mining established by international standards bodies, with every gram of gold produced providing a traceable and auditable chain of custody directly to the mine where the gold was sourced.

Buyers of SMO gold can be certain as to the journey and origins of their gold, and know that their purchase contributes to sustainability initiatives benefiting local communities. Hummingbird's Yanfolila mine in Mali has been an SMO accredited mine since 2017.

How SMO Gold is different

Certified Responsibility: All SMO mines comply with standards set by the World Gold Council's Responsible Gold Mining Principles (RGMPs), Initiative for Responsible Mining Assurance ("IRMA") or International Council on Mining and Metals ("ICMM").

Segregated Supply: SMO gold remains segregated from any other material throughout the supply chain, from mine output, to logistics, to LBMA-certified refiners, to pre-delivery manufacturing – with the whole journey fully documented.

Refinement: Most of the world's gold becomes untraceable once it enters the refinery. SMO gold is an exception, refined by LBMA refiners in total segregation from any other material, in a process overseen by an independent auditor – the most critical part of SMO's chain of custody.



1oz coin from SMO produced exclusively with gold sourced from our Yanfolila mine



Boodles, the luxury jeweller, exclusively uses SMO gold in all new jewellery since 2020

Hummingbird is a founding member of SMO, with other mines and companies globally joining the growing platform.

Benefits for communities

SMO gold makes a proven contribution to community projects, including health, infrastructure and social initiatives

94% of employees at SMO mines are nationals, many from the local host communities

Benefits for miners

SMO accreditation provides proof of responsible production, and appropriately to showcase the positive impact their operations have

Benefits for purchasers of gold

Access to a consistent, reliable supply of responsibly produced gold on a mass market scale

Benefits for consumers

Unique QR code allows consumers to trace the provenance of a product back to a single mine

ETHICAL BUSINESS

Anti-bribery and Corruption

Hummingbird has no tolerance for bribery and corruption. Bribery is a crime which has a major negative economic, political and environmental impact on societies, and diverts public resources from priorities such as education, infrastructure and health.

Our Anti-bribery and Corruption Policy is part of the Code of Conduct, which is shared with and signed by all employees upon commencement. This policy applies to all employees and provides instruction on the principles and behaviours in relation to bribery which must be adhered to. The policy details the whistleblowing channels through which concerns can be raised, and includes an option for confidential reporting of incidents.

We require all employees to complete anti-bribery training upon commencement and sign a declaration in relation to Conflict of Interest and the Gift & Hospitality register, and complete updated training annually. Training courses cover our expectations of employee behaviour, and how to effectively recognise and report instances of potential misconduct.

We have Code of Conduct and Anti-bribery and Corruption classroom trainings at sites, run by our HR teams, in order to ensure that employees who do not have access to computers, who are on rotation, or who have low literacy have access to regular training.

Whistleblowing

Hummingbird takes any misconduct in relation to our Policies seriously, and intends to maintain a culture of openness and accountability. Employees at all levels are encouraged to speak up in relation to suspected wrongdoing on issues including bribery, corruption, dangers to health and safety, or any other breach of internal policies and procedures. Our Whistleblowing Policy recommends that staff raise issues with their line managers, and includes a confidential line of reporting available at all hours, with contact options for email and phone included to report issues directly to the Chair of the Audit Committee, the Company Secretary, and the CEO.

The Audit Committee has ultimate responsibility for our Whistleblowing Policy and for reviewing the effectiveness of actions taken in response to raised concerns. The Chair of the Audit Committee has operational responsibility for this policy and for ensuring that all staff who may deal with raised concerns under this policy receive regular and appropriate training.

Modern Slavery

In compliance with the UK Modern Slavery Act 2015, Hummingbird publishes an annual Modern Slavery Statement, approved by the Board, which describes the steps taken towards seeking to ensure that there is no slavery or human trafficking within our business or at any stage of the supply chain. Respect for human rights and total compliance with laws on forced labour and trafficking are conditions of our Supplier Code of Conduct, with due diligence carried out on key suppliers as part of the tender process. There were no reported cases of modern slavery during 2022 for Hummingbird.



Our People

Hummingbird's performance as a company is dependent upon the commitment and engagement of our people, who we endeavour to treat with respect and whose wellbeing we strive to protect.



The health and safety of our workforce is of utmost priority. We aim for every employee, contractor and visitor to return home safely each day, and for workforce health to be protected by dedicated medical teams. Hummingbird is committed to inclusivity at its places of work, and to creating working environments with high accountability which are free from discrimination.

The involvement of local people working within our mine and across our projects is central to our vision of sustainable and responsible mining. Local hiring, training and succession planning remains a priority, as does maintaining strong relations with employee unions.

Our priorities:

- **Zero Harm target:** Achieving Zero Harm with every employee, contractor and visitor
- **Healthcare:** Providing regular consultations, proactively preventing health risks, and reducing infectious disease spread, for both our workforce and our host communities
- **An inclusive workforce:** Supporting a workforce which reflects the global communities where we operate
- **Fair treatment:** Providing equal opportunities for development and progression, and adhering to fair labour practices

This approach is supported at Group level by our Safety, Occupational Health and Wellbeing Policy, Equal Opportunity Policy, Human Rights Policy, and Anti-Discrimination, Harassment and Bullying Policy.

OPERATIONAL HEALTH AND SAFETY

Our approach

We believe that all accidents are preventable, and aim to achieve Zero Harm for all employees, contractors and visitors. Through effective implementation of health and safety measures, we seek to support timely and cost-effective exploration, development and production operations.

Occupational Health and Safety Management Plans are developed for each operation, reflecting local applicable laws and regulations, international best practice requirements, regular risk assessments, application of the mitigation hierarchy, and adaptive management processes that emphasise prevention and training to control risks. These plans are reviewed and updated on a periodic basis, in order to ensure continuous improvement and sustained performance.

Health and Safety Principles

Zero Harm	Is possible for all no matter where we work
No Repeats	All necessary steps will be taken to learn from incidents and audit findings in order to prevent reoccurrence
Continuous Improvement	Is essential – we must learn, adapt, anticipate and prevent reoccurrence of any issues
Simplicity and Consistency	Are the basis for exceptional performance across our business, wherever we work

Our Targets

Hummingbird’s Group Level Safety, Occupational Health and Wellbeing Policy outlines our commitment to effective management of health and safety. The Policy compels Hummingbird, among other actions, to:

- Provide safe and healthy working conditions and meet all relevant statutory health and safety related requirements
- Educate, inform, instruct and ensure that all employees and contractors have the appropriate skills and knowledge for their roles, understand their obligations, and are held accountable
- Work with partners and regulatory agencies to support the enhancement of community health systems within project areas of influence

As per the policy, employees are reminded of and made individually responsible for relevant occupational health and safety measures, and for complying with all requirements for their activities.

Ultimate responsibility for our health and safety performance at Group level sits with the Board. Any serious health and safety incidents are immediately reported to the management team and Board. At site level, health and safety is managed and implemented by the SHEC manager at our Yanfolila site, and the site ESG manager at Kouroussa.



Safety

Safety performance remained strong at our Yanfolila site in 2022, with a Lost Time Injury Frequency Rate (“LTIFR”) of 0.84 and a Total Recordable Injury Frequency Rate (“TRIFR”) of 1.26, exceeding our targets.

Yanfolila safety statistics

	TARGET	2020	2021	2022
LTIFR	<1.2	0.29	0.30	0.84
TRIFR	<2.5	0.82	0.59	1.26

At Kouroussa, safety programmes have been developed and implemented as the project is set to enter production in Q2 this year. The LTIFR in 2022 was zero, with no lost time incidents occurring.

There were no work-related fatalities recorded across any sites in 2022.

Training

All employees and contractors are required to complete Hummingbird’s safety training modules in hazard awareness, job safety analysis, basic fire response, and first aid and chemicals awareness. We provide role-specific training for roles with higher risk, including for the handling of cyanide.

Site safety managers are responsible for maintaining safety training records.

In 2022, training hours were 13,464 (2021: 6,230 hours) above our target of 11,400 hours annually. In 2023, we expect to continue to meet our safety training target.

Training hours

TOPIC	TRAINING HOURS
Safety Inductions	4,355
External Emergency Response Training	440
Cyanide Awareness	1,340
Working at Heights	320
Workplace Inspection	384
Industrial Fire Fighting	864
First Aid Training	1,325
Defensive Driver Training	984
Security Training - VPSHR	264
Other Safety Training (including hazard awareness and LOTO)	3,188
Total Training Hours	13,464

Our site team also carried out Safety Awareness Campaigns through two local radio stations, at Bougoudalé and Yanfolila, which were primarily targeted at our workforce. Hummingbird also completed fire awareness campaigns at Soloba village, and road traffic awareness campaigns at Bougoudalé.

Bougoudalé Health Centre

In 2018 following requests from surrounding communities a community health centre, or CSCoM, was built to service the localities of Bougoudalé, Tiemba and Lèba, covering a population of around 6,000. The CSCoM was an improvement on the medical outpost which serviced the area previously.

Since construction the centre has contributed to improved health care and coverage of the population, including through the delivery of malaria vaccinations, and has been able to provide significantly more consultations than the previous outpost. The CSCoM is staffed by a national medical doctor, assistants funded by the ASACO (the elected local committee which governs the CSCoM) and a nurse and matron funded by Hummingbird.

The ASACO is responsible for management of the health centre. Planned improvements to the CSCoM will involve the ASACO receiving training on management and staffing from FENASCOM, the national federation of CSCoM governance, and from the Chief Medical Officer at Yanfolila who is providing support and oversight.

Critical Care International (“CCI”)

Critical Care International is an internationally recognised medical company which Hummingbird Resources has worked with for several years to deliver employee healthcare and community initiatives.

CCI works in Africa to build relationships with local communities in order to deliver healthcare development programmes that ensure sustainable change and skills transfer.

CCI are responsible for the staffing and operation of our site clinic at Yanfolila. In collaboration with CCI, we have delivered projects including annual Malaria spraying campaigns, educational workshops, and a training and mentoring package for a local community clinic.

The CSCoM at Bougoudalé



SECURITY

The goal of our security measures is to provide a safe and secure working environment for all employees, while maintaining our stringent approach to human rights which is critical to our licence to operate. Effective security standards, policies and procedures are fundamentally important to our business.

The Group has security employees, retains private security contractors both on site and in consultative roles, and benefits from the support of Gendarmes and National Guard elements in each of Mali and Guinea. In 2022, we had a total of 205 personnel in our security department.

Our approach to security is governed by our Corporate Security Policy. This outlines our responsibility to protect our employees, assets and shareholders from loss, engage with governments and local communities regularly on security issues, and ensure that our security approaches are guided by the Voluntary Principles on Security and Human Rights (“VPSHR”).

All security personnel undergo annual training on VPSHR, and on the company’s policies on human rights and ethical conduct. This is to ensure that security tasks are conducted in compliance with VPSHR, and that all personnel are proficient in human rights standards. In 2022, this involved training sessions held for 203 security personnel.

No major security-related incidents were recorded during the year, and we did not receive any security-related grievances.

TRAINING AND DEVELOPMENT

Hummingbird seeks to continually train and develop our employees in order to promote exceptional performance and to contribute to the skill bases of our host communities. We aim for our mining operations to be run by locally and nationally employed staff, and to provide these employees with opportunities to support their career progression and development, with all promotion decisions made on the basis of merit. 90% of our current total workforce is nationally employed (see page 33).

A total of \$56,000 was spent on training led by the Yanfolila HR team in 2022. Training focused on environmental and social training, including on engagement, social dialogue and interactions with unions, accountancy and taxation in relation to the mining sector and West African standards, Health, Safety, Security & Environment (“HSSE”) training, and training for the Health and Safety Committee.



FAIR WAGES

In compliance with RGMP 6, Hummingbird is committed to paying its workforce fair wages and benefits. We pay above the local minimum wage at our sites and wage surveys have recently been carried out to benchmark pay levels against national companies and other global mining companies. This analysis also covered employee benefits including performance incentives, paid holidays, and healthcare. The results of these studies enabled us to develop new site-based salary scales and further extend our corporate incentive scheme to a greater proportion of our workforce.

DIVERSITY AND INCLUSION

Hummingbird is committed to an inclusive workforce that fully represents different backgrounds, cultures and perspectives, and which reflects the global communities where we operate.

We are an equal opportunities employer and do not discriminate on the grounds of gender, sexual orientation, race, national or ethnic origin, religion, age, disability, or any other characteristic.

We work to ensure that our Equal Employment Opportunity approach is enforced, such that all recruitment, training and promotion activities are undertaken without regard to any protected characteristic. Hummingbird does not tolerate harassment or bullying, and we provide lines of reporting, including confidential lines, for raising issues.

These commitments are outlined in our Equal Opportunities Policy and Anti-Discrimination, Harassment and Bullying Policy, which are both reviewed annually to meet best practice.

Our Recruitment Policy is reviewed annually by the Managing Director, People. This policy is cascaded through to site level with the aim of ensuring diversity and inclusion are considered at each stage of recruitment, in line with RGMP 6. Additionally, a site level Diversity Policy has been implemented in 2022 to address workforce diversity and create an environment that welcomes all employees.

In 2022 we updated our Equality, Diversity & Inclusion (ED&I) policy at Yanfolila, maintaining a focus on key principles:

- We will recruit, hire, train, and promote qualified persons in all roles, without regard to any actual or perceived protected characteristic.
- We will base decisions on employment to further the principle of equal employment opportunity.
- We will ensure that all people focused actions such as compensation, benefits, transfer, company sponsored training, education, tuition assistance, social and recreational programs, will be administered without regard to any actual or perceived protected characteristic.

We continue to address the historical gender imbalance in the mining industry by prioritising gender diversity, including the sourcing and development of talented female workers at all levels in our company, from trainee to management. At a corporate level, in 2022 44% of our employees were women, with 27% of those women in management team roles. 75% of new hires in 2022 were women. At a site level, in 2022 there were a total of 85 women in our total site workforce, representing 5% of the workforce.

At a corporate level, we run a comprehensive annual performance and talent management process, focusing on individuals who can make a difference to organisational performance either through their immediate contribution or, in the longer-term, by demonstrating the highest levels of potential.

Training is offered ranging from onboarding, in-role skills development, technical role-based training, and ongoing development programmes. To help structure and develop our training offering, we plan to develop our people database to capture individual employee skills and personal development plans as part of our performance and talent management process.

We understand that our people are what makes us, and we continue to invest in our employees in a number of ways:

- Performance and Talent management and succession planning
- Competitive base salaries and employee benefits based on market analysis and benchmarking
- Incentive programs designed to reward safety adherence, successful production, and cost management at our operations, whilst also recognising and rewarding individual performance
- Long-term incentive programs, providing eligible employees share-based incentives

LABOUR RELATIONS

Hummingbird retains strong relations with labour unions at its sites and respects the rights of its employees to join unions and engage in collective bargaining. This right is defended in the Anti-discrimination, Harassment and Bullying Policy, which appreciates the legal right of the workforce to associate with others and to join, or refrain from joining, labour organisations of their choice without retaliation.

At the site level, SHEC and HR teams have regular meetings with trade unions representatives, through which employees can raise their concerns or provide their feedback on employment conditions or possible improvements that the Group could consider. In 2022, 6 general assemblies were held, and 4 meetings with Hummingbird Management were held, during which minutes are kept.

Communities and Social Responsibility

Hummingbird is committed to demonstrating that responsible gold mining can play a progressive role and build a lasting positive legacy in the regions and communities in which it operates.

Our aim is to contribute sustainably to the opportunities, livelihoods and quality of life at our host communities. This is done through our investment of capital and expertise at our sites, which creates employment opportunities and an economic contribution, and through investing in community projects and livelihood programmes.

We recognise that our contributions need to be managed responsibly and be based on regular engagement with local stakeholders. We look to support leaders and representatives from all stakeholders on an ongoing basis, in order to work towards sustainable outcomes that create positive legacies.

Our priorities:

- **Community projects:** Working in collaboration with our host communities to deliver projects with sustainable and long-lasting benefits
- **Economic contribution:** Making an economic contribution through our operations to the nations we operate in and for those we employ
- **Engaging with stakeholders:** Maintaining strong relationships and ongoing lines of communication with our local and national stakeholders
- **Protecting livelihoods:** Providing livelihood restoration programmes and managing ASM at our sites

This approach is embedded through Hummingbird's Group level Community and Social Performance Policy, which compels us to:

- Deliver community investment programmes based on consultation with stakeholders, and evaluate their effectiveness on an ongoing basis
- Maintain regular communication channels with the communities associated with our operations
- Ensure that local people have access to training and job opportunities at our operations, and identify opportunities for the involvement of local businesses
- Respect and preserve the cultural heritage of local communities

This policy is reviewed annually by the ESG Committee, with ultimate accountability for the policy resting with the Board.



COMMUNITY INVESTMENT

It is our responsibility to provide community projects and livelihood programmes which contribute to the prosperity of our host communities. This supports our social licence to operate and the delivery of our operations, which both depend strong relationships with key stakeholders. Investment in our host communities is central to our vision of sustainable mining.

STAKEHOLDER ENGAGEMENT

In line with RGMP 2 and 7, we listen to and engage with stakeholders in order to ensure our community engagement results in a positive and sustainable outcome. A Group level Stakeholder Engagement Policy is in place in order to integrate stakeholders' interests and concerns into how we carry out business.

A site-specific Stakeholder Engagement Plan ("SEP") is in place at our Yanfolila site, to assist with the implementation of appropriate communication strategies to promote positive and long-term relationships with the community. This plan governs how we define and classify stakeholders according to our level of impact on them and defines the range of ongoing engagements we instate.

Committee Local Development ("CLD") meetings are held monthly, with CLD members comprising representatives of 16 surrounding villages, the mayors of 3 surrounding communes, and representatives from local authorities, in which local development projects are discussed and feedback is gathered.

Maintaining positive ongoing relationships and dialogues with our communities and with national governments strengthens our ability to work within our host countries. A comparable SEP will be instated at our Kouroussa site this year.

COMMUNITY PROJECTS

The projects we develop at our Yanfolila and Kouroussa sites are created in line with community consultations and needs, and centre on positive planning for the future. At our Dugbe site, we plan to have a similar degree of community investment.

YANFOLILA

Through the Community Local Development Committee ("CLDC") we seek to build consensus around projects and themes for socio economic development, which are in line with the Programme de Développement Economique, Social et Culturel ("PDSEC"), a local development plan developed by the mayor of the Yallonkoro-Soloba commune. The CLDC is financed by Hummingbird, with projects allocated based on consensus and prioritisation.

The PDSEC considers Hummingbird, via the Yanfolila site, to be a key contributor, both in terms of investments into projects and as a supplier of local employment.

WASH Programme

Hummingbird's WASH Programme (Water, Sanitation and Health) is an ongoing annual programme of installing key water infrastructure systems in order to increase access to and distribution of safe drinking water. In addition, we provide maintenance training programs for delegates in the local villages in order to maintain upkeep of water pumps.

Activities in 2022 at Yanfolila:

BENEFICIARIES	TYPE
Digneba Village Séré Moussa Ani Samou Commune	Borehole With Manual Hand Pump
Bougoudalé Village	Second Borehole With 40m ³ Water Tower
Sindo Village	Borehole Rehabilitation From Hand Pump To Water Tower With Distribution Points
Tiemba Village Bougoudalé Village Bandjougoufara Village Komana Village Soloba Village Fougatie Village Guelenkoro Village Teguelendougou Village Kona Village Tientogo Village Makandiana Village	Villages Had Wells Built To Support Market Garden Projects, With A Total Of 4 Wells Constructed At Each Village
Total Expenditure: USD 126,000	

Since operations at Yanfolila began, Hummingbird has installed a total of:



Education

Since 2016 Hummingbird has sponsored 12 teachers at local schools to assist in the delivery of education to some of Mali's poorest rural communes, improving the education system in a region covering 10 villages. At the Sanioumale site, Hummingbird has recently provided salaries for three teachers, and paid for the construction of three additional classrooms.

We have additionally partnered with Malian NGOs to offer vocational training programmes to youths, with topics including both trade skills and basic business schools.

Infrastructure

Hummingbird invests in rehabilitation and improvements for local roads to benefit connectivity for rural communities.

In 2022, projects included:

- Maintenance on roads for Bougoudalé village totalling 1,300m
- Dust suppression on a key road between Komana and Yanfolila

Community Healthcare

In partnership with Critical Care International ("CCI") we continued to deliver our annual malaria Indoor Residual Spraying ("IRS") campaigns.

The IRS treated five satellite villages of the mine during the rainy season, Bougoudalé, Tiémba, Lèba, Soloba and Komana, with a total of over 2,000 structures sprayed and 10,457 individuals protected.

Hummingbird also supported the construction and continues to support the running of a community health centre in Bougoudalé, details of which are given on page 44.

Additionally, through CCI we run educational workshops to inform employees and local communities on topics including infectious disease, maternity, and sexual health.

A summary of expenditures in 2022 at Yanfolila on both community investments and livelihood projects is given below:

PROJECT AREA	2022 ACTIVITIES	EXPENDITURE (USD)
Livelihood restoration and food security	Soap project Poultry farm project Market gardens	123,637
WASH programme	Borehole construction Bougoudalé water supply Market garden wells	126,065
Education / Training	Construction of classrooms at Sanioumale Sponsorship for English courses Nurse and teacher salaries (20)	67,092
Health	Maternity equipment Malaria sprays	9,091
Stakeholder engagement	Committee meetings Local donations	112,238
Total:		438,123

KOUROUSSA

At our Kouroussa site in Guinea, we hold regular meetings with local communities and authorities to inform Hummingbird's

engagement. Several community investment projects are currently underway in the communities near our Kouroussa site. In 2023, we plan to implement further projects, achieving an equivalent degree of community investment to Yanfolilla.

INFRASTRUCTURE

Beneficiaries	Project
Bananko village	Construction and equipment of a dyeing centre, including provision of technical training
Menindji village	Construction and equipment of a youth centre
Kouroussa	Refurbishment for Kouroussa prefectural hospital, including provision of equipment

LIVELIHOOD

Beneficiaries	Project
Sando village	Training in business development and funding for 50 locally affected people, including finance for six micro projects
Kominiko village	Training in business development and funding for 50 locally affected people, including finance for six micro projects
Kouroussa	Sewing and dyeing training for 50 female artisanal miners
Kinkini village	Multi-function platform construction and training
Sangbarala village	Multi-function platform construction and training
Bananko village	Multi-function platform construction and training

WATER

Beneficiaries	Project
Bananko village	Community water boreholes each village
Menindji village	
Sando village	
Komoniko village	
Kinkini village	
Sangbarala village	

LIVELIHOOD RESTORATION

Hummingbird is committed to improving the livelihoods of individuals in host communities, and where communities have been affected by our mining operations, to restore established livelihoods.

YANFOLILA

Market Gardens

Since commencing operations at Yanfolila, Hummingbird has supported the development of local community market gardens servicing 16 villages. In the communities surrounding the Yanfolila mine, these provide sustainable alternative livelihoods and agricultural skills for over 900 people, mainly local women.

Hummingbird provides support for:

- Water infrastructure and the wells required to operate the garden
- Building infrastructure and maintenance
- Tools supply and training in agriculture techniques

Our focus is on improving operations and local engagement with these gardens, so that they can offer a preferable alternative income to Artisanal and Small-Scale Mining (“ASM”) activities such as gold panning.

Poultry Farms

A local poultry farm project was undertaken following requests from communities for an alternative livelihood to gold panning, particularly for young people, and was begun in 2019. A total of 8 have been developed with over 60 individuals employed in operating them, providing local employment and supporting food security.

Hummingbird provides support for:

- Construction and maintenance
- Purchasing support of poultry produce for the site
- Training in poultry rearing
- Water infrastructure to service the farms

Bee Keeping

A community round table in 2019 resulted in a pilot of an apiculture and honey initiative at Bandjougoufara. The success of this pilot phase resulted in the launching of a full project, with funding provided by Hummingbird. It now covers 8 villages in the Yallankoro-Soloba area, with honey harvest increasing year on year to 394 litres of pure honey in Q3 2022. The project has resulted in employment and a source of income, as well as more hygienic honey production.

Planned improvements with the community include further apiculture training and stronger connections with quality PPE suppliers.

Soap production

Following community requests, particularly from women within three surrounding communes, a saponification programme was initiated in 2017 with 300 women, and expanded in 2020 with a store constructed in Donsosso village. In 2022, five additional stores have been budgeted for construction.

KOUROUSSA

Planning is underway for future community livelihood programmes, with an agreement reached with the community to develop a market garden programme with accompanying wells.

Resettlement

In order to develop a mine, it may be necessary to relocate people and communities. Hummingbird recognises that this can be a challenge for the community involved and the mine. If not managed well, resettlement can weaken relationships and cause disruptions.

We will always seek to avoid involuntary resettlement. Where this is not possible, we will proceed on the basis of consultation with the affected people, the restoration of established livelihoods, and, if necessary, fair compensation.

In Mali in 2022, management carried out resettlement consultations with the Sanioumale East communities in relation to the Sanioumale East pit, ensuring that compensation packages were fair and in compliance with international and Malian law. Working with external consultants ESDCO a Resettlement Action Plan (“RAP”) was developed in accordance with IFC Performance Standard 5 on resettlement and World Bank OP 4.12.

Government agencies visited Sanioumale East in March 2022, accompanied by ESDCO and the Yanfolila site’s SHEC team. The government delegation was satisfied with the visit and received confirmation from the local community, the administration, and the municipality on their agreement to resettlement.



LOCAL EMPLOYMENT

The involvement of local people working within our mine and across our projects is central to our vision of sustainable and responsible mining. We prioritise local and national recruitment at both sites to help build talent and skills in our organisation and to contribute to our positive impact on local, regional, and national economies and communities.

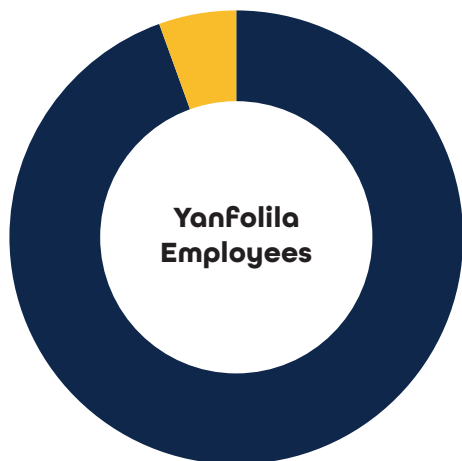
At both operational sites we are committed to ongoing

nationalisation plans for all positions and national succession plans for roles currently held by international employees.

At Yanfolila, 94% of all site employees, including contractors, are Malian nationals. Out of all Malian employees, 37% are from local communities, an improvement on 35% in 2021.

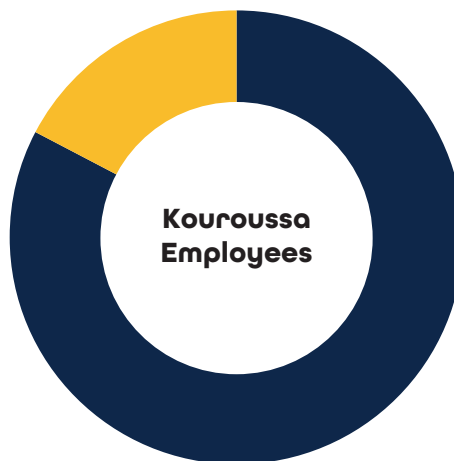
At Kouroussa, 83% of all site employees, including contractors, are Guinean nationals. Out of all Guinean employees, 63% are from local communities.

Yanfolila

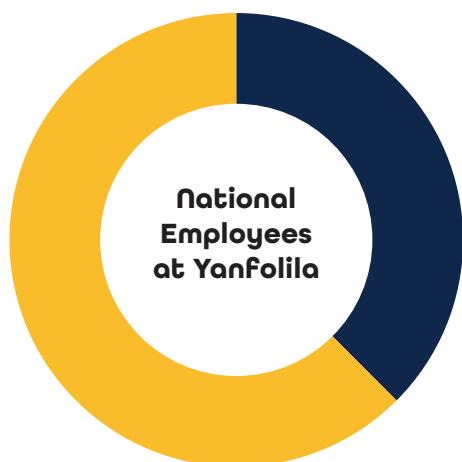


■ Nationals ■ Expatriates

Kouroussa



■ Nationals ■ Expatriates



■ Locally recruited ■ From other parts of Mali



■ Locally recruited ■ From other parts of Guinea

ECONOMIC CONTRIBUTION

Hummingbird participates in the Extractive Industries Transparency Initiative (“EITI”) processes in Mali, Guinea and Liberia. In 2022 Hummingbird paid a total of \$13.8 million to the Government of Mali comprising taxes, duties and royalties, a decrease of \$2.1 million, reflecting lower minimum tax payments. In addition to reporting in line with UK disclosure requirements we strongly support the in-country EITI

transparency processes in stimulating continuing dialogue between governments, business and civil society and enhancing accountability around the use of the countries’ resource endowments.

In Liberia, Hummingbird through our earn-in partner, Pasofino, paid \$0.5 million in licence fees and taxes to the Government of Liberia and in Guinea the Group paid \$0.8 million to the Government of Guinea, comprising taxes, duties and licence fees.

Payments to Government of Mali 2022

	2022		2021	
	XOF'000'000	\$'000	XOF'000'000	\$'000
Payroll taxes	684	1,089	739	1,351
Social Security	1,164	1,881	1,125	2,043
Withholding tax - IBIC	239	381	1,058	1,943
Royalties - CPS Tax Payable	1,859	2,969	2,547	4,623
Customs and import fees	3,019	4,792	1,079	1,939
Gold export fees	466	751	551	999
Corporation tax/Minimum tax	893	1,434	1,352	2,419
Other taxes	317	538	318	570
Total*	8,641	13,835	8,769	15,887

* Certain taxes in Mali are currently being offset by VAT receivable balances.

Payments to Government of Guinea 2022

The Group has made the following payments to the Government of Guinea.

	2022		2021	
	GNF'000'000	\$'000	GNF'000'000	\$'000
Payroll taxes	3,755	433	1,042	108
Social Security	392	45	349	36
Withholding tax	2,674	309	688	71
Custom duties	301	33	–	–
Total	7,122	820	2,079	215

Payments to Government of Liberia 2022

The Group through its earn-in partner, Pasofino, has made the following payments to the Government of Liberia.

	2022 \$'000	2021 \$'000
Business registration fees	8	5
Licence fees	3	37
Surface rent	178	142
Payroll taxes	57	102
Withholding tax	288	588
Total	534	874

Mali Local Procurement 2022

In 2022, 89% of payments for goods and services were made to nationally registered and local suppliers, equating to over \$137,154 of purchases.

Vendors

	2022 \$'000	2021 \$'000
Local Vendors (Yanfolilla area)	905	96
National Vendors	136,249	108,058
International Vendors (11% of total (2021: 16% of total))	16,961	13,080
Total	154,115	121,234

Liberia Local Procurement 2022

In 2022, 11% of procurement for goods and services were made to national and local suppliers, equating to over \$363,000 of invoices.

Vendors

	2022 \$'000	2021 \$'000
Local Vendors (Dugbe area)	36	578
National Vendors	327	5,422
International Vendors	2,926	3,791
Total	3,289	9,791

Guinea Local Procurement 2022

In 2022, 65% of procurement for goods and services were made to national and local suppliers, equating to over \$56 million of invoices.

Vendors

	2022 \$'000	2021 \$'000
Local Vendors (Kouroussa area)	118	279
National Vendors	56,410	6,773
International Vendors	30,617	491
Total	87,145	7,543

POLITICAL DONATIONS POLICY

Hummingbird's objective is to work in partnership with host governments to the benefit of all stakeholders. Perceptions of political partiality may hinder our relations with stakeholders and create perceptions of the company as seeking to secure preferential treatment or influence government decisions in an illegitimate manner.

Hummingbird therefore has not made political donations to political parties or individual candidates, in our host nations, the UK or any other country. As per our Political Donation Policy, any political donation activities require pre-approval from the Board.

CULTURAL HERITAGE

We are respectful of local cultural heritage and acknowledge the necessity to protect cultural heritage resources at our sites, in accordance with Malian national law.

A Cultural Heritage Management Plan ("CHMP") is in place at our Yanfolilla site, which provides detail on the avoidance, mitigation and management measures for cultural heritage impacts related to our operations, with the goal of ensuring that the management of cultural heritage on site is in line with international standards. This plan was updated by external consultants and re-implemented in 2022 to meet best practice.

The CHMP identified areas of cultural importance, including active and non-active cultural sites, and makes recommendations on the potential impact to these sites, in order to guide the best alignment of mining areas and access roads.

As according to RGMP 7, the plan also institutes a Chance Find Procedure (“CHP”), a site-specific procedure that outlines actions required if previously unknown archaeological or cultural heritage resources are encountered during activities. This process prevents chance finds from being disturbed until an assessment is made by a specialist.

The Environmental and Social Impact Assessment (“ESIA”) completed for the Kouroussa Gold Mine project in 2015 identified cultural heritage sites within the project permit as well as immediate areas, which may be impacted by the exploration and mining activities. Consequently, a CHMP has been developed based on the findings of on-site assessment by an independent ESIA consultant, which seeks to provide details regarding the implementation of management measures for impacts related to Kouroussa operations and ensure the management of cultural heritage on site.

Additionally, a CHP has also been developed to outline actions required if previously unknown archaeological or cultural heritage resources are encountered during the project mining activities.

GRIEVANCE

Grievance mechanisms are in place and made accessible at our sites. These mechanisms are designed to help the Group be made aware of issues, understand them, and resolve them effectively.

The Group has both internal and external grievance procedures, which are adopted at local levels. The ESG Committee is responsible for reviewing actions taken as a result of any major incidents or grievances, and where necessary recommending further action or follow-up.

In 2022, we recorded no grievances at our Yanfolila site, down from the five grievances recorded in 2021, which were primarily related to blasting activities from our operations near Silikila village.

At Kouroussa, we recorded 7 grievances. These were primarily related to artisanal mining activities, complaints with the local recruitment process, and a fire near a cashew plantation caused by one of our suppliers. There were also disputes over compensation payments in relation to encroachment on a plantation, and in relation to encroachment by an access road. All of these grievances have been resolved.

We are always aiming to improve our grievance management procedure and to reduce any negative impacts our operations have on surrounding communities. Procedures for grievance have been approved by the ESG Committee, and are reviewed annually in line with RGMP 2.

ARTISANAL AND SMALL-SCALE MINING (“ASM”)

ASM refers to mining by individuals or cooperatives, often informal, characterised by low mechanisation, and sometimes taking place illegally in licensed areas. Hummingbird recognises that ASM plays an important role in community livelihood provision, particularly given rates of unemployment in Mali in recent years.

However, we remain concerned about the health and safety risks, environmental impacts stemming from mercury usage, and the possible disruption to local communities which ASM can cause.

As per RGMP 5, Hummingbird supports access to legitimate markets for artisanal and small-scale miners who respect applicable legal and regulatory frameworks, who seek to address the environmental, health, human rights and safety challenges often associated with ASM activity, and who, in good faith, seek formalisation.

Hummingbird has implemented a strategic action plan for managing ASM, at both our Yanfolila and Kouroussa sites. In accordance with this plan, we ensure that SHEC teams at our sites are equipped to carry out regular stakeholder engagement to increase local awareness on how to mitigate the potential negative impacts of ASM, including on the use of mercury, and on implementing minimum health and safety. Through livelihood programs and training, the Group’s goal is to support alternative livelihoods that are sustainable and which provide beneficial skillsets. Where appropriate, we consider relinquishing concession areas to legal ASMs in order to resolve disputes.

Progress against this plan is assessed quarterly, with regular assessments of the extent and expansion of ASM activities, and the prevalence of ASM practices with a high environmental impact. General Managers at each site are made responsible for oversight and implementation of the plan. Security departments are responsible for the security strategy for managing artisanal mining activities on site.

We continue to work with national and local governments to progress a potential regulated ASM corridor in the region.



Protecting the Environment

Hummingbird understands the need to operate with a high level of environmental stewardship. At every stage of the mine life cycle, our activities can have a long-lasting impact on the surrounding environment and our host communities.

Our approach to environmental management is to avoid, reduce, mitigate, and compensate our impacts wherever possible, with our objective being to protect and conserve the natural environment, and to continually improve our performance.

Our areas of priority for managing our environmental impact, which are covered in this section, are:

- Tailings management
- Water stewardship
- Waste management, including hazardous waste
- Energy usage and climate change
- Biodiversity
- Closure and rehabilitation

Our approach to environmental management is governed by our Group level Environmental Policy, which embeds our commitment to drive continuous improvement in our environmental performance. Site-based HSEC teams are made responsible for ensuring environmental procedures and protocols are adhered to in accordance with the policy.

The ESG Committee has day-to-day responsibility for the effective operation of the policy, with ultimate accountability resting with the Board. The ESG Committee reviews the policy annually.

TAILINGS

Tailings are the residual by-product of mining activities, and are stored in Tailings Storage Facilities (“TSF”). Tailings facilities need to be properly managed in order to ensure their stability and to prevent seepage, given that tailings contain residual hazardous chemicals from processing activities. Due to the potentially significant environmental impact they can have, good management of tailings is one of our highest priorities.

