Always Moving Forward.

Annual Report & Accounts 2023

HUMMINGBIRD RESOURCES


Never fear the storm,
you have to learn to
dance in the rain.
Basil De Tente

Contents

GROUP OVERVIEW

Our strategy

At Hummingbird Resources plc ("Hummingbird" or the "Company" or the "Group"), our primary goal remains to grow and emerge as a prominent African gold producer.

We aim to achieve this through efficient and profitable production and the execution of our near and medium to long-term growth initiatives, namely to increase mine life at the Yanfolila Gold Mine ("Yanfolila") and the Kouroussa Gold Mine ("Kouroussa"), the co-development of the Dugbe Gold Project in Liberia ("Dugbe") and the successful execution of value accretive programmes, including Mergers and Acquisition ("M&A") and organic greenfield growth. Crucially, we remain committed to operating sustainably and in a responsible manner, guided by our Environmental, Social and Governance ("ESG") standards. As a gold producer operating in multiple African jurisdictions, we recognise the importance of respecting all stakeholders, in particular the communities in which we operate.

Our Company vision extends beyond our current multi-asset, multi-jurisdiction gold asset portfolio. We aim to diversify cash flows and returns from profitable projects while upholding and enhancing our technical expertise in exploration and operations across new opportunities. This focus on technical proficiency is designed to supports the sustainable growth of the Company over the long-term. At Hummingbird, we are dedicated to navigating our journey with integrity, transparency, and a firm commitment to creating enduring value for all stakeholders.

GROUP OVERVIEW

Our priorities

Profitable growth

- **Kouroussa Gold Mine, Guinea:** Establish Kouroussa as the Company's flagship operation, delivering low-cost profitable ounces from H2-2024 onwards.
- **Yanfolila Gold Mine, Mali:** Deliver sustainable, consistent production whilst extending the mine life through the successful ramp-up of the Komana East Underground Mine ("KEUG") for a full year of production from 2025 onwards.
- **Dugbe Gold Project, Liberia:** Deliver strong strategic value upside at Dugbe through our partner and now subsidiary Pasofino Gold Ltd.
- **M&A opportunities:** Evaluate potential value accretive M&A in line with our long-term growth strategy, leveraging our strategic partnerships.

Exploration

- **Resource expansion:** Prioritise near term life of mine ("LOM") extensions through brownfield near mine exploration opportunities at both Kouroussa and Yanfolila.
- **Dugbe Gold Project, Liberia:** Explore significant upside potential the project's its expansive exploration licence area.
- **Greenfield exploration:** Target new resource discoveries through focused exploration activities.

Responsible mining

- **ESG compliance:** Maintain and exceed World Gold Council Responsible Gold Mining Principles ("RGMPs") and further adherence to leading ESG reporting frameworks and standards.
- **Single Mine Origin ("SMO"):** Continue promoting SMO as the industry standard for fully traceable precious metals, fostering transparency and accountability.
- **Community engagement:** Enhance community initiatives across all assets to provide lasting benefits to local communities.
- **Local content:** To utilise, as much as possible, the local and in-country employees and contractors across our operations.

Entrepreneurial and experienced management team

- **Cultural values:** Foster a culture of accountability, inclusiveness, and respect, promoting an entrepreneurial mindset to drive shareholder value and positive stakeholder outcomes.
- **Expertise enhancement:** Continually improve expertise across all levels through continuous professional development and corporate learning initiatives, ensuring sustained growth and innovation.

In alignment with Hummingbird's overarching commitment to sustainability and responsibility, these priorities reflect our dedication to creating enduring value for all stakeholders while driving profitable growth and maintaining industry-leading standards.

GROUP OVERVIEW

Our values and principles

Our values

Respect

We honour mutual respect among ourselves and within the nations and communities we operate.

Accountability

We take ownership of our actions and fulfil our commitments with unwavering dedication.

Integrity

We uphold the highest standards of ethics, transparency, and honesty in all our endeavours.

Sustainability

We prioritise the health, safety, and environmental welfare of all our employees and stakeholders, operating with responsibility to effectively manage risks and seize opportunities.

Empowerment

We nurture a culture of empowerment, setting ambitious goals, fostering high performance, and supporting our people to innovate and thrive.

Our principles

Hummingbird first

- Taking pride in our identity as Hummingbird and recognise the inherent value it represents.
- Cultivating a company-centric mindset and approach in all our efforts.
- Actively promoting the values of Hummingbird both internally and externally.

Forward

- Maintaining a steadfast focus on our core strategic priorities and shared objectives.
- Executing with a sense of urgency and adaptability to respond to changing circumstances.
- Offering innovative solutions to drive progress and achieve desired outcomes.

Care

- Demonstrating consideration for others and the environments in which we operate.
- Providing consistent support and feedback to facilitate personal and collective growth across our team.
- Celebrating and rewarding success collaboratively as a team.

Smarter

- Establishing clear accountability and performance expectations across the organisation.
- Empowering teams to make informed, timely decisions based on facts and data.
- Leveraging collaborative processes, tools, and technology to enhance efficiency and effectiveness.

GROUP OVERVIEW

Interim chairman and CEO's statement

Dan Betts
Chief Executive Officer

Dear Shareholders,

I am pleased to present Hummingbird's Annual Report for the fiscal year ending 31 December 2023, a year that has been characterised by milestones, and operational and strategic advancements in the face of several challenges.

Our primary objective at Hummingbird remains firm – to establish ourselves as a multi asset, multi jurisdiction regional global gold producer. We are fully committed to executing our near, medium, and long-term growth initiatives, which include extending the mine life at both the Yanfolila and Kouroussa Gold Mines, progressing the Dugbe Gold Project in Liberia, and exploring value-accretive opportunities through M&A and organic greenfield growth. Central to our strategy is a robust commitment to operate sustainably and responsibly, guided by our strong ESG standards, values and principles.

At Hummingbird, we are guided by our core values of respect, accountability, integrity, sustainability, and empowerment. These values serve as the foundation of our commitment to responsible mining practices, positive stakeholder engagements, and the creation of enduring value for all.

Yanfolila remained a cornerstone asset during 2023, delivering consistent operational performance and efficiency gains, producing 83,965 ounces at an AISC of US$1,331 per ounce, meeting guidance for the year.

Despite challenges, we completed the construction of our second operating mine, Kouroussa and achieved first gold, marking a significant milestone on our journey towards becoming a major gold producer. Whilst operations did not ramp-up in the scheduled timeframe we had envisioned, and were impacted by a number of unforeseen challenges, including the fire at the national fuel depot in Conakry and the recent halting of operations by Corica, which have now recommenced, we are nonetheless on the cusp of delivering a significant growth catalyst for Hummingbird as a gold producer, with its rare combination of high-grade open pit operation and strategic upside opportunity.

Once Kouroussa is fully operational, we are on firmly track to becoming a mid-tier 200,000 ounces per annum gold miner, doubling our current production profile. The timing of this milestone could not be better given the ongoing robustness of the gold price, which is at US$2351 per ounce at the time of writing, an elevated level it has remained at for most of 2024 to date as investors flock to gold as a safe haven investment amid heightened global uncertainty. In other words, it has never been a better time to be a gold producer or a shareholder in a gold company.

We have increased our ownership of the exceptional gold project at Dugbe, now holding a controlling interest of 53%, through our shareholding of TSX-V listed Pasofino Gold. Our focus is on working with the team to fully realise the potential of this incredible asset.

As a Group, our constant strategic review continues apace, with a focus on maximising asset value and exploring growth opportunities. We concluded 2023 with a comprehensive exploration programme aimed at extending mine life and increasing reserves at Yanfolila and Kouroussa, highlighting our commitment to sustainable growth.

In 2023, Hummingbird prioritised ESG principles, focusing on workforce well-being, safety, and community engagement. Our efforts led to the delivery of significant safety improvements onsite and impactful community health initiatives. While proud of our continued progress, we also acknowledge areas for refinement. We are committed to transparent reporting and continuing to enhance our ESG practices. Our dedication to adhering to responsible business practices remains unwavering as we continue to grow the Company.

The start of 2024 has posed various operational hurdles, particularly at Kouroussa. However, in the face of adversity, our team remained steadfast, navigating through the complexities with determination and resilience as we worked tirelessly to deliver solutions these often-complex issues. We look ahead to 2024 with a robust and focused operational strategy coupled with a clear vision for sustained growth and value creation. Building up on the achievements and challenges of 2023, the Company remains committed to delivering strong operational performance whilst upholding our core principles of responsible mining and sustainable practices.