Yanfolila

The Yanfolila TSF was commissioned in December 2017, and located in a natural valley enclosed by a single main embankment. The embankment has a natural impermeable clay liner and a poly liner on the upstream wall in order to prevent seepage and erosion. Each year, the main embankment is raised using the downstream method, to accommodate additional tailings deposition. A Stage 5 raise was completed in 2022, with the Stage 6 raise underway in 2023. Prior to each lift an independent assessment of the performance of the TSF is undertaken and this informs the next stage design and scope of works.

The TSF was subject to a third party review of the dam’s design, and construction and continued operation is completed in compliance with the Global Industry Standard on Tailings Management (“GISTM”). The TSF is independently audited quarterly by a chartered engineer, and independently audited annually by Knight Piésold, a specialist TSF consultancy, in order to ensure alignment with established international standards and practices, and to make any recommendations for changes in operating practices.

Audit reports are reviewed by management, the Technical Advisory Committee (“TAC”) and the Board.

An independent Yanfolila TSF Dam Breach Analysis and Inundation Study was completed in June 2022, which noted that SMK has a comprehensive tailings management system in place, with key aspects of which include a robust surveillance and monitoring system, annual expansion designs by a third-party engineer experienced in tailings management, supernatant pond management and tailings deposition management.

In 2022, additional quarterly audits of the TSF were undertaken by three different Government entities, the Nation of Direction of Geology and Mining (“DNGM”) for classified facilities and chemicals, the National Water Laboratory (“LNE”), and the Service

Yanfolila water usage

	2020	2021	2022
Water recycled from TSF (%)	78%	86%	85%
Fresh water efficiency (m³/tonne ore)	0.42	0.26	0.20

In 2022, 85% of water pumped to the TSF was recycled for use in processes, in line with our target and with our 2021 performance of 86%.

During 2022, we had one minor incident relating to water involving a spillage at the TSF return pipeline caused by a bush fire. The incident was dealt with swiftly with minimal environmental impact.

of Sanitation, Pollution and Nuisance Control (“SACPN”).

A closure plan for the TSF has been reviewed by the Engineer of Record who is responsible for the quarterly audit. This plan is informed by the same standards and guidance at the Yanfolila closure plan, details of which are given on page 64.

Kouroussa

At our Kouroussa site, the TSF was designed by Knight Piésold, and construction of the TSF has been completed in preparation for full operations commencing in 2023. Emergency response, survey and review processes are currently being developed.

At Dugbe, a site selection process for the TSF location has been conducted, with the TSF split into two phases. Both phases have been designed as downstream valley dams, with a detoxification plant and associated water dam constructed near the TSFs to treat and release excess water. Raw water will be supplied from the Geebo River in the first year of operation, with return water from the TSF being used from year 2 onwards.

In consultation with engineers, geochemical characterisation of the tailings and waste rock has been undertaken, with both TSFs designed to minimise seepage and prevent accidental releases to the environment.

WATER

Water is essential for mining activities and is used at many different stages in our operations, including ore processing. Good management of water and robust water efficiency measures are critical for protecting the surrounding environment, and for ensuring that there is enough water for other users.

Mali, where our Yanfolila site is located, is a hot, water-stressed region which suffers from recurring drought and unpredictable rainfall, making good water usage and management in the region vital so as not to impact the availability of water resources for other users.

Site-level water management procedures prioritise the efficient use of water, limiting water consumption and water extraction, and reusing and recycling water where possible. Hummingbird utilises fresh water from the Sankarani River and extracts mineral groundwater through the dewatering of open pits. We aim to use as much return water from the TSF as possible, with a target of recycling 85% of water pumped into the TSF.

WASTE

The Yanfolila site has a comprehensive material recycling programme in place working with accredited national and local contractors. 80% of our waste materials are recycled or reused.

HAZARDOUS WASTE

Cyanide is a hazardous chemical, used as a reagent in the production of gold, which requires careful management in order to avoid damage to the environment and health.

Hummingbird's site-level Cyanide Management Plan was prepared in accordance with the International Cyanide Management Code ("ICMC") and is implemented in order to minimise the risk of cyanide exposures to employees, local communities and the environment. The plan, which is regularly reviewed and updated, covers procedures for cyanide offloading, disposal, spill response, and prevention and response to poisoning incidents. Training and competency with these procedures is required by all employees handling cyanide, with no employee permitted to work with cyanide unless they have undergone training. SHEC managers at sites are ultimately responsible for ensuring that cyanide procedures and programs are properly maintained.

Upon commencement of operations, our site at Kouroussa has a one-year equivalent Cyanide Management Plan already in place.

At our Yanfolila site, a Hazardous Materials Management Plan ("HMMP") has been implemented for managing potential risks relating to the transportation, handling, storage and disposal of all hazardous materials, which is subject to regular reviews.

ENERGY USAGE AND CLIMATE CHANGE

Hummingbird recognises the global challenge of climate change and acknowledges that all companies have an important role to play in minimising their greenhouse gas ("GHG") emissions and reducing their contribution to climate change.

Mali, where our Yanfolila site is located, is particularly vulnerable to climate change impacts. Erratic rainfall, with almost no precipitation in the dry months between November and March, risks becoming even less reliable, while temperatures increase. This will put further water stress on the ecosystem and surrounding communities. Poverty, low educational levels, poor access to social services and food security means that the ability of local communities to adapt is also low, increasing the socio-economic challenge posed by climate change.

Scope 1+2 emissions and contractor emissions*

	UK AND OFFSHORE	GLOBAL	TOTAL
Scope 1 (tCO ₂ e)	–	12,446	12,446
Scope 2 (Location-based) (tCO ₂ e)	5	53	57
Contractor emissions (part of Scope 3) (tCO ₂ e)	–	63,900	63,900
Energy Consumption (kWh)	24,452	47,775,564	47,800,016

Emissions by area of operation*

LOCATION	SCOPE 1 (TCO ₂ E)	SCOPE 2 (TCO ₂ E)	CONTRACTOR EMISSIONS (TCO ₂ E) (PART OF SCOPE 3)	TOTAL (TCO ₂ E)
Yanfolila (including Bamako office)	11,594	40	58,998	70,632
Kouroussa (including Conakry office)	853	13	4,902	5,767
London	–	5	–	5
Total	12,446	57	63,900	76,404

Emissions intensity (tCO₂e / oz gold)

Scope 1 + 2 + contractor emissions intensity	0.95
Scope 1+2 intensity	0.16

* Numbers are displayed in rounded form meaning sum totals may differ by a value of 1

2022 GHG PERFORMANCE

Mining is an energy intensive activity, and as per RGMP 10, we aim to increase the energy efficiency and carbon efficiency of our operations, in order to support the long-term sustainability of the business. Emissions have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard. Emissions factors used were provided by the UK Department for Business, Energy and Industrial Strategy (“BEIS”) and the International Energy Agency (“IEA”). This section is presented in line with SECR requirements.

As Hummingbird works with contractors at our Yanfolila and Kouroussa sites, the majority of our emissions from our mining operations fall under Scope 3. We have chosen to calculate and include contractor emissions, as we believe we have a responsibility in the reduction of these emissions. Contractor emissions are considered as part of our Scope 3 Category 1: Purchased Goods and Services.

In order to determine the organisational boundary for our GHG measurements, we adopted an operational control approach. This approach involves accounting for 100% of emissions from operations over which Hummingbird has operational control, which includes our offices, as well as the running of the mining sites at Yanfolila and Kouroussa.

The Dugbe site and associated Monrovia office were not included within calculations, as in 2022 Pasofino were the operators. The Dugbe site is currently at an early stage of development.

We consider an emissions intensity calculation which incorporates Scope 1, 2 and our contractor’s emissions to be an accurate reflection of the emissions intensity of our operations, which currently stands at 0.95 tCO₂e / oz gold. An emissions intensity calculated using only Scope 1 and 2 is also given, which stands at 0.16 tCO₂e / oz gold.

These intensity figures were calculated including emissions from our Kouroussa site, although the site was not producing gold in 2022. Kouroussa is set for its first gold pour in Q2 2023. An intensity figure calculated using only emissions from the Yanfolila site, including contractor emissions, gives an emissions intensity of 0.88 tCO₂e / oz gold.

While contractors are included within our Scope 3 emissions, our full Scope 3 emissions have not been calculated for this year. Going forward, we are planning on improving our Scope 3 reporting, and calculating more of our total Scope 3.

Our Scope 1 emissions result primarily from stationary and mobile fuel combustion used in mining operations. A small portion of emissions comes from fugitive refrigerant emissions from cooling uses at sites.

Scope 1 emissions (tCO₂e)*

Fuel	12,207
Refrigerants	240

* Numbers are displayed in rounded form meaning sum totals may differ by a value of 1

Scope 2 emissions represent a minor portion of Hummingbird’s emissions, which mainly come from the purchase of electricity to power the offices. Much of our electricity usage falls under Scope 1 rather than Scope 2, as diesel generators are primarily used to provide electricity at our sites, as we operate in remote areas where grid electricity is often uncommon.

We have worked with an external sustainability consultancy to develop a plan for improving how we measure GHG emissions

HUMMINGBIRD RESOURCES

to ensure that major sources of emissions can be identified and integrated into our site-level environmental management procedures.

MANAGEMENT AND IMPROVEMENT

The ESG Committee Board is assigned ultimate responsibility for GHG emissions reduction, and climate change is a regular topic at Committee meetings. Our objective is to implement GHG emissions reduction strategies that are practical and cost effective, and consistently review progress and the possibility for new initiatives.

KOUROUSSA

The planned integration of solar energy generation and heat recovery units at our Kouroussa site is expected to result in emissions reductions, leading to:

- An annual total reduction in emissions from the Solar PV system operation of 10,768 tCO₂e, and corresponding saving of c. 4.1 million USD per year in fuel usage
- An annual total reduction in emissions from the heat recovery system of 1,207 tCO₂e, and corresponding saving of c. 465,000 USD per year in fuel usage

These energy technologies together provide a capacity of 7MW, with potential for expansion of capacity once environmental operational.

A dry stack tailings approach, which produces minimal fugitive emissions, was assessed for practicality and economic viability for the Kouroussa site but was ultimately not pursued. For future sites we will consider dry stack tailings as an alternative for tailings storage.

YANFOLILA

We are engaging our energy supplier on improving fuel efficiency, with the goal of producing an action plan for diversifying our site energy mix in order to reduce emissions by reducing diesel consumption. As part of this we are investigating heat recovery systems similar to those being implemented at Kouroussa.

DUGBE

At the Dugbe site, it is planned to power the site using LNG alongside solar PV, which provides the lowest energy cost while also delivering an expected reduction in GHG emissions against alternatives.

BIODIVERSITY

Our mines are located at sites with ecological and biodiversity-related sensitivities, with the potential for our operations to have a significant impact on local wildlife and ecology. In accordance with our Environmental Policy, Hummingbird is committed to avoiding or mitigating its biodiversity impacts, and we seek to rehabilitate and protect the environments where our operations are located. We do not undertake exploration or mining activities on UNESCO World Heritage Sites.

Our management of biodiversity begins during the planning stage of each project, with environmental procedures and protections integrated into ongoing plans. Each site is subject to an Environmental and Social Impact Assessment (“ESIA”) from an early stage, followed by the development of Biodiversity Management Plans (“BMP”). ESIA’s help us to determine the impacts our operations may present, which in turn informs our environmental approach for each site.



YANFOLILA, MALI

In 2013 an ESIA study was completed, followed by an independent Rapid Wildlife Assessment in 2015. This assessment concluded that our Yanfolila site was absent of critical habitats for the conservation of biodiversity, and that the mine would therefore not affect the survival of species critical to biodiversity.

The ESIA informed the development of a Biodiversity Management Plan for the site. We note that sensitive habitats are present in the project area, and that the area is one of the richest in Mali in terms of flora. However, the plan notes that no significant adverse impacts are expected to occur from mine development, and that standard mitigation measures are therefore appropriate.



ESIA activities are undertaken wherever we look to explore or develop new areas across the Yanfolila licence area, in order to ensure that our permits are updated in line with Malian regulation.

Following an ESIA study at Sanioumale East in 2021, during 2022 a resettlement program has been underway at the location, following Hummingbird receiving the applicable permits and agreeing compensation with the local community, as detailed on page 51.

An ESIA study completed at the Komana East Underground location led to an environment permit being issued in 2022, followed by the issuing of the mining permit.

We aim to improve the extent of our monitoring and implementation of the recommended mitigation and compensation measures detailed in the Rapid Wildlife Assessment.

As the site is closely located to the Sankarani River and to the Sankarani-Fié Ramsar wetland in Guinea, a designated Wetland of International Importance, we also aim to improve our avoidance measures for the contamination of streams which drain into the Sankarani River. Our avoidance measures include implementation of group level Environmental Policy as well as regular water sampling and monitoring protocols. Yanfolila team collects and analyses Ground, Surface and TSF pond water for physiochemical and metal analysis, and testing drinking waters against the WHO drinking water standards. Water testing results are reported and shared groupwide monthly.

KOUROUSSA, GUINEA

An ESIA was performed at the Kouroussa site as a prerequisite to obtaining environmental authorisation for mine development. An updated ESIA report was then initiated in 2020, which provided the basis for the Biodiversity Management Plan implemented at the site.

The Project will have impacts on Critical Habitat for five biodiversity features, as determined by the Project NCHA. The Project also affects nine Natural Habitat types. Predicted impacts, as determined from the Project Biodiversity Impact Assessment, are summarised in the ESIA report. Targeted actions have been developed as part of the Project's biodiversity mitigation strategy to address the potential severity and extent of each impact so that residual impacts are minimised to the extent possible, in accordance with the mitigation hierarchy.

BIODIVERSITY FEATURE	DESCRIPTION	IMPACTS
Phrynobatrachus pintoii	Endangered frog species confirmed during field surveys from four locations. Suitable habitat is Gallery Forest and adjacent grassland (within 250 m of Gallery forest).	Habitat loss and fragmentation; habitat degradation; changes to local hydrology; immigration (increased habitat disturbance and removal of timber).
Indigofera pobeguini	Critically Endangered plant species. Suitable habitat where it is likely to occur is wet bowé.	Habitat loss; Habitat degradation (edge effects); changes to local hydrology; In-migration (increased grazing).
Aspilia chevalieri	Endangered plant species likely to occur in Gallery Forest and wet bowé along the Niger River.	Habitat loss and fragmentation; Habitat degradation (edge effects, altered fire regime); Immigration.
Cyanotis scaberula	Endangered plant species likely to occur within wet bowé habitat.	Habitat loss; Habitat degradation (edge effects); changes to local hydrology; In-migration (increased grazing).
Mafou Classified Forest and the Upper Niger National Park	Nationally protected and internationally recognised areas potentially indirectly impacted. Note: Located outside the exploration permit area.	In-migration (increased hunting, and removal of timber).

NATURAL HABITAT TYPE	IMPACTS
Gallery forest and woodland	Habitat loss and fragmentation; habitat degradation (edge effects, altered fire regime); in-migration
Denser woodland in valleys/ravines	Habitat loss and fragmentation; habitat degradation; in-migration (habitat disturbance and removal of timber)
Dry forest, or forest islands in deeper / damper soils within bowé	Habitat loss and fragmentation; habitat degradation; in-migration (increased removal of timber)
Wooded savanna	Habitat loss and fragmentation; habitat degradation; in-migration (habitat disturbance)
Open wooded savanna / grassland	Habitat loss: habitat degradation (edge effects, altered fire regimes and access roads)
Wet bowé	Habitat loss; habitat degradation (edge effects and access roads); changes to local hydrology; in-migration (increased grazing)
Dry bowé (including recently burnt bowé)	Habitat loss; habitat degradation (edge effects and access roads); altered fire regime; in-migration (increased grazing)
Freshwater aquatic habitats (Niger River and tributaries)	Changes to water quality and quantity; aquatic/riparian habitat loss; habitat degradation and fragmentation
Waterlogged areas / wetland	Habitat loss; habitat degradation and fragmentation; changes to water quality and quantity



DUGBE, LIBERIA

In 2022 an ESIA was completed for the Dugbe site by Pasofino, in accordance with the Liberian Environmental Protection Agency's ("EPA") Environmental and Social Impact Assessment Procedural Guidelines (2017). The ESIA involved primary environmental and social data collection by a team of Liberian and international specialists, and built on data available from the previous ESIA study of the site completed in 2015.

Following the ESIA, an Environmental and Social Management Plan ("ESMP") has been developed that outlines the management required to mitigate negative impacts and optimise positive impacts from the project, which along with the ESIA has been submitted to the Liberian EPA.

A Biodiversity Management Plan for the site is being developed in order to manage the site's impacts on areas of high biodiversity sensitivity and areas of soils with higher sensitivity. A sustainable forestry project is also being considered, with the goal of working with local stakeholders to manage an area of forest with the aim of offsetting biodiversity impacts.



PYGMY HIPPO FOUNDATION

Hummingbird Resources launched the Pygmy Hippo Foundation in 2012, a registered charity with the aim of promoting the conservation, preservation, and protection of the endangered pygmy hippopotamus in the remaining Upper Guinea forests of West Africa.

Vision

The Foundation's long term vision is to work alongside local governments, communities, conservation organisations and businesses to develop and implement an economically and socially viable model for protecting and managing Sapo National Park in Liberia.

Sapo is Liberia's oldest and largest protected area, and believed to contain the majority of the last remaining wild pygmy hippos. Only 14% of West Africa's original forests remain and around 40% of these surviving forests are in Liberia. There are estimated to be only 2,000-2,500 pygmy hippos still existing today.

The Foundation focuses its work in this area by partnering the Government of Liberia, local communities and other conservation charities to assist in the re-development of

Sapo and to promote sustainable management of the surrounding area.

Objectives and activities

The objectives and aims of the Pygmy Hippo Foundation (under its Articles of Association) are:

1. To promote the conservation, preservation and protection for the benefit of the public, of the Pygmy Hippo in its natural environment.
2. To advance the education of the public by promoting understanding and knowledge of the Pygmy Hippo in its natural environment and its conservation, preservation and protection.
3. To promote the conservation, preservation and protection for the benefit of the public, of other species in their natural environment.
4. To advance the education of the public by promoting understanding and knowledge of endangered species in their natural environment and its conservation, preservation and protection.



Initiatives

To date, the Foundation has:

- Worked with Leadership for Conservation in Africa (“LCA”) to develop a long-term model for the sustainable management of Sapou National Park
- Involved the Liberian Forestry Development Authority (“FDA”), Environmental Protection Agency (“EPA”) and Ministry of Agriculture in conservation planning

Commissioned an Initial Scoping Study and a Landscape Level Assessment

REHABILITATION AND AFFORESTATION

At Yanfolila in 2022, only a small amount of additional land was disturbed for drilling pads. The current total disturbed land at our Yanfolila site stands at 559 hectares.

Where possible, we seek to minimise the land disturbance of our operations in order to mitigate our impact on the environment and on communities. During 2022 we continued with the Hummingbird Tree Initiative, our reforestation program supporting land rehabilitation, with 10,000 trees planted in 2022 over 25 hectares, building on the 10,000 planted in 2021. In the coming year, we are looking to accelerate the program at Yanfolila in order to achieve our 170-hectare goal.

At Kouroussa we are exploring a similar plan to the reforestation measures at Yanfolila, with a tree nursery programme at the site currently in development.

Hummingbird Tree Initiative

Launched in 2020, the Hummingbird Tree Initiative is a community-based project which engages local communities to support a progressive reforestation programme. The Initiative plants 10,000 trees a year in Mali, supported by local villages who grow and nurture seedlings in market gardens provided by Hummingbird.

As part of the initiative, women from the local community are trained by the Yanfolila Water and Forestry department in plant propagation skills, in order to support a high proportion of planted trees surviving through to maturity.

The initiative has created planting of trees, responsibility for keeping trees alive and a source of income for women from local communities, who are reimbursed for the service of raising seedlings. We intend to continue the Initiative in the coming years.

CLOSURE PLANNING

Hummingbird’s objective for mine closure is to minimise or prevent long-term environmental and social impacts which might occur as a result of closure activities. We aim to create a post-mining landscape that is safe for people and animals, non-polluting, physically stable, and able to support sustainable post-mining land uses that are agreed with stakeholders.

In 2022 we developed a mine closure plan for our Yanfolila site, an update to the conceptual closure plan issued in 2019. The plan applies to all of the Yanfolila site’s operating areas and related infrastructure, including integration with surrounding natural landforms, surrounding communities and local stakeholders. Preparation of the closure plan was informed by Malian legal requirements, the WGC RGMPs (specifically Principle 9) and the recommendations of the International Council on Mining and Metals (“ICMM”) as found in the Integrated Mine Closure Toolkit and the Financial Concepts for Mine Closure documents.

In accordance with Hummingbird’s Stakeholder Engagement Plan (“SEP”), through which we aim to integrate proactive and meaningful engagement with stakeholders into our activities, closure planning proceeds with regular meetings with local communities and individuals. Hummingbird holds quarterly closure committee meetings, at which closure activities at the mine are shared and discussed, attended by government representatives, mining unions at Yanfolila, local community representatives and local authority representatives.

Additionally, Committee Local Development (“CLD”) meetings are held monthly, attended by local authority representatives, community members from 16 villages and mayors of 3 communes, at which closure activities are discussed. Stakeholder engagement for the closure of Yanfolila has been ongoing since the beginning of the mine operations.

At site level, the General Manager is made responsible for providing sufficient resources to implement activities associated with social engagement, while SHEC managers are made responsible for implementing and maintaining engagement activities.

YANFOLILA

A summary of closure goals for Yanfolila is given below:

Environmental

TOPIC	OBJECTIVES	CLOSURE MANAGEMENT
Erosion control	No long term active erosion at the site	Erosion features that do not stabilise will be repaired
Surface water quality	No negative impact on human health or final land use objectives	Surface water to be monitored with water quality to meet Malian Class II Water Quality Standards
Ground water quality	No negative impact on human health or final land use objectives	Ground water to be monitored with water quality to meet Malian Class I Water Quality Standards
Revegetation	Long term native vegetation regrowth where land has been disturbed	–
Air Quality	Dust from the closure site does not have a negative impact on the community	Monitor air quality quarterly to ensure compliance with Malian and / or international standards in fallout dust

Social

TOPIC	OBJECTIVES	CLOSURE MANAGEMENT
Stakeholder engagement	Ensure community and government are kept informed on closure planning	Stakeholder Engagement Plan instigates regular meetings with a range of stakeholders
Public safety and access restriction	Prevent injury or illness from presence at the mine site	Fencing and bunding around steep slopes and poor quality water to prevent access
Social closure - retrenchment	Ensure a support program for employees and their families to transition economic activities positively	Employees to: <ul style="list-style-type: none"> ■ Be redeployed to another mine ■ Receive training as part of retrenchment planning ■ Receive microfinance support
Social closure – community legacy	Leave a positive legacy in surrounding communities	Health, education, water, sanitation and community development projects created by Hummingbird are sustainable post-closure
Social closure – post closure land use	Market garden and poultry farm projects are a successfully integrated agricultural business	Health, education, water, sanitation, and community development projects created by Hummingbird are sustainable post-closure

KOUROUSSA

A conceptual closure plan is being developed in 2023 to be agreed with the Guinean government, with scoping of areas to be rehabilitated and estimated costs having been completed

DUGBE

A conceptual closure and rehabilitation plan has been developed, along with a preliminary cost estimate. The plan lays out progressive rehabilitation requirements, closure approaches and post-mining monitoring and maintenance. Further studies will be conducted to confirm final closure approaches, taking into account mining waste, expectations of communities, and the sensitivities of biodiversity, soils and water resources.

Financial Review

Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The Group's adoption of new and revised standards, significant accounting policies, and critical accounting judgements are disclosed in the notes to consolidated financial statements. The functional currency of the Group is United States dollar ("\$"). The financial information below is presented in thousands of United States dollars ("'\$'000").

Consolidated statement of comprehensive income

An unabridged analysis of the consolidated statement of comprehensive income for the year ended 31 December 2022 is shown below.

	2022 \$'000	2021 Restated \$'000
Continuing operations		
Group revenue	150,519	162,777
Production costs	(126,527)	(113,606)
Amortisation and depreciation - owned assets	(26,022)	(26,250)
Amortisation and depreciation - right of use assets	(11,335)	(12,067)
Royalties and taxes	(5,620)	(6,297)
Cost of sales	(169,504)	(158,220)
Gross (loss)/profit	(18,985)	4,557
Share based payments	(1,941)	(1,459)
Other administrative expenses	(11,791)	(10,263)
Operating loss	(32,717)	(7,165)
Finance income	3,641	4,071
Finance expense	(14,156)	(8,190)
Share of joint venture profit/(loss)	4	(46)
(Impairment)/reversals in impairment of financial assets and liabilities	(316)	108
Loss on financial assets and liabilities measured at fair value	(715)	(3,134)
Loss before tax	(44,259)	(14,356)
Tax	4,269	1,617
Loss for the year	(39,990)	(12,739)

Principal items of income and expense are explained as follows:

Revenue

Total Group sales was \$150.5 million (2021: \$162.8 million).

The Group's Malian subsidiary sold dore containing 80,445 ounces of gold generating revenue of \$143.3 million (2021: 87,554 ounces for \$156.6 million), an 8.5% decrease in revenue. The average realised price for gold dore was \$1,781 per ounce (2021: \$1,788 per ounce). The gold dore is sold at a discount to the refined spot gold price which approximates to the refining and transport costs.

The Group also sold gold grain and investment gold products worth \$7.2 million (2021: \$6.2 million) at a premium to the spot gold price as part the SMO Gold initiative.

Cost of sales

Cost of sales of \$169.5 million (2021: \$158.2 million) primarily relate to the following cost elements:

- Mining costs of \$65.4 million (2021: \$51.7million), represents both owner and contract mining costs. During 2022, Junction Contract Mining (“JCM”) were the mining contractor responsible for performing the full mining scope from mining, production drilling and blasting, to ore haulage for processing. The mining contract is based on a fixed and variable rate with allowances for inflationary rise and fall adjustments. The mining costs exclude ‘lease’ cost for the mining equipment of approximately \$13.4 million (2021: \$13.9million) which are treated as lease payments under IFRS 16.
- Processing costs of \$31.3 million (2021: \$28.0 million), represents costs incurred at the processing plant. Major cost categories include power, plant maintenance and chemical reagents costs. Cost increases were largely due to power costs increases because of the increased fuel prices, largely caused by the Ukraine – Russia situation. Other increases were due to the increased throughput of the plant and processing of a greater proportion of harder ores, plus increased maintenance costs due to the plant being a year older.
- Inventory adjustments were a gain of \$1.3 million to income statement (2021: \$8.9 million charge to income statement). This represents the valuation of both gold on hand, stockpiles and gold in process at end of year. There was slightly more gold on hand at 31 December 2022 due to timing of the shipments at year end, offset by higher ore stockpiles compared to 31 December 2021. There were no inventory adjustments to carry inventory at lower of cost and net realisable value (2021: \$nil).
- Support costs of \$23.2 million (2021: \$19.5 million), represents costs incurred in supporting the core mining and processing areas. Included in this are all site labour, insurance, finance and administration (excluding corporate head office costs), community affairs, security and human resources. Increases in costs are mainly related to inflation, fuel price increases as well as security and consultant cost increases.
- Amortisation and depreciation on owned assets of \$26.0 million (2021: \$26.2 million). Amortisation and depreciation costs are for the most part, based on a unit of production method, in line with ounces produced. The decrease year on year reflects a larger depreciable base offset by lower ounces produced.
- Amortisation and depreciation on right of use assets of \$11.3 million (2021: \$12.1 million). This represents depreciation and amortisation of leased assets under IFRS 16, “Leases”. This mainly represents depreciation on assets leased under the mining contract and the power generators in Mali, as well as offices in Mali and London.
- Royalties and other taxes of \$5.6 million (2021: \$6.3 million), primarily representing amounts payable to the Government of Mali on gold sales.
- Gold grain and investment gold coins cost of sales of \$8.1 million (2021: \$5.5 million) representing the cost of purchasing, transporting gold grain and minting investment gold coins.

Other administrative expenses

Other administrative costs of \$11.8 million (2021: \$10.2 million), represent mainly support costs including staff costs and professional fees, as well as business development costs, a \$1.6 million increase from prior year.

Finance income and expenses

Finance income of \$3.6 million (2021: \$4.1 million), principally foreign exchange gains on non-functional currency borrowings.

Finance expenses of \$14.2 million (2021: \$8.2 million), represents interest and amortised costs on borrowings, foreign exchange losses, and unwinding of present value discounts on provisions. The increase from prior year is mainly due to a larger loan base.

Impairments and reversals in impairment of financial assets and liabilities

Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivable from the Government of Mali, the Group recognised a lifetime credit loss of \$0.3 million (2021: gain of \$0.1 million). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Gains and losses on financial assets and liabilities carried at fair value through profit and loss

The Group recognised a loss of \$0.7 million (2021: loss of \$3.1 million) during the year from assets at fair value through profit or loss. This loss was made up of losses of \$2.0 million from the Group’s investment in Bunker Hill due to decrease in share price over the year. The 2022 movement also included a net gain of \$1.3 million related to the changes in the Group’s discount rate and the impact this had on both the deferred consideration and the smelter royalty liabilities resulting from the Cassidy acquisition in 2020.

Taxation

The taxation of the Group’s operations in Mali are aligned to the mining convention (under the Mining Code of Mali 1999) in accordance with which tax is charged at the greater of 1% of turnover and 30% of taxable profits. The net tax income of \$4.3 million in the year is made up of a \$1.4 million minimum corporation tax charge in Mali offset by a net deferred tax income of \$5.7 million.

OPERATIONAL REVIEW

IFRS 16 Lease Interest – prior year adjustment

During the year, the Group discovered that the IFRS 16, Lease interest had been erroneously calculated since 2019. Although the total interest over the life of the leases would be correct, the interest charge was increasing as the liabilities were decreasing, resulting in lower interest charges in the early years of the IFRS 16 lease liabilities. Consequently, the line items finance expense, included in the consolidated statement of comprehensive income, and lease liabilities, included in current and non-current liabilities in the statement of financial position, have been understated. There is no impact on the Group's total operating, investing, or financing cash flows for the year ended 31 December 2021. Refer to note 9 for further details.

Statement of Financial Position

An abridged analysis of the statement of financial position as at 31 December 2022 is shown below:

	2022 \$'000	31 December 2021 Restated \$'000	1 January 2021 Restated \$'000
Non-current assets	370,912	279,626	248,402
Current assets	67,600	38,300	33,076
Cash and cash equivalents	3,892	36,739	11,068
Total assets	442,404	354,665	292,546
Non-current liabilities	71,561	62,919	31,615
Non-current borrowings	71,840	61,812	–
Current liabilities	95,506	59,280	65,334
Current borrowings	43,862	–	13,208
Bank overdraft	1,741	–	–
Total liabilities	284,510	184,011	110,157
Net assets	157,894	170,654	182,389
Equity attributable to equity holders of the parent	120,430	161,134	172,786
Non-controlling interest	37,464	9,520	9,603
Total equity	157,894	170,654	182,389

Principal movements in assets and liabilities are explained as follows:

Total assets

As at 31 December 2022, the Group's assets totalled \$442.4 million, an increase of \$87.7 million on the prior year. Total assets comprise: non-current assets; including investments, exploration and evaluation assets, property, plant and equipment, and Current assets; including cash and cash equivalents, inventories, trade and other receivables.

■ Non-current assets

Increased by \$91.3 million during the year, as a result of additions and offset by depreciation and amortisation charges. The movement in 2022, also includes over \$38.5 million in capitalised expenditures in Liberia following the completion of the earn in by Pasofino, refer to note 26. Included within non-current assets are leased assets capitalised under IFRS 16, Leases. This standard requires that all qualifying leased assets are recognised on the balance sheet as right of use assets. The increase in non-current assets was mainly because of the \$81.9 million spend in Guinea as the Kouroussa construction ramped up ahead of the expected first gold pour in Q2 2023. Additions also included \$2.2 million sustaining capex in Mali, mainly to increase the capacity of the tailings storage facility. Also included in non-current assets is the \$1.5 million (2021: \$3.5 million) Bunker Hill investment. Depreciation and amortisation charges on property, plant and equipment was \$26.0 million and depreciation on right of use asset of \$11.3 million. Also included in non-current assets is a net deferred tax asset of \$9.5 million (2021: \$3.9 million) in respect of the Malian subsidiary.

■ Current assets

Increased by \$29.3 million during the year, comprised of \$18.3 million increase in VAT recoverable, \$2.6 million increase to inventories as well as \$6.6 million increase in prepayments and other receivables. The time to receive VAT from the Government of Mali is unpredictable, and although the Group was able to continue to offset balances in 2022, the VAT balance in Mali remain high at \$25.9 million on 31 December 2022 and it is expected to be received via offset of future taxes or cash. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("FCFA"). Increase to inventory was mainly impacted by increase in ore stockpiles of \$1.4 million due to higher ore stockpile quantities as well increase in consumable spares to support the mines. There was also a decrease in the grain and coins inventory of \$0.8 million compared to the previous year. Also included within receivables is a \$3.8 million balance due from Pasofino for ongoing funding of the Dugbe project in Liberia.

■ Cash and cash equivalents

As at 31 December 2022 the Group held cash and cash equivalents of \$2.2 million, of which \$3.9 million is restricted in accordance with the Group's borrowing obligations (2021: \$36.7 million, of which \$4.2 million was restricted). See analysis of consolidated statement of cashflow.

Total liabilities

As at 31 December 2022, the Group's liabilities totalled \$284.5 million, an increase of \$100.5 million on the prior year. Total liabilities were mainly impacted by a drawdown of \$28.7 million (CFA 18.5 billion) on the Coris Loan facility in Mali, as well as \$30.0 million drawdown of the Coris Loan facility in Guinea, both to help fund the Kouroussa mine construction. The movement in 2022, also now includes \$18.6 million in loans due to Pasofino irrespective of their 49% intercompany loans relating to the Dugbe project. Total liabilities movements were also impacted by:

- **Current liabilities (excluding borrowings)**
increased by \$36.2 million during the year, mainly related to the increased activity in Guinea as construction progressed, which saw current liabilities increase by \$11.0 million in Guinea. Also included within this balance are \$3.2 million worth of interest accruals due to Coris Bank International. Included within current liabilities is the deferred consideration of \$1.8 million (net of deductibles), due to the vendors of Cassidy as part of the acquisition of Kouroussa in 2020. The shares relating to this were subsequently issued in February 2023.
- **Non-current liabilities (excluding borrowings)**
Increased by \$8.6 million during the year, because of \$18.5 million in loans due to Pasofino following the completion of the earn-in in Liberia offset by a \$1.0 million decrease in the 2% smelter royalty liability retained by Cassidy as part of the Kouroussa acquisition. There was also a \$6.2 million increases in the rehabilitation provision (\$1.5 million in Mali and \$4.8 million in Guinea) representing the present value of estimated future rehabilitation costs relating to mine sites (note 20). There was additionally a net decrease of \$9.9 million in IFRS 16 lease liabilities mainly because of lease repayments during the year.
- **Borrowings**
Borrowings (including capitalised issue costs) increased by \$53.9 million during the year. The increase is the net result of a \$58.7 million drawdown on Coris Loans in Mali and Guinea (note 19), foreign exchange movements plus issue costs capitalised.

Consolidated statement of cash flows

An unabridged analysis of the consolidated statement of cash flows for the year ended 31 December 2022 is shown below.

	2022 \$'000	2021 \$'000
Net cash inflow from operating activities	13,181	22,703
Investing activities		
Purchases of intangible exploration and evaluation assets	(5,876)	(9,992)
Purchases of property, plant and equipment	(82,942)	(22,295)
Pasofino funding	4,665	10,141
Pasofino funding utilisation	–	(10,946)
Sale of shares in other companies	–	2,538
Interest received	2	–
Net cash used in investing activities	(84,151)	(30,554)
Financing activities		
Exercise of share options	14	–
Lease principal payments	(10,741)	(11,014)
Lease interest payments	(2,862)	(3,006)
Loan interest paid	(3,452)	(721)
Loan drawdown	58,695	66,365
Loans repaid	–	(13,278)
Commission and other fees paid	(4,724)	(5,413)
Net cash generated from financing activities	36,930	32,933
Net (decrease)/increase in cash and cash equivalents	(34,040)	25,082
Effect of foreign exchange rate changes	(548)	589
Cash and cash equivalents at beginning of year	36,739	11,068
Cash and cash equivalents at end of year	2,151	36,739

OPERATIONAL REVIEW

Net cash generated by operating activities

During the year ended 31 December 2022, the Group generated \$13.2 million cash inflow from operating activities, a \$9.5 million decrease from 2021. Net cash flow from operations was lower largely because of lower quantity of gold sold during the year slightly offset by a slightly higher realised price, together with higher operating costs due to inflation. 2022 cash flows from operating activities exclude 'lease' cost for the mining equipment and generators of approximately \$13.6 million treated as lease payments under IFRS 16 and which is reflected under financing activities.

Net cash used in investing activities

During the year ended 31 December 2022, the Group reported a \$84.2 million cash outflow from investing activities (2021: \$30.6 million cash outflow), \$82.9 million on property plant and equipment, \$5.9 million exploration and evaluation assets, largely in Mali. The Group also received \$4.7 million from Pasofino as part of the earn-in agreement on Dugbe.

Net cash generated from financing activities

During the year ended 31 December 2022, the Group reported a \$36.9 million cash inflow from financing activities (2021: \$32.9 million cash inflow), of which \$58.7 million was drawn down on the Coris Loan to aid the funding of Kouroussa and paid \$4.5 million in scheduled fees and interest repayments on borrowings. Further, loan fees of \$3.7 million were paid in relation to the Coris Loan.

Future obligations and their maturities stated at their gross, contractual and undiscounted amounts, are shown below:

AT 31 DECEMBER 2022	LESS THAN ONE YEAR \$'000	BETWEEN ONE AND FIVE YEARS \$'000	OVER FIVE YEARS \$'000	TOTAL \$'000
Trade and other payables (note 23)	66,081	–	–	66,081
Other financial liabilities (note 24)	15,000	26,795	–	41,795
Deferred consideration (note 25)	1,776	1,801	–	3,577
Lease liabilities (note 21)	12,730	16,585	–	29,315
Borrowings (note 19)	43,862	71,840	–	115,702
	139,449	117,021	–	256,470
Other commitments (note 32)	32,774	–	–	32,774
	172,223	117,021	–	289,244

AT 31 DECEMBER 2021 (restated)	LESS THAN ONE YEAR \$'000	BETWEEN ONE AND FIVE YEARS \$'000	OVER FIVE YEARS \$'000	TOTAL \$'000
Trade and other payables (note 23)	33,708	–	–	33,708
Other financial liabilities (note 24)	15,000	9,092	–	24,092
Deferred consideration (note 25)	–	4,627	–	4,627
Lease liabilities (note 21)	13,496	32,641	–	46,137
Borrowings (note 19)	–	61,812	–	61,812
	62,204	108,172	–	170,376
Other commitments (note 32)	10,366	–	–	10,366
	72,570	108,172	–	180,742

NON-GAAP FINANCIAL PERFORMANCE MEASURES

The performance of the Group against its strategy and objectives is linked to the remuneration of the executives and senior employees as the annual bonus plan performance targets are aligned to the Group's Key Performance Indicators ("KPIs") and strategic priorities.

We use the following non-GAAP financial performance measures in assessing performance.

- EBITDA and adjusted EBITDA
- Cash costs per ounce; and
- All-in sustaining costs per ounce ("AISC").
- Net cash

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") is a factor of revenues, volumes, prices and cost of production. This is a measure of the underlying profitability of the Group, widely used in the mining sector. Adjusted EBITDA removes the effect of impairment charges and fair value adjustments, foreign currency translation gains/losses and other non-recurring expense adjustments but including IFRS 16 lease payments.

Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA

	2022 \$'000	2021 \$'000
Net loss before tax	(44,259)	(14,356)
Less: Finance income	(3,641)	(4,071)
Add: Finance costs	14,156	8,190
Add: Depreciation and amortisation	37,435	38,395
EBITDA	3,691	28,158
IFRS 16 lease interest and principal payments	(13,602)	(14,020)
Share based payments including NI	1,866	1,372
Share of joint venture (gain)/loss	(4)	46
Impairment/(reversals) in impairment of financial assets	316	(108)
Losses on financial assets and liabilities measured at fair value	715	3,134
Adjusted EBITDA	(7,018)	18,582

Net Cash Reconciliation

Net cash for the Group can be reconciled to the cash in the statement of financial position as follows:

Reconciliation of net cash before IFRS 16 Liabilities

	2022 \$'000	2021 \$'000
Group cash balances (including restricted cash)	2,151	36,739
Add: Gold on hand (including SMO gold)	3,728	4,089
Less: Bank debt	(115,702)	(61,812)
Net Debt	(109,823)	(20,984)

OPERATIONAL REVIEW

CASH COST PERFORMANCE

Cash costs per ounce and all-in sustaining costs per ounce are non-GAAP financial measures which are calculated based on the definition published by the World Gold Council ("WGC"), a market development organisation for the gold industry. Management uses these measures to monitor the performance of our gold mining operations and their ability to generate positive cash flow.

Cash costs are calculated as direct mine operating costs (including mine based general and administration costs but excluding depreciation and amortisation) divided by ounces of gold sold.

All-in sustaining cash cost is calculated as cash cost above plus sustaining capital expenditures divided by ounces of gold sold.

Our use of cash costs and all-in sustaining cash costs are intended to assist analysts, investors and other stakeholders to understand the costs associated with producing gold better as well as assessing our operating performance and our ability to generate free cash flow from current operations.

Reconciliation of Cost of Sales to Cash Costs, All-in Sustaining Costs including on a per ounce basis

	2022 \$'000	2021 \$'000
Group cost of sales	169,504	158,220
SMO cost of sales	(8,057)	(5,531)
Depreciation and amortisation within cost of sales	(37,357)	(38,317)
Lease charges under IFRS 16 relating to mining operations	13,541	14,020
Corporate recharges and administration costs applicable to mining operations	3,551	3,148
Cash cost	141,182	131,540
Mine sustaining capital expenditures	2,160	2,903
All-in sustaining cash cost	143,342	134,443
Ounces sold	80,445	87,553
Cash cost per ounce	1,755	1,502
All-in sustaining cash cost per ounce	1,782	1,536

Cash costs were adversely impacted mainly due to the lower production primarily due to our mining contractor's excavator fleet not meeting the contracted mining rates, fuel price increases as well as the general inflation impact.

Exploration costs and expansion capital expenditures, for example development and expansion costs incurred on Gonka, SE, SW and KE Underground, which were all under development in the year, are not included in AISC. Further exploration costs on new deposits are also excluded from our AISC number.

Group Strategic Report

The purpose of this report is to show how the Group assesses and manages risk and uncertainty and adopts appropriate policies and targets. Further details of the Group's business and expected future developments are also set out elsewhere (our Strategy, Our Values and Principles, the Interim Chairman and CEO's Statement, Operational Review, Financial Review and Sustainability Report) form part of this Strategic Review in order to achieve compliance with provision of the Companies Act 2006.

Risk Management Framework

The Board analyses the Group's risks and mitigation measures that have been put in place on a regular basis. As part of this assessment Group executives and senior management regularly reports to the Board via its various subcommittees including operational reports, sustainability reports, community reports, cost analysis and compliance reports to facilitate ongoing comprehensive assessment of the Group's primary and emerging risks.

Principal risks and uncertainties

The nature of the Group's activities and the locations in which it operates mean that it is generally exposed to significant and uncertain risk factors, some of which are beyond its control. The ability to deliver the Group's objectives and vision depends on an ability to identify, understand, and appropriately mitigate and monitor our risks. The table below, while not exhaustive, sets out the principal risk factors and uncertainties which may impact the Group's future performance, and its strategy for managing them.

Emerging risks

Together with the principal risks below, the following are emerging risks that are being monitored:

Interest rate risk

The current increases in global interest rates may have an impact on the Group's ability and the costs of accessing new capital if required. Currently the Group has a supportive partner in Coris Bank International and our current debt facilities are at a fixed rate.

New Environment Targets and Impacts on Group Performance

With increased scrutiny on the environment and other areas, there is now more focus on how the Group is gearing itself to manage of these new risk items. Our Sustainability Report from pages 30 to 65 covers most of the processes and procedures we are doing to monitor and manage some of these new risks and in particular the environment, greenhouse emissions and others.

If not properly managed, new environmental regulations may have both an operation and a cost impact to the Group.

Energy security

With increased power costs and logistical issues linked to world conflicts and inflation, together with push to more cleaner energy sources, there is increased impact on energy costs that would impact the Group's profitability.

The Group is already planning for other alternative sources of energy, like solar, as evidenced by the planned Dugbe site to use LNG alongside solar PV, and the integration of solar energy generation and heat recovery units at our Kouroussa site is expected to result in emissions reductions.

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
Asset portfolio	
<p>The Group's revenue is currently derived from the Yanfolila Gold Mine in Mali. Reliance on a single asset requires continual focus on efficient management of operations and risks.</p> <p>Should cash flows from the Group's sole producing asset be impacted adversely from an unexpected event, the Group may need to raise additional funding. Should additional funding be required, then as noted in note 3, there is a risk that the Group may not be able to obtain it in the necessary timeframe.</p>	<p>The Group continually reviews and implements targeted projects seeking to enhance the reliability, effectiveness and long-term profitability of the Yanfolila Gold Mine.</p> <p>The Group continuously assesses a range of internal and external growth opportunities to build on its existing asset portfolio as well as ensuring that efficient production from Yanfolila is maintained. The following represents focus on those areas:</p> <ul style="list-style-type: none"> ■ Kouroussa construction is nearing completion with first gold pour expected in Q2 2023. This provides the Group with optionality and moves the Group towards being a multi-asset producer. ■ The finalisation of the earn-in agreement with Pasofino on the Dugbe Project in Liberia during the year and the creation of the joint venture ensures that Dugbe continues to progress. ■ Further, ongoing exploration and development activities provides internal growth opportunities.
Changes to commodity prices, cash flow and credit risk	
<p>As a junior mining company operating its first gold mine and bringing a second mine into production, the Group's financial performance is significantly exposed to the price of gold. Should the gold price fall significantly this will impact future reserves, profitability and could ultimately impact the Group's ability to service debt and meet operating costs.</p> <p>Financial performance may also be impacted through foreign exchange movements, rises in fuel prices or where there is an inability to secure adequate funding.</p>	<p>The Group monitors its exposure to commodity price fluctuations and foreign exchange rate fluctuations as part of financial and treasury planning.</p> <p>The Board reviews these risks regularly (including at the quarterly Board meetings) and considers whether any additional actions are appropriate, taking into account forecasts and expectations of stakeholders.</p> <p>The Group has historically from time to time purchased low cost put options as partial insurance against a significant drop in the gold price in the short term.</p>
Mining risk	
<p>The Group's financial performance is currently largely dependent on the efficient operation of the Yanfolila Gold Mine in Mali and going forward the Kouroussa mine in Guinea. This requires effective management of the mining contractor, strip ratios, mining techniques, dewatering, infrastructure and pit slopes in ensuring cost effectiveness and timely delivery of material at sufficient quantity and grade for processing.</p> <p>The Yanfolila mining contractor's performance in 2021 and 2022 was below expectations largely due to availability, and productivity stemming from cumulative maintenance deficiencies and poor equipment availabilities resulting in the termination of the mining contract on 31 March 2023. Any significant delays in delivering the planned ore volumes or additional costs of mining, ore losses and additional dilution could lead to the project requiring additional working capital or becoming uneconomic.</p>	<p>The Group continuously reviews its mining methods and, together with the mining teams and relevant contractors, assesses performances against targets on a regular basis.</p> <p>The Group brought in additional fleet and personnel to support the contract miners' fleet and continues to work with the contractors to seek to mitigate this risk. This has seen a marked improvement in mining activities in late 2022 and early 2023.</p>

RISK	MITIGATION / MANAGEMENT RESPONSE
Geological risk	
<p>The Groups cashflows and profitability is dependent on achieving the predicted grades and tonnages of ore forecast in the mine plans. The mine plans are based on geological models, supported by resource and reserve estimates. Resources and reserves are estimated based on assumed continuity between points of observation where data samples have been gathered. Until material is mined and processed, there is a risk that the grades and tonnages of ore may be materially different to that estimated, including through unanticipated incursions by artisanal mining groups.</p>	<p>Geological models are subject to internal and/or external reviews before being classified as resources and reserves or being used to support long term mine plans. Additionally, as further information becomes available, including through mining, geological models are updated accordingly.</p>
Fraud, error and corruption	
<p>The Group is aware of the risk of internal fraud, error and corruption activities, and the various ways that such risk may transpire. There is also awareness that the risk is increased where there are differences in financial processes, language or culture between stakeholders.</p>	<p>The Group has robust policies and internal controls in place with the objective of mitigating the risk of fraud, corruption and error to the business.</p>
Operational performance and reporting	
<p>As a listed company, the Group acknowledges the importance of communicating actual and forecast operational performance on a timely basis.</p>	<p>The Group's focus on a culture of sustainability, good governance and disclosure is aimed to provide timely, relevant and up-to-date information on activities impacting shareholders and other key stakeholders.</p>
Social licence to operate	
<p>The Group's ability to develop and operate its projects is dependent on the support of its host communities.</p> <p>Overall relations with the host communities have been positive, however there is a risk that if the relationships deteriorate then the ability of the Group to operate could be temporarily or permanently adversely impacted.</p>	<p>The Group is proactive in its social engagement and places a high importance on its relationship with the host communities as key stakeholders.</p>
Health and Safety	
<p>The mining workplace environment is subject to a number of hazards, including the risk of serious injury or fatality while working on site. The physical remoteness of sites also increases the risk of commuting to site and the availability of medical assistance in the event of an incident. The Group is also aware of the risk of an outbreak of a serious illness amongst the workforce and the associated potential for large-scale disruption to operations as a consequence.</p>	<p>The Group employs a wide range of safety management systems with the objective of ensuring the safety of the team. The Group provides training and supervision on safety management, which the intention of promoting and embedding safe operating practices. The Board is able to draw upon the expertise of its Environment, Social and Governance Committee and its medical advisor Critical Care International for guidance.</p>
Security and conflict risk	
<p>The Group is exposed to the external physical security risks presented by artisanal mining activities, territorial conflicts and/or terrorist actions which could impact our people, our operations and our broader supply chain.</p>	<p>The Group employs a range of measures to mitigate the risk of harm to our people and operations. Country and regional information is continuously monitored to assess the risk of terrorism and security plans are in place to mitigate identified risks including relative to the OECD Due Diligence Guidance on the responsible sourcing of minerals from conflict-affected and high-risk areas.</p>

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
Legal and regulatory risks	
<p>The Group's exploration, development and exploitation activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. Such licences and permits are as a practical matter subject to the discretion of the applicable Government or Government office. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit.</p> <p>There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence, or Mineral Development Agreement ("MDA"), may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.</p> <p>Additionally, whilst the Group has diligently investigated title to its licences and, to the best of its knowledge, title is in good standing, this should not be construed as a guarantee of title. If a title defect does exist, it is possible that the Group may lose all or part of its interest in the relevant properties.</p> <p>Changes to existing applicable laws and regulations, more stringent interpretations of existing laws or inconsistent interpretation or application of existing laws by relevant authorities have the potential to adversely impact the Group's business activities.</p> <p>The Group's operational and exploration activities are subject to extensive regulation in the relevant jurisdictions.</p>	<p>The Group monitors legal and geopolitical risks as a key part of its overall assessment process when considering changes to operations or pursuing new growth opportunities.</p> <p>The Group actively engages with Governments and policy makers at the most senior levels to discuss regulatory developments that are applicable to the Group's business activities.</p>
Geopolitical risks	
<p>The recent changes to governments in Mali and Guinea together with the ongoing economic sanctions in Mali have had an impact and disruption to logistical movement, of people, goods, supplies, spares, reagents, and the export of gold which has had some impact on our ability and cost to operate.</p> <p>Should further sanctions be placed, or existing sanctions continue for an extended period, there is an increased risk to the ability to operate.</p>	<p>In respect of the recent changes in government and sanctions the Group continue to engage the necessary authorities in the relevant countries where necessary to limit any disruption to the business.</p> <p>The Group monitors its supply chain and works closely with key suppliers and business partners to seek to mitigate material risks in this area.</p>
Exploration and development risk	
<p>There is no assurance that the Group's exploration and development activities will be successful, and statistically few properties that are explored are ultimately developed into profitable producing mines.</p>	<p>The Group aims to conduct exploration on a systematic basis focusing on opportunities to increase long term shareholder value within available budgets.</p> <p>In June 2022, the Group announced an updated Group Reserve statement which showed over 4.1 million ounces, reflecting continued focus on exploration and future development of the Group.</p> <p>Where appropriate, the Group will consider farmouts and joint ventures such as with Pasofino on the Dugbe Project.</p>

RISK	MITIGATION / MANAGEMENT RESPONSE
Capital project delivery	
<p>The Group is in the process of commencing on a large-scale capital project in respect to construction of the Kouroussa Project in Guinea.</p> <p>Large capital projects require multi-year execution plans. The Group's ability to deliver projects in terms of safety, cost and schedule – may vary due to changes in technical requirements, law and regulation, government or community expectations, skills, availability of funding or through commercial or economic assumptions proving inaccurate through the execution phase.</p> <p>Delays and overruns in projects could negatively impact our profitability, cash flow, ability to repay project-specific debt and relationships with key stakeholders.</p>	<p>The Group previously delivered the Yanfolila Project on time and on budget, and currently about to deliver the Kouroussa Project also on time and on budget.</p> <p>The team tasked with delivery of the project are supported by an experienced Technical Advisory Committee ("TAC") and Board. Our methodology includes:</p> <ul style="list-style-type: none"> ■ Following strict budgetary and project approval processes ■ Constant monitoring and status evaluation, together with ongoing stakeholder engagement ■ Strong focus on contractor management

OPERATIONAL REVIEW

DIRECTORS' SECTION 172 (1) STATEMENT

The Board understand their duties and responsibilities under section 172 (1) (a) – (f) of the Companies Act 2006 (the "Act"), which were introduced to assist shareholders so that they can better understand how the Board have discharged their duties to promote the success of the Group while having regard to:

- (a) the likely consequences of any decision in the long term
- (b) the interests of the Group's employees
- (c) the need to foster the Group's business relationships with suppliers, customers and others
- (d) the impact of the Group's operations on the community and the environment
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct
- (f) the need to act fairly as between members of the Company.

In accordance with the requirements by the Act, the Board considered that, during the financial year ended 31 December 2022, they have acted in a way that they consider, in good faith, to be most likely to promote the success of the Group for the benefits of the members, as well as have regard to wider stakeholder groups.

The following table sets out a few key stakeholder groups identified by the Board, and examples of Board's decision during the year and the s.172 matters considered in pursuing these activities.

KEY STAKEHOLDER GROUPS	KEY INTERESTS	HOW WE ENGAGE	ENGAGEMENT OUTCOMES
Our Shareholder			
Shareholder value is vital in the Board decision making process.	Over the past year, we have received a number of topics from our shareholders, such as: <ol style="list-style-type: none"> 1) Strategic options for the Dugbe Project in Liberia 2) Construction progress on the Kouroussa Project 3) AISC and how we manage our cost and supply chain 4) Growth strategy 	Our key mechanisms of communicating and engaging with our shareholders include but not limited to: <ol style="list-style-type: none"> 1) Regular interactive sessions with investors 2) Regularly updated investor presentations which are also available on our website 3) Regular updates on project developments, such as the resource and reserve updates, and updates on the Kouroussa construction project 4) Updates on social medias, such as LinkedIn 5) Annual and interim financial results announcements 6) General and Annual General Meetings 7) Quarterly market updates The Board receives regular updates from executive and senior management team on share analysis, shareholder interactions and feedback.	During the year, we took steps to improve our understanding of investor driven climate related risks and their impact on the Company, financially and operationally. As a result, we developed a GHG reduction strategy with detailed implementation actions, including measuring GHG emissions for all our assets and considering new technologies where practical at our sites to reduce GHG emissions.

KEY STAKEHOLDER GROUPS	KEY INTERESTS	HOW WE ENGAGE	ENGAGEMENT OUTCOMES
Local Communities			
Our social licence to operate is vital to our success and we seek to take a proactive approach in building trust with the communities we are part of. We recognise our business operations have the potential to impact these communities both positively and negatively. Our communities expect us to commit to high standards in managing our environmental footprint and respecting community and human rights.	<ol style="list-style-type: none"> 1) Employment opportunities 2) Compensation and relocation of affected communities 3) Community projects 	We consult with our communities regularly, through our dedicated community teams at each site, and always aim to do so in good faith, and in ways that are transparent, inclusive, and culturally appropriate.	Supportive communities for a physical relocation at Yanfolilla, following independent resettlement assessment by external independent expert in line with International Finance Corporation Performance Standard 5, together with numerous community consultations, as highlighted in our Sustainability Report.
Our Business Partners			
The Board understands the Company's success is directly impacted by our long-term relationship with our customers and suppliers, including contractors	<ol style="list-style-type: none"> 1) Security management and human rights 2) Management of health, safety and environmental impacts 	<ol style="list-style-type: none"> 1) Policies and procedures 2) Formal meetings 3) Sites visits 	Implementation of Supplier Code of Conduct, Onboarding and due diligence process
Our Employees			
Employees are critical to the success of the Company, and are central to our ambitious corporate goals.	<p>Some of the topics raised by employees and their union representatives in 2022 included but not limited to:</p> <ol style="list-style-type: none"> 1) Salary scales and production bonus 2) Learning and development 3) Promotion 	<ol style="list-style-type: none"> 1) Meetings with union representatives 2) Induction, training and development events 3) Performance reviews 	<ol style="list-style-type: none"> 1) Health and Safety Training, including formal tutor-led trainings, on-the-job trainings, and trainings held overseas by specialists 2) Local recruitment 3) Growth and promotions

EXAMPLES OF KEY BOARD DECISIONS:

EXAMPLES OF BOARD'S DECISION DURING THE YEAR AND THE S.172 MATTERS CONSIDERED IN PURSUING THESE ACTIVITIES.		
Stakeholder Considerations and Impacts		
KE Underground	<p>In early 2022, Hummingbird started detailed analysis of the KE Underground deposit in terms of its economics, mining and when to incorporate it into the future mine plans at Yanfolilla.</p> <p>Once the KE Underground Reserves completed, the Board endorsed the acceleration of the development and integration of the high grade KE Underground deposit into Yanfolilla's 2023 mine plan.</p>	<p>s.172 (1) (a) s.172 (1) (b) s.172 (1) (d)</p> <p>The acceleration of the KE Underground project with first gold production expected in H2 2023, brings forward production from a high-grade deposit underpinning Yanfolilla's production profile for years to come and removing sole reliance on its current open pit operations.</p>
Contract Miner Remediation	<p>Hummingbird's production was significantly hampered by the underperformance of the mining contractor, including the availability of the required drilling fleet, due to a prolonged under investment in their equipment.</p> <p>To stabilise production, the Board endorsed the proposed management intervention plans by securing additional key equipment to site, and assistance with the restructure of the contract miner to ensure the technical, operational, managerial and fleet capacity is available to support the production.</p>	<p>s.172 (1) (a) s.172 (1) (b) s.172 (1) (c) s.172 (1) (d) s.172 (1) (f)</p> <p>Following the intervention, by the end of 2022, Yanfolilla's operational performance started to materially improve and into Q1 2023. Q4 2022 production and AISC profile were amongst some of the best recorded for several years. This was a hugely positive outcome at the end of what was a challenging year at Yanfolilla.</p>

OPERATIONAL REVIEW

EXAMPLES OF BOARD'S DECISION DURING THE YEAR AND THE S.172 MATTERS CONSIDERED IN PURSUING THESE ACTIVITIES.		
WGC's Responsible Gold Mining Principles	We announced in November 2022 that the Company had successfully achieved Full World Gold Council ("WGC") Responsible Gold Mining Principles ("RGMP") compliance, within the shortest possible timeframe at both Corporate and Yanfolilla site level, received an independently audited assurance report, highlighting the achievement of three consecutive years' conformance with the World Gold Council's Responsible Gold Mining Principles (RGMPs).	s.172 (1) (a) s.172 (1) (e) Launched by the WGC in September 2019, the RGMPs provide a sustainable reporting framework that supports international best practice in addressing key environmental, social and governance ("ESG") requirements as to what constitutes responsible gold mining via ten umbrella principles and 51 detailed principles. By receiving an independent audit report, it demonstrated the Company is committed to operate responsibly for the benefit of all stakeholders and to maintain a reputation for high standards of business conduct. Adopting the World Gold Council's RGMPs is a key part of the Company's strategy for building a long term, sustainable mining company for the benefit of our shareholders and stakeholder groups. Meeting RGMPs' requirements demonstrated a high standard of ESG performance, which is essential for the Company's social licence to operate in the countries and communities we engage with and work in.
Approval of Incentive schemes	We announced in March 2022 that Hummingbird adopted a long term employee incentive scheme that comprises an annual discretionary cash award, which is based on both corporate and personal targets being met, and an equity based LTIP, intended to better align Hummingbird employee participants with shareholders, to create medium to long term shareholder value.	s.172 (1) (a) s.172 (1) (b) Hummingbird wishes to reward performance and to ensure that the interests of employees are aligned with the interests of shareholders. Therefore Hummingbird has adopted and operates the long term employee incentive schemes to as part of a remuneration strategy to deliver this aim, to increase productivity, reinforce efficiency while recognizing the contribution that our employees make.

This Group Strategic Report has been approved by the Board and signed on its behalf by:

DE Betts

Director

05 June 2023

Corporate Governance

The Board of Hummingbird adopted the QCA Corporate Governance Code 2018 (the 'QCA Code') and believe the application of and the compliance with the QCA Code supports the Group in pursuing medium to long-term value for shareholders, without stifling the entrepreneurial spirits and creativity. The Board is satisfied that the ten principles of the QCA Code are well applied but recognises the need to continue to review and develop governance practices and structures, to ensure they are in line with the growth and strategic plan of the Group. The ten QCA principles and how Hummingbird has applied them can be found on the company website.

Strategy and Business Model

The Group currently has two core gold projects, the Yanfolilla Gold Mine in Mali and the Kouroussa Gold Project in Guinea. Additionally, the Group controls the Dugbe Gold Project in Liberia that is being developed through a joint venture with Pasofino Gold Limited.

The Group Strategic Report on pages 73 to 80 provides details the Group's strategy, as well as key risks and mitigation actions.

Understanding and meeting shareholder needs and expectations

The Group's Executive Committee meets institutional shareholders, fund managers and analysts to understand how the strategy and the Board's decisions impact on and is received by shareholders.

Shareholders are encouraged to engage with the Group throughout the year through RNS announcements, direct communication, conference calls, website content, corporate presentations together with national and international medias including social media.

Additionally, shareholders are typically invited to the AGM where they are given opportunities to ask questions. Where this is not practical (for example in 2021 it was not possible to invite shareholders to the AGM due to COVID-19 travel restrictions) shareholders are encouraged to submit questions to the Group in advance of the AGM.

Contact details are provided within every Group announcement and are available on the Group's website.

Wider stakeholder needs and social responsibilities

In accordance with Section 172 of the UK Companies Act 2006, the Board has a duty to promote the success of the Group for the benefit of its members as a whole. In doing so, it must have regard (amongst other matters) including the interest of the Group's employees, the need to foster the Group's business relationship with host governments, suppliers, customers and others, and the impact of the Group's operations on local communities and the environment.

The Board has always recognised the relationships with key stakeholders are central to the long-term success of the business and therefore seeks active engagement with all stakeholder groups, to understand and respect their views, in particular of those with the local communities in which it operates, its host governments, employees and suppliers.

Details of the Board's decisions in 2022 to promote long-term success, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Operational Review, Strategic Report and Directors Report.

The World Gold Council ("WGC") launched the Responsible Gold Mining Principles ("RGMPs") in September 2020, an overarching framework that represent international best practices in exploration, operation and closure of gold mines. The Group, as part of its support of international best practices, declared its intent to adopt the RGMPs and to work towards the September 2022 full conformance deadline. Responsible gold mining is conducted with respect for the environment, the human rights and wellbeing of our employees, contractors and members of the communities associated with our activities.

The Responsible Mining page on the Group's website provides details regarding our commitment to creating value for all stakeholders and building a lasting legacy for the communities living within its licence areas.

Effective Risk Management Throughout the Organisation

Hummingbird has four committees to assist in its continuous assessment and management of potential risks to the Group, both from a corporate and project perspective:

- The Audit Committee
- The Remuneration Committee
- The Technical Advisory Committee ("TAC")
- The Environment, Social and Governance ("ESG") Committee

The Audit, and Remuneration and ESG Committees typically meet a minimum of four times a year; whilst the Technical Advisory Committees typically meet monthly.

The Board receives and reviews reports on Group's principal risks on a regular basis, including Political, Social, Financial, Mining and Technical risks. Control mechanisms have been put in place for the purpose of monitoring and mitigating these risks.

Hummingbird is exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. Some of the objectives and policies applied by management to mitigate these risks are identified and outlined in both the Strategic Report and note 30 to the Consolidated Financial Statements. The Audit Committee assists the Board in fulfilling its responsibilities regarding financial reporting, external and internal audit, risk management and controls and to oversee policies on whistleblowing, compliance, fraud, and anti-bribery.

Hummingbird faces mining and technical challenges, the Technical Advisory Committee assists the Board in carrying out functions and duties including reviewing ongoing technical performance of the Group, evaluating the effectiveness of the Group's policies and systems for identifying and managing operational risks.

GOVERNANCE

A balanced and well-functioning Board led by the Chairman

The Board consisted of the Non-Executive Chairman* in first half of 2022, the Interim Executive Chairman and Chief Executive Officer*, the Finance Director and four Non-Executive Directors. All Non-Executive Directors are considered to be independent, and the Board believes there to be an appropriate composition, given the size and nature of the business. All board members contribute a significant amount of their time to discharge their duties and responsibilities. The two Executive Directors are full time employees of the Group, and the Non-Executive Directors are remunerated on a fixed fee part time basis. The Board typically meets on a quarterly basis and holds additional meetings either in person or by conference calls to review and, if considered necessary, make plans to improve Group performance.

In summary, the Board is overall satisfied with the size, diversity and skills on the Board, with the search of a suitably qualified Non-Executive Chairman ongoing.

DIRECTOR	BOARD OF DIRECTORS***	AUDIT COMMITTEE	REMUNERATION COMMITTEE	TECHNICAL ADVISORY COMMITTEE
Russell King *	2/4	–	–	–
Dan Betts **	4/4	–	–	–
Thomas Hill **	4/4	–	–	–
Stephen Betts	4/4	–	–	–
David Straker-Smith	4/4	5/5	4/4	–
Attie Roux	4/4	–	–	14/14
Ernie Nutter	4/4	5/5	4/4	14/14

* Russell King retired in June 2022, and Dan Betts assumed the Chairmanship on an interim basis.

** The CEO and CFO were invited to and regularly attended TAC and Remuneration Committee Meetings. The CFO was invited to and regularly attended Audit Committee meetings. The Chairman, CEO and CFO are all routinely invited to and regularly attended meetings of the ESG Committee.

*** In addition to the four full board meetings, Independent Committee of the Board held three meetings in relation to matters arising where certain directors had conflict of interests. The Independent Committee of the Board consisted of Russell King (until June 2022), Stephen Betts, David Straker-Smith and Attie Roux.

Experience, skills and capabilities of the Board

All Directors retire at intervals in accordance with the Company's Articles of Association, and if appropriate offer themselves for election by the shareholders.

The Directors have gained their skillsets and knowledge through experience in gold exploration, development and production, as well as in wider business sectors; their skillsets and knowledge are kept up to date by the Group's advisory teams, involvement and participation in industry conferences, and through their own continuing professional development.

The Company Secretary ensures the Board is informed of its legal responsibilities, and the Company is compliant with applicable regulatory requirements and legislation. The Board also has access to advice from external bodies such as the Group's nominated advisor, auditors and lawyers.

Biographies of all Directors are included on page 94.

Since the retirement of the Non-Executive Chairman, Russell King in June 2022, the CEO, Daniel Betts has taken on a combined responsibility of Interim Executive Chairman and CEO. The Board is cognisant of the QCA Code's recommendation with respect to having in place an independent Non-Executive Chairman and has therefore been actively searching for a suitable candidate for the role of Non-Executive Chairman.

The Board meets typically on a quarterly basis, holds additional meetings either in person or by conference call as required to review company performance and consider, and if appropriate approve, future plans and strategies.

Solicitors to the Company were invited in November 2022 to provide a refreshment session on the Directors' statutory and general duties, disclosure obligations under the Market Abuse Regulation and AIM rules and provided practical legal advice. Refresher trainings on the AIM rules by the Company's Nominated Adviser occurred in Q2 2023.

Board Evaluation

The Board reviews its performance and discusses the effectiveness of the board on a quarterly basis, seeking to identify opportunities for improvement with the overriding objective of maximising long-term shareholder value.

The Group implemented a formal assessment process, which employees' performance, including the Executive Directors are assessed annually against the agreement personal objectives and targets.

Corporate Culture

A key part of the Board's function is to ensure that there are sound ethical values and behaviours upheld throughout the organisation.

The Group has four organisational principles which are set out below:

ORGANISATIONAL PRINCIPLES	BEHAVIOURS
 Hummingbird First	<ul style="list-style-type: none"> ■ Pride and value in Hummingbird ■ Company-centric thinking and working ■ Promoting our success and values, internally and externally
 Forward	<ul style="list-style-type: none"> ■ Focus on core strategic priorities and common goals ■ Delivering with urgency and agility ■ Providing solutions to drive outcomes and progress
 Care	<ul style="list-style-type: none"> ■ Thinking about others and the environment we operate in ■ Providing regular mutual support and feedback to help us be the best we can ■ Recognising and rewarding success together
 Smarter	<ul style="list-style-type: none"> ■ Clear accountability and performance expectations ■ Empowered teams, making timely, fact-based decisions ■ Utilising collaborative processes, tools and technology

The Group, wherever it operates in the world, is committed to adhering to the highest standards of ethical behaviour in the conduct of its business.

The Group has no tolerance for bribery and corruption, and this applies without any exception for cultural differences. The Group has an Anti-Bribery and Corruption Policy, which is reviewed by the Audit Committee annually and updated if appropriate. This Policy is available in French and is accessible to all employees. All employees are required to attend anti-bribery trainings, either face to face or e-learning. A dedicated whistleblowing telephone number and email address have been set up for the Yanfolilla operations, for employees to report suspected wrongdoings in confidence. The Group is in process of setting up a dedicated whistleblowing telephone number for the Kouroussa project.

Additionally, the Group is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or any part of the business and has planned to perform risk based due diligence on key suppliers.

The Company has adopted Code of Conduct, which is based on the core values, provides guidance as to how the Company and its associated companies, employees and business partners should operate. Along with the Code of Conduct, there are several group level policies supporting ethical business approach, including Whistleblowing Policy, Human Rights Policy, Environmental Policy and Supply Chain Policy.

Division of Responsibilities

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Group and the Chief Executive Officer is responsible for implementing the Group's strategy and for its operational performance. Following the retirement of the previous Chairman in June 2022, the Chief Executive Officer has taken on the combined role of Interim Executive Chairman and Chief Executive Officer. Hummingbird has been actively searching for a suitable candidate for the role of Non-Executive Chairman.

Governance Structure

The Chairman is responsible for Hummingbird's adherence to an appropriate corporate governance structure. Detailed roles and responsibilities of the Directors can be found on pages 96 and 98.

The Board is supported in its decision making by four committees. Each committee has Terms and Reference setting out its duties, authorities and reporting responsibilities.

Audit Committee

The Audit Committee oversees and reviews the Hummingbird's financial reporting and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance. The Group's external auditors are invited to attend the meetings of the Committee on a regular basis. The Audit Committee comprises David Straker-Smith (Chairman) and Ernie Nutter. Refer to the Audit Committee Report from page 84.

Remuneration Committee

The Remuneration Committee is responsible for determining the framework and policy for the remuneration of the Group's Chairman and the executive directors including pension rights and compensation payments. The Committee is also responsible for making recommendations as to the level and structure of remuneration for senior management. The Remuneration Committee comprises David Straker-Smith (Chairman) and Ernie Nutter.

Technical Advisory Committee

The Technical Advisory Committee acts as an independent body of experts for Hummingbird in order to establish formal and transparent arrangements to assist the Group in assessing and guiding technical and operational performance. The TAC comprises Attie Roux (Chairman), Ernie Nutter and Wayne Galea.

ESG Committee

The ESG Committee acts as an independent body of experts to establish formal and transparent arrangements for considering how the Board should assist Hummingbird to implement Group policies and manage risks relating to occupational and community health and safety, environmental performance and compliance, social performance, stakeholder relations and political risk. The ESG Committee comprises a Chairman who is an independent ESG specialist, Hummingbird's Head of ESG, and Senior members of the organisation invited to attend ESG Committee meetings.

Further details regarding the roles and responsibilities of these committees can be found on the Group's website.

Hummingbird has adopted, and will maintain, governance structures and processes that are fit for purpose. This governance structure may evolve over time in parallel with the development of the Group and therefore any fluctuation in its objectives, strategy and business model.

Communication with Shareholders and other relevant stakeholders

The Group seeks to engage regularly with shareholders, including through post-RNS announcements, conference calls and the AGM. The Group welcomes engagement with shareholders throughout the year either in person, by telephone or by email. A range of corporate information, including all Group announcements, historical annual reports and other governance-related material, is also available to shareholders, investors and the public on the Group's website.

This Corporate Governance Report has been approved by the Board and signed on its behalf by:

Dan Betts

Interim Executive Chairman and CEO

05 June 2023

Audit Committee Report

Dear Shareholder,

I am pleased to present you the Audit Committee Report for the financial year ended 31 December 2022.

Composition

The Audit Committee consists of two Non-Executive Directors, Ernie Nutter and myself. The Board consider that the Committee as a whole has the necessary competence relevant to the sector in which the Group operates.

The Audit Committee held 5 meetings in 2022 and both members attended.