In conclusion, 2023 has been a year of progress, resilience in the face of challenge, and strategic advancement for Hummingbird. We remain staunch in our commitment to delivering value for all stakeholders, sustainable growth and upholding the highest standards of responsible mining practices.

Thank you for your continued trust and support and look forward to delivering positive updates in the year ahead.

Dan Betts
Chief Executive Officer

OPERATIONAL REVIEW

Operational overview

Overview

Hummingbird looks ahead to 2024 with a robust operational strategy and a clear vision for sustained growth and value creation as we progress to reach commercial production at Kouroussa thus transforming our production profile, ramp-up the Komana East Underground Mine and review strategic options at Dugbe. Building upon the achievements and growing from challenges of 2023, the Company remains committed to delivering strong operational performance while upholding its core principles of responsible mining and sustainable practices.

With an aim to become a significant gold producer, Hummingbird will focus on optimising its activities across our portfolio in Mali, Guinea, and Liberia. The Company's primary goal for 2024 is to cement itself as a significant multi-asset, multi-jurisdictional producer as we reach commercial production at the Kouroussa Mine and continue our consistent operation at Yanfolila. This target underscores Hummingbird's commitment to driving profitable growth and maximising shareholder value.

In addition to operational stewardship, Hummingbird will continue to prioritise responsible mining practices and environmental stewardship. The Company remains dedicated to maintaining high standards of ESG performance, ensuring positive impacts on local communities and the environment.

Hummingbird is also optimistic about the opportunities for exploration and resource expansion at its Yanfolila and Kouroussa assets. The Company will focus on extending the LOM through targeted exploration activities, aiming to increase resource and reserves bases to support long-term sustainability and growth.

Overall, Hummingbird entered 2024 with an operational foundation, a clear strategy, and a commitment to delivering value for all stakeholders. With a focus on operational efficiency, responsible mining, and exploration, we are well-positioned to navigate challenges and capitalise on current opportunities in the dynamic gold mining industry, with gold prices at record highs, making rapid expansion of production an extremely apt strategy in the current positive macro environment.

Yanfolila Gold Mine, Mali: Yanfolila continues to be a key contributor to Hummingbird's production profile, with a focus on maintaining stable production and optimising costs, producing 83,965 ounces ("oz") in 2023 at an AISC of US$1,331 per oz. With an expected production of 75,000-85,000 ounces in 2024 and AISC below US$1,500 per oz, Yanfolila remains a cornerstone asset for the Company.

Kouroussa Gold Mine, Guinea: Kouroussa achieved its first gold pour ahead of schedule in June 2023. Despite challenges faced since then, operations have been steadily progressing with commercial production set to take place in H2-2024. Currently, the mine is navigating through operational disruptions due to contractual disputes with Corica Mining Services ("Corica"), the principal contract miner, with minimal disruption on the ground and the appointment of a mining contractor, ETASI. However, proactive steps have been taken to address these challenges to resume operations and ramp-up to commercial production. In May 2024, the Company announced that it had agreed with Corica to remobilise equipment to site and recommence the ramp-up in operations towards commercial production.

Dugbe Gold Project, Liberia: The strategic review of the Dugbe Project in Liberia continues, and initiatives are in place aimed at maximising value through Pasofino Gold Limited, whom Hummingbird hold a controlling 53% shareholding. While still in the evaluation phase, Dugbe holds significant potential for future development and exploration, aligning with Hummingbird's long-term growth strategy.

OPERATIONAL REVIEW

Key highlights

Key achievements for 2023

Hummingbird delivered a robust performance in 2023, marked by operational achievements, strategic advancements, and financial performance. Despite facing operational challenges and those posed by the global economic landscape, the Company remained focused on driving sustainable growth and creating value for all stakeholders.

1. Commencement of development of Komana East underground mine

- Following completion of mining at Komana East open pit deposit in Q2-2023 the development of the KEUG mine commenced.
- Through H2-2023, development of the KEUG Mine progressed well, with approximately 164.5 meters having been developed by end of 2023.
- The Company is developing the KEUG project internally, targeting first ore in H2-2024 and commercial production later in the year.

2. Completion of Kouroussa construction and ramp-up of operations

- Following completion of construction, the commissioning phase commenced in May 2023.
- The first gold pour was achieved ahead of the end Q2-2023 schedule and within budget.
- Kouroussa produced a total of 6,068 ounces of gold in 2023 after first gold production in June 2023.

3. Strategic review of Dugbe and conversion of interest into a controlling stake in Pasofino

- Hummingbird converted its 51% interest in the Dugbe Gold Project into a 51% interest in TSX-V listed Pasofino Gold Limited ("Pasofino"), simplifying the ownership structure.
- This change allows for more efficient decision-making and advancement of the project.
- In January 2024, Pasofino announced a non-brokered private placement with Hummingbird investing c.US$2 million, increasing its shareholding in Pasofino to 53%.
- Hummingbird is collaborating closely with Pasofino to define the next steps for the Dugbe Gold Project.

4. Continued focus on responsible operation

- Hummingbird prioritised community engagement and development throughout 2023.
- Initiatives included investing in local communities, sustainability projects, and environmental responsibility at both the Yanfolila and Kouroussa Mines.
- The Company focused on educational infrastructure enhancement, water infrastructure construction, and economic development training programmes.
- Additionally, in-community health initiatives were undertaken, including programmes to combat malaria and improve overall wellbeing.

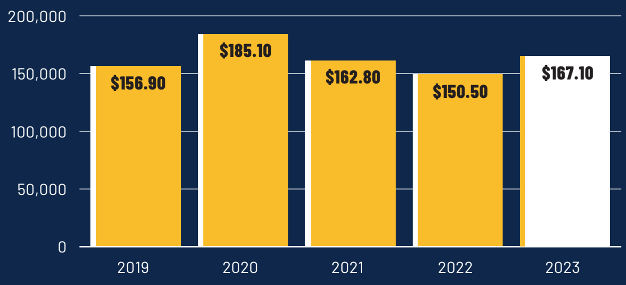
5. 2023 Operational performance

- The Yanfolila Mine in Mali met its 2023 production guidance, producing 83,965 ounces of gold with an AISC of US$1,331 per oz of gold sold, meeting guidance.
- The Kouroussa Mine in Guinea produced 6,068 ounces of gold in 2023, despite facing ramp-up challenges.
- The Group's 2023 Lost Time Injury Frequency Rate ("LTIFR") was 0.58 per million hours worked, below the target of 1.20 LTIFR.
- The Group achieved an adjusted EBITDA of approximately US$0.2 million in Q4-2023 and a cumulative adjusted EBITDA[1] of around US$36.6 million for 2023. Refer to page 83 for reconciliation to GAAP measures.
- The Group generated revenues of US$167.1 million, including US$7.7 million revenues generated from the sale of SMO gold.

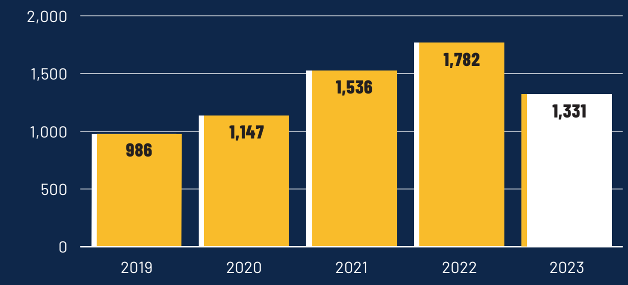
[1] Adjusted EBITDA ('Earnings before interest, tax, depreciation and amortisation'), effect of impairment charges, foreign currency translation gains/losses and other non-recurring expense adjustments but including IFRS 16 lease payments. Refer to page 83 for reconciliations of Adjusted EBITDA.

OPERATIONAL REVIEW

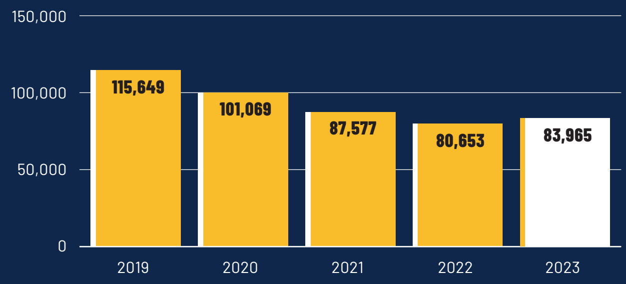
Group revenue – US$ million



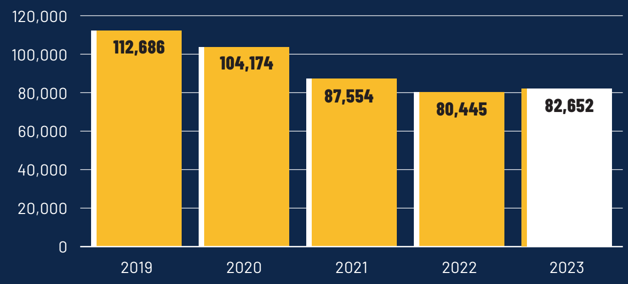
AISC on commercial gold sold – US$/oz



Commerical gold production – ounces



Commercial gold sales – ounces



Analysis of Group performance metrics and operational efficiency

Operations Overview

Yanfolila continued to serve as a cornerstone asset for the Company, demonstrating resilient operational performance throughout the year. Despite facing challenges within the dynamic operating environment, Yanfolila consistently met operational targets, showcasing the Company's commitment to operational and financial stability.