Responsibility

Detailed duties and responsibilities of the Committee are set out in its Terms of Reference, which was approved by the Board of Directors. The primary function of the Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities with regard to financial reporting, external and internal audit, risk management and controls and to oversee various policies including whistleblowing, anti-corruption and bribery.

In the past financial year, the Committee reviewed and approved the interim and year-end financial results. The Committee met with the auditors to review and approve their audit plan, received their findings and monitored the integrity of the financial statements of the Group. During the year, the Committee also worked closely in ensuring adherence to the anti-bribery protocols as well as monitoring the maintenance of sound internal controls and risk management across the Group. The Chief Financial Officer provided regular updates to the Committee throughout the year and the Committee was satisfied with the effectiveness of internal controls and risk mitigation.

External Audit

The Audit Committee reviewed and recommended to the Board the appointment and remuneration of the Group's external auditor, and is satisfied that the current auditor, RSM UK Audit LLP maintains its objectivity and independence in carrying out audit work.

Accordingly, the Committee recommended to the Board that RSM UK Audit LLP be re-appointed for the next financial year.

Significant issues related to the financial statements

During 2022, the Committee spent time considering the significant issues of judgement relating to the financial statements, including but not limited to those listed below. In each case, the Committee's work was to ensure that issues are identified early and that accounting judgements adopted were sound.

Going concern

As set out in note 3, the annual financial statements have been prepared on a going concern basis. In making an assessment on going concern, the Group has prepared cash flow forecasts based on estimates of key variables including production, gold price, operating costs, scheduled debt repayments in line with the Group's debt arrangements and capital expenditure through to December 2024 that supports the conclusion of the Directors that there is sufficient funding available to meet the Group's anticipated cash flow requirements to this date. These cashflow forecasts are subject to a number of risks and uncertainties, in particular the ability of the Group to achieve the planned levels of production and the recent higher gold prices being sustained. The Committee reviewed and challenged the key assumptions used by management in its going concern assessment, as well as the scenarios applied and risks considered, including the risks and potential disruptions associated with the recent change in governments in Mali and Guinea and subsequent sanctions.

The biggest material uncertainty and risk remains ounces produced and whether the current mine plan can be achieved (including expected production from the Kouroussa mine which is currently being commissioned), mining contractor equipment performance, and sanctions on Russia, which are also having a logistical impact on the Group. These production levels are also key in supporting the scheduled debt repayments over the period under review. Where additional funding may be required, the Group believes it has several options available to it, including but not limited to, use of the overdraft facility, cost reduction strategies, selling of non-core assets, raising additional funds from current investors and debt partners.

The Committee also considered sensitivities to those cash flow scenarios (including where production is lower than forecast and gold prices lower than current levels) which would require additional funding. Should this situation arise, the Committee believe that they have several options available to them, as referenced above, which would allow the Group to meet its cash flow requirements through this period, however, there remains a risk that the Group may not be able to achieve these in the necessary timeframe.

Based on its review, the Committee has a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and hence the Committee considers that the application of the going concern basis for the preparation of the Financial Statements is appropriate. However, the risk of lower-than-expected production levels, timing of VAT offsets and receipts, increased fuel costs and potential disruptions to supply chain and the ability to secure any potential required funding at date of signing of these financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to achieve the required levels of production and associated cashflows, defer expenditures,

obtain additional funding or renegotiating the current financing arrangements such that the going concern basis of preparation was no longer appropriate, adjustment would be required including the reduction of balance sheet asset values to their recoverable amounts and to provide for future liabilities should they arise.

Exploration and evaluation (E&E) assets

As a result of a deficit arising between the Group's market value (capitalisation) against book value (net assets) at 31 December 2022, the Group conducted an assessment of impairment over E&E assets. As set out in note 4, in respect of E&E assets, the Group considers there to be three cost pools, being the whole of Liberia, the whole of Guinea and whole of Mali, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred.

During 2022, Pasofino continued to progress the project in Liberia and completed its earn in. This continued activity displays no indicators of impairment under IFRS 6 and hence no impairment assessment was required. However due to the market capitalisation of Pasofino, management did an assessment of the recoverability of the Liberian cash generating unit using a combination of two methods. The first was through the valuation of Pasofino as management believes most of the value of this company is driven from the earn-in agreement on the Dugbe Project, and therefore believe the value of Pasofino provides indication of the value of Dugbe. The second method continued to consider the recoverable amount of the Liberian cash generating unit ("CGU"), with reference to the 2021 Preliminary Economic Assessment ('PEA'). The net present value method further proved that no impairment loss was to be recognised for the year ended 31 December 2022.

Further exploration work was completed in the Malian licence areas in 2022, further providing evidence that there were no indicators of impairment. Management also considered the recoverable amount of the Malian CGU, with reference to the Group's latest budget

The table below summarises the key assumptions used in the carrying value assessments of the Malian CGU:

Gold price (\$ per ounce):	2022: \$1,800 2021: \$1,750	Commodity price and foreign exchange rates were estimated with reference to external market forecasts. The rates applied to the valuation had regard to observable market data.
Discount rate % (post tax):	2022: 21.86% 2021: 12.58%	In determining the value in use of the CGU, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU and company size.
Operating and capital costs:	LOM operating and capital cost assumptions are based on the Group's latest budget and life of mine plan.	

Based on the recoverable amount of the Malian CGU, no impairment loss was recognised for the year ended 31 December 2022. At around 7% lower production, the headroom is eroded and value in use is equal or less than the carrying value of the CGU. The headroom is also eroded though a combination of lower production and projected cost savings not being achieved. There is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

No impairment assessment was considered necessary with respect to the Kouroussa Gold Project in Guinea as it is still under construction.

Having considered the above, the Committee found the Group's assessment of impairment in respect of property, plant and equipment to be appropriate.

and life of mine ("LOM") plan for the Group's Yanfolilla Gold Mine in Mali, no impairment loss was recognised for the year ended 31 December 2022.

As at 31 December 2022, the Guinean E&E assets were immaterial and therefore considered to not present a material risk of material misstatement and for this reason no impairment assessment was carried out.

Having considered the above, the Committee found the Group's assessment of impairment in respect of E&E assets to be appropriate.

Property, plant and equipment

As a result of a deficit arising between the Group's market value (capitalisation) against book value (net assets) at 31 December 2022, the Group conducted an assessment of impairment over property, plant and equipment. As set out in note 4, determination as to whether, and by how much, an asset or cash generating unit ("CGU") is impaired involves management estimates on highly uncertain matters such as; gold price, discount rates used in determining the estimated discounted cash flows of CGU, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources that may be included in the determination of value in use.

The principal CGUs, to which mine property, plant and equipment relates is the Group's Yanfolilla Gold Mine in Mali (operating segment) and the Kouroussa Gold Project in Guinea which is currently under construction. In determining the recoverable amount of the Malian CGU at 31 December 2022, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. Operating and capital cost assumptions are based on the Group's latest budget and life of mine ("LOM") plan.

Other receivables

As set out in note 4, included in other receivables is an amount of CFA 4,968,387,000, approximately \$8,017,000 (2021: \$8,585,000), due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of this remaining balance. The relevant shares will not be issued until the mechanism on payment of the remaining balance has been agreed.

The Group considers the receivable to be 'credit-impaired' as part of it remains unpaid more than 1 year since the Government of Mali exercised its right. The Group has reassessed the recoverability of the balance having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivable,

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the part payment in 2020 together with movements in exchange rates. This assessment resulted in a lifetime expected credit charge of \$316,000 as at 31 December 2022. This takes the net lifetime expected credit loss for the full balance to \$1,603,000 as at 31 December 2022. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Having considered the above, the Committee found the Group's assessment of impairment (on application of IFRS 9 'Financial Instruments') in respect of the receivable due from the Government of Mali to be appropriate.

Recoverability of VAT in Mali and Guinea

VAT recoverable at end of 31 December 2022, includes VAT receivables of \$25.9 million in Mali, \$5.2 million in Guinea and \$100,000 in Isle of Man.

The time to receive VAT from the Government of Mali is unpredictable, and although the Group was able to continue to offset some VAT balances against tax in 2022 (and in 2023), the VAT balance in Mali remain high at \$25.9 million on 31 December 2022 (2021: \$11.2 million). Recoverability is expected to continue via offset of future taxes or cash. The Group was able to receive cash of \$0.6 million in January 2023. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

In Guinea, VAT receivables have increased during the year as construction activities increased. In Guinea VAT receipts are expected to be received via cash refunds. All VAT submissions are being made to the Government in line with local requirements, however, no receipts have been received yet pending the finalisation of the initial submissions review by the Government. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in Guinea Francs ("GNF").

The Committee regularly engages management and consider actions taken by management to recover these amounts and it is satisfied that all necessary efforts are being done to ensure the amounts can be recovered as they fall due.

Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites. The Group assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Following the increased construction activities in Guinea, the Group have reassessed the rehabilitation provision balance, resulting in a \$5.8 million provision being recognised as of 31 December 2022. The major disturbances up to 31 December 2022 in Guinea was mainly the process plant, camp, the tailings storage facility ("TSF") structure, roads and any other workshop and ancillary buildings. Further as of 31 December 2022, the plant was still in construction and the TSF had not been filled with any materials and

the explosives magazine not fully completed, it is therefore safe to say there was no significant wear and tear on the plant that would need specialist clean up nor were there any contamination from chemicals from the TSF and explosive magazine. For this reason, should there be need to rehabilitate the site as of 31 December 2022, it is expected the cost required to do this work will be far less than would be required for a fully operational mine.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Liberia Earn-In Agreement

Pasofino Gold Limited ("Pasofino"), continued to develop Dugbe Gold Project in Liberia ("Dugbe") in 2022 as part of the earn-in agreement with a further \$4.7 million advanced to Dugbe in 2022. Pasofino completed the Definitive Feasibility Study ("DFS") for Dugbe on 1 August 2022, and therefore satisfying the condition for their earn-in. On 20 September 2022, Pasofino then formally notified the Group of their intention to exercise their right to the 49% in Dugbe. Following this notification, a Sole Funding Period agreement was entered into whereby Pasofino will solely fund the first \$4.7 million of expenditures in Liberia following the completion of the earn-in. After this amount is exhausted, the two parties will fund the ongoing expenditures in line with their respective holdings, through an operating joint venture agreement.

The Committee has considered the proposed accounting treatment adopted by management together with the key judgements made, as reflected in note 26.

Having considered these, the Committee found the Group's estimate and assumptions therein to be appropriate.

Deferred Tax

As set out in note 22, management assessed the taxation situation of the Group. The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at an amount not less than 1% of turnover and not more than 30% of taxable profits.

Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of \$13.2 million and deferred tax liabilities of \$3.6 million were recognised at 31 December 2022 in respect of the Malian subsidiary. This resulted in a net credit to the income statement of \$5.7 million in 2022. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets.

No deferred tax assets have been recognised in respect of the remaining deferred tax assets of \$17.3 million, as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

In Guinea, following the finalisation of the 2021 local audit, a total of GNF 585 billion (US\$60.0 million) of historical costs have been transferred to Kouroussa Gold Mine SA, from the now dissolved Cassidy Gold Guinea SA ("CGG"). The Group is currently finalising the tax implications of this transfer with its tax advisors, in respect of whether the full balance together with any losses will be available for future tax offset. Initial discussions and tax advice confirm that it should be possible, but not certain, that Kouroussa Gold Mine SA will benefit from the full amount transferred. Further, given that Kouroussa Gold Mine SA is still under construction, any amounts being spent in Guinea are currently regarded as capital work in progress ("WIP"), until such a time commercial production is reached at which point costs will then be transferred to the fixed asset register and depreciation commence.

It is at this point also, that the research fees transferred from CGG

will also commence amortisation and hence will then have taxable temporary differences. On 31 December 2022, the accounting base and tax base of the capital WIP balances as well as the amounts transferred from CGG is the same resulting in nil impact on deferred tax.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Fair value of the Cassidy Smelter Royalty

The Cassidy Smelter Royalty was reassessed to \$8.2 million as at 31 December 2022 (2021: \$9.1 million), using the latest discount rates and mine plans. This represents a 2% smelter royalty retained by the vendors on all gold sales from the project over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

Significant judgement and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, estimating the discounts rates used in determining the net present values of amounts used as well as estimating the future production profiles. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors including timing of reserves growth, as well as commodity prices. Some of the key assumptions used in the model include average gold production volumes of approximately 100,000 ounces per annum over 7 years. As part the model, production was assumed to start in Q2 2023 and the royalty currently estimated to be payable from 2025, with a pre-tax discount rate of 21.86% (2021:15.03%). The model is also subject to gold price changes.

Judgement was also applied in respect of the treatment of the movement in the liability. The movement on the balance has been recorded with the income statement in line with the applicable International Accounting Standards.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Cassidy Deferred Consideration

The deferred consideration payable to the vendors of Cassidy was reassessed to \$4.2 million as at 31 December 2022 (2021: \$4.6 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income. This was then offset by the \$0.6 million relating to amounts that were paid by the Group on behalf of Cassidy, resulting in a net deferred consideration balance of \$3.6 million as at 31 December 2022.

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration in respect of 200,000 excess ounces became payable to Cassidy, and shares were issued on 7 February 2023 to satisfy this liability.

The deferred consideration due of £2.0 million (\$4.2 million) was reduced by £532,032 (US\$642,000) due to the settlement of

liabilities by the Group on behalf of Cassidy, and therefore resulted in the issue of 22,688,844 new Ordinary Shares to the underlying shareholders of Cassidy (the "Cassidy Deferred Consideration Shares"), when a volume weighted average price ("VWAP") of 6.47 pence is applied (being the 5-business day trailing VWAP to 31 December 2022).

The deferred consideration is payable of £10 for every ounce of gold reserve published (or processed if not included in a reserve) more than 400,000 ounces (subject to a maximum of 1,000,000 ounces). In short, any growth in reserves up to a maximum of 1,000,000 results in additional purchase price.

Judgements and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, exchange rates, estimating the expected future reserve growth both quantum and timing, estimating the discounts rates used in determining the net present values of amounts used. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors in particular timing of reserves growth.

The final reserve growth was estimated to be in 2027, and a pre-tax discount rate of 21.86% (2021:15.03%) was used in the calculations. The movement on the balance has been recorded with the income statement in line with the applicable International Accounting Standards.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Litigations and disputes

The Committee also considered all the current litigations and disputes as well as management's assessment of any provisions required to settle those.

Looking forward

In the coming financial year, in addition to ongoing duties, the Committee will review the cost and benefit of changes to the internal control and internal audit capability and will make recommendations to the Board accordingly.

Approval

This Audit Committee Report has been approved by the Committee and signed on its behalf by:

David Straker-Smith

Chair of the Audit Committee

05 June 2023

Remuneration Committee Report

This report is for the year ended 31 December 2022. It sets out the remuneration policy and the detailed remuneration for the Executive and Non-Executive Directors of the Group. As an AIM-quoted Company, the information is disclosed to fulfil the requirements of AIM Rule 19.

Hummingbird Resources plc is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The information is unaudited except where stated.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the 2022 financial year. This letter introduces the report, outlines the major decisions on Directors' remuneration during the year and explains the context in which these decisions have been taken. Later in this report we set out information on our remuneration policy and information on remuneration during the year.

As in previous year's the Group reviewed the appropriate balance of short-term incentives and long-term share-based incentives and retention structures for Directors and key employees taking into consideration the Group's stage of maturity and future ambitions.

The Group continues to adopt a standard approach to senior team incentives comprising an annual cash bonus plan and long-term share awards. This approach is summarised below with greater detail set out later in this report.

Aims of the Remuneration Committee

Our overall aim is to determine the framework and policy for the remuneration of the Group's employees including the executive directors. We aim to align remuneration with delivery of long-term value for our shareholders and stakeholders.

The terms of reference of the Remuneration Committee are set out below:

- Determine and agree with the Board the Company's overall remuneration principles and policy for the chairman and the executive directors as well as considering policies for the rest of the employees below the board and executive team.
- Approve the principles, objectives and headline targets for any performance-related bonus or incentive schemes.
- Prepare an annual remuneration report to shareholders to show how the policy has been implemented.
- Review and approve any termination payment for executive directors such that these are appropriate for both the individual and the Company.

The Company aims to offer competitive salary packages that attract, retain, and motivate highly skilled individuals and align remuneration packages with performance related metrics.

The Remuneration Committee consists of myself as the Chairman and Ernie Nutter. The Committee met formally 4 times in 2022 and all committee members attended the meetings. Additionally, the Committee met a number of times informally to provide oversight, support and guidance as required. The Chief Executive Officer and Chief Financial Officer are invited to attend meetings of the Committee. None of the Committee members have any personal financial interest, conflicts of interests arising from cross directorships, or day-to-day involvement in running the business.

2022 Incentive Scheme

For 2022, the Company operated the 2022 incentive scheme for its Executive Directors and other senior managers in line with the incentives provided in previous years. Under this scheme, Executive Directors could receive awards up to 250% of their base salaries' payable half as cash and half as equity based on a long-term incentive plan (structured as restricted stock units, RSUs vesting in 3 years subject to performance criteria), with any cash bonus being paid 50% in the first quarter of 2023, 25% in December 2023 and 25% in December 2024.

Corporate targets covered the key performance areas of production, AISC, cash flow, Kouroussa project delivery, safety, and ESG commitments, in addition to individual personal performance measures.

The Group encountered many challenges during the year including poor performance from the mining contractor impacting production in Mali. These challenges meant that the Group did not meet either its production or AISC targets for 2022.

The Group considered that it was appropriate to recognise the key achievements in 2022 (such as adherence to safety standards and ESG performance), however these positives were tempered by the fact that the Group did not meet several of its other corporate targets. Therefore, the Committee considered it was appropriate that the 2022 cash bonuses awarded should be reduced.

In recognition of the achievements within the year, 36% of the potential maximum for the CEO and the CFO was awarded. Amounts awarded will be dependent on continued employment with the Group, and malus provisions.

2023 Incentives Scheme

The structure of the incentive arrangements for 2023 will remain consistent with 2022, with the objective of providing an industry standard incentive structure with an appropriate balance of short-term and long-term incentive and retention structures considering the Group's potential development paths. For 2023, we have again extended the scheme further to more levels within the organisation, at the corporate level and more widely across operational sites, to support our performance and talent management strategies.

Corporate targets covered the key performance areas of production, AISC, cash flow, Kouroussa Project delivery, safety, and ESG commitments, in addition to individual personal performance measures. These have not been assessed yet and will be assessed when complete. There is a possibility for a further bonus.

The Company scheme remains a discretionary short-term cash-based scheme based on both corporate and personal targets (with awards being paid out over 2 years subject to continued employment and malus provisions), together with an equity based Long Term Incentive.

The maximum amounts payable under the new arrangements have not increased from the maximum incentive payment under the previous year's scheme.

Details of how the annual discretionary short-term cash-based scheme and the Long-Term Incentive Plan will operate in 2023 are set out later in this report.

Non-executive Director remuneration

In recognition of the experience and the ongoing level of commitment of the Non-executive Directors, each Non-executive Director receives an annual deferred share award with a value of £25,000, vesting one year from the award date, subject to remaining in office. These awards must be retained and cannot normally be sold until the individual ceases to hold office. The Group has determined that these immaterial awards does not impact on each non-executive director's independence in performing their duties.

David Straker-Smith

Chair of the Remuneration Committee

05 June 2023

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Remuneration policy

Basic salary and benefits for Executive Directors are reviewed on an annual basis and any changes made to the structure of these are based on a combination of individual performance and market conditions. Bonus awards are assessed on overall business and individual performance. Executive Directors and senior management remuneration packages are heavily linked to performance criteria to incentivise daily conduct in alignment with the best interests of our shareholders.

Executive Directors are entitled to a pension allowance at 10% of base salary, medical and life insurance.

Annual and long-term share-based incentives are described elsewhere in this report.

Malus

Both annual bonus and long-term incentive awards are subject to malus provisions as detailed elsewhere in this document.

Executive Directors' service contracts and payments for loss of office

The CEO and CFO have rolling service contracts dated 1 June 2014 and 2 August 2010, with notice periods of 12 months and 3 months, respectively. Our approach to remuneration in each of the circumstances in which an Executive Director may leave is determined by the Remuneration Committee in accordance with the terms of the service contracts and any other relevant agreements including incentive schemes.

Non-Executive Directors' letters of appointment

The Non-Executive Directors do not have service contracts but instead have letters of appointment which set out their responsibilities and are subject to a 1-month notice period.

Annual report on remuneration in year

This section sets out details of remuneration in 2022.

2022 Summary of Directors' Total Remuneration

	31 DECEMBER 2022				31 DECEMBER 2021			
	BASE SALARY \$'000	OTHER BENEFITS/ COMMITTEE FEES ² \$'000	DEFERRED BONUS PAID ¹ \$'000	TOTAL \$'000	BASE SALARY \$'000	OTHER BENEFITS/ COMMITTEE FEES ² \$'000	DEFERRED CONSTRUCTION BONUS PAID ¹ \$'000	TOTAL \$'000
DE Betts	475	21	74	570	525	24	272	821
TR Hill	304	28	51	383	335	24	175	534
RJ King	47	6	–	53	98	13	–	111
SA Betts	62	12	–	74	69	12	–	81
RD Straker-Smith	81	12	–	93	88	12	–	100
GE Nutter	75	42	–	117	81	45	–	126
AA Roux	62	44	–	106	69	49	–	118
	1,106	165	125	1,396	1,265	179	447	1,891

In addition to the amounts above, the Directors are accruing potential benefits under incentive schemes as set out in note 28.

1. Represents the vested cash portion of the various performance plans, the plans set up to incentivise management. Further details on the performance plans and related vesting conditions are disclosed in note 28.
2. Other benefits and committee fees include pension allowances, medical and life insurances for DE Betts and TR Hill, additional benefits for attending board meetings and approximately £30,000 annual fee for GE Nutter and AA Roux for membership of the Technical Advisory Committee.

Salary and fees

The salaries of the CEO and CFO in the year were £350,000 and £225,000, respectively.

The Chairman's annual fee was £71,000, the annual base fee of the non-executive directors' is £50,000 with additional £5,000 for audit and remuneration committee membership and £2,500 for chairing committees. Members of the Technical Advisory Committee receive an additional committee fee of approximately \$30,000 per annum.

Incentive Plans ("IP") – 2022 IP

The Group operated the 2022 Incentive Plan ("2022 IP"), which comprised of a Short-term Incentive ("STI") and a Long-Term Incentive ("LTI"). The STI is a completely discretionary cash bonus paid out over 2 years based on achieving both Corporate and Personal Performance targets, as well as demonstrating behaviours aligned with the Group's principles. The LTI is a share scheme based on total shareholder return, is intended to better align shareholders with participants to create shareholder value over the medium to long term.

According to the 2022 Incentive Plan, 50% of the STI would have been paid out in Q1 2023, 25% in December 2023 and 25% in December 2024, and that share options granted under the LTI are expected to vest on 4 February 2025 in equal thirds as follows:

- a) Retention Tranche: 1/3 of the RSUs will be based on continuous employment, malus provisions and the employee meeting personal and Group targets.
- b) Relative Total Shareholder Return ("TSR"): 2/3 of the RSUs will be based on Relative TSR against the S&P Commodity Producers Gold Index, with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

Due to operational challenges the Group did not meet demanding AISC or production targets in 2022, although other corporate and personal targets were met. The Remuneration Committee taking account of the importance of recognising the achievements of the company and individual performance, motivating employees, as well as the impact of the 2022 operational performance on the business, approved STI cash awards of approximately £1,300,000, with the payment terms.

Directors' interests in shares

The Directors beneficial interests in the ordinary shares of the Company were as follows:

	APPOINTMENT DATE	RESIGNATION DATE	NUMBER OF SHARES AT 31 DECEMBER 2022	NUMBER OF SHARES AT 31 DECEMBER 2021
DE Betts ^{1 & 2}	30 October 2005		5,734,149	5,049,149
TR Hill	17 July 2012		408,235	208,235
SA Betts ^{1 & 3 & 4}	28 April 2006		2,998,601	1,498,601
RJ King	17 November 2014	29 June 2022	–	303,955
RD Straker-Smith ⁴	24 May 2017		–	–
AA Roux ⁴	30 April 2018		–	–
GE Nutter ⁴	30 April 2018		–	–

1. The 315,101 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by Stephen Betts & Sons Limited (Self-Administered) Pension Scheme are included in both SA Betts and DE Betts.
2. DE Betts's interest consists of 5,239,048 shares held by DE Betts, 315,101 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by the Stephen Betts & Sons Limited (Self-Administered) Pension Scheme.
3. SA Betts's interests consist of 1,703,500 shares held by SA Betts, 800,000 shares held by Caroline Betts, 315,101 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by the Stephen Betts & Sons Limited (Self-Administered) Pension Scheme.
4. The shares for the annual directors deferred awards had not been issued as of 31 December 2022.

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Directors' interests in share options

The Directors' interests in the share options and RSUs of the Company at 31 December 2022 were as follows:

	PLAN TYPE/YEAR	RSUS AT 1 JAN 2022	GRANTED	EXERCISED	LAPSED	RSUS AT 31 DEC 2022	EXERCISE PRICE	DATE OF GRANT	FIRST DATE OF EXERCISE	FINAL DATE OF EXERCISE
DE Betts	2013	217,000	-	-	-	217,000	£0.22	05/12/2013	01/06/2014	01/06/2024
DE Betts	2013	217,000	-	-	-	217,000	£0.22	05/12/2013	01/06/2015	01/06/2025
DE Betts	2013	150,000	-	-	-	150,000	£0.22	05/12/2013	10/04/2020	10/04/2029
DE Betts	HIPPO 2016	426,136	-	-	-	426,136	£0.01	30/09/2016	19/12/2017	
DE Betts	HIPPO 2016	426,136	-	-	-	426,136	£0.01	30/09/2016	30/06/2019	
DE Betts	HIPPO 2016	426,136	-	-	-	426,136	£0.01	30/09/2016	19/12/2019	
DE Betts	HIPPO 2016	426,137	-	-	-	426,137	£0.01	30/09/2016	19/12/2020	
DE Betts	HIPPO 2018	227,865	-	-	-	227,865	£0.01	30/04/2019	27/02/2020	27/02/2025
DE Betts	HIPPO 2018	113,932	-	-	-	113,932	£0.01	30/04/2019	31/12/2020	31/12/2025
DE Betts	HIPPO 2018	113,932	-	-	-	113,932	£0.01	30/04/2019	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	546,875	-	-	-	546,875	£0.01	27/02/2020	31/03/2021	27/02/2026
DE Betts	HIPPO 2020	273,437	-	-	-	273,437	£0.01	27/02/2020	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	273,437	-	-	-	273,437	£0.01	27/02/2020	31/12/2022	31/12/2027
DE Betts	LTIP 2021	1,597,494	-	-	-	1,597,494	£0.01	27/01/2021	28/02/2024	
DE Betts	LTIP 2022	-	3,079,455	-	-	3,079,455	£0.01	04/02/2022	03/02/2025	
TR Hill	2013	100,500	-	-	-	100,500	£0.22	05/12/2013	01/06/2014	01/06/2024
TR Hill	2013	100,500	-	-	-	100,500	£0.22	05/12/2013	01/06/2015	01/06/2025
TR Hill	2013	100,000	-	-	-	100,000	£0.22	05/12/2013	10/04/2020	10/04/2029
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	19/12/2017	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	19/12/2019	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	19/12/2018	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	27/02/2020	
TR Hill	HIPPO 2018	146,615	-	-	-	146,615	£0.01	30/04/2019	27/02/2020	27/02/2025
TR Hill	HIPPO 2018	73,307	-	-	-	73,307	£0.01	30/04/2019	31/12/2020	31/12/2025
TR Hill	HIPPO 2018	73,307	-	-	-	73,307	£0.01	30/04/2019	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	351,875	-	-	-	351,875	£0.01	27/02/2020	31/03/2021	27/02/2026
TR Hill	HIPPO 2020	175,937	-	-	-	175,937	£0.01	27/02/2020	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	175,937	-	-	-	175,937	£0.01	27/02/2020	31/12/2022	31/12/2027
TR Hill	LTIP 2021	1,026,960	-	-	-	1,026,960	£0.01	27/01/2021	28/02/2024	
TR Hill	LTIP 2022	-	1,979,649	-	-	1,979,649	£0.01	04/02/2022	03/02/2025	
R King	DD Plan 2021	116,063	-	(116,063)	-	-	£0.01	27/01/2021	28/02/2022	
SA Betts	DD Plan 2021	116,063	-	-	-	116,063	£0.01	27/01/2021	28/02/2022	
D Straker-Smith	DD Plan 2021	116,063	-	-	-	116,063	£0.01	27/01/2021	28/02/2022	
E Nutter	DD Plan 2021	116,063	-	-	-	116,063	£0.01	27/01/2021	28/02/2022	
A Roux	DD Plan 2021	116,063	-	-	-	116,063	£0.01	27/01/2021	28/02/2022	
R King	DD Plan 2022	-	214,495	-	(214,495)	-	£0.01	04/02/2022	03/02/2023	
SA Betts	DD Plan 2022	-	214,495	-	-	214,495	£0.01	04/02/2022	03/02/2023	
D Straker-Smith	DD Plan 2022	-	214,495	-	-	214,495	£0.01	04/02/2022	03/02/2023	
E Nutter	DD Plan 2022	-	214,495	-	-	214,495	£0.01	04/02/2022	03/02/2023	
A Roux	DD Plan 2022	-	214,495	-	-	214,495	£0.01	04/02/2022	03/02/2023	
Total		9,704,406	6,131,579	(116,063)	(214,495)	15,505,427				

2023 LOOKING AHEAD

Salaries

Following a review, the Remuneration Committee approved an increase of the CEO and CFO salaries to £388,000 and £250,000 respectively with effect from 1 February 2023.

Annual bonus

Under the policy, Executive Directors participate in the annual discretionary bonus plan with a maximum potential opportunity of 125% of salary payable in cash 50% in Q1 2024, 25% in December 2024 and 25% in December 2025 (subject to continuous employment and malus provision). Half of the bonus will be based on Group performance including production, AISC / Free Cash flow, Strategic growth, Kouroussa project, ESG / Safety. Half of the bonus will be based on personal targets.

The scheme is completely discretionary. Malus conditions apply to the annual bonus in certain circumstances including in the event of acts or omissions which justify summary dismissal or represents gross misconduct, material failures of risk management, conduct resulting in significant losses, failure to meet appropriate standards of fairness and propriety, or misstatement of financial information (whether or not audited).

Long term incentive awards

Awards will be made under the Long-Term Incentive Plan ("LTIP") approved by the board.

The 2023 annual awards have been made in line with the LTIP rules, with the Remuneration Committee continuing to use a relative TSR performance criterion over the S&P Commodity Producer Gold Index (as detailed below) in order to reduce the impact of the gold price in favour of relative outperformance.

Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs are expected to vest on 7 February 2026 in two tranches as follows:

- a) Retention Tranche: 1/3 of the RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Group targets.
- b) Relative Total Shareholder Return ("TSR"): 2/3 of the RSUs will be based on Relative TSR against the S&P Commodity Producers Gold Index, with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

The RSUs under the 2023 LTIP consist of options granted over ordinary shares in the Company of £0.01 each ("Shares"), which have an exercise price of £0.01 per Share. Once vested, any RSUs may be exercised by the holder during a set exercise period determined by the Company and notified to the option holders. This is intended to be a minimum of a one-week period per year when the Company is in an "open period" under MAR. Unvested RSUs will normally lapse on cessation of employment for any reason. The RSU holders will normally retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the RSUs shall lapse.

Total awards granted to the CEO and CFO, are 5,359,215 and 3,451,767 respectively.

Founders Equity Alignment Plan ("FEAP")

Additionally, in accordance with the terms of the FEAP, the initial Management Incentive Pool vested on 1 February 2023 with no value accruing to participants, and a new Management Incentive Pool with a life of up to ten years has been created on a consistent basis including a two-year vesting period. No value will accrue to the FEAP if the growth in shareholder value is less than 50% from 1 February 2023.

Non-executive director remuneration

In the same way as 2022, in recognition of the experience and the ongoing level of commitment of the Non-executive Directors, each Non-executive Director will receive an annual deferred share award with a value of £25,000, vesting one year from the award date, subject to remaining in office. We believe offering a small number of deferred shares to Non-executive Directors is an effective way to align their interests with long-term interests of the Company's other shareholders, promote better governance while not hindering Non-executive Director independence. These awards must be retained and cannot normally be sold until the individual ceases to hold office.

For 2023 each non-executive director received an award of 368,189 deferred share awards.

Board of Directors



DANIEL EDWARD BETTS

Interim Executive Chairman (from 1 July 2022) and Chief Executive Officer

Daniel founded Hummingbird in November 2005 and has run the Company since its inception. After graduating from Nottingham University, he worked for Accenture Management Consultants until he joined the Betts family business in 2000. Founded in 1760, the family business is the oldest privately-owned gold bullion smelters and refiners in the country, and it has a long history of trading across the world and dealing in all areas of the precious metal industry. Since founding Hummingbird, Dan has successfully taken the Company from a grassroots exploration business to a listed, producing mining firm.

Dan took over as the Interim Chairman of the Board from 1 July 2022 until a suitable Non-Executive Chairman is appointed.



THOMAS HILL

Finance Director

Thomas joined the Company as Chief Financial Officer in September 2010 and was appointed as Finance Director in July 2012. Prior to this Thomas was a senior manager within BDO LLP's natural resources department, where he worked extensively with quoted mining and exploration companies and was involved with numerous flotations and other corporate transactions. He has a metallurgy, economics and management degree from Trinity College, Oxford and qualified as a chartered accountant with BDO LLP in 2001.



STEPHEN ALEXANDER BETTS

Non-Executive Director

Stephen co-founded Hummingbird Resources in November 2005. He has over 40 years' experience in trading with gold and related businesses in developing countries, having established several businesses in West Africa during his career. He is the Chairman of the Stephen Betts group of companies. The family business has over 250 years' history in smelting, refining and bullion dealing.



DAVID STRAKER-SMITH

Non-Executive Director

David Straker-Smith is a Director of CrossBorder Capital Ltd, which he joined in April 1999. CrossBorder Capital is a London-based investment research and advisory firm regulated by the FCA. Previously, he worked at ING Barings Securities Ltd from 1996 to 1999, where he was Head of Equity Sales for Eastern Europe, and at Gerrard & National Holdings plc from 1980 until 1995, a firm which operated as a discount house, futures broker, money broker, stockbroker and fund manager. During his time at Gerrard & National Holdings plc, he became a main Board Director and active Fund Manager. He is a Director of New Vision Management Limited, a Dublin regulated management company, and a Director of Nomad Energy UK Limited. David serves as Chairman of the Audit and Remuneration Committees.



ATTIE ROUX

Non-Executive Director

Adriaan (Attie) Roux is a Metallurgical Engineer with over 40 years' Operational, Technical and Executive Management experience in the Mining Industry. Attie was previously the COO of Endeavour Mining where he was instrumental in its development and growth. He has been internal director in a number of companies such as AngloGold Ashanti and Endeavour. He is a Registered Professional with the SA Council for Natural Scientific Professions. Attie also serves as Chairman of the Technical Advisory Committee.



ERNIE NUTTER

Non-Executive Director

Ernie is a highly regarded mining analyst, formerly with one of the world's largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada where he was Managing Director of RBC Capital Markets, Director of RBC's Global Mining Research team and former Chairman of RBC Dominion Securities' (now RBC Capital Markets) Strategic Planning Committee. Ernie holds a Bachelor of Science degree in Geology from Dalhousie University and sits on the Audit, Remuneration and Technical Advisory Committees.

Group Directors' Report

Group Directors' Report

The Directors present their report on the affairs of the Group, together with the financial statements and Auditor's Report for the year ended 31 December 2022.

Principal Activities

The Group's principal activity is the exploration, evaluation and development of mineral projects, principally gold, focused in West Africa.

The subsidiary and associated undertakings principally affecting the profit or net assets of the Group in the year are listed in note 17 to the financial statements.

Corporate Governance

The Group has adopted to the Quoted Companies Alliance ("QCA") Code as set out in the United Kingdom. Further details are set out on pages 81 to 83 and the Group's website.

Board

The Board currently comprises six members, two of whom are executive. The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings, and all Directors have access to the advice and service of the Company Secretary. The Articles of Association provide that Directors will be subject to re-election at the first opportunity after their appointment and they will voluntarily submit to re-election at intervals of three years.

The Directors who served during the year and to the date of the report are as follows:

Non-Executive

- Russell King (Non-Executive Chairman until 29 June 2022)
- Ernie Nutter
- Attie Roux
- David Straker-Smith
- Stephen Betts

Executive

- Daniel Betts (Interim Executive Chairman from 1 July 2022)
- Thomas Hill

Section 172 Statement

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

Details of the Board's decisions in 2022 (and subsequently) to promote long-term success, how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Strategic, Sustainability, Directors' and Corporate Governance Reports.

Audit Committee

The audit committee comprises David Straker-Smith (Chairman) and Ernie Nutter. The audit committee is responsible for reviewing a wide range of financial matters including the annual and interim reports, the Group's internal control and risk management system. The audit committee's responsibilities include meeting with the Group's auditor and agreeing the scope of their audit.