Hummingbird maintained its focus on responsible mining practices and sustainability at Yanfolila, ensuring adherence to regulations and fostering positive relationships with local communities and stakeholders. This commitment remains pivotal in upholding the company's social license to operate and generating sustainable value for all stakeholders. We look forward to development of Komana East Underground in the year ahead.

Regarding Kouroussa, Hummingbird achieved a significant milestone with the completion of construction and the first gold pour, surpassing expectations. Despite encountering challenges during the ramp-up phase, Kouroussa's operational performance has shown steady improvement and is poised to achieve further milestones in 2024 including the crucial commercial production milestone and ramp up.

The Company's exploration strategy remains focused on extending the mine life at both Yanfolila and Kouroussa, prioritising brownfield and near-mine opportunities to enhance resources and explore underground potential. This strategic approach aligns with Hummingbird's long-term growth objectives and underscores confidence in the geological prospectivity of its properties.

Looking ahead, Hummingbird is positioned for continued success and value creation. The Company's commitment to operational excellence, responsible mining practices, and stakeholder engagement will drive its growth trajectory and deliver enduring value for all stakeholders.

In the most recent Q1-2024 release and guidance update, operations at Kouroussa faced temporary disruption due to contractual disputes with Corica. However, proactive measures, including issuing a Step-In Notice and engaging alternative operators, demonstrated Hummingbird's focus to resume operations and achieve commercial production. In May 2024, the Company announced that it had announced it had agreed with Corica to remobilise equipment to site and continue the ramp-up in operations towards commercial production at Kouroussa.

OPERATIONAL REVIEW

Gold production and AISC:

In 2023, Hummingbird saw a continued performance in gold production at its Yanfolila Mine with 83,965 ounces, highlighting the improved operational processes and resource management. The reduction in AISC to US$1,331 per oz at Yanfolila additionally reflects the focus on operational efficiency and cost management strategies.

Strategic partnerships and collaboration:

Our collaboration with joint venture partner and now our subsidiary, Pasofino Gold, continued with the strategic review of the Dugbe Project in Liberia, aimed at maximising asset value, and exploring growth opportunities in the region.

Hummingbird continued to receive strong strategic support from both key investors, in particular CIG as highlighted by both the completed placements, and its long-term banking partner Coris Bank International ("Coris"). This support highlights the confidence in Hummingbird's growth strategy and paved the way for future partnerships and collaborations.

Stakeholder engagement and responsible mining practices:

Following achieving full compliance with the World Gold Council's RGMPs in 2022, Hummingbird continued with its commitment to responsible mining practices and sustainability, once again achieving compliance in 2023. Upholding high ESG standards is crucial for maintaining positive relationships with stakeholders and ensuring social license to operate.

Continued enhancement of community engagement initiatives underscores the Company's dedication to creating lasting benefits for local communities. Strong community relations are vital for mitigating operational risks and fostering a supportive operating environment. This was demonstrated by the early completion of the Sanioumale East village relocation, which allowed operations at the Sanioumale East pit to commence ahead of schedule, strengthening future production, and the continued focus on local employment with the operational workforce at both Yanfolila and Kouroussa operations over 90%.

Through 2023, Hummingbird continued to invest locally and implemented several initiatives, including our market garden programme and development of school infrastructure, focused on generating value for local stakeholders and the communities in which the Company operates.

Operational resilience and adaptability:

Hummingbird's ability to navigate operational complexities and deliver on key milestones despite challenges reflects its resilience and adaptability. The progress at Yanfolila and Kouroussa, along with the ongoing strategic review at Dugbe, underscores the Company's agility in responding to market dynamics and capitalising on opportunities for growth.

At Yanfolila, the continued demonstration of operational efficiency from Q4-2022, demonstrated the ability to adapt to changing market conditions is essential for ensuring sustainable long-term growth and value creation. Hummingbird's focus on operational excellence and continuous improvement initiatives will be instrumental in driving future success.

Overall, Hummingbird's performance in key operational metrics and operational efficiency across 2023 highlights its operational foundation, financial responsibility, and commitment to responsible mining practices. Moving forward, the Company aims to continue its focus on optimising operational processes, leveraging strategic partnerships, and enhancing stakeholder engagement to drive sustainable growth and create value for all stakeholders.

OPERATIONAL REVIEW

Yanfolila, Mali 2023 operational summary

The Yanfolila Mine, located in Mali, showcased continued operational performance and efficiency gains from Q4-2022. The mine played a central role in the Company's overall gold production profile, while simultaneously demonstrating a commitment to responsible mining practices and sustainability.

One of the key highlights of the mine's performance in 2023 was the significant improvement on 2022 in AISC, which decreased from US$1,782 per oz to US$1,331 per ounce. This reduction in AISC is the result of the Company's focus on operational efficiency and production costs control, ultimately contributing to enhanced profitability and financial resilience for Hummingbird of US$34.1 million adjusted EBITDA for the Group.

The Yanfolila Mine continued to uphold high standards of ESG practices. This commitment to responsible mining not only ensures regulatory compliance but also fosters positive relationships with local communities and stakeholders, strengthening the Company's social license to operate.

Furthermore, Yanfolila's performance in 2023 highlights its resilience and adaptability in navigating operational challenges and market uncertainties. Despite the dynamic operating environment, the mine maintained stable production levels and demonstrated agility in responding to changing market dynamics.

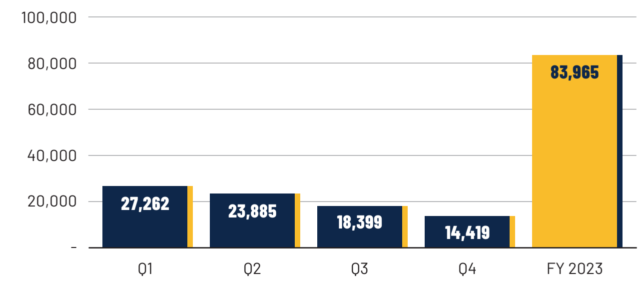
In summary, the operational performance at Yanfolila in 2023 highlights its continued strategic importance within Hummingbird's approach. With consistent gold production and notable improvements in AISC, the mine continues to be a reliable contributor to the Company's overall growth and profitability. Moving forward, Yanfolila remains well-positioned to continue its trajectory of providing to the Group of profitable ounces, that are responsibly mined, with strong stakeholder engagement to drive sustainable value creation for all stakeholders.

Yearly gold production of
83,965
ounces

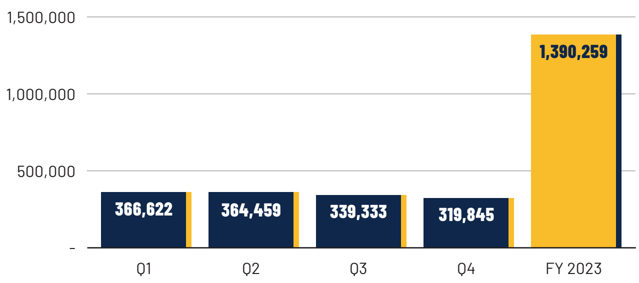
US$36.6m
adjusted EBITDA for the Group

2023 Yanfolila mine performance

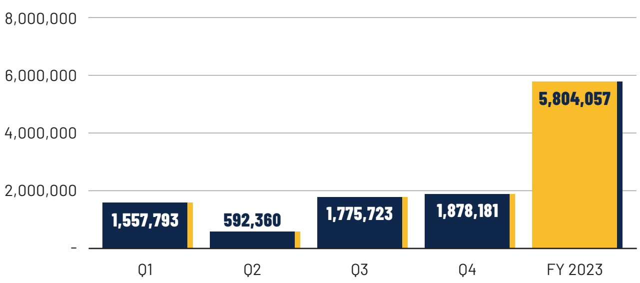
Yanfolila gold poured – ounces



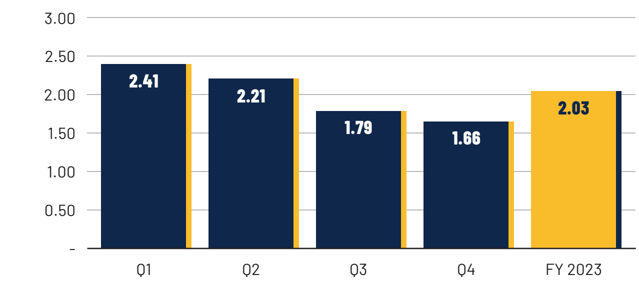
Yanfolila ore processed – tonnes



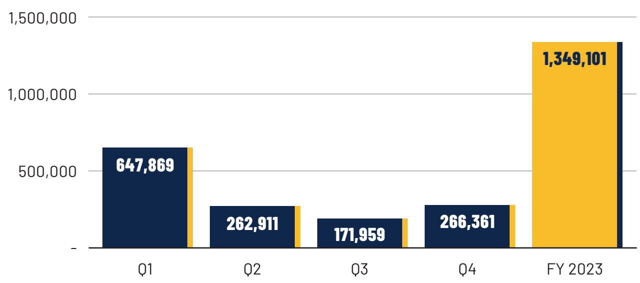
Yanfolila mined BCMs



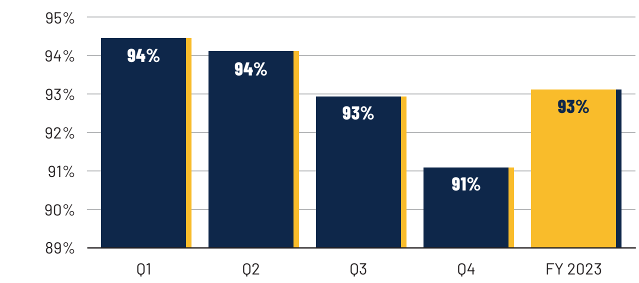
Yanfolila avg. mill feed grade – g/t



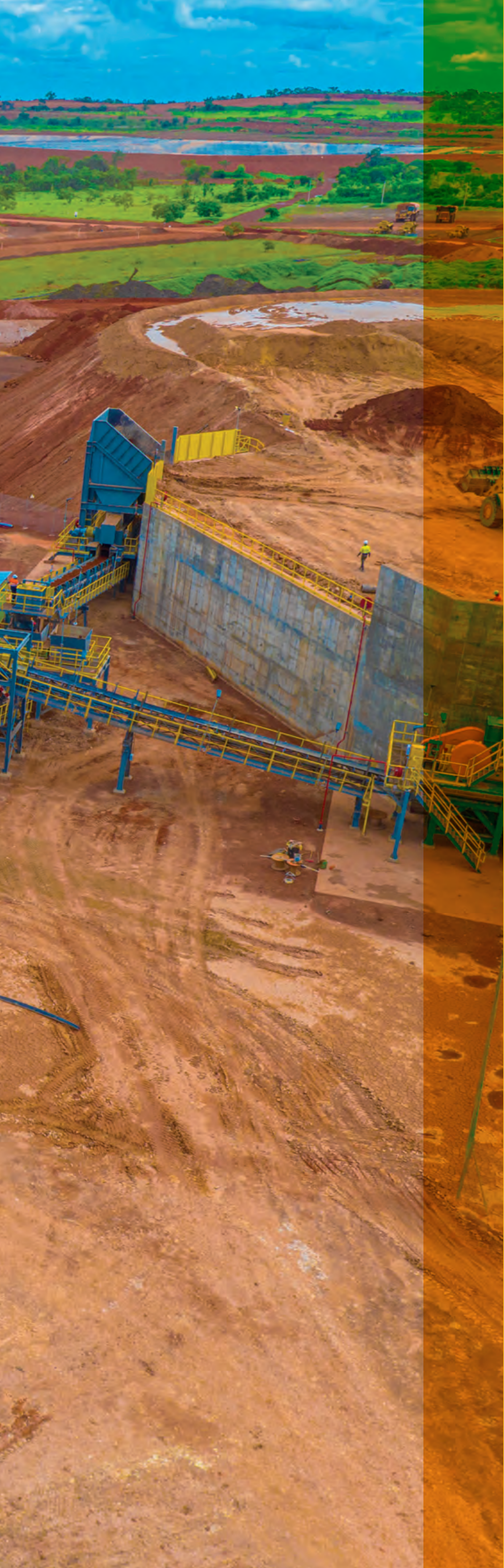
Yanfolila ore mined – tonnes



Yanfolila processing recovery – %



OPERATIONAL REVIEW



Kouroussa, Guinea 2023 operational summary

The successful first gold pour on 8 June 2023 underscored the Company's ability to construct mines effectively. Although mining ramp-up faced challenges, Kouroussa's processing plant has performed to design, with availability reaching around 82% and meeting steady state throughputs on a near 24 hr basis by the end of the year. Despite delays, Kouroussa produced 6,068 ounces of gold in 2023, supplementing the production at Yanfolila.

In December 2023, operations at Kouroussa were impacted by a fire at the primary state-owned fuel depot in Conakry, Guinea. Despite the setback, operations resumed in late January 2024, and mining progressed steadily until halting on 17 March 2024 due to contractual disputes with Corica, the main contract miner.

Looking ahead, Kouroussa remains central to Hummingbird's growth strategy, with efforts focused on achieving stable production and hitting key targets within the 2024 fiscal year. The Company is committed to optimising operations and leveraging market conditions to maximise the mine's potential. In May 2024, Hummingbird and Corica reached an agreement to remobilise equipment to the site, signalling their joint determination to advance operations towards commercial production at Kouroussa. An agreed operational plan with Corica is currently underway, with operations expected to reach full capacity by the beginning of Q3-2024.

OPERATIONAL REVIEW

Dugbe, Liberia 2023 operational summary

In 2023, Hummingbird continued its strategic review of the Dugbe Gold Mine in Liberia, in collaboration with our subsidiary Pasofino Gold Limited. The project represents a significant exploration opportunity with substantial potential for resource expansion and value creation.

The Dugbe Gold Project remains an integral part of Hummingbird's long-term growth strategy, with the Company's ongoing efforts focused on optimising resource potential, advancing exploration activities, and identifying value-accretive opportunities in the region.

In December 2023, the Company completed the conversion of its interest in the Dugbe from asset level to corporate level and now holds a 53% majority shareholding in Pasofino following a further investment of US$2 million in January 2024.

Moving forward, Hummingbird will continue to provide updates on the progress of the strategic review and any significant developments related to the Dugbe Project.

Exploration summary

Whilst the year did not see much exploration drilling on either site, Hummingbird concluded 2023 with a comprehensive exploration strategy for 2024 onwards, aimed at expanding the Resource base at both the Yanfolila and Kouroussa operations in the year ahead. This strategic initiative is pivotal in extending the LOM at both operating assets and increasing the Reserve base, aligning with the Company's long-term growth objectives.

The Company's exploration strategy revolves around implementing a structured exploration-to-mine pipeline at both Yanfolila and Kouroussa. This pipeline prioritises key workstreams, including initial target definition, Resource and Reserve delineation, and mine plan development, streamlining the exploration process for optimal results.

Yanfolila exploration strategy

At Yanfolila, the focus remains on maintaining and extending the mine's LOM through brownfield and near-mine exploration opportunities. Significant potential exists to operate beyond the current LOM by upgrading the existing Resource and developing underground potential at various deposits. Exploration activities include drilling at Gonka and Sanioumale West, targeting Resource extension and upgrade opportunities.

Kouroussa exploration strategy

In Guinea's gold rich Siguiri Basin, Kouroussa presents substantial upside potential for Reserve expansion and LOM extension. Exploration efforts concentrate on near-mine opportunities and the expansion of Resource bases at deposits including Bag Farm-Junction and X-Vein as well as the under explored X-Vein West area.

2023 Group Resources and Reserves statements

Hummingbird's exploration strategy underscores its commitment to value creation and sustainable growth. By systematically expanding Resource bases and enhancing Reserve profiles, the Company aims to secure long-term operational sustainability and unlock the full potential of its mining assets.

In 2023, the allocation of resources to exploration reflected the Company's operational and fiscal focus on the development of Kouroussa, however the activities and investment outlined in the exploration strategy reflects management's confidence in the geological prospectivity of its properties and its vision for future expansion. Moving forward, the Company remains focused on executing its exploration plans diligently, leveraging advanced techniques and technologies to drive continued success in resource delineation and mine development.