Post reporting date events

Events after the reporting date have been disclosed in note 33 to the financial statements.

Strategic Report

The Strategic Report is shown on pages 73 to 77.

Results and Dividends

The results of the Group for the year ended 31 December 2022 are set out in the Consolidated Statement of Comprehensive Income. The Directors do not recommend payment of a dividend for the year (2021: \$Nil).

Directors' Indemnities

The Company has obtained third party indemnity provisions for the benefit of its Directors and Officers.

Supplier Payment Policy

It is the Group's policy to make payments, where possible, to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. Trade payables of the Group at 31 December 2022 were equivalent to 46 (2021: 46) days' purchases, based on the average daily amount invoiced by suppliers during the year. Trade payables of the Company at 31 December 2022 were equivalent to 30 (2021: 24) days' purchases, based on the average daily amount invoiced by suppliers during the year.

Engaging with Stakeholders

The Group has identified several key stakeholder groups based on their influence and level of importance to our business.

The Group's process on engaging with our key stakeholders is detailed throughout the Sustainability Report from pages 30 to 65.

Employment of Disabled Persons

The Company is committed to promote equal opportunities, throughout the recruitment and selection process, training and promotion and condition of services. All job applicants and employees receive equal treatment regardless of their diverse ability or disability.

People are encouraged to inform the Company if they are disabled or become disabled, so that the Company could discuss reasonable adjustment which could help overcome or minimise the difficulty and offer appropriate support to accommodate their needs.

Employee Engagements

Employees are critical to the success of the Group, and therefore it is important to engage with employees in a variety of ways and understanding their concerns and experience.

For example at the Group level, there are regular meetings where employees can raise their concerns and highlight challenges. At the site level, SHEC (department of Safety, Health, Environment and Community) and HR teams have regular meetings with employee representatives including trade unions, through which employees can raise their concerns or provide their feedback on employment conditions or possible improvement that the Group could consider.

The Group operates incentive schemes that seek to align employees with shareholders and the Group's culture. Detailed incentive schemes can be found in the Remuneration Report.

Details of how the directors have regard for employee interests and effect of that regard can be found throughout the Sustainability Report from page 30 and the S172 statement from page 78 within this annual report.

Culture and values

The Company consistently communicates its designed behaviours, core values and culture in its operational decisions and dealings with its key stakeholders. Full details can be found throughout the Sustainability Report within this annual report.

The Board assesses this through its interactions with employees and from the Managing Director, People's regular updates and feedback to the board.

GOVERNANCE

Charitable and Political Donations

During the year the Group and Company made no charitable donations (2021: \$Nil).

The Group and Company did not make any payments to political parties during the year (2021: \$Nil).

Financial Risk Management

The Group is exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. Some of the objectives and policies applied by management to mitigate these risks are outlined in both the Strategic Review and note 30 to the Consolidated Financial Statements.

Energy Consumption and Greenhouse Gas Emissions

Details of the Group's energy efficiency measures are reported in the Sustainability Report section of this annual report. For the UK, the Company's annual energy consumption is less than 40,000 kWh and is therefore exempt from reporting its UK greenhouse gas emission under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Future Developments

Details of future developments are set out in the CEO's Statement and Chairman's Statement.

Statement as to disclosure of information to the Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of sections 418 of the Companies Act 2006.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

The Group Directors' Report has been approved by the Board and signed on its behalf by:

DE Betts

Director

05 June 2023

Registered Office:

49-63 Spencer Street, Hockley, Birmingham, B18 6DE

Company registered in England and Wales 05467327

Statement of Directors' Responsibility

The directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the directors are required to:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and accounting estimates that are reasonable and prudent;
- c state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Hummingbird Resources PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMMINGBIRD RESOURCES PLC

OPINION

We have audited the financial statements of Hummingbird Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cashflows, the consolidated statement of changes in equity, the company statement of financial position, the company statement of cashflows, the company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Summary of our audit approach

Key audit matters	<p>Group</p> <ul style="list-style-type: none"> ■ Accounting treatment of Liberia earn-in agreement <p>Parent Company</p> <ul style="list-style-type: none"> ■ None
Materiality	<p>Group</p> <ul style="list-style-type: none"> ■ Overall materiality: \$2,280,000 (2021: \$608,000) ■ Performance materiality: \$1,710,000 (2021: \$456,000) <p>Parent Company</p> <ul style="list-style-type: none"> ■ Overall materiality: \$1,200,000 (2021: \$374,000) ■ Performance materiality: \$900,000 (2021: \$280,000)
Scope	Our audit procedures covered 100% of revenue, 99.5% of total assets and 92% of loss before tax.

Key audit matters

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

In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting treatment of Liberia earn-in agreement

Key audit matter description	<p>As disclosed in note 26, the accounting treatment of the Liberia earn-in agreement includes recognition of assets and equity and liabilities of £42.9m as at 31 December 2022.</p> <p>The Group entered into an earn-in agreement with Pasofino Gold Limited (“Pasofino”) in respect of the Gold Project in Liberia (“Dugbe”). The earn-in entitled Pasofino to earn up to a 49% interest in Dugbe.</p> <p>The accounting for the transaction is complex due to the different equity and liability components of consideration in exchange for the services provided by Pasofino. Calculation and treatment of the consideration involves a high degree of management judgement.</p> <p>As a result of the complexity of the transaction, and the high level of judgement applied by management, we determined this to be a key audit matter.</p>
How the matter was addressed in the audit	<p>Management provided us with their assessment of the agreement and circumstances around the transaction that has taken place. We performed audit work on this model by:</p> <ul style="list-style-type: none"> ■ Assessing whether the earn-in criteria has been satisfied and obtaining confirmation that the earn-in option has been executed. ■ Assessing control of Hummingbird Liberia Inc (“HBL”) to determine if consolidation of HBL as a subsidiary at the end of the accounting period by Hummingbird Resources plc is appropriate. ■ Reviewing the earn-in journals posted for technical accuracy with regards to the terms of the earn-in agreement and International Accounting Standards. ■ Reviewing the accuracy and completeness of disclosures in the financial statements.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	GROUP	PARENT COMPANY
Overall materiality	\$2,280,000 (2021: \$608,000)	\$1,200,000 (2021: \$374,000)
Basis for determining overall materiality	5% of result before tax	0.9% of net assets
Rationale for benchmark applied	As a listed entity, result before tax is considered the most appropriate benchmark for users of the financial statements.	The parent is a holding company for the group with the key balances being the investment in group companies and the intercompany receivables.
Performance materiality	\$1,710,000 (2021: \$456,000)	\$900,000 (2021: \$280,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of \$114,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of \$60,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

FINANCIAL STATEMENTS

An overview of the scope of our audit

The group consists of 26 components. The majority of the group's operations reside in 4 components, located in the following countries:

- Mali – contains the Group's mining operations and some Exploration and Evaluation assets;
- Liberia – contains the majority of the Group's Exploration and Evaluation assets including the Dugbe project;
- Guinea – contains the assets and liabilities of the Kouroussa Gold Project, which are now in the construction phase; and
- United Kingdom – contains the head office operations.

The coverage achieved by our audit procedures was:

	NUMBER OF COMPONENTS	REVENUE	TOTAL ASSETS	LOSS BEFORE TAX
Full scope audit	4	100%	98.1%	92%
Specific audit procedures	1	–	1.4%	–
Total	5	100%	99.5%	92%

Analytical procedures at group level were performed for the remaining 21 components.

Of the above, a full scope audit for one component was undertaken by a component auditor.

For one component, specific audit procedures were undertaken in respect of exploration and evaluation assets, due to their significance to the total assets of the group.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that should the production of the mining operations be below forecast levels, the group would require additional funding and this is currently not in place. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the group's cashflow forecasts, including challenge of the forward-looking assumptions used by management in their assessment;
- Performing sensitivity analysis on the forecasts, using reasonably possible changes to the assumptions;
- Consideration of the timing of forecast repayments of borrowing and interest.
- Discussion with, and challenge of, management on the funding options available to the group; and
- Reviewing the accuracy and completeness of disclosures in the financial statements.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 99, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditor:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to the component auditor. Any instances of non-compliance with laws and regulations identified and communicated by the component auditor were considered in our audit approach.

FINANCIAL STATEMENTS

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditor included:
UK-adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Mining laws	Obtaining an understanding of the control environment in monitoring compliance with laws and regulations in the countries in which the group operates, primarily Mali; Reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations.
Tax compliance regulations	Inspection of advice received from internal and external tax advisors.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PAUL WATTS (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

Date: 05 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	NOTES	2022 \$'000	2021 RESTATED \$'000
Revenue		150,519	162,777
Production costs		(126,527)	(113,606)
Amortisation and depreciation		(37,357)	(38,317)
Royalties and taxes		(5,620)	(6,297)
Cost of sales		(169,504)	(158,220)
Gross (loss)/profit		(18,985)	4,557
Share based payments	28	(1,941)	(1,459)
Other administrative expenses	6	(11,791)	(10,263)
Operating loss		(32,717)	(7,165)
Finance income	10	3,641	4,071
Finance expense	10	(14,156)	(8,190)
Share of joint venture profit/(loss)	14	4	(46)
(Impairment)/reversals in impairment of financial assets	18	(316)	108
Losses on financial assets and liabilities measured at fair value	11	(715)	(3,134)
Loss before tax		(44,259)	(14,356)
Tax	12	4,269	1,617
Loss for the year		(39,990)	(12,739)
Attributable to:			
Equity holders of the parent		(34,279)	(12,656)
Non-controlling interests		(5,711)	(83)
Loss for the year		(39,990)	(12,739)
Loss per share <i>(attributable to equity holders of the parent)</i>			
Basic (\$ cents)	13	(8.71)	(3.22)
Diluted (\$ cents)	13	(8.71)	(3.22)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	NOTES	2022 \$'000	31 DECEMBER 2021 RESTATED \$'000	1 JANUARY 2021 RESTATED \$'000
Assets				
Non-current assets				
Intangible exploration and evaluation assets	15	129,652	91,287	75,574
Intangible assets software	15	143	235	204
Property, plant and equipment	16	204,393	144,591	150,247
Right of use assets	21	25,488	35,986	13,797
Investments in associates and joint ventures	14	133	129	175
Financial assets at fair value through profit or loss	14	1,532	3,530	7,721
Deferred tax assets	22	9,571	3,868	684
		370,912	279,626	248,402
Current assets				
Inventory	18	15,748	13,148	20,352
Trade and other receivables	18	51,852	25,152	12,724
Unrestricted cash and cash equivalents	18	–	32,571	6,552
Restricted cash and cash equivalents	18	3,892	4,168	4,516
		71,492	75,039	44,144
Total assets		442,404	354,665	292,546
Liabilities				
Non-current liabilities				
Borrowings	19	71,840	61,812	–
Lease liabilities	21	15,845	27,556	3,252
Deferred consideration	25	1,801	4,627	5,402
Other financial liabilities	24	26,795	9,092	6,836
Provisions	20	27,120	21,644	16,125
		143,401	124,731	31,615
Current liabilities				
Trade and other payables	23	66,081	33,708	39,440
Lease liabilities	21	11,819	9,961	10,894
Deferred consideration	25	1,776	–	–
Other financial liabilities	24	15,000	15,000	15,000
Provisions	20	830	611	–
Borrowings	19	43,862	–	13,208
Bank overdraft	18	1,741	–	–
		141,109	59,280	78,542
Total liabilities		284,510	184,011	110,157
Net assets		157,894	170,654	182,389
Equity				
Share capital	27	5,828	5,814	5,344
Share premium	27	17,425	17,425	488
Shares to be issued		–	–	17,407
Retained earnings		97,177	137,895	149,547
Equity attributable to equity holders of the parent		120,430	161,134	172,786
Non-controlling interest		37,464	9,520	9,603
Total equity		157,894	170,654	182,389

The financial statements of Hummingbird Resources PLC were approved by the Board of Directors and authorised for issue on 05 June 2023.

They were signed on its behalf by:

DE Betts
Director

Company number 05467327

The notes to the consolidated financial statements form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	NOTES	2022 \$'000	2021 Restated \$'000
Net cash inflow from operating activities	29	13,181	22,703
Investing activities			
Purchases of intangible exploration and evaluation assets		(5,876)	(9,992)
Purchases of property, plant and equipment		(82,942)	(22,295)
Pasofino funding	26	4,665	10,141
Pasofino funding utilisation	26	–	(10,946)
Sale of shares in other companies		–	2,538
Interest received		2	–
Net cash used in investing activities		(84,151)	(30,554)
Financing activities			
Exercise of share options		14	–
Lease principal payments		(10,741)	(11,014)
Lease interest payments		(2,862)	(3,006)
Loan interest paid		(3,452)	(721)
Commissions and other fees paid		(4,724)	(5,413)
Loans repaid		–	(13,278)
Loan drawdown		58,695	66,365
Net cash generated from financing activities		36,930	32,933
Net (decrease)/increase in cash and cash equivalents		(34,040)	25,082
Effect of foreign exchange rate changes		(548)	589
Cash and cash equivalents at beginning of year		36,739	11,068
Cash and cash equivalents at end of year¹		2,151	36,739

¹ The cash and cash equivalents includes unrestricted cash and cash equivalents, restricted cash and cash equivalents and bank overdrafts.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	SHARE CAPITAL \$'000	SHARES TO BE ISSUED \$'000	SHARE PREMIUM \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY ATTRIBUTABLE TO THE PARENT \$'000	NON- CONTROLLING INTEREST \$'000	TOTAL \$'000
Balance (as originally stated) at 1 January 2021	5,344	17,407	488	150,246	173,485	9,776	183,261
Prior year equity adjustment – IFRS 16 (see note 9)	–	–	–	(699)	(699)	(173)	(872)
Balance at 1 January 2021 (restated)	5,344	17,407	488	149,547	172,786	9,603	182,389
<i>Comprehensive income for the year restated:</i>							
Loss for the year (restated – see note 9)	–	–	–	(12,656)	(12,656)	(83)	(12,739)
Total comprehensive income for the year	–	–	–	(12,656)	(12,656)	(83)	(12,739)
<i>Transactions with owners in their capacity as owners:</i>							
Shares issued as consideration in asset purchase	470	(17,407)	16,937	–	–	–	–
Total transactions with owners in their capacity as owners	470	(17,407)	16,937	–	–	–	–
Share based payments	–	–	–	1,004	1,004	–	1,004
As at 31 December 2021 (restated)	5,814	–	17,425	137,895	161,134	9,520	170,654
<i>Comprehensive income for the year:</i>							
Loss for the year	–	–	–	(34,279)	(34,279)	(5,711)	(39,990)
Total comprehensive loss for the year	–	–	–	(34,279)	(34,279)	(5,711)	(39,990)
<i>Transactions with owners in their capacity as owners:</i>							
Pasofino minority interest after earn-in (see note 26)	–	–	–	(9,528)	(9,528)	33,655	24,127
Total transactions with owners in their capacity as owners	–	–	–	(9,528)	(9,528)	33,655	24,127
Exercise of share options	14	–	–	–	–	–	14
Share based payments	–	–	–	3,089	3,089	–	3,089
As at 31 December 2022	5,828	–	17,425	97,177	120,430	37,464	157,894

Share capital

The share capital comprises the issued ordinary shares of the Company at par value.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares for consideration above par value.

Retained earnings

Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

Non-controlling interest

The non-controlling interest relates:

- 20% stake the Government of Mali has in Société Des Mines De Komana SA (“SMK”) which owns and operates the Yanfolila Mine.
- 49% stake earned by Pasofino in Hummingbird Resources (Liberia) Inc as part of the earn in agreement (see note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

Hummingbird Resources PLC is a public limited company with securities traded on the AIM market of the London Stock Exchange. It is incorporated and domiciled in the England and Wales and has a registered office at 49-63 Spencer Street, Hockley, Birmingham, West Midlands, B18 6DE.

The nature of the Group's operations and its principal activities are the exploration, evaluation, development, and operating of mineral projects, principally gold, focused currently in West Africa.

2. ADOPTION OF NEW AND REVISED STANDARDS

The financial statements have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2021. The following standards have been adopted in the year with no material impact on the financial statements of the Company or the Group.

IAS 16 (Amendments)	effective 1 January 2022	Proceeds before intended use
IFRS 3 (Amendments)	effective 1 January 2022	Reference to conceptual framework
IAS 37 (Amendments)	effective 1 January 2022	Onerous Contracts – costs of fulfilling a contract

The following Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective.

IFRS 17	effective 1 January 2023	Insurance contracts
IAS 12 (Amendments)	effective 1 January 2023	Deferred tax assets and liabilities from single transaction
IAS 8 (Amendments)	effective 1 January 2023	Definition of accounting estimates

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards.

The principal accounting policies adopted are set out below.

The functional currency of all companies in the Group is United States Dollar (“\$”). The financial statements are presented in thousands of United States dollars (“\$’000”). For reference the year-end exchange rate from Sterling to \$ was \$1.2097 (2021: \$1.3512).

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial Review on pages 66 to 72. At 31 December 2022, the Group had net cash and cash equivalents of \$2.2 million, (made up of \$3.9 million of restricted cash in line with the Group's loan arrangements \$1.7 million of overdraft) and total borrowings of \$115.7 million. Details on the Group's borrowings are set out in note 19 to the financial statements.

The Group has prepared cash flow forecasts based on estimates of key variables including production, gold price, operating costs, scheduled debt repayments in line with the Group's debt arrangements and capital expenditure through to December 2024 that supports the conclusion of the Directors that there is sufficient funding available to meet the Group's anticipated cash flow requirements to this date.

These cashflow forecasts are subject to a number of risks and uncertainties, in particular the ability of the Group to achieve the planned levels of production and the recent higher gold prices being sustained. The Board reviewed and challenged the key assumptions used by management in its going concern assessment, as well as the scenarios applied and risks considered, including the risks and potential disruptions associated with the recent changes in governments in Mali and Guinea.

The biggest material uncertainty and risks remains ounces produced and whether the current mine plan can be achieved (including expected production from the Kouroussa mine which is currently being commissioned) and mining contractor equipment performance, and sanctions on Russia, which are also having a logistical impact on the Group. These production levels are also key in supporting the scheduled debt repayments over the period under review. Where additional funding may be required, the Group believes it has several options available to it, including but not limited to, use of the overdraft facility, cost reduction strategies, selling of non-core assets and raising additional funds from current investors and debt partners.

FINANCIAL STATEMENTS

The Board also considered sensitivities to those cash flow scenarios (including where production is lower than forecast and gold prices lower than current levels) which would require additional funding. Should this situation arise, the Board believe that they have several options available to them as referenced above, which would allow the Group to meet its cash flow requirements through this period, however, there remains a risk that the Group may not be able to achieve these in the necessary timeframe.

Based on its review, the Board has a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and hence the Board considers that the application of the going concern basis for the preparation of the Financial Statements is appropriate. However, the risk of lower-than-expected production levels, timing of VAT offsets and receipts, increased fuel costs and potential disruptions to supply chain and the ability to secure any potential required funding at the date of signing of these financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to achieve the required levels of production and associated cashflows, defer expenditures, obtain additional funding or renegotiate the current financing arrangements such that the going concern basis of preparation was no longer appropriate, adjustment would be required including the reduction of balance sheet asset values to their recoverable amounts and to provide for future liabilities should they arise.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December 2022. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the relevant non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest in excess of the non-controlling parties' interests in the subsidiary's equity are allocated against the interest of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Joint ventures

Joint ventures are entities or arrangements where the Group has joint control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

Under the equity method, the share of the profits or losses of the investee is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an investee equals or exceeds its interest in the investee, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the investee and recognises any retained investment at its fair value. Any difference between the investee's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Leasing

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The lease liability is measured at amortised cost using the effective interest method. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is subsequently remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and low-value assets

The Group has elected to account for short-term leases of 12 months or less and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Right of use assets are depreciated at the lower of lease term and useful life.

Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US Dollars ("\$\$"), which is the functional currency of all of the entities in the Group, and the presentation currency for the consolidated financial statements.

Exchange differences are recognised in profit or loss in the period in which they arise.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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Revenue

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of gold

Revenue from gold sales is recognised when the customer has accepted delivery of the goods. Amounts disclosed as revenue are net of sales returns and trade discounts. Consideration is paid by the customer once the customer has accepted delivery.

The Group remains committed to operating as an unhedged gold producer. However, as at 31 December 2022, the Group was still a single asset producer and hence a significant fall in the gold price could materially impact the Group's ability to service debt and meet operating costs. Accordingly, from time to time, the Group invests in low cost put options to partially insure against the risk of falling gold prices without capping the exposure to the upside.

Intangible exploration and evaluation assets

The Group applies the full cost method of accounting for exploration and evaluation ("E&E") costs, having regard to the requirements of IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Under the full cost method of accounting, costs of exploring for and evaluating mineral resources are accumulated by reference to appropriate cost centres being the appropriate licence area but are tested for impairment on a cost pool basis as described below.

E&E assets comprise costs of (i) E&E activities that are ongoing at the reporting date, pending determination of whether or not commercial reserves exist and (ii) costs of E&E that, whilst representing part of the E&E activities associated with adding to the commercial reserves of an established cost pool, did not result in the discovery of commercial reserves.

Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to the statement of comprehensive income as they are incurred.

Once the legal rights are obtained to explore all costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Such costs include directly attributable overheads, including the depreciation of property plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the E&E phases.

Treatment of E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cost pool basis as set out below and any impairment loss is recognised in the statement of comprehensive income. The carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as mine development assets.

Impairment of E&E assets

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include, but are not limited to, those situations outlined in paragraph 20 of IFRS 6 *Exploration for and Evaluation of Mineral Resources* and include the point at which a determination is made as to whether or not commercial reserves exist.

Where there are indications of impairment, the E&E assets concerned are tested for impairment. Where the E&E assets concerned fall within the scope of an established full cost pool, the E&E assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash-generating unit.

The aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves.

Any impairment loss is recognised in the statement of comprehensive income as additional depreciation and amortisation, and separately disclosed.

The Group considers there to be three cost pools, being the whole of Liberia, the whole of Mali and the whole of Guinea, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred.

Intangible assets software

Intangible software assets are carried at cost less accumulated amortisation. Amortisation of the software to the statement of comprehensive income will be completed in line with the useful life of the software. However, where the software assets relate to mine development assets, amortisation to mine development assets will occur and follow the amortisation of mine development as shown below.

Property, plant and equipment

Property, plant and equipment (“PP&E”) are carried at cost less accumulated depreciation and any recognised impairment loss. The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use.

Property, plant and equipment are depreciated using the units of production method based on ounces produced, or the straight-line method over the estimated useful lives of the related assets using the following rates:

Mine development assets	units of production method
Mine closure assets	units of production method
Plant & equipment	units of production method
Infrastructure	10% – 33.3% per annum
Mobile & other equipment	10% – 33.3% per annum
Other	10% – 33.3% per annum

Under the units of production (“UOP”) method, estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine development assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item’s life, which is assessed annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mining interest at which the asset is located. The Group has adopted the total output method (i.e., ounces produced) as a basis for determining the UOP. Changes are accounted for prospectively.

Upon disposal or abandonment, the carrying amounts of property, plant and equipment and accumulated depreciation and depletion are removed from the accounts and any associated gains or losses are recorded in the statement of comprehensive income.

Amounts incurred on assets under construction are capitalised until the asset becomes available for its intended use, at which time depreciation commences on the assets over its useful life. Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalised and depreciated over the remaining useful life of the improved asset.

Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing costs

Borrowing costs are capitalised when they are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale, or if construction is interrupted for an extended period. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Inventory

Inventory consists of finished goods, work-in-process, stockpiled ore and consumables. Finished goods, work-in-process, and stockpiled ore are valued at the lower of average production costs and net realisable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses, depreciation and depletion of mining interests. Consumables are valued at the lower of average cost and net realisable value. Cost includes acquisition, freight and other directly attributable costs.

Net realisable value is calculated as the estimated sale price (based on prevailing market rates) less estimated future production costs to convert the inventories into saleable form. When inventories have been written down to net realisable value, a new assessment of net realisable value is made in each subsequent period. When the circumstances that caused the write down no longer exist, the amount of the write down is reversed.

Financial instruments

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and

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financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Fair value measurement hierarchy

The classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the input used in making the fair value measurement.

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

(a) Financial assets

Classification of financial assets

All recognised financial assets are measured subsequently at either amortised cost or fair value, depending on the classification of the financial assets.

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

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

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost.

The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(b) Financial liabilities

Classification of financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

The Group's financial liabilities measured at amortised cost comprise loans and other borrowings, lease obligations and other payables and accruals.

The Group's financial liabilities measured at fair value through profit or loss comprise Cassidy Smelter royalty and deferred consideration, which are all summarised below.

Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled, expired, or transferred.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result and that outflow can be reliably measured.

Rehabilitation

The Group records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and revegetation of affected areas.

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

The periodic unwinding of the discount is recognised in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes to estimated future costs are recognised in the statement of financial position by either increasing or decreasing the rehabilitation liability and asset to which it relates if the initial estimate was originally recognised as part of an asset measured in accordance with *IAS 16 Property, Plant and Equipment*.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

Retirement obligations**(a) Short-term employee benefits**

The cost of all short-term employee benefits is recognised in the statement of comprehensive income during the period in which the employees render the related service.

(b) Long-term employee benefits

The Group does not operate any retirement benefit plan for its employees. For employees of the Malian subsidiary, the Group provides for end-of-service benefits based on the provisions contained in the local statutes based on years of service with the company; these benefits are paid to employees falling under this category when they leave the Group as one-off lump sum on redundancy or retirement. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation in relation to this agreement.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group. An example is litigation against the Group when it is uncertain whether the Group has committed an act of wrongdoing and when it is not probable that settlement will be needed.

Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Group has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

Unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes to the financial statements.

Other financial liabilities – Liberia Royalty

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 24, assessment is required of whether the substance of the arrangements constituted a financial liability, prior to commercial production. The Group can be required to deliver cash to the provider in certain circumstances which are not all within the Group's control, then this is considered by the Group to represent a financial liability. The Group has chosen not to designate this as "a fair value through profit or loss" financial liability and therefore it is recognised at amortised cost. Following commencement of commercial production, the Group is obliged to pay a percentage of its revenue, then this is considered to have extinguished the financial liability, and this is recognised as a part disposal of the relevant asset.

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Other financial liabilities – Cassidy Smelter Royalty

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 24, assessment is required of whether the substance of the arrangements constituted a financial liability, prior to commercial production. The Group can be required to deliver cash to the provider in certain circumstances which are not all within the Group's control, then this is considered by the Group to represent a financial liability.

This liability is contingent on future sales as at commencement of commercial production, the Group is obliged to pay a percentage of its revenue. Management considers this to be an instrument which contains an embedded derivative (being the gold price) and have therefore elected to hold the entire instrument at fair value through profit or loss, as the embedded derivative would significantly modify the cashflows that would otherwise be required.

Borrowings

The Group records and measures borrowings at amortised cost, using the effective interest rate method.

Equity

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share-based payments

The Group has applied *IFRS 2 Share based Payment* for all share-based payments.

The Group has used shares, share options and other share-based payments as consideration for goods and services received from suppliers and employees.

Share based payments to employees and others providing similar services are measured at fair value at the date of grant. The fair value determined at the grant date of an equity-settled share-based instrument is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares (or other instruments) that will eventually vest. For equity settled share-based payments the corresponding amount is credited to retained earnings. For cash settled share-based payments the corresponding amount is recognised as a liability and remeasured at each reporting date with any changes in fair value being recognised in the statement of comprehensive income.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably or excess fair value of the identifiable goods or services received, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of such an equity-settled share-based instrument is expensed since the shares vest immediately. Where the services are related to the issue of shares, the fair values of these services are offset against share premium in equity.

Fair value of share options and similar instruments are measured using the Black-Scholes model. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decision, has been identified as the Board of Directors.

The Board of Directors considers there to be four operating segments with only one operating to a significant degree during the year, the exploration, development and exploitation of mineral resources, and four geographical segments, being Liberia, Mali, Guinea and United Kingdom.

Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date, which is the date when control passes to the Company. The results of the acquired operations are included in the consolidated statement of comprehensive income from the date on which control was obtained. Any difference arising between the fair value and tax base of the acquiree's assets and liabilities that give rise to a taxable deductible difference results in recognition of deferred tax liability. No deferred tax liability is recognised on goodwill.

Liberia earn-in earn agreement

Refer to note 26.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Fair value of the Cassidy Smelter Royalty

The Cassidy Smelter Royalty was reassessed to \$8.2 million as at 31 December 2022 (2021: \$9.1 million), using the latest discount rates and mine plans. This represents a 2% smelter royalty retained by the vendors on all gold sales from the project over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

Significant judgement and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, estimating the discounts rates used in determining the net present values of amounts used as well as estimating the future production profiles. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors including timing of reserves growth, as well as commodity prices. Some of the key assumptions used in the model include average gold production volumes of approximately 100,000 ounces per annum over 7 years. As part the model, production was assumed to start in second quarter of 2023 and the royalty currently estimated to be payable from 2025, with a pre-tax discount rate of 21.86%. The model is also subject to gold price changes, with a price of \$1,800 per ounce having been used for the 2022 valuation.

Judgement was also applied in respect of the treatment of the movement in the liability. The movement on the balance has been recorded within the income statement in line with the applicable International Accounting Standards.

Refer to note 24.

Rehabilitation provision

The Group assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the long-term inflation rates (2%) and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

For Mali, the Group continued to use the same methodology of reassessing the rehabilitation provisions as adopted in prior years. Following the increased construction activities in Guinea, the Group have reassessed the rehabilitation provision balance, resulting in a \$4.8 million provision being recognised as of 31 December 2022. The major disturbance up to 31 December 2022 in Guinea was mainly the process plant, camp, tailings storage facility ("TSF") structure, roads and any other workshop and ancillary buildings. Further as of 31 December 2022, the plant was still in construction, TSF had not been filled with any materials and the explosives magazine not fully completed, it is therefore safe to say there is no significant wear and tear on the plant that would need specialist clean up nor were there any contamination from chemicals from the TSF and explosive magazine. For this reason, should there be need to rehabilitate the site as of this date, it is expected the cost required to do this work will be far less than would be required for a fully operational mine.

Refer to note 20.

Recoverability of VAT

In both Mali and Guinea, VAT is payable on qualifying purchases and reclaimed from the governments.

The time to receive VAT from the Government of Mali is unpredictable, and although the Group was able to continue to offset some VAT balances against tax in 2022 (and in 2023), the VAT balance in Mali remains high at \$25.9 million on 31 December 2022 (2021: \$11.2 million). Recoverability is expected to continue via offset of future taxes or cash. The Group was able to receive cash of \$0.6 million in January 2023. The timing of recoverability of these amounts is unpredictable and is subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

In Guinea, \$5.2m VAT receivables have increased during the year as construction activities increased. In Guinea VAT receipts are expected to be received via cash refunds. All VAT submissions are being made to the Government in line with local requirements, however no receipts have been received yet pending the finalisation of the initial submissions review by the Government. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in Guinea Francs ("GNF").

Refer to note 18.

Recoverability of mine property, plant and equipment

Determination as to whether, and by how much, an asset or cash generating unit ("CGU") is impaired involves management estimates on highly uncertain matters such as; gold price, discount rates used in determining the estimated discounted cash flows of CGU, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources that may

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be included in the determination of value in use, future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose are estimated by management based on prevailing market conditions.

When applicable, value in use is estimated based on discounted cash flows using latest budgets, based on CGU life of mine ("LOM") plans. The value in use methodology adopted is categorised as Level 3 in the fair value hierarchy (in accordance with International Financial Reporting Standards).

The principal CGUs, to which mine property, plant and equipment relates are the Group's Yanfolila Gold Mine in Mali and the Kouroussa Gold Project in Guinea which is currently under construction. In determining the recoverable amount of the Malian CGU at 31 December 2022, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. LOM operating and capital cost assumptions are based on the Group's latest budget and LOM plan.

The table below summarises the key assumptions used in the carrying value assessments of the Malian CGU:

Gold price (\$ per ounce):	2022: \$1,800 2021: \$1,750	Commodity price and foreign exchange rates were estimated with reference to external market forecasts. The rates applied to the valuation had regard to observable market data.
Discount rate % (post tax):	2022: 21.86% 2021: 12.58%	In determining the value in use of the CGU, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU and company size.
Operating and capital costs:	Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life of mine plan.	

Having considered the recoverable amount of the Malian CGU, no impairment loss was recognised for the year ended 31 December 2022. At around 7% lower production, the headroom is eroded and value in use is equal or less than the carrying value of the CGU. The headroom is also eroded though a combination of lower production and projected cost savings not being achieved. As always, there is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

No impairment assessment was considered necessary with respect to the Kouroussa Gold Project in Guinea as it is still under construction and on target for first gold pour in Q2 2023.

Recoverability of exploration and evaluation assets

Determination as to whether an exploration and evaluation ("E&E") asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in *IFRS 6 Exploration for and Evaluation of Mineral Resources*. As E&E assets are assessed for impairment on a cost pool basis, the existence and quantum of any impairment is dependent on the choice of basis of cost pools. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. This assessment involves judgement as to: (i) the likely future commerciality of each cost pool of assets; (ii) when such commerciality should be determined; and (iii) the potential future revenues and the value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit ("CGU") and a suitable discount rate in order to calculate present value.

The Group considers there to be three cost pools, being the whole of Liberia, the whole of Guinea and whole of Mali, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred.

A review of the three cost pools above revealed that there were no indicators of impairment and hence no impairment was recognised as at 31 December 2022.

Liberia

During 2022, Pasofino continued to progress the project in Liberia resulting in them completing their earn-in and earning the 49% stake in the Liberian subsidiary. This continued activity, release of the Definitive Feasibility Study ("DFS") and the successful completion of the earn-in provided evidence of no indicators of impairment under IFRS 6 and hence no impairment assessment was required. However due to the market capitalisation of Pasofino, management did an assessment of the recoverability of the Liberian cash generating unit was assessed using a combination of two methods. The first was through the valuation of Pasofino as management believes most of the value of this company is driven from the earn-in agreement on the Dugbe Project, and therefore believe the value of Pasofino provides an indication of the potential value of Dugbe. The second method continued to consider the recoverable amount of the Liberian cash generating unit ("CGU") using anticipated future cash flows which were discounted using rates based on the Group's estimated weighted average cost of capital. The net present value method further proved that no impairment loss was to be recognised for the year ended 31 December 2022.

Guinea

As at 31 December 2022, the Guinean E&E assets were immaterial and therefore considered to not present a material risk of material misstatement and for this reason no impairment assessment was carried out.

Mali

Further exploration work was completed in the Malian licence areas in 2022, further providing evidence that there were no indicators of impairment. Management also considered the recoverable amount of the Malian CGU, with reference to the Group's latest budget and life of mine ("LOM") plan for the Group's Yanfolila Gold Mine in Mali, no impairment loss was recognised for the year ended 31 December 2022.

There is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

Recoverability of other receivables and impairment of financial assets

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000 approximately \$8,017,000 (2021: \$8,585,000) before credit loss allowances, due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the balance. The relevant shares will not be issued until the payment mechanism of the final balance has been agreed.

The Group considers the receivable to be 'credit-impaired' as part of the balance remains unpaid more than 1 year since the Government of Mali exercised its right. Having considered multiple scenarios including the partial receipt in 2020, on the manner, timing, quantum and probability of recovery of the receivable, the Group recognised the lifetime expected credit loss \$316,000 as at 31 December 2022 (2021: loss reversal of \$108,000). The net cumulative lifetime expected credit loss for the balance is \$1,603,000 at 31 December 2022. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Deferred tax assets

In assessing the probability of realising potential deferred tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Group's control and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognised. At the end of each reporting period, the Group reassesses unrecognised and recognised income tax assets, and there is the possibility that a change in circumstances may impact on the recoverability of the relevant deferred tax asset.

Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of \$13,168,000 and deferred tax liabilities of \$3,597,000 were recognised at 31 December 2022 in respect of the Malian subsidiary. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets.

Refer to note 22.

Cassidy Deferred Consideration

The deferred consideration payable to the vendors of Cassidy was reassessed to \$4.2 million as at 31 December 2022 (2021: \$4.6 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income. This was then offset by the \$0.6 million relating to amounts that were paid by the Group on behalf of Cassidy, resulting in a net deferred consideration balance of \$3.6 million as at 31 December 2022. The deferred consideration is payable at the rate of £10 for every ounce of gold reserve published (or processed if not included in a reserve) more than 400,000 ounces (subject to 100,000 ounces increments and a maximum of 1,000,000 ounces). In short, any growth in reserves up to a maximum of 1,000,000 results in additional purchase price.

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration in respect of 200,000 excess ounces became payable to Cassidy, and shares were issued on 7 February 2023 to satisfy this liability.

The deferred consideration due of £2.0 million (\$2.4 million) was reduced by £532,032 (US\$642,000) due to the settlement of liabilities by the Group on behalf of Cassidy, and therefore resulted in the issue of 22,688,844 new Ordinary Shares to the underlying shareholders of Cassidy (the "Cassidy Deferred Consideration Shares"), when a volume weighted average price ("VWAP") of 6.47 pence is applied (being the 5-business day trailing VWAP to 31 December 2022).

Judgements and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, exchange rates, estimating the expected future reserve growth both quantum and timing, estimating the discounts rates used in determining the net present values of amounts used. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors in particular timing of reserves growth.

The final reserve growth was estimated to be in 2027, and a pre-tax discount rate of 21.86% was used in the calculations.

The movement on the balance has been recorded within the income statement in line with the applicable International Accounting Standards.

Refer to note 25.

Liberia earn-in agreement

There is no formal accounting standard guiding the earn-in agreements. Judgement was therefore applied in what accounting policy to adopt, including estimating the implication of this accounting policy on the Group's financial position. Amounts advanced as part of earn-in agreements were initially netted off against the related asset, and then added back when spent, until the conclusion of the earn-in agreements. Refer to note 26 for further details.

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5. SEGMENTAL ANALYSIS

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2022	MALI \$'000	GUINEA \$'000	LIBERIA \$'000	CORPORATE \$'000	TOTAL \$'000
Revenue	143,344	–	–	7,175	150,519
Production costs	(118,470)	–	–	(8,057)	(126,527)
Amortisation and depreciation	(37,357)	–	–	–	(37,357)
Royalties and taxes	(5,620)	–	–	–	(5,620)
Cost of sales	(161,447)	–	–	(8,057)	(169,504)
Gross loss	(18,103)	–	–	(882)	(18,985)
Share based payments	–	–	–	(1,941)	(1,941)
Other administrative expenses	(875)	–	(4)	(10,912)	(11,791)
Operating loss	(18,978)	–	(4)	(13,735)	(32,717)
Finance income	3,100	–	23	518	3,641
Finance expense	(13,382)	–	(30)	(744)	(14,156)
Share of joint venture income	–	–	–	4	4
Impairment of impairment of financial assets	(316)	–	–	–	(316)
Gain/(losses) on financial assets and liabilities measured at fair value	–	874	–	(1,589)	(715)
(Loss)/profit before tax	(29,576)	874	(11)	(15,546)	(44,259)
Tax	4,269	–	–	–	4,269
(Loss)/profit after tax	(25,307)	874	(11)	(15,546)	(39,990)

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	187,576	131,863	109,541	13,424	442,404
Segment liabilities	(177,279)	(61,625)	(35,994)	(9,612)	(284,510)
Segment net assets	10,297	70,238	73,547	3,812	157,894

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2021 – RESTATED	MALI \$'000	GUINEA \$'000	LIBERIA \$'000	CORPORATE \$'000	TOTAL \$'000
Revenue	156,561	–	–	6,216	162,777
Production costs	(108,075)	–	–	(5,531)	(113,606)
Amortisation and depreciation	(38,317)	–	–	–	(38,317)
Royalties and taxes	(6,297)	–	–	–	(6,297)
Cost of sales	(152,689)	–	–	(5,531)	(158,220)
Gross profit	3,872	–	–	685	4,557
Share based payments	–	–	–	(1,459)	(1,459)
Other administrative expenses	1,013	–	(20)	(11,256)	(10,263)
Operating profit/(loss)	4,885	–	(20)	(12,030)	(7,165)
Finance income	4,033	–	3	35	4,071
Finance expense	(7,929)	–	(6)	(255)	(8,190)
Share of joint venture loss	–	–	–	(46)	(46)
Reversal of impairment of financial assets	108	–	–	–	108
Losses on financial assets and liabilities measured at fair value	–	(2,256)	–	(878)	(3,134)
Profit/(loss) before tax	1,097	(2,256)	(23)	(13,174)	(14,356)
Tax	1,617	–	–	–	1,617
Profit/(loss) after tax	2,714	(2,256)	(23)	(13,174)	(12,739)

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2021 – RESTATED	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	217,651	56,168	69,870	10,976	354,665
Segment liabilities	(143,995)	(12,376)	(17,959)	(9,681)	(184,011)
Segment net assets	73,656	43,792	51,911	1,295	170,654

NON-CURRENT ASSETS FOR THE YEAR ENDING 31 DECEMBER 2022	MALI \$'000	GUINEA \$'000	LIBERIA \$'000	CORPORATE \$'000	TOTAL \$'000
Intangible exploration and evaluation assets	24,561	668	104,423	–	129,652
Intangible assets software	143	–	–	–	143
Property, plant and equipment	77,664	124,878	1,268	583	204,393
Right of use assets	24,778	–	–	710	25,488
Investment in joint ventures	–	–	133	–	133
Financial assets at fair value through profit and loss	–	–	–	1,532	1,532
Deferred tax assets	9,571	–	–	–	9,571
Segment non-current assets	136,717	125,546	105,824	2,825	370,912

NON-CURRENT ASSETS FOR THE YEAR ENDING 31 DECEMBER 2021	MALI \$'000	GUINEA \$'000	LIBERIA \$'000	CORPORATE \$'000	TOTAL \$'000
Intangible exploration and evaluation assets	23,816	238	67,233	–	91,287
Intangible assets software	235	–	–	–	235
Property, plant and equipment	95,080	49,442	–	69	144,591
Right of use assets	35,986	–	–	–	35,986
Investment in joint ventures	–	–	–	129	129
Financial assets at fair value through profit and loss	–	–	–	3,530	3,530
Deferred tax assets	3,868	–	–	–	3,868
Segment non-current assets	158,985	49,680	67,233	3,728	279,626

Geographic information

During the year the Group had four operating segments, with only Mali currently producing gold. Revenues in connection with the Mali operating segment totalled \$143.3 million (2021: \$156.6 million) and were derived from a single external customer. The Group is not economically dependent on the customer, as gold can be sold through numerous commodity market traders worldwide.

Additionally, during the year sales of Single Mine Origin (“SMO”) gold grain and gold investment products (including coins) (via its UK head office) generated revenues of \$7.2 million (2021: \$6.2 million), and all were derived from a single related customer (note 31) at a premium to the spot gold price.

Revenues from customers are based on the locations of the customers.

	LOCATION	2022 \$'000	2021 \$'000
Dore	USA	143,344	156,561
SMO gold	UK	7,175	6,216
Total revenue from customers		150,519	162,777

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6. ADMINISTRATIVE EXPENSES BY NATURE

	2022 \$'000	2021 \$'000
Audit fees, including fees paid to subsidiary auditors (note 7)	263	216
Non-audit fees, including fees paid to subsidiary advisors	6	53
Bank charges	138	99
Communications and IT	231	269
Depreciation of property, plant and equipment	78	166
Insurance	756	909
Marketing	400	317
Office expenses	522	155
Other taxes	529	506
Professional and consultancy	2,793	1,408
Lease charges – short term and low value	271	261
Staff costs excluding share-based payments and employers NI accrual on share options	4,503	5,186
Travel and accommodation	590	463
Share based payments	1,941	1,459
Release of employers NI accrual on share options	(77)	(87)
Other income	(7)	–
Net foreign exchange losses	795	342
	13,732	11,722

7. AUDITOR'S REMUNERATION

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services:

	2022 \$'000	2021 \$'000
Audit fees		
Fees payable to the Group's auditor for the audit of the annual accounts	263	203
Fees payable to the Group's auditors for the audit of certain subsidiaries	–	13
Total audit fees	263	216
Non-audit fees payable to associates of the Company's auditor		
World Gold Council's Responsible Gold Mining Principles compliance audit	27	32
Other non-audit fees	53	–
Total non-audit fees	80	32

8. STAFF COSTS

The average monthly number of employees and directors was:

	2022 NUMBER	2021 NUMBER
Directors	7	7
Other employees	408	357
	415	364

Their aggregate remuneration comprised:

	2022 \$'000	2021 \$'000
Wages and salaries	12,363	12,002
Social security costs	2,183	2,154
Pensions	67	62
Charge for share-based payments	1,941	1,459
Charge for potential social security costs related to share-based payments	(77)	(87)
	16,477	15,590

Within wages and salaries, \$1,260,000 (2021: \$1,433,000) relates to remuneration payable to directors, included within share-based payments is a net charge of \$682,000 (2021: \$260,000) under cash-settled share-based payment scheme payable to directors, and within pensions is \$10,000 (2021: \$11,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is \$570,000 (2021: \$821,000) comprising \$565,000 (2021: \$815,000) in relation to wages and salaries (including vested performance bonuses paid) and pension contributions of \$5,000 (2021: \$6,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2021: 2).

Included within staff costs is \$1,054,000 (2021: \$2,028,000) capitalised to intangible exploration and evaluation assets and \$1,641,000 (2021: \$390,000) capitalised into mine development assets.

9. PRIOR PERIOD ERROR – IFRS 16 LEASE INTEREST

During the year, the Group discovered that the IFRS 16, Lease interest had been erroneously calculated since 2019. Although the total interest over the life of the leases would be correct, the interest charge was increasing as the liabilities were decreasing, resulting in lower interest charges in the early years of the IFRS 16 lease liabilities. Consequently, the line items finance expense, included in the consolidated statement of comprehensive income, and lease liabilities, included in current and non-current liabilities in the statement of financial position, have been understated.

The errors have been corrected by restating each of the affected financial statement line items for prior periods.

The following tables summarise the impacts on the Group's consolidated financial statements.

i. Consolidated statement of financial position

AS AT 1 JANUARY 2021	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENT \$'000	AS RESTATED \$'000
Total assets	292,546	–	292,546
Non-current liabilities – lease liabilities	2,380	872	3,252
Total liabilities	109,285	872	110,157
Net assets	183,261	(872)	182,389
Retained earnings	150,246	(699)	149,547
Non-controlling interest	9,776	(173)	9,603
Total equity	183,261	(872)	182,389

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AS AT 31 DECEMBER 2021	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENT \$'000	AS RESTATED \$'000
Total assets	354,665	–	354,665
Non-current liabilities – lease liabilities	20,962	6,594	27,556
Current liabilities – lease liabilities	13,496	(3,535)	9,961
Total liabilities	180,952	3,059	184,011
Net assets	173,713	(3,059)	170,654
Retained earnings	140,342	(2,447)	137,895
Non-controlling interest	10,132	(612)	9,520
Total equity	173,713	(3,059)	170,654

ii. Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2021	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENT \$'000	AS RESTATED \$'000
Finance expense	(6,003)	(2,187)	(8,190)
Loss for the period after tax	(10,552)	(2,187)	(12,739)
Attributed to:			
Equity attributable to equity holders of the parent	(10,908)	(1,748)	(12,656)
Non-controlling interest	356	(439)	(83)
Loss for the period after tax	(10,552)	(2,187)	(12,739)
Loss per share (attributable to equity holder of the parent):			
Basic (\$ cents)	(2.78)	(0.44)	(3.22)
Diluted (\$ cents)	(2.78)	(0.44)	(3.22)

There is no impact on the Group's total operating, investing, or financing cash flows for the year ended 31 December 2021, however there was a reallocation of payments between lease principal and lease interest.

10. FINANCE INCOME AND EXPENSE

FINANCE INCOME	2022 \$'000	2021 \$'000
Interest on bank deposits	10	2
Foreign exchange gain	3,631	4,069
	3,641	4,071

FINANCE EXPENSE	2022 \$'000	2021 RESTATED \$'000
Interest on borrowings	10,317	5,419
Amortisation of borrowing costs (note 19)	1,421	261
Unwinding of discount on rehabilitation provision	261	64
Foreign exchange loss	2,157	2,446
	14,156	8,190

Foreign exchange gains and losses arose mainly on non-functional currency bank deposits and foreign currency loans.

11. LOSSES ON FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The loss on financial assets and liabilities measured at fair value is made up as follows:

	2022 \$'000	2021 \$'000
Fair value loss on Bunker Hill shares and warrants (note 14)	1,998	1,483
Fair value loss on Cora Shares	–	170
Fair value gain in deferred consideration (note 25)	(408)	(775)
Fair value (gain)/loss in Cassidy Smelter Royalty (note 24)	(875)	2,256
	715	3,134

12. TAX

The tax (income)/charge for the year is summarised as follows:

	2022 \$'000	2021 \$'000
Minimum tax pursuant to Malian law	1,434	1,567
Deferred tax income	(5,703)	(3,184)
Tax income for the year	(4,269)	(1,617)

The taxation charge for the period can be reconciled to the loss per the statement of comprehensive income as follows:

	2022 \$'000	2021 RESTATED \$'000
Loss before tax	(44,259)	(14,356)
Tax expense at the rate of tax 30.00% (2021: 30.00%)	(13,278)	(4,307)
Tax effect of non-deductible items	55	–
Origination and reversal of temporary differences	9,766	10,089
Deferred tax asset not recognised /(recognised)	3,457	(5,782)
Recognised deferred tax assets	(5,703)	(3,184)
Minimum tax pursuant to Malian law	1,434	1,567
Tax income for the year	(4,269)	(1,617)

The Group's primary tax rate is aligned with its operations in Mali of 30% (2021: 30%). The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at an amount of the greater 1% (2021:1%) of turnover and 30% of taxable profits.

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13. LOSS PER ORDINARY SHARE

Basic loss per ordinary share is calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The calculation of the basic and diluted loss per share is based on the following data:

	2022 \$'000	2021 RESTATED \$'000
Loss		
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(34,279)	(12,656)

	2022 NUMBER	2021 NUMBER
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	393,525,771	392,676,809
Adjustments for weighted average share options and warrants	25,362,582	17,166,492
Weighted average number of ordinary shares for the purposes of diluted loss per share	418,888,353	409,843,301

	2022 \$ CENTS	2021 Restated \$ CENTS
Loss per ordinary share		
Basic	(8.71)	(3.22)
Diluted	(8.71)	(3.22)

At the reporting date there were 29,560,125 (2021: 19,984,137) potentially dilutive ordinary shares and warrants. For the year ended 31 December 2022, because there is a reduction in diluted loss per share due to the loss-making position, therefore there is no difference between basic and diluted loss per share.

14. INVESTMENTS

NAME OF ENTITY	PLACE OF BUSINESS/COUNTRY OF INCORPORATION	% OF OWNERSHIP INTEREST		NATURE OF RELATIONSHIP	MEASUREMENT METHOD
		2022 %	2021 \$		
Single Mine Origin Gold Limited (formerly Betts Investments Limited)*	United Kingdom	49%	49%	Joint venture ¹	Equity method
Bunker Hill Mining Corporation	United States America	4%	6%	Investment ²	Fair value through profit or loss

¹ Single Mine Origin Gold Limited ("SMO Ltd") formerly Betts Investments Limited ("BIL") has been established for the marketing of gold together with other precious metals investment products, and the development of the Single Mine Origin business.

² Bunker Hill Mining Corporation ("Bunker Hill") is listed on the Canadian Securities Exchange. The principal activity of Bunker Hill is exploration and development of the historic Bunker Hill mine.

* Private entity – no quoted price available.

Investments:

Investments as at 31 December 2022 totalled \$1,665,000 (2021: \$3,659,000).

	2022 \$'000	2021 \$'000
Investment in joint ventures (a)	133	129
Financial assets at fair value through profit and loss (b)	1,532	3,530
	1,665	3,659

(a) Investment in joint ventures:

INVESTMENTS:	SINGLE MINE ORIGIN GOLD LIMITED (FORMERLY BETTS INVESTMENTS LIMITED)	
	2022 \$'000	2021 \$'000
Opening carrying value	129	175
Share of profit/(loss)	4	(46)
Closing carrying value	133	129

Summarised financial statement information (100% share) of joint ventures, based on their financial statements, and a reconciliation with the carrying amount of the investment in the Group's consolidated financial statements, are set out below:

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME:	SINGLE MINE ORIGIN LIMITED (FORMERLY BETTS INVESTMENTS LIMITED)	
	2022 \$'000	2021 \$'000
Profit/(loss) before income tax	9	(94)
Income tax expense	–	–
Profit/(loss) for the year	9	(94)
Group's % ownership	49%	49%
Group's share of profit/(loss)	4	(46)

SUMMARISED STATEMENT OF FINANCIAL POSITION:	\$'000	\$'000
Non-current assets	46	18
Current assets	44	39
Current liabilities	(26)	(36)
Net assets	64	21
Group's % ownership	49%	49%
Group's share of net assets	31	10

RECONCILIATION TO CARRYING AMOUNTS:	\$'000	\$'000
Group's share of net assets (as shown above)	31	10
Goodwill	119	119
Provision for impairment	(17)	–
Closing carrying value	133	129

Single Mine Origin Limited ("SMO Ltd") formerly Betts Investments Limited ("BIL")

On 23 May 2018 the Group entered into a joint venture agreement ("JV Agreement") with Stephen Betts and Sons Limited ("SBS") and Betts Investments Limited ("BIL"). On 30 June 2022, BIL changed its name to Single Mine Origin Limited ("SMO Ltd"). Daniel Betts and Stephen Betts who are both directors of the Company, are also directors of and shareholders in SBS.

Under the JV Agreement, the Group invested \$105,000 (£75,000) for a 19.36% interest in SMO Ltd, and in April 2020 the Group exercised its option to increase its stake to 49% for a further investment of \$93,000 (£75,000). The Group has agreed to sell Hummingbird gold investment coins to SBS to fulfil orders placed by customers via SMO Ltd. Additionally, the Group provides marketing support and treasury services to SMO Ltd. SBS is responsible for the fulfilment of all orders of gold and other precious metals investment products. SMO Ltd receives a commission on sales of precious metals investment products and Single Mine Origin ("SMO") gold products by SBS.

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(b) Financial assets at fair value through profit and loss:

	CORA GOLD SHARES		BUNKER HILL – SHARES AND WARRANTS ¹		TOTAL	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening position	–	2,708	3,530	5,013	3,530	7,721
Disposals	–	(2,538)	–	–	–	(2,538)
Loss through profit or loss	–	(170)	(1,998)	(1,483)	(1,998)	(1,653)
Closing carrying value	–	–	1,532	3,530	1,532	3,530

¹ Warrants are valued using the Black Scholes model.

Bunker Hill Mining Corporation – shares, warrants

The Company holds 9,625,837 common shares in Bunker Hill Mining Corp (“Bunker Hill”), a Canadian listed exploration and development company.

The Group also has the option to acquire an additional 2,660,000 shares at a cost of CAD\$0.59 per share before 31 December 2025. The investment is carried at fair value through profit and loss.

The shares in Bunker Hill have been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Group regards the warrants to be level 2 asset under the fair value hierarchy. These have been valued using a combination of quoted prices as well as calculations under the Black Scholes model. The total investments on 31 December 2022 are split as follows, level 1 shares \$1,208,000 (2021: \$2,767,000) and level 2 warrants \$323,800 (2021: \$763,000).

The value of these shares and warrants on 31 March 2023 was \$1.3 million.

15. INTANGIBLE ASSETS**(a) Intangible exploration and evaluation assets**

	LIBERIA \$'000	GUINEA \$'000	MALI \$'000	TOTAL \$'000
Cost				
At 31 December 2020	65,118	–	10,456	75,574
Transfers	–	–	4,916	4,916
Additions for the year	2,115	238	8,444	10,797
At 31 December 2021	67,233	238	23,816	91,287
Additions for the year ¹	37,190	430	745	38,365
At 31 December 2022	104,423	668	24,561	129,652

¹ For Liberia, additions represent assets that were previously being eliminated in line with the earn-in agreement. Following the completion of the earn-in agreement, these assets are now being recognised in the statement of financial position. See note 26.

Exploration in Liberia is undertaken by Hummingbird Resources (Liberia) Inc, a subsidiary. The intangible exploration and evaluation assets in respect of Liberia principally relate to the Dugbe Gold Project (“Dugbe”). As announced on 1 May 2019, the Group signed a 25-year renewable Mineral Development Agreement (“MDA”) with the Government of Liberia (“GoL”), covering a land package of approximately 2,000km², which includes the Group’s 4.2Moz Dugbe Project. In accordance with the MDA, the GoL will be granted a 10% free carried shareholding in Hummingbird Resources (Liberia) Inc.

On 4 June 2020 the Group announced an earn-in (“Earn-in”), agreement with Pasofino Gold (“Pasofino”) in respect of the Dugbe Gold Project in Liberia (“Dugbe”). The Earn-in entitled Pasofino to earn up to a 49% interest in Hummingbird Resources (Liberia) Inc (excluding the GoL free carried stake).

On 3 November 2020 Hummingbird Resources (Liberia) Inc exercised its option to acquire the Central Licence (an exploration licence surrounded by the MDA area), which was subsequently absorbed into the MDA.

On 1 August 2021, Pasofino announced the results of its Definitive Feasibility Study (“DFS”) for Dugbe which showed significant production potential with approximately 2.27 million ounces produced over a 14-year mine life at an average AISC of \$1,005/ounce producing an average of 200,000 ounces per annum in the first 5 years.

The earn-in was formally completed in September 2022. At this date Pasofino were therefore entitled to their 49% in Dugbe. At the conclusion of the earn-in, the Group has now recognised all the expenditures that had been funded by Pasofino from the start of the earn-in in the statement of financial position. This resulted in recognition of exploration and evaluation assets of \$13.2 million, of previously eliminated expenditures.

Intangible exploration and evaluation assets in respect of Mali principally relate to the Yanfolila Gold Project. Exploration licences in Mali provide the Government with the right to a 10% free carried interest and the right to buy a further 10% interest.

Some limited exploration work was done in Guinea during the year resulting in a small amount of intangible exploration and evaluation assets. It is expected this balance will increase over the years.

(b) Intangible software assets

	TOTAL \$'000
Cost	
At 31 December 2020	413
Transfers	107
Additions	15
At 31 December 2021	535
Additions	3
Disposals	(7)
At 31 December 2022	531
Accumulated amortisation	
At 31 December 2020	209
Charge for the year	91
At 31 December 2021	300
Charge for the year	95
Disposal	(7)
At 31 December 2022	388
Carrying amount	
At 31 December 2021	235
At 31 December 2022	143

Intangible software assets include software purchased for the operations of the mines and exploration. Amortisation charge of \$nil (2021: \$3,000) was capitalised into to mine development assets during the year.

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16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property. The net book value of property plant and equipment is summarised as follows:

	2022 \$'000	2021 \$'000
Right-of-use assets (note 21)	25,488	35,986
Property, plant and equipment – owned	204,393	144,591
	229,881	180,577

(a) Property, plant and equipment - owned

	MINE DEVELOPMENT \$'000	MINE CLOSURE \$'000	PLANT & EQUIPMENT \$'000	INFRASTRUCTURE \$'000	MOBILE & OTHER EQUIPMENT \$'000	ASSETS UNDER CONSTRUCTION \$'000	OTHER \$'000	TOTAL PPE \$'000
Cost								
At 31 December 2020	126,555	14,597	46,614	27,058	3,888	13,228	953	232,893
Additions	–	–	1,732	2,025	–	22,382	32	26,171
Transfers ¹	1,217	675	2,122	974	204	(10,217)	–	(5,025)
At 31 December 2021	127,772	15,272	50,468	30,057	4,092	28,559	985	257,205
Additions	1,184	1,258	845	1,247	–	80,422	43	84,999
Transfers ¹	1,896	1,577	636	110	63	(4,282)	–	–
Earn-in ²	3,544	–	–	–	–	–	–	3,544
Disposals	(643)	(350)	(30)	(1,128)	–	–	–	(2,151)
At 31 December 2022	133,753	17,757	51,919	30,286	4,155	101,533	1,028	340,431
Accumulated depreciation								
At 31 December 2020	45,297	6,077	18,128	9,489	2,744	–	911	82,646
Charge for the year	15,201	1,780	5,857	3,530	399	–	35	26,802
At 31 December 2021	60,498	7,857	23,985	13,019	3,143	–	946	109,448
Charge for the year	13,466	1,600	6,109	3,729	238	809	28	25,979
Earn-in ²	2,275	–	–	–	–	–	–	2,275
Disposals	(456)	(52)	(30)	(1,126)	–	–	–	(1,664)
At 31 December 2022	75,783	9,405	30,064	15,622	3,381	809	974	136,038
Carrying amount								
At 31 December 2021	67,274	7,415	26,483	17,038	949	25,393	39	144,591
At 31 December 2022	57,970	8,352	21,855	14,664	774	100,724	54	204,393

¹ Transfers represents completed assets under construction balances being transferred to the respective asset categories.

² These represents assets that were previously being eliminated in line with the earn in agreement. Following the completion of the earn-in agreement, these assets and related depreciation are now being recognised. See note 26.

Amortisation charge of \$21,000 (2021: \$606,000) was capitalised into to mine development assets during the year.

17. SUBSIDIARIES

NAME AND REGISTERED OFFICE	COUNTRY OF INCORPORATION AND OPERATION	PROPORTION OF VOTING INTEREST % - 2022	PROPORTION OF VOTING INTEREST % -2021	ACTIVITY
Directly held				
Trochilidae Resources Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding & service company
Hummingbird Resources (Liberia) Inc. ⁴ Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	51	100	Exploration & development
Afro Minerals Inc. Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	80	80	Dormant
Golden Grebe Mining Limited 46-63 Spencer Street, Hockley, Birmingham, England BD18 6DE, UK	United Kingdom	100	100	Intermediate holding company
Eagle Mining Limited 46-63 Spencer Street, Hockley, Birmingham, England BD18 6DE, UK	United Kingdom	100	100	Dormant
Indirectly held				
Deveton Mining Company Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	80	80	Dormant
Sinoe Exploration Limited Warren & Carrey Street Intersection, Congo Town, Monrovia, Liberia	Liberia	90	90	Dormant
Hummingbird Security Limited Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	100	100	Security
Intervest Inc Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	100	100	Dormant
Bentley International Trading Corporation Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	100	100	Dormant
Glencar Mining Limited 10 Earlsfort Terrace, Dublin 2, DO2 T380, Ireland	Ireland	100	100	Intermediate holding company
Centrebind Agency Limited 17 GR.Xenopolou, 3106 Limasol, Cyprus	Cyprus	100	100	Intermediate holding company
Glencar International (BVI) Limited Craigmuirr Chambers, Road Town, Tortola, BVI	British Virgin Islands	100	100	Intermediate holding company
Glencar Mali SARL Sise à Magnambougou- Faso Kanu lot B11 0/1022, Commune VI, Bamako, Mali	Mali	100	100	Exploration
Société des Mines de Komana SA ¹ Sise à Magnambougou- Faso Kanu lot B11 0/1022 Commune VI, Bamako, Mali	Mali	90	90	Mining
Sunangel Resources Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company
Sunangel Resources SARL ⁵ 09 BP 399 Ouagadougou 09, Burkina Faso	Burkina Faso	–	100	Exploration
Yanfolila Mining Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company
Yanfolila Finance Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Finance company
Yanfolila Holdings Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company
Kouroussa Gold Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company
Kouroussa Mining Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company

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Cassidy Gold Guinea SA ² Landreah Cite Ministerielle, Conakry Republique de Guniee,	Guinea	–	100	Exploration
Kouroussa Gold Mining SA ³ Immeuble Sankaran Plaza,3 eme, Etage Apt B, Conakry Republique de Guniee,	Guinea	85	100	Mining
Kouroussa Exploration SARLU Immeuble Sankaran Plaza,3 eme, Etage Apt B, Conakry Republique de Guniee,	Guinea	100	100	Exploration

- On 2 February 2017 the Government of Mali exercised its right to participate in the Yanfolilla project by acquiring in the subsidiary;
 - a 10% free carried interest (pursuant to the applicable mining law); and
 - a 10% additional interest (for agreed consideration). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment for the additional interest. The relevant shares will not be issued until the payment mechanism has been agreed.
 The Government of Mali's participation interest is considered a non-controlling interest, being a change in the ownership of a subsidiary that does not result in a change in control.
- Cassidy Gold Guinea SA was dissolved on 17 January 2022.
- The Government of Guinea is expected to hold up to a 35% interest under the relevant mining code (15% free carry and 20% right to purchase).
- Following the completion of the earn-in agreement in Liberia in 2022, Pasofino has earned 49% stake in Hummingbird Resources (Liberia) Inc. Refer to note 26.
- Sunangel Resources SARL was dissolved in 2022

Additionally, as of 31 December 2022 the Group had a 49% (2021: 49%) investment in Single Mine Origin Limited (formerly Betts Investments Limited) and a 4% (2021: 6%) investment in Bunker Hill Mining Corporation (note 14).

Non-controlling interests – Government of Mali

Société des Mines de Komana SA in which the NCI is 20% (refer above).

The revenues applicable to the NCI is reflected as follows:

	2022 \$'000	2021 \$'000
Total revenue relating to Société des Mines de Komana SA	143,344	156,560
Revenue applicable to NCI (20% of above)	28,669	31,312

Movement in NCI during the year are as follows:

	\$'000
At 31 December 2020 – restated	9,603
Profit attributable to NCI	(83)
At 31 December 2021 – restated	9,520
Loss attributable to NCI	(5,711)
31 December 2022	3,809

Summarised financial information of the subsidiary adjusted for Group accounting policies, after to elimination of intra-group items is set out below:

	2022 \$'000	2021 RESTATED \$'000
Non-current assets	178,301	203,519
Current assets	49,051	61,193
Current liabilities	(84,277)	(32,661)
Non-current liabilities	(90,808)	(111,273)
Net assets	52,267	120,778

	2022 \$'000	2021 RESTATED \$'000
Loss after tax	(28,556)	415
	(28,556)	415

Non-controlling interests – Pasofino

For details of the Pasofino non-controlling interest refer to note 26.

18. CURRENT ASSETS

Inventory

	2022 \$'000	2021 \$'000
Dore, refined gold, SMO gold, gold grain and coins	3,613	4,085
Gold in process	1,066	1,401
Stockpiled ore	3,781	2,376
Consumables	7,288	5,286
	15,748	13,148

At 31 December 2022, inventory included a provision of \$nil (2021: \$nil) to adjust finished gold and gold in process inventory to net realisable value, being a provision of \$nil (2021: \$nil) and \$nil (2021: \$nil) respectively.

Cost of inventories of \$153,551,472 (2021: \$129,776,000) were recognised within cost of sales during the year.

Trade and other receivables

	2022 \$'000	2021 \$'000
Other receivables	16,810	10,204
Less: Allowance for expected credit losses	(1,603)	(1,288)
Net other receivables	15,207	8,916
Prepayments and accrued income	5,360	3,200
VAT recoverable	31,285	13,036
	51,852	25,152

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000, approximately \$8,017,000 (2021: \$8,585,000), due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). In 2020, CFA 1,656,129,505, approximately \$1,883,000 was received in relation to this receivable. The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the remaining balance. The relevant shares will not be issued until the mechanism on payment of the remaining balance has been agreed.

Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivable, the Group recognised a lifetime expected loss \$316,000 (2021: reversal of \$108,000). The net cumulative lifetime expected credit loss for the balance is \$1,603,000 at 31 December 2022. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Refer to note 30 for a reconciliation of lifetime expected credit losses.

VAT Recoverable

VAT recoverable at end of 31 December 2022, includes VAT receivables of \$25.9 million in Mali, \$5.2 million in Guinea and \$100,000 in Isle of Man.

The time to receive VAT from the Government of Mali is unpredictable, and although the Company was able to continue to offset balances in 2022, the VAT balance in Mali remain high at \$25.9 million on 31 December 2022 and it is expected to be received via offset of future taxes or cash. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

In Guinea, VAT receivables have increased during the year as construction activities increased. In Guinea VAT receipts are normally received back from the Government as cash. All VAT submissions are being made to the Government in line with local requirements, however today no receipts have been received yet pending the finalisation of the initial submissions review by the Government. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in Guinea Francs ("GNF").

Unrestricted cash and cash equivalents

Unrestricted cash and cash equivalents as at 31 December 2022 is a bank overdraft of \$1,741,000 (2021: cash of \$32,571,000) comprising cash held by the Group.

Restricted cash and cash equivalents

Restricted cash and cash equivalents of \$3,892,000 (2021: \$4,168,000), is cash held in an escrow account as part of the security held by Coris Bank (note 19).

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Net debt reconciliation

	AT 1 JANUARY 2022 (RESTATED) \$'000	CASH FLOW \$'000	FOREIGN EXCHANGE MOVEMENT \$'000	AMORTISATION OF ISSUE COSTS/ OTHER 1 \$'000	AT 31 DECEMBER 2022 \$'000
Unrestricted cash	32,571	(34,040)	(272)	–	(1,741)
Restricted cash	4,168	–	(276)	–	3,892
Total cash & cash equivalents	36,739	(34,040)	(548)	–	2,151
Borrowings (note 19)	(61,812)	(55,371)	3,247	(1,766)	(115,702)
Lease liabilities (note 21)	(37,517)	13,603	–	(3,750)	(27,664)
Net debt	(62,590)	(75,808)	2,699	(5,516)	(141,215)

1 Included within the other category on lease liabilities is \$761,000 additions to liabilities, \$475,000 forfeiture of liabilities as a result of the renewal of the leases for the corporate office and, interest charge of \$2,862,000. Included within the other category for borrowings is \$1.8 million of issue costs amortisation.

	AT 1 JANUARY 2021 (RESTATED) \$'000	CASH FLOW \$'000	FOREIGN EXCHANGE MOVEMENT \$'000	AMORTISATION OF ISSUE COSTS/ OTHER \$'000	AT 31 DECEMBER 2021 (RESTATED) \$'000
Unrestricted cash	6,552	25,082	937	–	32,571
Restricted cash	4,516	–	(348)	–	4,168
Total cash & cash equivalents	11,068	25,082	589	–	36,739
Borrowings (note 19)	(13,208)	(49,366)	24	738	(61,812)
Lease liabilities (note 21)	(14,146)	14,020	–	(37,391)	(37,517)
Net debt	(16,286)	(10,264)	613	(36,653)	(62,590)

19. BORROWINGS

	CORIS MALI FACILITY \$'000	CORIS GUINEA FACILITY \$'000	TOTAL BORROWINGS \$'000
At 1 January 2022	61,812	–	61,812
Loan drawdown	28,698	29,997	58,695
Issue costs arising during the year	(1,482)	(1,842)	(3,324)
Issue costs amortised in the year	1,421	345	1,766
Interest capitalised during the year	–	1,020	1,020
Interest charged during the year	6,430	–	6,430
Interest paid during the year	(2,979)	(473)	(3,452)
Loan interest accrued during the year	(3,451)	(547)	(3,998)
Foreign exchange loss during the year	(3,247)	–	(3,247)
Total borrowings at 31 December 2022	87,202	28,500	115,702
Analysed as:			
Current	41,322	2,540	43,862
Non-current	45,880	25,960	71,840

Coris Mali Debt Facilities

a. Coris Loan CFA 38,500,000,000 (approximately \$70,000,000)

On 4 November 2021, the Group's subsidiary, Société des Mines de Komana SA ("SMK") entered into a senior secured term debt facility with Coris Bank International ("Coris") for CFA 38,500,000,000 (approximately \$70,000,000 before any fees). In December 2021, the full amount was drawn down. The debt facility has the following key terms:

- 4-year term.
- Interest at 8.5% per annum (payable quarterly).
- Principal deferral period of 18 months from first draw down, payable quarterly thereon.

b. Coris financing package CFA up to 26,500,000,000 (approximately \$35,000,000)

In September 2022, SMK entered a financing package with Coris of up to CFA 26,500,000,000 (approximately \$35,000,000) excluding fees to support the Group's liquidity whilst it brings the Kouroussa Project into production.

This financing package was then split and drawn down as follows:

- In September 2022, SMK drew down on an initial CFA 10,000,000,000 (approximately \$15,000,000) of this facility before any fees. This short-term debt facility is available for an initial one-year period from draw down date and carries interest at 9% per annum.

- In December, SMK drew down on another CFA 2,500,000,000 (\$3.9 million at date of drawdown) of this facility. This CFA 2.5 billion draw down is available for an initial six-month period from 28 December 2022, and carrying an interest of 9% per annum.
- The remainder of this finance package was undrawn as of 31 December 2022.

c. Coris Overdraft

Further, in December 2022 SMK and Coris, also agreed to alter the terms of the original overdraft facility of CFA 11,200,000,000 that was available to SMK from Coris Bank on its annual renewal. Previously an overdraft facility of CFA 11,200,000 was available. However, this was split into two facilities as follows:

- A short-term loan of CFA 6,000,000,000 (circa \$9.5 million at draw down date). This is available for an initial one-year period from drawdown date and has interest of 9% per annum. This facility is fully drawn down on 31 December 2022.
- An overdraft facility of CFA 5,200,000,000 (circa \$8.5 million on 31 December exchange rates). This Overdraft Facility carries an interest rate of 9% per annum and remains available twelve months from date of renewal.

Coris Guinea Debt Facility

On 4 November 2021, the Group's subsidiary, Kouroussa Gold Mine SA ("KGM") entered into a senior secured term debt facility with Coris Bank International ("Coris") for \$30,000,000. This amount was also fully drawn down in 2022. The debt facility has the following key terms:

- A 4-year term.
- Interest at 8.5% per annum (payable quarterly).
- Principal deferral period of 18 months from first draw down, payable quarterly thereon.

Security for these borrowings has been granted to Coris over the assets of SMK and KGM, as well as the share capital of SMK and KGM, a parent company guarantee, and restricted cash held in an escrow account (note 18).

The Group records and measures borrowings at amortised cost, using the effective interest rate method.

20. PROVISIONS

Provisions as at 31 December 2022 totalled \$27,950,000 (2021: \$22,255,000).

	2022 \$'000	2021 \$'000
Rehabilitation provision (a)	27,308	21,436
End of service provision (b)	642	819
	27,950	22,255

(a) Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2029. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain. The remeasurement is capitalised into the mine closure asset.