2023 Company Reserves and Resources summary table

Company reserves					
	Reserves summary			Net change from previous updates	
Asset:	**kt**	**Au (g/t)**	**Koz**	**Koz**	**% change**
Yanfolila, Mali	6,978	2.64	593	-126	-18%
Kouroussa, Guinea	5,093	4.13	676	28	4%
Dugbe, Liberia (100%)	66,000	1.30	2,760	0	0%
Total Company reserves	**78,071**	**1.60**	**4,028**	**-98**	**-2%**

Company resources					
	Reserves summary			Net change from previous updates	
Asset:	**kt**	**Au (g/t)**	**Koz**	**Koz**	**% change**
Yanfolila, Mali	24,009	2.21	1,705	-360	-17%
Kouroussa, Guinea	12,506	3.06	1,230	30	2%
Dugbe, Liberia (100%)	98,100	1.27	4,013	0	0%
Total Company reserves	**134,614**	**1.61**	**6,951**	**-327**	**-4%**

1. All Company Resources and Reserves are shown on a 100% basis. Hummingbird has a controlling interest in Pasofino Gold, which owns the Dugbe Project, of 53%. Resources are inclusive of Reserves.
2. Yanfolila and Kouroussa Reserves are based on a US$1,500 Au price. Dugbe Reserves are based on a US$1,600 Au price.
3. Yanfolila and Kouroussa Resources and Reserves statements effective date is 31 December 2022. Dugbe Reserves effective date as completed by Pasofino Gold is 01 May 2022.
4. Numbers are displayed in rounded form meaning sum totals may differ by a trivial value.

OPERATIONAL REVIEW

Yanfolila Gold Mine, Mali Reserves and Resources key highlights

Reserves at Yanfolila totalled 593 Koz at 2.63g/t, a decrease of 126 Koz, and Resources totalled 1.71 Moz at 2.21g/t, a decrease of 360 Koz. The decrease has been primarily driven by the significant remodelling of several deposits at Yanfolila following the addition of data captured through increased grade control drilling and improved in-pit mapping, providing increased geological confidence in Yanfolila's overall Resource base.

Yanfolila Resources

Deposit	kt	Au (g/t)	Koz
Komana West	1,994	2.07	133.0
Komana East	3,131	3.38	340.0
Gonka	1,458	4.09	192.0
Sanioumale West	2,077	1.60	107.0
Sanioumale East	1,933	2.58	161.0
Komana West Underground	717	2.79	64.0
Komana East Underground	2,201	3.62	256.0
Gonka Underground	756	3.31	80.0
Sanioumale West Underground	366	2.25	26.0
Sanioumale East Underground	613	2.70	53.0
Guirin West	231	1.97	15.0
Kabaya South	2,020	1.31	85.0
Kabaya South (Non-code)	950	1.50	46.0
Badogo-Malikila	2,347	0.81	61.0
Run-of-Mine Stockpiles	1,687	1.08	58.0
Heap Leachable Stockpiles	1,528	0.57	28.0
Total Yanfolila Resources	**24,009**	**2.21**	**1,705.0**

1. Yanfolila Resources Statement effective as 31.12.22.
2. See release 13 September 2023 titled "2023 Updated Company Reserves and Resources Statements" for more details.
3. Numbers are displayed in rounded form meaning sum totals may differ by a trivial value.

Yanfolila Reserves

Deposit	kt	Au (g/t)	Koz
Komana West	463	2.54	37.8
Komana East	720	2.73	63.1
Sanioumale West	392	2.19	27.6
Sanioumale East	1,230	2.57	101.5
Gonka	327	3.01	31.7
Guirin West	108	2.13	7.4
Komana East Underground	2,050	4.02	265.1
Run-of-Mine Stockpiles	1,687	1.08	58.3
Total Yanfolila Reserves	**6,977**	**2.64**	**592.5**

1. Yanfolila Reserves Statement effective as 31.12.22.
2. Numbers are displayed in rounded form meaning sum totals may differ by a trivial value.

Kouroussa Gold Mine, Guinea Reserves and Resources key highlights

Kouroussa Reserves increased 28 Koz to 676 Koz at 4.11g/t and Resources increased 30 Koz to 1.23 Moz at 3.06g/t from previous statements.

The project holds significant exploration upside both on site and in the surrounding region. The Company remains confident in reaching its target of a 10+ year LOM and a 1.0 Moz Reserve at Kouroussa.

Kouroussa, Guinea Resources

Deposit	kt	Au (g/t)	Koz
Kinkine	1,947	2.18	136.6
Koekoe	6,080	3.90	763.0
Bag Farm-Junction	1,743	1.59	89.0
X-Vein	354	7.33	83.0
Kinkine Underground	421	1.75	23.7
Koekoe Underground	1,961	2.11	133.0
Total Kouroussa Resources	**12,506**	**3.06**	**1,230.3**

Kouroussa, Guinea Reserves

Deposit	kt	Au (g/t)	Koz
Kinkine	1,234	2.56	101.4
Koekoe	3,858	4.63	574.1
Total Kouroussa Reserves	**5,108**	**4.11**	**675.5**

Dugbe Gold Project, Liberia Reserves and Resources key highlights

The Reserves and Resources for Dugbe have remained unchanged since the previous statements, standing at 2.76 Moz and 4.01 Moz respectively.

Dugbe, Liberia Resources

Deposit	kt	Au (g/t)	Koz
Dugbe F and Tuzon	98,100	1.27	4,013

Dugbe, 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 53%
2. See release 13 September 2023 titled "2023 Updated Company Reserves and Resources Statements" for more details.
3. Numbers are displayed in rounded form meaning sum totals may differ by a trivial value.

OPERATIONAL REVIEW

Sustainability report

A message from Our Interim Chairman and CEO

It is with immense pride that I share our latest Sustainability Report, highlighting the significant steps we have made in advancing sustainability over the past year and more. This report clearly demonstrates our dedication to improving our performance while we advance towards comprehensive Environmental, Social, and Governance ("ESG") disclosure.

Robust ESG performance is paramount, serving as the cornerstone of our sustainable success. It strengthens our social licence to operate and lays the foundation for our crucial relationships with communities and governments in the countries where we are present. At the core of our operations is our fundamental value of responsible mining, influencing our internal practices and driving our efforts to create a lasting, positive impact in the areas we operate.

Community investment

In 2023, our commitment to community investment stood out, especially at our Yanfolila site, where we continued to tailor our initiatives to meet local needs, ensuring meaningful on-the-ground impact. Noteworthy achievements include the expansion of water infrastructure via our successful Water, Sanitation and Health ("WASH") Programme, installing boreholes in several villages and market garden water wells to provide crucial water access, and the successful completion of the Sanioumale East ("SE") village relocation that allowed us to commence the mining of the SE open pit ahead of schedule.

Our market garden programme saw significant expansion, benefiting approximately 900 individuals in local communities, predominantly women, by constructing 52 wells across 16 villages, offering an alternative livelihood source.

We also continued our support for various community projects, such as sponsoring teachers to strengthen the education system, constructing three new classrooms in Sanioumale, maintaining the poultry farm project for youth skill development, implementing spraying programmes to combat malaria, and improving local road infrastructure.

Our dedication to environmental sustainability was evident in our progressive reforestation initiative, the Hummingbird Tree Initiative, which now aims to plant 10,000 trees annually, providing income and valuable plant propagation skills.

Similar community-focused initiatives are underway at our Kouroussa site, reflecting the community involvement level seen at Yanfolila.

Employment practices

In employment practices, we pride ourselves on our commitment to local employment, with a significant majority of our workforce being Malian or Guinean nationals. In 2023, we further integrated Equality, Diversity, and Inclusion ("ED&I") principles into our practices, fostering a workforce that mirrors the diversity of the communities we serve.

GHG emissions

Regarding greenhouse gas ("GHG") emissions, we continued and improved our GHG calculation and reporting, including the calculation of Scope 2 and Scope 3 emissions. Looking ahead, we will continue reviewing and improving reporting of Scope 3 Emission, we will also finalise strategies to reduce carbon intensity, notably our plan of installing a Solar PV with battery energy storage plant at Kouroussa, which is anticipated to significantly lower emissions while reducing costs.

Closing remarks

We are committed to demonstrating that responsible gold mining can play a progressive role and build a lasting positive legacy in the regions and communities we operate in. We recognise sustainability as an ongoing journey and extend my gratitude to our employees, communities, and host countries for their ongoing collaboration and support so that we can materialise our commitment.

I am humbled to witness positive impacts that our operations have on so many stakeholder groups, and I look forward to accomplishing more over the coming year.

Dan Betts
Interim Chairman and Chief Executive Officer

OPERATIONAL REVIEW

Sustainability highlights

Safety

0.58 LTIFR

Group LTIFR

0

Fatalities

Environment

90%

Process water recycled

0

Environmental incidents

Governance

Continued conformance with World Gold Council's Responsible Gold Mining Principles

WORLD GOLD COUNCIL

Social and economic

96%

National employment at operations

US$25m

in economic contributions to local Governments

US$172m

local and national procurement

OPERATIONAL REVIEW

About this report

Materiality assessment

Materiality assessment is an important process that enables us to identify and prioritise sustainability-related topics that are important to our stakeholders. The assessment also informs our sustainability strategies, and approach to the sustainability reporting. In early 2023, we worked with an independent sustainability advisory firm to undertake our first materiality assessment. The assessment included stakeholder mapping, determination of stakeholder expectations and what they care about the most, desktop review of peers' disclosure on social, environmental and governance topics and recommendations for our future strategic consideration and planning. We intend to undertake a sustainability-related materiality assessment every two years and will use findings from the assessment to inform our sustainability strategies as well as reporting and disclosures.

Key stakeholders identified in 2023 are:

- Host Government
- Local Communities
- Employees
- Shareholders
- Customers
- Suppliers

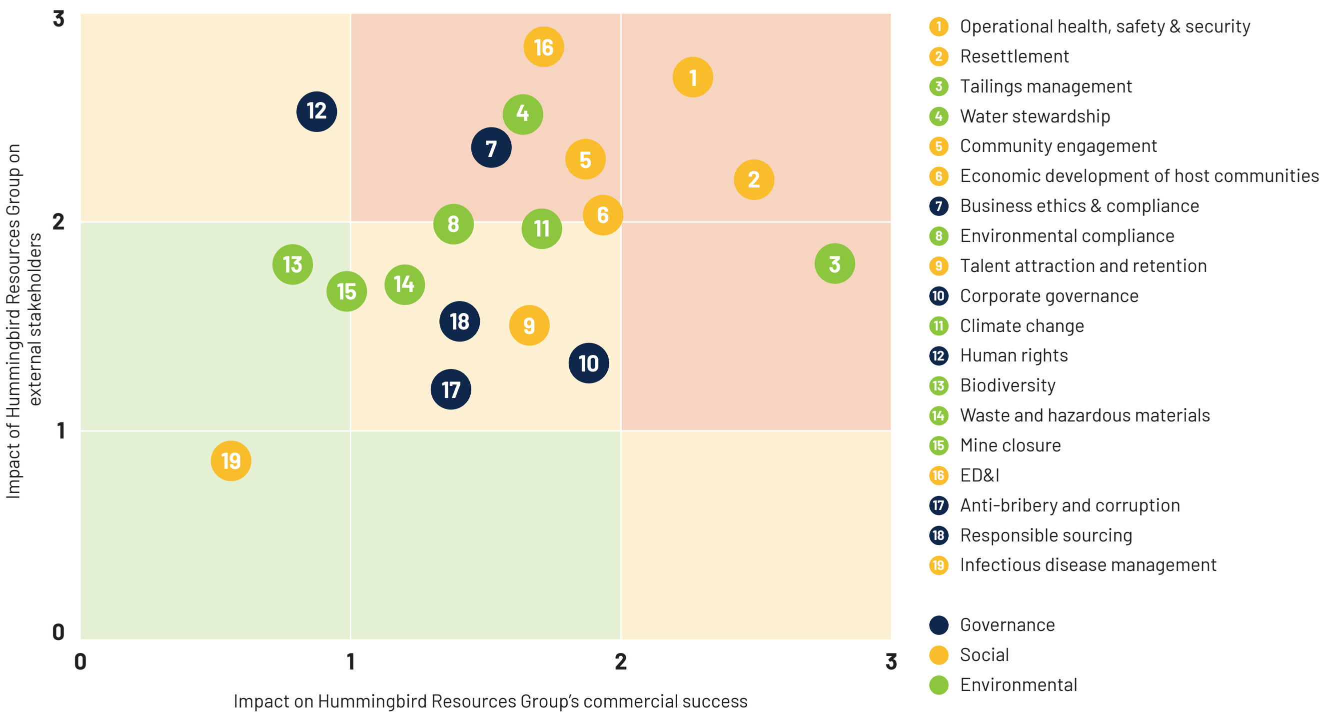
Material issues of high priorities identified in 2023 are:

- Operational Health
- Safety and Security
- Resettlement
- Community Engagement
- Economic Development of Host Communities
- Human Rights
- Responsible Sourcing
- Environmental Compliance
- ED&I, Climate Change
- Water Stewardship
- Business Ethics

Looking ahead, we are going to establish a long-term sustainability strategy, align our sustainability disclosures with an internationally recognised reporting standard. We understand disclosures on our climate related risks and opportunities are important to all stakeholder groups. As of 31 December 2023, the Group did not meet the criteria to report under the Task Force on Climate-related Financial Disclosure ("TCFD"), however we have already started to take steps to prepare for the reporting requirement under TCFD as the size of the Group increases. Having achieved full conformance with the World Gold Council's RGMPs in 2022, we have and will continue to embed best sustainability practices into our operations, these practices are independently audited and validated.

In this report, we will be focusing on sustainability-related topics that were identified as material to our stakeholders, and report on our performance, achievement and progresses.

Materiality matrix



High importance	Medium importance
1 Operational health, safety & security	9 Talent attraction and retention
2 Resettlement	11 Climate change
5 Community engagement	14 Waste and hazardous materials
6 Economic development of host communities	15 Mine closure
3 Tailings management	10 Corporate governance
4 Water stewardship	12 Human rights
8 Environmental compliance	17 Anti-bribery and corruption
7 Business ethics & compliance	18 Responsible sourcing

OPERATIONAL REVIEW

RESPONSIBLE GOLD MINING PRINCIPLES

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.

OPERATIONAL REVIEW

Governance

Sustainability governance

At Hummingbird, we are committed to maintaining high standards of corporate governance and have therefore established a governance framework that upholds our commitment to integrity, trust and honesty. By doing so, we can ensure a long-term sustainable operation that will benefit all stakeholders, including our communities in the countries where we operate, our employees, suppliers and shareholders.

Our ESG Committee, established in 2018, provides a formal and transparent governance mechanism for ensuring that the Board is provided with oversight and guidance on material issues, so that the Board can assist in developing and improving ESG related best practices.

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 ESG Committee's remit is focused on, but not limited to, key material issues including occupational health and safety, 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.

The composition of the ESG Committee was refreshed in February 2024, with two Non-Executive Directors appointed to the Committee. David Straker-Smith is the Chair and Attie Roux is a member of the Committee. The ESG Committee typically meets once a month and reports quarterly to the Board. Senior management teams at the mines and corporate levels are all invited to the quarterly meetings.

Internally, we established a Management ESG Committee in November 2023, led by the Group ESG Manager supported by ESG teams at Yanfolila and Kouroussa mines. In September 2023, we appointed a Group ESG Manager, who is West Africa based and has overall responsibilities including but not limited to leading and coordinating the preparation of sustainability related policies and procedures, ensuring application and compliance with applicable standards, supervising, coordinating and supporting activities undertaken by ESG teams at the mine level. The Management ESG Committee typically meets once a week.

Responsible gold mining principles

We are committed to operate responsibly with strict ESG protocols and practices. To demonstrate that commitment, Hummingbird joined the WGC as a member company in June 2020 and have since developed and improved several policies, systems, processes and controls to ensure demonstrate our conformance with the Responsible Gold Mining Principles ("RGMPs"), disclosed information that helps external stakeholders understand how conformance with the RGMPs is achieved.

Following comprehensive assurance processes, including review, assessment and enquiries of management and staff, we have secured annual third-party independent assurance reports confirming our compliance with the RGMPs requirements consecutively for the last 3 years.

Code of conduct

At Hummingbird, we have a company-wide Code of Conduct and associated policy framework, which was developed in line with our organisational principles and values and is intended to ensure that all parts of the business are conducted with integrity, trust and honesty. The Code of Conduct describes what is expected of employees, including our effort to operate in a way that respects the human rights of our employees and all those within our supply chain, and we have absolute opposition to bribery and corruption.

The Code of Conduct is available in both English and French and is distributed and signed by all employees at both corporate and site levels. Upon joining, all new employees receive a copy of the Code of Conduct and associated policies, so that they can understand the standards of behaviour that they must adhere to.

All employees are required to sign an Annual Declaration, confirming their continued commitment to uphold integrity, trust, and honesty, to comply with the Code of Conduct and declare any potential conflict of interest.