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	REHABILITATION PROVISION – MALI \$'000	REHABILITATION PROVISION – GUINEA \$'000	TOTAL \$'000
At 1 January 2021	15,775	350	16,125
Utilised during the year	(35)	–	(35)
Remeasurement	5,282	–	5,282
Unwinding of discount	64	–	64
At 31 December 2021	21,086	350	21,436
Utilised during the year	(60)	–	(60)
Additions during the year	–	4,764	4,764
Remeasurement	1,258	(350)	908
Unwinding of discount	260	–	260
At 31 December 2022	22,544	4,764	27,308
Analysed as:			
Current	830	–	830
Non-current	21,714	4,764	26,478
At 31 December 2022	22,544	4,764	27,308

(b) End of service provision

The Company's subsidiaries in Mali, are required to operate a post service benefit plans for qualifying employees. The plan is unfunded, and a lump sum amount falls due to employees on cessation of service in qualifying circumstances which is dependent on final salary and length of service. Once the lump sum has been paid on redundancy or retirement, no further payments are due to the individuals as there are no ongoing benefits.

The structure of the benefits scheme is listed below:

YEARS OF SERVICE	BENEFIT
First year up to 5 years	30% of salary
6th to 10th year inclusive	35% of salary
Over 10 years	40% of salary

Further, the plan provides that in addition to the notice period and any severance pay, a special allowance, non-taxable, balance will be paid by the employer and equal to one month of gross salary.

The retirement benefit obligation recognised in the balance sheet as at 31 December 2022 of \$642,000 (2021: \$819,000) represents the present value of the end of service obligation in relation to this agreement. The charge for this provision is split between cost of sales and some capitalised to the mine development asset in accordance with the payroll costs of the individuals to which the liability relates.

There are no physical assets held to fund the liabilities. Payments will be met by the Group on a pay-as-you-go basis. The amounts have been based on the above calculations performed by management with no actuarial valuations.

Given the level of employees in Guinea as well as length of service, an initial provision of \$47,000 (2021: \$nil) has been provided at the year end. It is expected this amount will increase over the years due to increase in length of service and larger employee base.

21. LEASES

The Group leases mining equipment, power plant generators and office space with terms of two to five years at inception. Lease payments represent rentals payable by the Group for the Yanfolila Gold Mine power plant generators, fixed mining equipment in addition to lease costs for properties located in Liberia, Mali, and the head office in the UK. The Group has elected not to recognise the right of use assets for lease of low value and/or short-term leases.

(a) Right of use assets

Information about leased assets for which the Group is a lessee is presented below:

	PLANT & EQUIPMENT \$'000	OFFICES \$'000	TOTAL \$'000
Cost			
At 1 January 2021	36,819	475	37,294
Forfeiture/lapses	(29,013)	–	(29,013)
Arising during the year	39,711	–	39,711
At 31 December 2021	47,517	475	47,992
Forfeiture/lapses ¹	–	(475)	(475)
Arising during the year ¹	–	761	761
Remeasurement	127	–	127
At 31 December 2022	47,644	761	48,405
Depreciation			
At 1 January 2021	23,151	346	23,497
Forfeiture/lapses	(23,687)	–	(23,687)
Charge for the year	12,067	129	12,196
At 31 December 2021	11,531	475	12,006
Forfeiture/lapses ¹	–	(475)	(475)
Charge for the year	11,335	51	11,386
At 31 December 2022	22,866	51	22,917
Carrying amount at 31 December 2021	35,986	–	35,986
Carrying amount at 31 December 2022	24,778	710	25,488

¹ The office lease of our corporate office was extended in September 2022, and a recalculation of the IFRS 16 liabilities and assets had to be done based on the new lease contract. This resulted in the previous assets and liabilities being extinguished and new ones being recognised.

(b) Lease liabilities

Maturity analysis

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 \$'000	2021 RESTATED \$'000
Within one year	12,730	13,496
In the second to fifth years inclusive	16,585	32,641
Total undiscounted lease liabilities at 31 December	29,315	46,137

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Lease liabilities included in the statement of financial position at 31 December 2022 were:

	2022 \$'000	2021 RESTATED \$'000
At 1 January – restated	37,517	14,146
Forfeiture/lapses ¹	–	(5,271)
Arising during the year ¹	761	39,711
Remeasurement	127	(55)
Lease liability and lease interest paid during the year	(13,603)	(14,020)
Interest expense on lease liabilities	2,862	3,006
At 31 December	27,664	37,517
Analysed as:		
Current	11,819	9,961
Non-current	15,845	27,556
At 31 December	27,664	37,517

¹ The office lease of our corporate office was extended in September 2022, and a recalculation of the IFRS 16 liabilities and assets had to be done based on the new lease contract. This resulted in the previous assets and liabilities being extinguished and new ones being recognised.

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of \$11.4 million (2021: \$12.2 million) and \$2.9 million (2021: \$3.0 million) interest expense on lease liabilities. Low value and short-term lease charges of \$95,000 (2021: \$47,000) were also charged into the income statement during the year. A further \$86,000 (2021: \$49,000) capitalised into mine development in respect of Guinean based short-term leases.

Total of \$13.6 million (2021: \$14.0 million) was paid during in respect of lease principal and interest, and this is reflected in statement of cash flows under financing activities.

22. DEFERRED TAX

Differences between IFRS and statutory tax rules give rise to temporary differences between the carrying values of certain assets and liabilities for financial reporting purposes and for income tax purposes.

The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at the greater of 1% of turnover and 30% of taxable profits.

As at 31 December 2022, deferred tax assets of \$13.2 million and deferred tax liabilities of \$3.7 million were recognised in the Malian subsidiary, resulting in a net deferred tax asset of \$9.6 million (2021: asset of \$3.9 million). This resulted in a net deferred tax income of \$5.7 million recognised within comprehensive income. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets. The deferred tax assets are recognised as future forecasts indicate the availability of future taxable profits against which deductible temporary differences can be utilised.

No deferred tax assets have been recognised in respect of the remaining potential deferred tax assets of \$17,327,000, as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

In Guinea, following the finalisation of the 2021 local audit, a total of GNF 585 billion (US\$60 million) of historical costs have been transferred to Kouroussa Gold Mine SA. From the now dissolved Cassidy Gold Guinea SA ("CGG"). The Group is currently finalising the tax implications of this transfer with its tax advisors, in respect of whether the full balance together with any losses will be available for future tax offset. Initial discussions and tax advice confirm that it should be possible, but not certain, that Kouroussa Gold Mine SA will benefit from the full amount transferred. Further given the Kouroussa Gold Mine SA is still under construction, any amounts being spend in Guinea are currently regarded as capital work in progress ("WIP"), until such a time commercial production is reached at which point costs will then be transferred to the fixed asset register and depreciation commence.

It is at this point also, that the research fees transferred from CGG will also commence amortisation and hence will also then have taxable temporary differences. On 31 December 2022, the accounting base and tax base of the capital WIP balances as well as the amounts transferred from CGG is the same resulting in nil impact on deferred tax.

The movement in deferred tax assets and liabilities during the year is as follows:

	UNRECOGNISED		RECOGNISED		
	DEFERRED TAX ASSETS \$'000	DEFERRED TAX LIABILITY \$'000	DEFERRED TAX ASSETS \$'000	DEFERRED TAX LIABILITY \$'000	NET DEFERRED TAX ASSETS \$'000
At 31 December 2020	15,145	–	12,790	(12,106)	15,829
Tax losses arising during the year	1,117	–	–	–	1,117
Tax losses utilised during the year	–	–	(1,346)	–	(1,346)
Accelerated tax depreciation	–	–	–	4,530	4,530
At 31 December 2021	16,262	–	11,444	(7,576)	20,130
Tax losses arising during the year	1,122	–	–	–	1,122
Tax losses utilised during the year	–	–	1,724	–	1,724
Accelerated tax depreciation	–	–	–	3,979	3,979
At 31 December 2022	17,384	–	13,168	(3,597)	26,955

23. TRADE AND OTHER PAYABLES

	2022 \$'000	2021 \$'000
Trade payables	20,525	13,209
Other taxes and social security	7,814	6,052
VAT payable	430	576
Accruals	31,141	12,905
Other payables	6,171	966
	66,081	33,708

The average credit period taken for trade purchases is 46 days (2021: 46 days). The Group seeks to settle agreed payables within the contractual timeframe. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

24. OTHER FINANCIAL LIABILITIES

	2022 \$'000	2021 \$'000
Royalty liability – Kouroussa	8,218	9,092
Royalty liability – Ecora Resources PLC (Formerly Anglo Pacific Group PLC)	15,000	15,000
Loans – Pasofino	18,577	–
	41,795	24,092

Royalty liability – Ecora Resources PLC (Formerly Anglo Pacific Group PLC)

On 17 December 2012 the Group entered into a royalty financing arrangement with APG AUS No 5 Pty Limited (a wholly owned subsidiary of Anglo Pacific Group PLC (“APG”) in relation to Dugbe. Under the terms of the agreement APG agreed to advance \$15m in three equal tranches subject to the satisfaction of certain criteria. The first tranche of \$5m was received on 14 March 2013 and the second tranche of \$5m was received on 10 April 2013, the third tranche of \$5m was received on 13 March 2014 giving a total of \$15m.

During that same year the advances were converted into a 2% net smelter return royalty from any sales of product mined within a 20km radius of Dugbe. After an initial grace period of six months following the commencement of commercial production, in the event that quarterly sales of gold produced are less than 50,000 oz, additional quarterly payments will be required until such time as the cumulative royalty paid is \$15m (the maximum total payment in any such quarter is equivalent to the royalty that would have arisen on sales of 50,000 oz of gold). Following this period the royalty is 2% except where both the average gold price is above \$1,800 and sales of gold are less than 50,000 oz, in which case it increases to 2.5% in respect of that quarter.

The amount advanced of \$15m is repayable in certain limited circumstances, such as a change in control, and therefore is treated as a financial liability. The amounts advanced are secured by legal charges over the assets of Hummingbird Resources (Liberia) Inc and Sinoe Exploration Limited, and a legal charge over the shares of Hummingbird Resources (Liberia) Inc, Sinoe Exploration Limited and Golden Grebe Mining Limited. Additionally, the Company has provided a guarantee to APG regarding the obligations of its subsidiaries in respect of this arrangement.

On 5 October 2022, Anglo Pacific Group PLC, rebranded and changed its company name to Ecora Resources PLC.

Royalty liability – Kouroussa

The Cassidy Smelter Royalty was reassessed to \$8.2 million as at 31 December 2022 (2021: \$9.1 million), using the latest discount rates and mine plans. This represents a 2% smelter royalty retained by the vendors on all gold sales from the project over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

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The Cassidy Smelter royalty has been deemed to be a level 2 liability under the fair value hierarchy. This has been valued using management estimated gold prices, production profiles as well as estimated discount rates.

Loan – Pasofino

Refer to note 26.

Royalty liability – Liberia MES Royalty

Following the purchase of the central licence area from MES Mining Corporation, on 11 May 2021 the Group granted a royalty to MES Mining Corporation (“MES”) with respect to the central licence area. The Group shall pay MES a perpetual production royalty based on Net Smelter Returns from the sale or other disposition of all the gold produced from the central licence area. The royalty will apply to 100% of the central licence area, subject to:

- No royalty to be paid until commercial production is reached – producing at least 10,000 oz a month from the Central licence area over a sustained 3-month period
- Royalty will be paid only on the first 3,000,000 oz of gold produced from the licence area
- No royalty will be payable if the applicable spot gold price is less than \$1,250 per ounce

In management’s view there is no obligating event and therefore no liability was recognised in the statement of financial position as at 31 December 2022. This liability, when there is an obligating event, will be deemed to be a level 2 liability under the fair value hierarchy.

25. DEFERRED CONSIDERATION

	TOTAL \$'000
At 1 January 2021	5,402
Fair value movements through profit and loss	(775)
At 31 December 2021	4,627
Offsets for amounts receivables from Cassidy ¹	(642)
Fair value movements through profit and loss	(408)
At 31 December 2022	3,577
Analysed as:	
Current	1,776
Non-current	1,801
At 31 December 2022	3,577

¹ This was amounts deducted from the deferred consideration relating to the settlement of liabilities of £532,032 by the Group on behalf of Cassidy.

The deferred consideration was reassessed to \$4.2 million as at 31 December 2022 (2021: \$4.6 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income. This was then offset by the \$0.6 million relating to amounts that were paid by the Group on behalf of Cassidy, resulting in a net deferred consideration balance of \$3.6 million as at 31 December 2022.

The Cassidy deferred consideration is payable of £10 for every ounce of gold reserve published (or processed if not included in a reserve) more than 400,000 ounces (subject to increments of 100,000 ounces and a maximum of 1,000,000 ounces). In short, each of the 100,000 ounces growth in reserves up to a maximum of 1,000,000 results in additional purchase price adjustment.

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration in respect of 200,000 excess ounces became payable to Cassidy, and shares were issued on 7 February 2023 to satisfy this liability.

The initial deferred consideration due of £2.0 million (\$2.4 million) was reduced by £532,032 (\$642,000) due to the settlement of liabilities by the Group on behalf of Cassidy, and therefore resulted in the issue of 22,688,844 new Ordinary Shares to the underlying shareholders of Cassidy (the “Cassidy Deferred Consideration Shares”), when a volume weighted average price (“VWAP”) of 6.47 pence is applied (being the 5 business day trailing VWAP to 31 December 2022).

The deferred consideration liability has been deemed to be a level 2 liability under the fair value hierarchy. This has been valued using management estimated gold prices, reserve growth profiles as well as estimated discount rates.

26. LIBERIA EARN-IN AGREEMENT

As previously announced, the Group entered into an earn-in agreement with Pasofino Gold Limited (“Pasofino”) in respect of the Gold Project in Liberia (“Dugbe”). The earn-in agreement required Pasofino to complete a Feasibility Study (“FS”) and cover all project costs over the 2 year earn-in period (the “Earn-in”). The Earn-in entitled Pasofino to earn up to a 49% interest in the Dugbe.

The Earned Interest of 49% was made up as:

- a. 49% of the equity in Hummingbird Resources (Liberia) Inc. excluding the Government of Liberia’s right to a 10% free carried interest.
- b. 49% of any loan advanced to Hummingbird Resources (Liberia) Inc. or its subsidiaries by Hummingbird Resources plc and its affiliates.

If Pasofino completed its conditions above, on being granted the 49 per cent economic interest in the Dugbe, the parties would also enter into a customary joint venture agreement, as well as both having the right, subject to certain protections, to convert the Company’s 51% controlling interest in the Dugbe into a 51% controlling interest in Pasofino.

Pasofino continued to develop Dugbe in 2022 and advanced a further \$4.7 million to Dugbe in 2022, taking its total contribution to \$20.5 million from the start of the earn-in. Pasofino filed the FS for Dugbe on 1 August 2022, and therefore satisfying the key condition for their earn-in.

Following this notification, a Sole Funding Period agreement was entered into whereby Pasofino will solely fund the first \$4.7 million of joint venture expenditures in Liberia. After this amount is exhausted, the two parties will fund the ongoing expenditures in line with their respective holdings, through an operating joint venture agreement.

The earn-in was formally completed in September 2022. At this date Pasofino were therefore entitled to their 49% interest in Dugbe.

Key accounting judgements

Following the conclusion of the earn-in, Pasofino has earned a non – controlling interest in the Group’s subsidiary, Hummingbird Resources (Liberia) Inc.

The Group has elected to measure the non-controlling interest earned by Pasofino initially at their proportionate share of the identifiable net assets of Hummingbird Resources (Liberia) Inc, with intercompany loan added back at the date of completion of the earn-in.

There is no formal accounting standard guiding the earn-in agreements. Judgement was therefore applied in what accounting policy to adopt, including estimating the implication of this accounting policy on the Group’s financial position. Amounts advanced as part of earn-in agreements were initially netted off against the related asset, and then added back when spent, until the conclusion of the earn-in agreements.

Following the conclusion of the earn-in further judgements were made over how to present the impact of the earn-in including:

- The recognition of all the expenditures that had been funded by Pasofino from the start of the earn-in which were converted into equity in Hummingbird Resources (Liberia) Inc.
- Treatment of the transfer of 49% of the intercompany receivable due from Hummingbird Resources (Liberia) Inc to Pasofino. Management treated this as a payment for Pasofino to deliver the DFS, and hence this amount was capitalised into exploration and evaluation assets in Hummingbird Resources (Liberia) Inc.
- The amount to be funded by Pasofino during the Sole Funding period was recognised as a receivable from Pasofino at conclusion of the earn-in.
- Finally, creating a Pasofino non-controlling interest in Hummingbird Resources (Liberia) Inc. In line with the accounting policy above, the NCI was based on the 49% of the net assets of Hummingbird Resources Liberia (Inc), with intercompany loan added back at date of earn-in. This resulted in an NCI of \$33.7 million being recognised. This also resulted in the Group showing an equity adjustment of \$9.5 million as a result of the deemed proposal of the 49% to Pasofino.

Further on 11 November 2022, Pasofino exercised its right to acquire 100% of Dugbe, which if completed, would result in the Group owning 51% of Pasofino. Management have applied judgement and deemed it appropriate to consolidate the results of Hummingbird Resources (Liberia) Inc as at 31 December 2022 into the Group results as it still retains control. The Group retain control through being able to direct the activities of the subsidiary by virtue of having an effective deciding vote over operational decisions and being able to appoint the chairman. The Group therefore retains its power over Hummingbird Resources (Liberia) Inc to affect the amount of returns to which it has variable exposure. Further judgements were made not to account for the 51% ownership of Pasofino as at 31 December 2022, as this final part is still subject to several conditions which had not been satisfied as of 31 December 2022, including but not limited to, Pasofino shareholder approval, TSX approval and Government of Liberia approval, and therefore as completion has not as completion hasn’t occurred, our control assessment above is not impacted.

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The following table summarises the net position of the Group following the completion of the earn-in, and the necessary entries to create the NCI:

	ASSETS \$'000	EQUITY AND LIABILITIES \$'000	RECOGNISED IN FINANCIAL POSITION \$'000
Exploration and evaluation assets ¹	37,871	–	37,871
Property plant and equipment ²	1,269	–	1,269
Balances due from Pasofino during Sole Funding Period	3,762	–	3,762
Intercompany Loan Transfer ³	–	(18,577)	(18,577)
Equity ⁴	–	9,528	9,528
Other Payables	–	(198)	(198)
Pasofino Non-Controlling Interest ⁵	–	(33,655)	(33,655)
Total	42,902	(42,902)	–

1 Recognising the exploration and evaluation expenditures that were funded by through the advances to Dugbe, plus the \$18.6 million intercompany transfer from the Group, to fund the delivery of the feasibility study (see 3 below).

2 Recognising the property plant and equipment (net of depreciation charges), that were acquired during the period of the earn-in.

3 The Company transferring 49% of its loan due from Hummingbird Resources (Liberia) Inc to Pasofino (see 1 above).

4 Reflecting the fact, the net assets transferred were more than the consideration provided by Pasofino.

5 The non-controlling interest was based on the 49% of the net assets of Hummingbird Resources (Liberia) Inc, with intercompany loan added back.

The \$18.6 million that is due to Pasofino from Hummingbird Resources (Liberia) Inc, which represents Pasofino's 49% share of the intercompany payable following the completion of the earn-in, has no fixed repayment terms and is currently interest free. Under the joint venture agreement, this can only be paid pro rata to each party's holding.

Summarised financial information of Hummingbird Resources (Liberia) Inc. adjusted for Group accounting policies, after elimination of intra-group items is set out below:

	AT 31 DECEMBER 2022 \$'000
Non-current assets	100,817
Current assets	3,850
Current liabilities	(2,407)
Non-current liabilities	(33,577)
Net assets	68,683

	NON-CONTROLLING INTEREST \$'000
49% of net assets above	33,655
	33,655

Dugbe is still under development hence there is no revenue. There is an immaterial net loss of \$11,000 arising mainly from foreign exchange differences.

27. SHARE CAPITAL

Authorised share capital

As permitted by the Companies Act 2006, the Company does not have an authorised share capital.

Issued equity share capital

	2022		2021	
	NUMBER	\$'000	NUMBER	\$'000
Issued and fully paid				
Ordinary shares of £0.01 each	393,724,051	5,828	392,676,809	5,814
Total Ordinary after issue – shares of £0.01 each	393,724,051	5,828	392,676,809	5,814

The Company has one class of Ordinary shares which carry no right to fixed income.

	NUMBER OF ORDINARY SHARES OF £0.01
At 1 January 2021	357,428,368
Issue of shares – Kouroussa acquisition	35,248,441
At 31 December 2021	392,676,809
Exercise of share options and deferred share awards ¹	1,047,242
At 31 December 2022	393,724,051

¹ A total of 931,179 options were exercised in 2022 in the Company at an exercise price of £0.01 per share for a total return of £9,312, generating no share premium. A further 116,063 deferred share awards were also issued in 2022 at a price of £0.01 per share for a total return of £1,161 generating no share premium.

The total number of outstanding share options are:

SHARE OPTIONS	2022	2021
Opening balance	19,880,880	15,410,260
Issued	14,900,636	10,946,233
Exercised	(1,047,242)	–
Lapsed	(4,277,406)	(6,475,613)
As at 31 December	29,456,868	19,880,880
Total	29,456,868	19,880,880

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28. SHARE BASED PAYMENTS

The following table outlines movement in share options granted and outstanding:

SHARE OPTIONS	2021 NUMBER	GRANTED NUMBER	EXERCISED NUMBER	LAPSED NUMBER	2022 NUMBER
Granted 5/12/2013	1,468,000	–	–	–	1,468,000
Granted 30/09/2016	3,770,294	–	(686,205)	–	3,084,089
Granted 26/09/2017	110,795	–	–	–	110,795
Granted 30/04/2018	453,906	–	(70,182)	–	383,724
Granted 24/01/2019	619,992	–	–	–	619,992
Granted 27/02/2020	2,934,458	–	(112,292)	(53,750)	2,768,416
Granted 16/04/2020	93,334	–	(62,500)	–	30,834
Granted 27/02/2021	10,430,101	–	(116,063)	(1,492,236)	8,821,802
Granted 04/02/2022	–	14,900,636	–	(2,731,420)	12,169,216
Total number of share options	19,880,880	14,900,636	(1,047,242)	(4,277,406)	29,456,868
Weighted average exercise price	£0.03	£0.01	£0.01	£0.01	£0.02

Of the total number of share options outstanding at 31 December 2022 8,658,265 (2021: 8,119,283) had vested and were exercisable.

The weighted average fair value of share options granted during the year was \$0.176 (£ 0.13) (2021: \$0.404, (£0.304)).

The weighted average share price (at the date of exercise) of share options exercised during the year was \$0.015 (£0.013) (2021: \$nil (£nil)).

The exercise price of share options outstanding at 31 December 2022 ranged between £0.01 and £0.22 (2021: £0.01 and £0.22) and their weighted average contractual life was 6 years (2021: 5 years).

The following table outlines share based payment charges:

	2022 \$'000	2021 \$'000
Charge for equity settled share-based payments (HIPPO 2016 to 20)	35	(235)
Charge for cash settled share-based payments (CEO Deferred bonus)	(130)	(461)
Charge for Directors Deferred Share Awards	117	150
Charge for Long-Term incentive Plans (LTIPs)	1,919	2,005
Total share-based payment charges recognised in profit and loss	1,941	1,459
Charge for equity settled share-based payments (HIPPO 2016 to 20)	–	(99)
WACOM share based payments arrangements*	1,752	38
Total share-based payments capitalised to mine development	1,752	61

* Following the Board approval of the build for the Kouroussa Mine, and to incentivise the contractor to deliver on time and on budget, the Company granted incentives to WACOM the main civils contractor, to deliver the process plant and camp on time and on budget. The incentives are both cash settled as well as equity settled and payable after the delivery of the Kouroussa project is confirmed. The charge was capitalised into the cost of mine development.

Hummingbird incentive plan – performance orientated (“HIPPO 2016”)

The HIPPO 2016 scheme was initiated to retain and incentivise key team members to deliver the Yanfolilla Mine, which was built on time and on budget.

The below reflect the outstanding options in respect of the HIPPO 2016 as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)
Total award granted	8,681,658	2,450
Exercise price of the options	£0.01	–
Fair value of the options at the dates of grant		
30 Sep 2016	\$0.312 (£0.24)	–
26 Sep 2017	\$0.446 (£0.33)	–
Number of shares options exercised or lapsed in prior periods	(4,800,569)	–
Number of share options exercised or lapsed during the current period	(686,205)	–
Number of share options outstanding as at 31 December 2022	3,194,884	–

Hummingbird incentive plan – performance orientated (“HIPPO 2018”)

The Company announced on 30 April 2018 that it had implemented the Hummingbird Incentive Plan – Performance Orientated 2018 (“HIPPO 2018”) incentive scheme to retain and incentivise key team members to deliver efficient production from Yanfolilla in its first year of operations.

In recognition of the critical importance of the recovery plan announced on 29 November 2018 and to retain and incentivise key team members, on 24 January 2019 the Company amended the targets for the HIPPO 2018 incentive scheme to align these with the Company’s key objectives for 2019.

The below reflect the outstanding options in respect of the HIPPO 2018 as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)
Total award granted 30 April 2019 – original grant	6,157,819	2,010
Black Scholes revaluation change	–	(507)
Lapsed as part of amendment	(234,375)	(231)
Reissued as part of amendment	751,427	9
Total HIPPO 2018 awards granted – as amended	6,674,871	1,281
Lapsed /paid out during the prior periods	(5,600,973)	(1,269)
Lapsed /paid out during the current period	(70,182)	(12)
Number of share options outstanding as at 31 December 2022	1,003,716	–
Exercise price of the options – amended	\$0.013 (£0.010)	–
Fair value of the options at the date of grant -amended	\$0.298 (£0.229)	–

Hummingbird incentive plan – performance orientated (“HIPPO 2020”)

The Company announced on 27 February 2020 that it had, consistent with prior years, initiated the HIPPO 2020 incentive scheme to retain and incentivise key team members to deliver on the Company’s strategy.

The Restricted Share Units (“RSUs”) in the form of options under HIPPO 2020 have been granted over ordinary shares in the Company of £0.01 each (“Shares”) and have an exercise price of £0.01 per Share. Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs shall vest 50% by 31 March 2021, 25% by 31 December 2021 and 25% by 31 December 2022. These were allocated as follows:

- a) Production Tranche:
 - i. 1/9 of the RSUs will vest if 120,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.
 - ii. A further 1/9 of the RSUs will vest if 125,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.
 - iii. A further 1/9 of the RSUs will vest if 130,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.

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- b) Cost and Cashflow Tranche:
- 1/6 of the RSUs will vest if the Yanfolila AISC (as announced by the Company), as normalised for a \$0.70 / litre fuel price and a \$1,350 gold price, is equal to or lower than \$850 per ounce sold;
 - 1/6 of the RSUs will vest if the Company is in a net cash position by 31 December 2020.
- c) Performance Tranche:
- up to 1/3 of the RSUs may vest based on participant performance against individually set KPIs and the Company's overall ESG and safety performance, at the Board's discretion, following the recommendation of the Remuneration Committee.

Once vested, any RSUs may be exercised during a set exercise period determined by the Company and notified to the option holders. This is intended to be a minimum of a one-week period per year when the Company is in an "open period" under MAR. Unvested RSUs will normally lapse on cessation of employment for any reason. The RSUs holders will retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the option shall lapse.

The below reflect the outstanding options in respect of the HIPPO 2020 as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)
Total award granted 27 February/16 April 2020 – original grant	9,080,000	2,350
Lapsed/exercised/paid during prior periods	(6,052,208)	(2,262)
Lapsed/exercised/paid out in current period	(228,542)	(88)
Number of share options outstanding as at 31 December 2022	2,799,250	–

2021 Incentive Scheme

Following a review led by external remuneration advisors of the appropriate balance of short and long of future short and long term incentives and retention structures for Directors and key employees in light of the Company's potential development paths, the Company adopted a more standard approach of an annual award of a discretionary short term cash based incentive plan ("STIP") based on both corporate and personal targets together with an equity based Long Term Incentive Plan ("LTIP") intended to better align shareholders with participants to create shareholder value over the medium to long term.

Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs are expected to vest on 28 February 2024 in equal thirds as follows:

- Retention Tranche: based on continuous employment and subject to malice provisions.
- Absolute Total Shareholder Return versus the 5-working day VWAP to 28 February 2021, with 25% vesting for 8% compound annual growth and 100% vesting for 18% compound annual growth.
- Relative Total Shareholder Return against the S&P Commodity Producers Gold Index with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

The below reflects the outstanding options in respect of the 2021 Incentive Schemes as at 31 December 2022:

	SHARE AWARD – LTIP	CASH AWARD – STIP (\$'000)*
Total award granted 28 February 2021	7,495,548	3,752
Others granted to selected employees ¹	2,870,370	–
Lapsed/exercised/paid out in prior periods	(516,132)	(2,552)
Lapsed/exercised/paid out in current period	(1,492,236)	(814)
Number of share options outstanding as at 31 December 2022	8,357,550	386

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.

¹ Additionally one off awards were also approved as follows to certain key employees for the purposes of recruitment, retention and alignment with the long term strategy: 370,370 RSUs vesting on 31 August 2021 subject to continuous employment and a 3 month subsequent lock in; and 2,500,000 RSUs vesting on 31 May 2024 subject to continuous employment, a minimum share price of 60 pence and then on a sliding scale of 25% vesting on a \$300m market capitalisation to 100% on a \$500m market capitalisation.

The performance period runs from 1 January 2021 to 31 December 2021.

The Company has the option to defer payment of cash awards until sufficient funds are available or settle in shares.

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM. The table below lists the principal assumptions and inputs to the model used for options granted:

	DATE OF GRANT
Share price at the date of grant	\$0.417 (£0.304)
Expected dividend yield	Nil
Expected volatility	47.77%
Expected life	4.0 years
Risk free interest rate	0.819%
Resultant fair value	\$0.404 (£0.294)

Non-executive Director Deferred Share Awards

In recognition of the significant experience and the high level of personal commitment of the Non-executive Directors, each Non-executive Director (including the Chairman) received an annual deferred share award with a value of £25,000, vesting one year from award date. These awards must be retained until the individual ceases to hold office. For the year to 31 December 2021, the awards were as follows:

NAME	POSITION	TOTAL NUMBER OF DEFERRED SHARE AWARDS
Russell King	Former Chairman	116,063
Attie Roux	Non-executive director	116,063
Ernie Nutter	Non-executive director	116,063
Stephen Betts	Non-executive director	116,063
David Straker-Smith	Non-executive director	116,063
Total		580,315

The below reflect Non-executive Director Deferred Share Awards as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)*
Total award granted 28 February 2021	580,315	–
Lapsed/exercised/paid out in prior periods	–	–
Lapsed/exercised/paid out in current period	(116,063)	–
Number of share options outstanding as at 31 December 2022	464,252	–

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM. The table below lists the principal assumptions and inputs to the model used for options granted:

	DATE OF GRANT
Share price at the date of grant	\$0.295 (£0.215)
Expected dividend yield	Nil
Expected volatility	47.77%
Expected life	1.0 years
Risk free interest rate	0.819%
Resultant fair value	\$0.282 (£0.206)

2022 Incentive Scheme

In line with the Long-Term Incentive Plan ("LTIP"), the Remuneration Committee approved the grant of 13,828,161 restricted share units ("RSU") awards to employee participants.

Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs are expected to vest on 4 February 2025 as follows follows:

- Retention Tranche: 1/3 based on continuous employment and subject to malice provisions.
- 2/3 will be based on Relative Total Shareholder Return against the S&P Commodity Producers Gold Index with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

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The below reflects the outstanding options in respect of the 2022 Incentive Schemes as at 31 December 2022:

	SHARE AWARD - LTIP	CASH AWARD - STIP (\$'000)*
Total award granted 4 February 2022	13,828,161	4,210
Lapsed/exercised/paid out in current period	(2,516,925)	(2,606)
Number of share options outstanding as at 31 December 2022	11,311,236	1,604

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.

The performance period runs from 1 January 2022 to 31 December 2022.

The Company has the option to defer payment of cash awards until sufficient funds are available or settle in shares.

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM. The table below lists the principal assumptions and inputs to the model used for options granted:

	DATE OF GRANT
Share price at the date of grant	\$0.176 (£0.13)
Expected dividend yield	Nil
Expected volatility	49.36%
Expected life	3.0 years
Risk free interest rate	0.819%
Resultant fair value	\$0.163 (£0.120)

Non- executive Director Deferred Share Awards

Like in 2021, in recognition of the significant experience and the high level of personal commitment of the Non-executive Directors, each Non-executive Director (including the Chairman) received an annual deferred share award with a value of £25,000, vesting one year from award date. These awards must be retained until the individual ceases to hold office. For the year to 31 December 2022, the awards are as follows:

NAME	POSITION	TOTAL NUMBER OF DEFERRED SHARE AWARDS
Russell King	Former Chairman	214,495
Attie Roux	Non-executive director	214,495
Ernie Nutter	Non-executive director	214,495
Stephen Betts	Non-executive director	214,495
David Straker-Smith	Non-executive director	214,495
Total		1,072,475

The below reflect Non- executive Director Deferred Share Awards as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)*
Total award granted 4 February 2022	1,072,475	-
Lapsed/exercised/paid out in current period	(214,495)	-
Number of share options outstanding as at 31 December 2022	857,980	-

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM. The table below lists the principal assumptions and inputs to the model used for options granted:

	DATE OF GRANT
Share price at the date of grant	\$0.158 (£0.117)
Expected dividend yield	Nil
Expected volatility	49.36%
Expected life	1.0 years
Risk free interest rate	0.819%
Resultant fair value	\$0.145 (£0.110)

WACOM Incentive Plan

As we announced in December 2021, the Company has formally appointed WACOM to perform the civil and structural design of the process plant, along with the plant fabrication and construction. WACOM is a group of companies specialising in the construction of mining and industrial infrastructure in the West African region. WACOM have a large fabrication and machining workshop in Bamako, Mali where most of the structural steel, plate work and tanks will be fabricated and transported by road to Kouroussa. This will ensure both low cost and timely sequenced arrival of fabricated components for plant construction, WACOM has successfully built a number of mines, including Yanfolila (when formally known as IMAGRI), which was on time and on budget.

The WACOM contract is a lump sum fixed price, with penalties for late delivery. Additionally, to help ensure the project is delivered on time, the Company has agreed an incentive package consisting of a potential bonus of up to \$2.6 million, consisting of a cash bonus of up to \$0.75 million with the balance of up to \$1.85 million (£1,395,000) payable through the issue of 6,342,857 new shares in Hummingbird Resources Plc at the agreed price of £0.22 per share, to be issued 12 months after expected delivery date (i.e., in first half of 2024).

The below reflect the WACOM Incentive as at 31 December 2022:

	SHARE AWARD	CASH AWARD (\$'000)*
Total award granted 25 November 2021	6,342,857	750
Lapsed/exercised/paid/ out during current and prior periods	–	–
Number of share options outstanding as at 31 December 2022	6,342,857	750

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM. The table below lists the principal assumptions and inputs to the model used for options granted:

	DATE OF GRANT
Share price at the date of grant	\$0.23 (£0.17)
Expected dividend yield	Nil
Expected volatility	48.37%
Expected life	2.0 years
Risk free interest rate	0.662%
Resultant fair value	\$0.28 (£0.21)

CEO Deferred bonus

On 1 June 2014, contingent on the successful acquisition by the Company (or a subsidiary of the Company) of the Yanfolila Project the Company awarded the Chief Executive Officer a deferred bonus in the form of a cash settled share-based payment equivalent to the cash value on the date of payment of 1,785,714 shares (subject to a maximum share price of £2.016). This bonus is deferred and except in the event of a change of control, only becomes payable after a vesting period of 2 years and at the earlier of the Chief Executive Officer ceasing to be a director of the Company or 10 years.

The Yanfolila Project was acquired on 2 July 2014 and accordingly this cash settled share-based payment was granted on that date. The share price and resultant fair value of this cash settled share-based payment was estimated as at the date of grant as \$0.99 (£0.58) and \$1,774,000 (£1,036,000) respectively, which was spread over the vesting period of 2 years and is re-measured at each reporting date using the share price on that date. The share price as at 31 December 2022 was \$0.083 (£0.069) (2021\$0.196, £0.145).

As a result of movement in the share price and changes in foreign exchange rates, the deferred bonus liability was decreased by \$202,000 (2021: decreased by \$461,000).

Founders Equity Alignment Plan ("FEAP")

On 1 July 2014 the shareholders approved the adoption of a long-term incentive plan for the purpose of retaining and motivating the executive directors to deliver the proposed new strategy, which was rebased on 21 June 2016 as part of the fundraise to recapitalise the Company.

Participants in the FEAP are limited to existing executive directors ("executives"). Allocations of the FEAP are proposed by the Principal Director (currently the CEO) and ratified by the board. As at 31 December 2022 no allocation had been proposed. The FEAP will issue shares to the participants for adding material long term shareholder value and therefore align the interest of the executives with the shareholders by providing a strong incentive for the executives to drive shareholder value. The value that may be delivered to executives and the dilution of shareholders are commensurate with levels applying in schemes implemented by industry comparators.

Under the FEAP, shares may be distributed to participants depending upon the value that has been added to shareholders over the vesting period. No value will accrue to the FEAP if the growth in shareholder value is less than 50% of the market capitalisation of Hummingbird on 21 June 2016. If the growth in shareholder value is over 50%, a proportion of value added to shareholders will accrue to the FEAP, increasing progressively, starting at 5% of the value added to shareholders up to a maximum of 15% of the value added to shareholders above 150%. Shares with a value equal to the value accrued in the FEAP will be issued on vesting or the value can be settled in cash at the Company's option. There is also the flexibility to allow early payments under the FEAP where assets or companies are disposed of and value has been added exceeding 50% on the same principles.

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29. NOTES TO THE STATEMENT OF CASH FLOWS

	NOTES	2022 \$'000	2021 RESTATED \$'000
Loss before tax		(44,259)	(14,356)
Adjustments for:			
Amortisation and depreciation	15 & 16	26,048	26,286
Amortisation and depreciation – right of use assets	21	11,386	12,197
Share based payments	28	1,865	1,372
Finance income	10	(3,641)	(4,071)
Finance expense	10	14,156	8,190
Share of joint venture loss	14	(4)	46
(Impairment)/reversals in impairment of financial assets	18	316	(108)
Loss on financial assets and liabilities measured at fair value	11	715	3,134
Operating cash flows before movements in working capital		6,582	32,690
(Increase)/decrease in inventory		(2,601)	7,204
Increase in receivables		(21,491)	(10,978)
Increase/(decrease) in payables		32,101	(3,795)
		14,591	25,121
Taxation paid		(1,410)	(2,418)
Net cash inflow from operating activities		13,181	22,703

Cash and cash equivalents (which are presented as a single class of assets on the statement of financial position) comprise cash in hand, cash at bank and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets is approximately equal to their fair value.

30. FINANCIAL INSTRUMENTS

In common with all other businesses, the Group and Company are exposed to risks that arise from its use of financial instruments. This note describes the Group's and Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Capital

The Company and Group define capital as share capital, unissued share capital, share premium, other reserves and retained earnings. In managing its capital, the Group's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Group will seek to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues or the issue of debt, the Group considers not only its short-term position but also its long term operational and strategic objectives.

Externally imposed capital requirements

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the Consolidated Financial Statements.

Principal financial instruments

The principal financial instruments used by the Group from which financial risk arises are as follows:

CATEGORIES OF FINANCIAL INSTRUMENTS	FINANCIAL ASSETS MEASURED AT AMORTISED COST ¹		FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 RESTATED \$'000	2022 \$'000	2021 \$'000
FINANCIAL ASSETS								
Cash and cash equivalents (note 18)	2,151	36,739	–	–	–	–	–	–
Investments (note 14)	–	–	1,532	3,530	–	–	–	–
Other receivables (note 18)	15,207	8,916	–	–	–	–	–	–
	17,358	45,655	1,532	3,530	–	–	–	–
Financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings (note 19)	–	–	–	–	115,702	61,812	–	–
Lease liabilities (note 21)	–	–	–	–	27,664	37,517	–	–
Trade payables (note 23)	–	–	–	–	20,525	13,209	–	–
Other payables (note 23)	–	–	–	–	6,171	966	–	–
Accruals (note 23)	–	–	–	–	31,141	12,905	–	–
Royalty liability (note 24)	–	–	–	–	15,000	15,000	8,218	9,092
Pasofino Loan (note 24)	–	–	–	–	18,577	–	–	–
Deferred consideration (note 25)	–	–	–	–	–	–	3,577	4,627
	–	–	–	–	234,780	141,409	11,795	13,719

¹ The carrying values of the financial assets carried at amortised cost approximates their fair value.

The following are the remaining contractual maturities for financial liabilities at the reporting date.

AT 31 DECEMBER 2022	LESS THAN ONE YEAR \$'000	BETWEEN ONE AND FIVE YEARS \$'000	OVER FIVE YEARS \$'000	TOTAL \$'000
Trade payables (note 23)	20,525	–	–	20,525
Royalty liability (note 24)	15,000	8,218	–	23,218
Pasofino loan	–	18,577	–	18,577
Other payables (note 23)	6,171	–	–	6,171
Accruals (note 23)	31,141	–	–	31,141
Deferred consideration (note 25)	1,776	1,801	–	3,577
Lease liabilities (note 21)	12,730	14,934	–	27,664
Borrowings (note 19)	43,862	71,840	–	115,702
Net cash inflow from operating activities	131,205	115,370	–	246,575

AT 31 DECEMBER 2021 (RESTATED)	LESS THAN ONE YEAR \$'000	BETWEEN ONE AND FIVE YEARS \$'000	OVER FIVE YEARS \$'000	TOTAL \$'000
Trade payables (note 23)	13,209	–	–	13,209
Royalty liability (note 24)	15,000	9,092	–	24,092
Other payables (note 23)	966	–	–	966
Accruals (note 23)	12,905	–	–	12,905
Deferred consideration (note 25)	–	4,627	–	4,627
Lease liabilities (note 21)	13,496	24,021	–	37,517
Borrowings (note 19)	–	61,812	–	61,812
Net cash inflow from operating activities	55,576	99,552	–	155,128

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. Whilst retaining ultimate responsibility for these, the Board has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular reports from the Group's finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

FINANCIAL STATEMENTS

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises principally from the Group's investment in cash, trade and other receivables.

In respect of investments in cash, the Group seeks to deposit funds with reputable financial institutions until such time as it is required.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade and other receivables.

The Group's credit risk on the trade receivables is concentrated with its primary customer, a global physical precious metals merchant with a strong credit rating. The historical level of customer defaults is nil. As a result, the credit risk associated with trade receivables at December 31, 2022 is considered negligible.

The Group's credit risk on other receivables includes amounts receivable from the Government of Mali. Having completed a recoverability assessment on other receivables in accordance with IFRS 9, the Group revaluated the expected credit loss allowance 31 December 2022 (note 18).

The Group's credit risk management practices and how they relate to the recognition and measurement of expected credit losses is set out below.

Definition of default

The loss allowance on all financial assets is measured by considering the probability of default.

Receivables are considered to potentially be in default when the principal or any interest is more than 75 days past due, based on an assessment of past payment practices and the likelihood of such overdue amounts being recovered.

Determination of credit-impaired financial assets

The Group considers financial assets to be 'credit-impaired' when the following events, have occurred:

- default or late payments;
- significant financial difficulty of the counterparty arising from significant downturns in operating results and/or significant unavoidable cash requirements when the counterparty has insufficient finance from internal working capital resources, external funding and/or group support;
- observations of default or breach of contract; and
- it becomes probable that the counterparty will enter bankruptcy or liquidation.

Where a significant increase in credit risk is identified, the loss allowance is measured based on the risk of a default occurring over the expected life of the instrument rather than considering only the default events expected within 12 months of the year-end.

Write-off policy

Receivables are written off by the Group when there is no reasonable expectation of recovery, such as when the counterparty is known to be going bankrupt, or into liquidation or administration.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Lifetime expected credit losses

A reconciliation of the lifetime expected credit losses at 1 January 2022 and 31 December 2022 in accordance with IFRS 9, is set out below.

	OTHER RECEIVABLES
	GOVERNMENT OF MALI \$'000
As at 1 January 2021	1,395
Decrease during the year	(108)
As at 31 December 2021	1,287
Increase during the year	316
As at 31 December 2022	1,603

Liquidity risk

Liquidity risk arises from the Group and Company's management of working capital and the amount of funding committed to its work programmes. It is the risk that the Group or Company will encounter difficulty in meeting its financial obligations as they fall due.

The Group and Company's policy is to ensure that sufficient funds will be available to allow it to meet its liabilities as they fall due. To achieve this, the Board receives cash flow projections as well as information regarding available cash balances on a regular basis. The Board will not commit to material expenditures prior to being satisfied that sufficient funding is available. The Group's borrowings including maturity dates are detailed in note 19.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest

bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. The Group's interest-bearing financial liabilities are at a fixed rate of interest.

Foreign exchange risk and foreign currency risk management

The Group is exposed to foreign exchange risk through certain costs being denominated in currencies other than the functional currency, and from holding non-functional currency cash balances.

Although the Group has no formal policy in respect of foreign exchange risk, as the majority of the Group's forecast expenditures are in United States Dollars, Australian Dollars, Euros, Sterling, South African Rand, Guinea Francs and West Africa CFA Franc, the Group holds the majority of its funds in these currencies. Currency exposures are monitored on a monthly basis.

The carrying amounts of the Group's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	LIABILITIES		ASSETS	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Australian Dollars ("AUD")	54	22	54	165
Canadian Dollars ("CAD")	–	–	17	61
Euros ("EUR")	916	207	1,024	4,940
Sterling ("GBP")	9,051	8,900	1,934	1,260
South African Rand ("ZAR")	116	16	–	151
Guinea Franc ("GNF")	5,404	2,523	8,407	3,381
West African CFA Franc ("FCFA")	114,744	77,004	30,630	41,630

FOREIGN CURRENCY SENSITIVITY ANALYSIS

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily to movements in the \$ against the EUR, GBP, ZAR, GNF and FCFA. The Group ensures it places any excess liquidity in stable currencies to reduce its exposure to foreign currency risks. Foreign exchange differences on retranslation of monetary assets and liabilities are recorded in the income statement.

At 31 December, if the \$ had weakened/strengthened by 10% against the EUR, GBP, ZAR, GNF and FCFA, with all other variables held constant, the impact on profit before tax on the non-\$ denominated financial assets and liabilities would have been as follows. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three to five-year timeframe. A positive amount in the table reflects a potential net increase in the profit before tax:

	2022 \$'000	2021 \$'000
Increase in comprehensive income and net assets – EUR	11	474
Decrease in comprehensive income and net assets – GBP	(712)	(765)
Decrease in comprehensive income and net assets – ZAR	(12)	14
Decrease in comprehensive income and net assets – GNF	300	86
Decrease in comprehensive income and net assets – FCFA	(8,411)	(3,538)

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31. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Stephen Betts & Sons Limited

During the year Stephen Betts & Sons Limited charged the Company \$75,000 (2021: \$84,000) under a contract for the provision of staff, office equipment and warehouse space. There were \$19,000 accrued outstanding charges between the parties as at 31 December 2022 (2021: \$23,000). Amounts outstanding are unsecured and have been settled in cash.

Additionally, during the year the Company sold Stephen Betts & Sons Limited \$7,175,000 (2021: \$6,218,000) in gold grain and investment gold coins at a premium to the spot gold price. There was \$42,000 accrued outstanding sales between the parties as at 31 December 2022 (2021: \$191,000). Amounts outstanding are unsecured and have been settled in cash.

Stephen Betts & Sons Limited is a related party of the Group because Stephen Betts and Daniel Betts are shareholders and Directors of the ultimate parent company.

Earn-in Agreement with Pasofino

As previously announced the Group entered into an earn-in agreement with Pasofino, for the development of Dugbe, Liberia.

Three directors of the Company (Daniel Betts, Ernie Nutter and Thomas Hill) invested into Pasofino in support of the strategy to develop Dugbe, as well as to demonstrate their personal commitment and long-term belief in the potential of the Dugbe Gold Project as a result the three directors have an aggregate holding of approximately 14% in Pasofino as of 31 December 2022 (11% in March 2022).

Each of their investments was on the same terms as third parties investing at the time, and the Company's key interactions with Pasofino are overseen by an independent committee of the Board, chaired by the Non-Executive Chairman until June 2022, and then by the Chairman of the Audit Committee.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in *IAS 24 Related Party Disclosures*.

	2022 \$'000	2021 \$'000
Short-term employee benefits	1,260	1,433
Social security cost	154	186
Pensions	10	11
Share based payment charge	682	260
Decrease in provision for potential social security costs on share options	(44)	(191)
	2,062	1,699

32. CAPITAL COMMITMENTS

As of 31 December 2022, the Group had commitments of \$32,774,000 (2021: \$10,366,000) in respect of the Yanfolila Mine and Kouroussa Project. Included in the amount above is \$8.7 million of equipment orders with EPIROC through vendor financing to be used in the KE Underground mine at Yanfolila. First batch of equipment was delivered in February 2023.

33. EVENTS AFTER THE REPORTING DATE

Issue of Shares and Strategic Investor

On 7 February 2023 the Company entered into a share subscription agreement for the investment of US\$15 million into the Company by CIG SA ("CIG"), which was split into two tranches:

- A firm first tranche of circa US\$3.8 million, involved the issue of 39,360,800 new ordinary shares of £0.01 of the Company and;
- A second tranche of circa US\$11.2 million, which involved the issue of 117,724,008 new ordinary shares.

Following the CIG investments, the Group also received an additional subscription of a total of 23,070,797 shares in the Company, for circa £1.8 million excluding fees from certain existing institutional shareholders and through an open offer.

All the shares were issued at a subscription price of 7.79 pence, which represented a c.2% premium to the 30-day VWAP. As part of the share subscription CIG have the right to maintain their stake.

In aggregate, a total of 180,155,805 ordinary shares in the Company were issued to CIG and other investors, for a total of £14 million (circa \$17 million) excluding fees, to help fund Kouroussa into production.

Payment on the Deferred Consideration

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration in respect of 200,000 excess ounces became payable to Cassidy.

The deferred consideration due of £2,000,000 was reduced by £532,032 due to the settlement of liabilities by the Company on behalf of Cassidy, and therefore resulted in the issue of 22,688,844 new ordinary shares to the underlying shareholders of Cassidy, when a VWAP of 6.47 pence is applied (being the 5-business day trailing VWAP to 31 December 2022). The shares were issued on 7 February 2023.

Notification to Change in Mining Contractor

The contract with Yanfolila's contract miner Junction Contract Mining ("JCM") was terminated on 31 March 2023 as a result of ongoing poor equipment availability which materially impacted the operational performance of Yanfolila. The Group is currently supporting a transition of mining activities to a new contractor, with the ongoing support from Corica Mining Services ("Corica") (West African contract mining specialist, and Kouroussa's contract miner), including the excavators Corica have supplied for continued mining at Yanfolila without disruption.

2023 Long Term Incentive Scheme – 2023 LTIP

In line with the Long-Term Incentive Plan ("LTIP"), the Remuneration Committee has approved the grant of 20,622,436 restricted share units ("RSU") awards to employee participants.

Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs are expected to vest on 7 February 2026 in two tranches as follows:

- Retention Tranche: 7,725,724 RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Group targets.
- Relative Total Shareholder Return ("TSR"): 12,936,712 RSUs will be based on Relative TSR from a share price of 7.79 pence against the S&P Commodity Producers Gold Index, with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

Under the 2023 LTIP the following RSU awards have been approved.

NAME	POSITION	TOTAL NUMBER OF SHARES SUBJECT TO RSUS UNDER THE 2023 LTIP
Daniel Betts	Chief Executive Officer	5,359,215
Thomas Hill	Finance Director	3,451,767
Other Employees		11,811,454
Total Directors and Employees		20,622,436

The RSUs under the 2023 LTIP consist of options granted over ordinary shares in the Company of £0.01 each ("Shares"), which have an exercise price of £0.01 per Share. Once vested, any RSUs may be exercised by the holder during a set exercise period determined by the Company and notified to the option holders. This is intended to be a minimum of a one-week period per year when the Company is in an "open period" under MAR. Unvested RSUs will normally lapse on cessation of employment for any reason. The RSU holders will normally retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the RSUs shall lapse.

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Non-executive Director Deferred Share Awards

Like 2022, in recognition of the experience and the ongoing level of commitment of the Non-executive Directors, each Non-executive Director (including the Chairman) will receive an annual deferred share award with a value of £25,000, vesting one year from the award date, subject to remaining in office. These awards must be retained and cannot normally be sold until the individual ceases to hold office. For the year to 31 December 2023, the awards are as follows:

NAME	POSITION	TOTAL NUMBER OF DEFERRED SHARE AWARDS
Attie Roux	Non-executive director	368,189
Ernie Nutter	Non-executive director	368,189
Stephen Betts	Non-executive director	368,189
David Straker-Smith	Non-executive director	368,189
Total		1,472,756

Issue of shares, Admission and Total Voting Rights

On 4 April 2023, the Company has issued 5,350,000 shares at a price of 10 pence per share as settlement, in lieu of cash, of an amount due of US\$652,500, in respect of strategic advice and provision of operational support to improve performance at Yanfolilla. These shares are subject to a 6-month lock in and 6-month orderly market provision thereafter.

Founders Equity Alignment Plan ("FEAP")

Additionally, in accordance with the terms of the FEAP, the initial Management Incentive Pool vested on 1 February 2023 with no value accruing to participants, and a new Management Incentive Pool with a life of up to ten years has been created on a consistent basis including a two-year vesting period. No value will accrue to the FEAP if the growth in shareholder value is less than 50% from 1 February 2023.

COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	NOTES	2022 \$'000	2021 \$'000
Assets			
Non-current assets			
Investments	40	129,199	110,688
Financial assets at fair value through profit or loss	40	1,532	3,530
Property, plant and equipment	41	53	38
Right of use assets	46	710	–
Receivables from subsidiaries	42	24,854	37,679
		156,348	151,935
Current assets			
Inventory	43	3,176	3,926
Trade and other receivables	43	2,450	5,105
Cash and cash equivalents	43	247	817
		5,873	9,848
Total assets		162,221	161,783
Liabilities			
Non-current liabilities			
Deferred consideration	45	1,801	4,627
Lease liabilities	46	580	–
		2,381	4,627
Current liabilities			
Trade and other payables	44	29,253	20,833
Deferred consideration	45	1,776	–
Lease liabilities	46	141	–
		31,170	20,833
Total liabilities		33,551	25,460
Net assets		128,670	136,323
Equity			
Share capital	47	5,828	5,814
Share premium	47	17,425	17,425
Retained earnings		105,417	113,084
Total equity		128,670	136,323

As permitted by section 408 of the Act, the Company has elected not to present its statement of comprehensive income for the year. Hummingbird Resources PLC reported a loss for the year ended 31 December 2022 of \$10,739,000 (2021: \$7,163,000). The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2023.

They were signed on its behalf by:

DE Betts
Director

The notes to the Company financial statements form part of these financial statements.

FINANCIAL STATEMENTS

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	NOTES	2022 \$'000	2021 \$'000
Net cash outflow from operating activities	49	(5,050)	(21)
Investing activities			
Purchases of property, plant and equipment		(43)	(32)
Decrease in investment in subsidiaries		66	137
Decrease/(increase) in amounts lent to subsidiaries		4,697	(543)
Sales of shares in other companies		–	907
Net cash generated by investing activities		4,720	469
Financing activities			
Exercise of share options		14	–
Lease interest payments		(40)	(20)
Lease principal payments		(21)	(105)
Net cash used in financing activities		(47)	(125)
Net (decrease)/increase in cash and cash equivalents		(377)	323
Effect of foreign exchange rate changes		(193)	(6)
Cash and cash equivalents at beginning of year		817	500
Cash and cash equivalents at end of year		247	817

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	SHARE CAPITAL \$'000	SHARES TO BE ISSUED \$'000	SHARE PREMIUM \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000
Balance at 1 January 2021	5,344	17,407	488	119,243	142,482
<i>Comprehensive loss for year:</i>					
Loss for year	–	–	–	(7,163)	(7,163)
Total comprehensive loss for the year	–	–	–	(7,163)	(7,163)
<i>Transactions with owners in their capacity as owners:</i>					
Shares to be issued	470	(17,407)	16,937	–	–
Total transactions with owners in their capacity as owners	470	(17,407)	16,937	–	–
Share based payments	–	–	–	1,004	1,004
As at 31 December 2021	5,814	–	17,425	113,084	136,323
<i>Comprehensive loss for year:</i>					
Loss for year	–	–	–	(10,739)	(10,739)
Total comprehensive loss for the year	–	–	–	(10,739)	(10,739)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	–	–	–	–	–
Total transactions with owners in their capacity as owners	–	–	–	–	–
Exercise of share options	14	–	–	–	14
Share based payments	–	–	–	3,072	3,072
As at 31 December 2022	5,828	–	17,425	105,417	128,670

Share capital

The share capital comprises the issued ordinary shares of the Company at par value.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares for consideration above par value.

Retained earnings

Cumulative net gains and losses recognised in the statement of comprehensive income.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2022

34. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

35. ADOPTION OF NEW AND REVISED STANDARDS

The financial statements have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2021. The following standards have been adopted in the year with no material impact on the financial statements of the Company.

IAS16 (Amendments)	effective 1 January 2022	Proceeds before intended use
IFRS 3 (Amendments)	effective 1 January 2022	Reference to conceptual framework
IAS 37 (Amendments)	effective 1 January 2022	Onerous Contracts – costs of fulfilling a contract

The following Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective.

IFRS 17	effective 1 January 2023	Insurance contracts
IAS 12 (Amendments)	effective 1 January 2023	Deferred tax assets and liabilities from single transaction
IAS 8 (Amendments)	effective 1 January 2023	Definition of accounting estimates
IAS 1 (Amendments)	effective 1 January 2024	Non-current Liabilities with Covenants

36. SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006 (the “Act”). As permitted by the Act, the separate financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

Investments

Fixed asset investments, except those carried at fair value through profit or loss, including investments in subsidiaries, are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

37. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company’s financial statements, and in particular its investments in and receivables from subsidiaries, are affected by the critical accounting judgements and key sources of estimation uncertainty in respect of the recoverability of exploration and evaluation assets which are described in note 4 to the consolidated financial statements.

Recoverability of investment in subsidiaries

Where the majority of the assets of subsidiary undertakings are exploration and evaluation assets and mine development assets, determining whether an investment in a subsidiary is impaired requires an assessment of whether there are any indicators of impairment of these underlying exploration and evaluation assets. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. This assessment involves judgement as to: (i) the likely future commerciality of each cost pool of assets; (ii) when such commerciality should be determined, and (iii) the potential future revenues and value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

As the market capitalisation of the Group was less than the carrying value of the Company’s net assets as at 31 December 2022, an impairment review was carried out in respect of the carrying values of the investment in subsidiaries as stated in the Company Statement of Financial Position. As part of the impairment review of the carrying value of the Group’s mine development assets and exploration and evaluation assets the Directors considered that there was no impairment as at 31 December 2022.

Recoverability of receivables from subsidiaries and impairment of financial assets

Receivables from subsidiaries represent trading balances and interest free amounts advanced to Group companies with no fixed repayment dates, being amounts due from; Hummingbird Resources (Liberia) Inc, focused on supporting the Group’s Liberia exploration interests; and Trochilidae Resources Limited, focused on supporting the Group’s wider business, including its Mali operations. In accordance with IFRS 9 ‘Financial Instruments’, where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

Having considered multiple scenarios on the manner, timing, changes in quantum and probability of recovery on the receivables, the Company did not recognise a lifetime expected credit expense \$nil (2021: credit reversal of \$148,000). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

38. AUDITOR'S REMUNERATION

The auditor's remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

39. STAFF COSTS

The average monthly number of employees (including directors) was:

	2022 NUMBER	2021 NUMBER
Directors	7	7
Other employees	14	12
	21	19

	\$'000	\$'000
Their aggregate remuneration comprised:		
Wages and salaries	2,771	2,961
Social security costs	362	447
Pensions	67	62
Charge for share-based payments	1,560	1,176
Charge for potential social security costs related to share-based payments	(77)	(87)
	4,683	4,559

Within wages and salaries, \$1,260,000 (2021: \$1,433,000) relates to remuneration payable to directors, included within share-based payments is a net charge of \$682,000 (2021: \$260,000) under cash-settled share-based payment scheme payable to directors, and within pensions is \$10,000 (2021: \$10,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is \$570,000 (2021: \$821,000) comprising \$565,000 (2021: \$815,000) in relation to wages and salaries including bonuses paid and pension contributions of \$5,000 (2021: \$6,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2021: 2).

Key management remuneration is disclosed in note 31 to the consolidated financial statements.

40. INVESTMENTS

(a) Investments in joint ventures and subsidiaries:

	\$'000
Investments in joint ventures	
At 31 December 2021	198
Additions	–
At 31 December 2022	198
Investment in subsidiaries	
At 31 December 2020	110,627
Additions/Adjustments	(137)
At 31 December 2021	110,490
Additions/Adjustments ¹	18,511
At 31 December 2022	129,001
Total investments	
At 31 December 2021	110,688
At 31 December 2022	129,199

¹ The earn-in in Liberia was formerly completed in 2022, and as part of this the Company converted 49% of its receivable balance from Liberia to Pasofino into investments. Refer to note 26 of the financial statements for further details.

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(b) Financial assets at fair value through profit or loss:

	CORA GOLD		BUNKER HILL – SHARES AND WARRANTS ¹		TOTAL	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance	–	968	3,530	5,013	3,530	5,981
Disposal	–	(907)	–	–	–	(907)
(Loss)/gains through profit or loss	–	(61)	(1,998)	(1,483)	(1,998)	(1,544)
Closing carrying value	–	–	1,532	3,530	1,532	3,530

¹ Warrants are valued using the Black Scholes model.

Bunker Hill Mining Corporation – shares, warrants

The Company holds 9,625,837 common shares in Bunker Hill Mining Corp (“Bunker Hill”), a Canadian listed exploration and development company.

The Group also has the option to acquire an additional 2,660,000 shares at a cost of CAD\$0.59 per share before 31 December 2025. The investment is carried at fair value through profit and loss.

The shares in Bunker Hill have been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Group regards the warrants to be level 2 asset under the fair value hierarchy. These have been valued using a combination of quoted prices as well as calculations under the Black Scholes model. The total investments on 31 December 2022 are split as follows, level 1 shares \$1,208,000 and level 2 warrants \$323,800.

The value of these shares and warrants on 31 March 2023 was \$946,000.

41. PROPERTY, PLANT & EQUIPMENT

	OWNED \$,'000
Cost	
At 31 December 2020	826
Additions	32
At 31 December 2021	858
Additions	53
At 31 December 2022	911
Accumulated depreciation	
At 1 January 2021	784
Charge for the year	36
At 31 December 2021	820
Charge for the year	38
At 31 December 2022	858
Carrying amount	
At 31 December 2021	38
At 31 December 2022	53

42. RECEIVABLES FROM SUBSIDIARIES

	2022 \$'000	2021 \$'000
Receivables from subsidiaries	25,237	38,062
Less: Cumulative allowance for expected credit losses	(383)	(383)
	24,854	37,679

Receivables from subsidiaries represent deferred trading balances and amounts advanced to Group companies, in the interest of supporting long term growth, and are therefore shown within non-current assets. These amounts are interest free, unsecured, and payable on demand. These include amounts due from; Hummingbird Resources (Liberia) Inc, focused on supporting the Group's Liberia exploration interests; and Trochilidae Resources Limited, focused on supporting the Group's wider business, including its Mali and Guinea operations. Receivables from subsidiaries are interest free and repayable on demand. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

Having considered multiple scenarios on the manner, timing, changes in quantum and probability of recovery on the receivables, the Company did not recognise a lifetime expected credit expense (2021: gain of \$148,000). The net cumulating lifetime expected credit loss for the balance is \$383,000 at 31 December 2022 (2021: \$383,000). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Refer to note 50 for a reconciliation of lifetime expected credit losses.

The Directors consider that the carrying amount of the receivables from subsidiaries approximates their fair value.

43. CURRENT ASSETS

Inventory

	2022 \$'000	2021 \$'000
Finished gold	3,176	3,926
	3,176	3,926

At 31 December 2022, inventory included a provision of \$nil to adjust finished gold to net realisable value (2021: \$nil).

Finished gold consist of Single Mine Origin ("SMO") gold including coins, originating from the Yanfolila Gold Mine in Mali. Further details are set out on the Group's website.

Trade and other receivables

	2022 \$'000	2021 \$'000
Other receivables	780	688
Prepayments and accrued income	383	348
Trade receivables – intercompany	1,287	4,069
	2,450	5,105

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2022 of \$247,000 (31 December 2021: \$817,000) comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.

The Company's principal financial assets are bank balances and cash and receivables from related parties, none of which are past due. The Directors consider that the carrying amount of receivables from related parties approximates their fair value.

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44. CURRENT LIABILITIES**Trade and other payables**

	2022 \$'000	2021 \$'000
Trade payables	1,149	916
Other taxes and social security	150	352
VAT	60	534
Accruals	2,791	1,956
Other payables	526	510
Trade payables – Intercompany	24,577	16,565
	29,253	20,833

The average credit period taken for trade purchases is 29 days (2021: 24 days).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

45. DEFERRED CONSIDERATION

The movements on this item are disclosed in note 25 to the consolidated financial statements.

46. LEASES

The Company leases office space with terms of up to five years. Lease payments represent rentals payable by the Company for those office spaces in the UK. The Company has elected not to recognise right of use assets for lease of low value and/or short-term leases.

(a) Right of use assets

Information about leased assets for which the Company is a lessee is presented below:

	OFFICES \$'000
Cost	
At 1 January 2021	475
Remeasurements	–
At 31 December 2021	475
Additions	286
At 31 December 2022	761
Depreciation	
At 1 January 2021	346
Charge for the year	129
At 31 December 2021	475
Charge for the year	51
At 31 December 2022	51
Carrying amount at 31 December 2021	–
Carrying amount at 31 December 2022	710

(b) Lease liabilities**Maturity analysis**

At the reporting date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 \$'000	2021 \$'000
Within one year	200	–
In the second to fifth years inclusive	677	–
Greater than five years	–	–
Total undiscounted lease liabilities at 31 December	877	–

Lease liabilities included in the statement of financial position at 31 December 2022 were:

	2022 \$'000	2021 \$'000
At 1 January	–	105
Remeasurement	761	–
Lease liability and interest paid during the year	(61)	(125)
Interest expense on lease liabilities	21	20
At 31 December	721	–
Analysed as:		
Current	141	–
Non-current	580	–
At 31 December	721	–

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of \$51,000 and \$21,000 interest expense on lease liabilities. A total of \$61,000 of lease principal and lease interest were also paid during the year and disclosed within financing activities on the statement of cash flows.

47. SHARE CAPITAL

The movements on this item are disclosed in note 27 to the consolidated financial statements.

48. SHARE BASED PAYMENTS

The Company's share-based payments information is disclosed in note 28 to the consolidated financial statements.

49. NOTES TO THE STATEMENT OF CASH FLOWS

	2022 \$'000	2021 \$'000
Loss before tax	(10,739)	(7,163)
Adjustments for:		
Amortisation and depreciation	78	165
Share based payments	1,483	1,089
Finance income	(185)	10
Finance expense	391	178
Reversals in impairment of financial assets	–	(148)
Losses on financial assets measured at fair value	1,589	768
Operating cash flows before movements in working capital	(7,383)	(5,101)
Decrease/(increase) in inventories	750	(744)
Decrease in receivables	2,655	75
(Decrease)/increase in payables	(1,072)	5,749
Net cash outflow from operating activities	(5,050)	(21)

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50. FINANCIAL INSTRUMENTS

The Company's strategy and financial risk management objectives are described in note 30.

Principal financial instruments

The principal financial instruments used by the Company from which risk arises are as follows:

CATEGORIES OF FINANCIAL INSTRUMENTS	FINANCIAL ASSETS MEASURED AT AMORTISED COST		FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets								
Cash and cash equivalents	247	817	–	–	–	–	–	–
Other receivables	780	688	–	–	–	–	–	–
Investments	–	–	1,532	3,530	–	–	–	–
Intercompany trade receivables	1,287	4,069	–	–	–	–	–	–
Loans due from subsidiaries	24,854	37,679	–	–	–	–	–	–
	27,168	43,253	1,532	3,530	–	–	–	–
Financial liabilities								
Trade payables	–	–	–	–	1,149	916	–	–
Other payables	–	–	–	–	526	510	–	–
Accruals	–	–	–	–	2,791	1,956	–	–
Intercompany trade payables	–	–	–	–	24,577	16,565	–	–
Deferred consideration	–	–	–	–	–	–	4,219	4,627
Lease liabilities	–	–	–	–	721	–	–	–
	–	–	–	–	29,764	19,947	4,219	4,627

The risks that the Company is subject to in addition to the Group risks described in note 30 are set out below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. In addition to the risks described in note 30, which affect the Group, the Company is also subject to credit risk on receivables from subsidiaries.

Lifetime expected credit losses

A reconciliation of the lifetime expected credit losses at 31 December 2022 in accordance with IFRS 9, is set out below.

	RECEIVABLES FROM SUBSIDIARIES		TOTAL \$'000
	HUMMINGBIRD RESOURCES (LIBERIA) INC \$'000	TROCHILIDAE RESOURCES LIMITED \$'000	
As at 1 January 2021	531	–	531
Decrease during the year	(148)	–	(148)
As at 31 December 2021	383	–	383
Decrease during the year	–	–	–
As at 31 December 2022	383	–	383

Foreign currency exposure and sensitivity analysis

The Company is exposed to foreign exchange risk through certain costs being denominated in currencies other than the functional currency, and from holding non-functional currency cash balances.

The carrying amounts of the Company's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	LIABILITIES		ASSETS	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Australian Dollars ("AUD")	220	91	–	–
Canadian Dollars ("CAD")	160	93	19	46
Euros ("EUR")	62	22	356	4
Sterling ("GBP")	5,829	7,210	917	1,450
South African Rand ("ZAR")	78	3	–	–

Foreign currency sensitivity analysis

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to movements in the \$ against the EUR, GBP and ZAR. The Company ensures it places any excess liquidity in stable currencies to reduce its exposure to foreign currency risks. Foreign exchange differences on retranslation of monetary assets and liabilities are recorded in the income statement.

At 31 December, if the \$ had weakened/strengthened by 10% against the EUR, GBP and ZAR, with all other variables held constant, the impact on profit before tax on the non-\$ denominated financial assets and liabilities would have been as follows. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three to five-year timeframe. A positive amount in the table reflects a potential net increase in the profit before tax:

	2022 \$'000	2021 \$'000
Decrease in comprehensive income and net assets – AUD	22	9
Decrease in comprehensive income and net assets – CAD	14	14
Increase in comprehensive income and net assets – EUR	29	3
(Decrease)/increase in comprehensive income and net assets – GBP	(491)	831
Decrease in comprehensive income and net assets – ZAR	8	–

51. RELATED PARTIES

The Company has entered into a number of unsecured related party transactions with its subsidiary undertakings. The most significant transactions carried out between the Company and its subsidiary undertakings are mainly for short and long-term financing. Amounts owed from these entities are interest free and repayable on demand. The following amounts were outstanding at the reporting date:

AS AT 31 DECEMBER 2022	HUMMINGBIRD RESOURCES (LIBERIA) INC \$'000	TROCHILIDAE RESOURCES LIMITED \$'000	SOCIETE DES MINES DE KOMANA SA \$'000	KOUROUSSA GOLD MINE SA \$'000	TOTAL \$'000
Trade receivables – Intercompany	380	863	44	–	1,287
Loans due from related parties	18,960	66	513	5,219	24,758
Total related party receivables	19,340	929	557	5,219	26,045
Trade payables – Intercompany	–	24,577	–	–	24,577
Total related party payables	–	24,577	–	–	24,577

AS AT 31 DECEMBER 2021	HUMMINGBIRD RESOURCES (LIBERIA) INC \$'000	TROCHILIDAE RESOURCES LIMITED \$'000	SOCIETE DES MINES DE KOMANA SA \$'000	KOUROUSSA GOLD MINE SA \$'000	TOTAL \$'000
Trade receivables – Intercompany	–	4,066	3	–	4,069
Loans due from related parties	37,537	67	41	34	37,679
Total related party receivables	37,537	4,133	44	34	41,748
Trade payables – Intercompany	–	16,565	–	–	16,565
Total related party payables	–	16,565	–	–	16,565

During the year, the Company entered into the following related party transactions with its subsidiary undertakings:

YEAR ENDED 31 DECEMBER 2022	HUMMINGBIRD RESOURCES (LIBERIA) INC \$'000	TROCHILIDAE RESOURCES LIMITED \$'000	SOCIETE DES MINES DE KOMANA SA \$'000	KOUROUSSA GOLD MINE SA \$'000	TOTAL \$'000
Management fees	–	4,670	–	–	4,670
Recharge of technical fees	–	2,998	–	–	2,998
Total sales with related parties	–	7,668	–	–	7,668

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YEAR ENDED 31 DECEMBER 2021	HUMMINGBIRD RESOURCES (LIBERIA) INC \$'000	TROCHILIDAE RESOURCES LIMITED \$'000	SOCIETE DES MINES DE KOMANA SA \$'000	KOUROUSSA GOLD MINE SA \$'000	TOTAL \$'000
Management fees	–	2,071	–	–	2,071
Recharge of technical fees	–	4,288	–	–	4,288
Total sales with related parties	–	6,359	–	–	6,359

The Company's transactions with other related parties and remuneration of key management personnel are disclosed in note 31 to the consolidated financial statements.

52. EVENTS AFTER THE REPORTING DATE

Events after the reporting date are disclosed in note 33 to the Consolidated Financial Statements

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“Gold comes From finding opportunities in problems,
From accepting challenges with a ruthless honesty
and integrity

For whilst the wheels of success grind slow, they grind
fine, and leave no stone unturned” – Basil De Tent.



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