OPERATIONAL REVIEW

Code of conduct

Describes our expectations for all employees

The code is informed by our policy framework:

- Safety, Occupational Health and Wellbeing Policy
- Environmental Policy
- Anti-bribery and Corruption Policy
- Whistleblowing Policy
- Human Rights Policy
- Corporate Security Policy
- Share Dealing Policy
- Equal Opportunity Policy
- Community and Social Performance Policy
- Gifts and Hospitality Policy
- IT and Communication Systems Policy
- Group Travel Expenses Policy
- Political Donation Policy
- Anti-discrimination, Harassment and Bullying Policy
- Social Media Policy
- Anti-Facilitation of Tax Evasion Policy

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 make political contributions.

As part of our monitoring and risk assessment process, we require our suppliers to adhere to our Supplier Code of Conduct, and to comply with all applicable laws and regulations. We also require our suppliers to confirm their compliance on human rights issues in the upstream, core operation and downstream parts of their own supply chains. Additionally, we also review and perform risk based due diligence on key suppliers that we contract with, to ensure, amongst other things, that they do not involve in slavery and bribery and corruption.

We have also started additional annual due diligence checks on 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 2023, no incidents of non-compliance by our suppliers against the Supplier Code of Conduct were recorded.

Gold 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 LMBA certified, meaning they meet the authority's standards for responsible operation and strong governance. Hummingbird does not currently have any contracts with refiners.

OPERATIONAL REVIEW

Single Mine Origin

Hummingbird is a founding member of Single Mine Origin ("SMO"), a gold certification initiative that has oversight of every step of the extraction, segregation, and refinement process, forging the link between miners and buyers of gold, and that every gram of gold produced providing a traceable and auditable chain of custody directly to the mine where the gold was sourced.

SMO selects mines and other independent bodies that adhere to the World Gold Council's RGMPs, Initiative for Responsible Mining Assurance ("IRMA") or International Council on Mining and Metals ("ICMM") principles.

Gold produced from our Yanfolila site is SMO accredited, and SMO is currently in the process of accrediting gold produced from the Kouroussa site. 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.

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 and host countries. SMO gold is supplied with a QR code, allowing consumers to see exactly where their metal was mined, and learn more about the social, economic and environmental impacts associated with their purchase.

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

How SMO gold is different

- **Certified responsibility:** All SMO mines comply with standards set by the World Gold Council's RGMPs, IRMA or 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.
- **Manufacturing:** SMO gold can be supplied to jewellery partners as fine gold grain directly from the LBMA refinery, or it can be alloyed and turned into alloyed grain, wrought product, rings, chain or castings for delivery to jewellers.
- **Tracing:** Each batch of SMO gold is fully traced through the chain of custody from mine to jeweller, with a complete documentary paper-trail maintained. SMO gold is supplied with a QR code, allowing consumers to see exactly where their metal was mined, and learn more about the social, economic and environmental impacts associated with their purchase.

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

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

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

Human Rights

We are committed to conduct our business responsibly and with respect for the human rights of our employees, contractors and suppliers, local community members and those with whom we interact. We support and will implement the key tenets of the United Nations Guiding Principles on Business and Human Rights.

2023 highlights

- 2023 Performance - 0 human rights incidents.
- Continued implementation of policies, practices and systems based on the United Nations Guiding Principles on Business and Human Rights.
- Continued implementation of the Voluntary Principles on Security and Human Rights ("VPSHR") carried out 4,392 hour of training sessions across Yanfolila and Kouroussa.
- Continued observation of the assessed conflict-free status of Yanfolila and Kouroussa operations.
- Completed a resettlement project at Yanfolila in line with national regulations and international best practice including a thorough consultative process, established livelihoods and provided fair and timely compensation.

Our workplace

We are committed to upholding the internationally recognised core labour rights including freedom for workers to join or decline to join representative bodies and to bargain collectively.

We prohibit child labour, forced labour and modern slavery at our operations and in our supply chains. In our workplaces we implement processes through which to consult with our employees and ensure that our employees and contractors are treated with respect. We are committed to maintain a working environment that is free from discrimination, harassment or bullying.

We implement policies and practices to promote diversity at all levels at Hummingbird. We do not believe anyone should be disadvantaged because of their gender or ethnicity but should be recognised according to their talent and contribution to the business. We ensure that our employees receive fair remuneration relative to relevant national benchmarks and regulations and will aim to adhere to the principle of equal pay for equal work.

We encourage our employees and those who work or interact with us to 'speak-up' if they encounter unsafe or unethical behaviour. We provide a number of channels through which concerns can be raised in confidence and, where they have acted in good faith, without fear of adverse consequences.

Local communities

In order to respect human rights, we first identify risks that our activities may represent for local communities, and then understand and manage our social and environmental impacts. We conduct social and environmental impact assessments before undertaking project development or making substantive changes to our operations. Where resettlement or economic displacement is unavoidable, we proceed with national regulations and international best practices including through a consultative process, establish livelihoods and provide fair and timely compensation.

Case study

At Yanfolila, we completed the resettlement of the Sanioumale East community in 2023.

This resettlement project started in 2022, where our Yanfolila management team 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 ESG 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.

Throughout 2023 we closely followed and monitored progress of the RAP, held regular meetings with the local community, listened to issues and concerns they raised and acted promptly where applicable. Following the official opening ceremony, the relocation was successfully completed in August 2023 following construction of the new resettlement area and installation of two drinking water boreholes ahead of the schedule.

OPERATIONAL REVIEW

Our suppliers and business partners

We require our suppliers and contractors to adhere to comparable social, environmental and governance standards to our own as a condition of doing business with us. We regularly undertake risk-based due diligence to ensure adherence to these standards.

We adhere to the standards set out in the VPSHR. We carry out regular trainings to our security employees and private security contractors on the VPSHR and make clear to public security of our commitment to respect human rights.

If we acquire information about the violation of the human rights by public security forces we will make the appropriate authorities aware of the situation.

Anti-bribery and corruption

Hummingbird has no tolerance for bribery and corruption, and this applies without any exception for cultural differences. 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 forms part of the new employees' onboarding documents, as well as employees' annual declaration. This Policy provides instruction on the principles and behaviours in relation to bribery which must be adhered to. The Policy also provide channels through which employees can raise their concerns or report incidents.

We require all employees to complete anti-bribery training upon joining, 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 introduced regular 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 2023 for Hummingbird.

OPERATIONAL REVIEW

Climate change

At Hummingbird, we recognise the global challenge of climate change and acknowledges that all companies have an important role to play in minimising their GHG emissions and reducing their emission intensity.

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 socioeconomic challenge posed by climate change.

In response, Hummingbird is committed to enhancing our operational efficiencies to reduce our environmental footprint, actively engaging in efforts to mitigate GHG emissions, and investing in community-based programmes that strengthen local resilience to climate impacts. Understanding the interconnections between climate change, environmental sustainability, and socio-economic stability guides our actions towards a more sustainable and resilient future for all stakeholders involved.

By taking proactive measures, Hummingbird aims not only to mitigate the effects of climate change on our operations but also to contribute positively to the broader efforts needed to support the communities in which we operate, helping them navigate and thrive amid the challenges posed by a changing climate.

Our focus on enhancing energy and carbon efficiency remains steadfast, aligning closely with RGMP 10 and prioritising the long-term sustainability of our operations. We adhere rigorously to the GHG Protocol Corporate Accounting and Reporting Standard, leveraging emissions factors from reputable sources such as the UK Department for Business, Energy and Industrial Strategy ("BEIS") and the International Energy Agency ("IEA") to ensure accuracy and transparency in our reporting.

In our collaborative efforts with contractors at our Yanfolila and Kouroussa sites, we recognise a significant portion of our emissions falls under Scope 3, within Category 1: *Purchased Goods and Services*. Committed to reducing these emissions comprehensively, we include contractor emissions in our reporting, underscoring our responsibility toward holistic emissions management.

Employing an operational control approach, we meticulously account for all emissions within Hummingbird's direct control, spanning our offices and mining operations at Yanfolila and Kouroussa. Notably, the Dugbe site and its associated Monrovia office, under Pasofino's operation in 2023, were excluded from this year's calculations due to their developmental stage.

In order to reduce GHG footprint and reduce emission intensity of our operations, we have preliminarily evaluated, assessed and identified areas where we can implement changes to our energy and fuel sources. We will continue assessing and finalising options to achieve our objective.

2023 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 BEIS and the IEA.

This section is presented in line with the UKs Streamlined Energy and Carbon Reporting ("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 2023 Pasofino was the operator. 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 0.9 tCO_2e/oz gold (2022: 0.95 tCO_2e/oz gold). An emissions intensity calculated using only Scope 1 and 2 is also given, which stands at 0.17 tCO_2e/oz gold (2022: 0.16 tCO_2e/oz gold).

These intensity figures were calculated including emissions from our Kouroussa site, although the site achieved its first gold pour in Q2-2023, full commercial production is expected in H2–2024. An intensity figure calculated using emissions from both Yanfolila and Kouroussa sites, including contractor emissions, gives an emissions intensity of 0.88 tCO_2e/oz gold (2022: 0.88 tCO_2e/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 will continue 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 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 unavailable.

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Scope 1 + 2 emissions and contractor emissions*

	31 December 2023			31 December 2022		
	UK and Offshore	Global	Total	UK and Offshore	Global	Total
Scope 1 (tCO2e)	-	13,947	13,947	-	12,446	12,446
Scope 2 (Location based) (tCO2e)	5	42	47	5	53	57
Contractor emission (part of Scope 3) (tCO2e)	7	61,473	61,480	-	63,900	63,900
Energy Consumption (kWh)	**26,989**	**54,596,968**	**54,623,957**	**24,452**	**47,775,564**	**47,800,016**

Emission by area of operation

Location	31 December 2023				31 December 2022			
	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Contractor Emission (part of Scope 3) (tCO2e)	Total (tCO2e)	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Contractor Emission (part of Scope 3) (tCO2e)	Total (tCO2e)
Yanfolila (including Bamako office)	3,533	29	52,755	56,318	11,594	40	58,998	70,632
Kouroussa (including Conakry office)	10,414	13	8,718	19,144	853	13	4,902	5,767
London	-	5	7	12	-	5	-	5
Total	**13,947**	**47**	**61,480**	**75,474**	**12,447**	**58**	**63,900**	**76,404**

Emission intensity (tCO2e/oz gold)	**2023**	**2022**
Scope 1 + 2 + contractor emissions intensity	0.9	0.95
Scope 1 + 2 intensity	0.17	0.16

** Numbers are displayed in rounded form meaning sum totals may differ by a trivial value.*

Approach to sustainability

Our sustainability approach is multifaceted, aimed at reducing our carbon footprint while fostering responsible business practices. Key aspects include:

- **Emission reduction initiatives:** We implement targeted initiatives, optimising fuel usage, upgrading equipment for energy efficiency, and investing in renewable energy sources.
- **Stakeholder engagement:** Actively engaging with employees, suppliers, and communities fosters environmental responsibility and sustainability awareness.
- **Data-driven decision making:** Our commitment to data guides us in identifying emission reduction opportunities and implementing effective mitigation strategies.
- **Continuous improvement:** Embracing a culture of continuous improvement, we assess environmental performance, set ambitious targets, and implement innovative solutions to minimise our impact.

Collaboration with external sustainability experts has been instrumental, refining our GHG measurement and management strategies. This partnership aids in pinpointing key emissions sources, integrating them into our environmental protocols at the site level, ensuring a sustainable path forward.


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OPERATIONAL REVIEW

Our people

Hummingbird continues to prioritise the wellbeing and engagement of our workforce, recognising them as the cornerstone of our success. Our commitment is manifested through the development of a respectful, inclusive, and safe working environment for all employees, contractors, and visitors.

Health and safety priorities for 2023:

- **Zero harm target:** We remain steadfast in our goal to achieve zero harm across the board, ensuring the safety and well-being of every individual associated with our operations.
- **Healthcare initiatives:** Our approach includes regular health consultations, preventive measures, and concerted efforts to curb the spread of infectious diseases, benefiting both our workforce and the communities we serve.
- **Inclusivity in the workforce:** Embracing diversity, we strive to reflect the communities in which we operate, advocating for inclusivity and equal opportunities for all staff members to progress and excel.
- **Fair treatment:** Central to our ethos are fairness and equal opportunity, underpinned by stringent anti-discrimination policies and practices.

Supportive policies for 2023:

Guided by our core principles, we uphold several key policies at the Group level, including the Safety, Occupational Health and Wellbeing Policy, Equal Opportunity Policy, Human Rights Policy, and policies against discrimination, harassment, and bullying. These policies are foundational to our commitment to fostering safe, healthy, and respectful workplaces, in strict alignment with relevant laws and standards.

Operational health and safety approach for 2023:

With a firm belief in the preventability of all accidents, our pursuit of Zero Harm is relentless, supported by effective health and safety measures. Each operation benefits from tailored Occupational Health and Safety Management Plans that incorporate local and international best practices, routine risk assessments, and initiatives for continuous improvement.

Group performance metrics for 2023:

Fatalities

0

(2022: 0)

Lost Time Injury Frequency Rate ("LTIFR")

0.58

(2022: 0.84)

Total Recordable Injury Frequency Rate ("TRIFR")

1.17

(2022: 1.26)

Over

17,638

Hours of Safety Training Annually
(2022: 13,464 hours)

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The Board of Directors, supported by the ESG Committee, assumes ultimate responsibility for health and safety performance, advocating for transparency, accountability, and continuous enhancement of our standards. At the operational level, ESG managers at Yanfolila and Kouroussa spearhead the practical implementation of our health and safety agenda.

We proudly continued our zero-fatality record across all sites during the fiscal year, underscoring our commitment to safety at every level of operation.

Safety

As a group we saw an impressive improvement in our safety metrics, achieving a Lost Time Injury Frequency Rate of 0.58, well below our goal of 1.20, and a Total Recordable Injury Frequency Rate ("TRIFR") of 1.17, slightly below our aim of 1.20, and the safety team is working hard to improve these statistics towards our targets.

Safety at Yanfolila

At the Yanfolila site, we observed a solid safety record, with an LTIFR of 0.68, outperforming the target of 1.20, though the TRIFR was 1.59, above our objective of 1.20. Our safety team is working hard to improve these statistics towards our targets.

2023 Safety metrics for Yanfolila site

	Target	2020	2021	2022	2023
LTIFR per million hours	<1.2	0.29	0.30	0.84	0.68
TRIFR per million hours	<1.2	0.82	0.59	1.26	1.59

At Yanfolila, our commitment to safety and health in the workplace has been reinforced through several key initiatives aimed at minimising risks and enhancing the overall safety culture:

- **Innovation in safety equipment:** We have upgraded to the latest intervention equipment, complemented by simulation sessions designed to finetune our response capabilities and address any potential shortcomings.
- **Enhanced emergency preparedness:** Our emergency response teams have undergone rigorous training, ensuring readiness and efficiency in handling unforeseen situations.
- **Collaborative safety discussions:** Regular safety meetings are convened with senior staff and business partners, creating an open forum for addressing health and safety challenges and collaboratively devising effective solutions.
- **Recognition and encouragement:** We have instituted a system of regular recognitions, celebrating individual or group contributions to safety practices. This initiative serves as an incentive for continuous engagement in improving our occupational health and safety standards.
- **Rigorous workplace inspections:** A heightened focus on workplace inspections aims to proactively identify and mitigate accident risks, ensuring a safer working environment for all.
- **Safety awareness campaigns:** Extensive campaigns have been launched to advocate for the mandatory use of helmets among motorcycle riders, targeting not only our workers but also their families and the broader community. These campaigns are part of a comprehensive effort to instil a culture of safety and prevent accidents.
- **Comprehensive accident prevention initiatives:** We have introduced a series of awareness programs covering crucial aspects such as fatigue management, near-miss reporting, dehydration prevention, adherence to speed limits, defensive driving techniques, and end-of-year safety measures. These initiatives are supported by the active involvement of the ESG Committee and the Yanfolila union committee.
- **Unified effort to enhance safety:** A strong, company-wide commitment to reducing accidents and improving safety performance is evident, with concerted efforts from every level of the organisation, including our new partners. This collective endeavour aims to foster an environment where safety is paramount and continuously

improved upon.

Safety at Kouroussa

At the Kouroussa site, our proactive safety initiatives have laid a strong foundation for a safe operational start, evidenced by an LTIFR of 0.41 and a TRIFR of 0.41 for 2023, indicating a highly safe work environment.

	Target	2022	2023
LTIFR	<1.2	0	0.41
TRIFR	<1.2	0	0.41

Kouroussa has embarked on a series of significant initiatives to bolster occupational safety, achieving noteworthy milestones that underscore our commitment to a safe and secure working environment:

- **Extensive safe work hours:** We have successfully logged 2,449,755 work hours, achieving an injury frequency rate of just 0.41, with a commendable zero fatality rate, reflecting our rigorous safety protocols and preventive measures.
- **Comprehensive safety inductions:** A total of 926 health and safety induction sessions have been conducted for both Kouroussa employees and our subcontractors, ensuring a solid foundation in safety awareness and practices from the onset.
- **Personal protective equipment ("PPE") accessibility:** We have ensured the provision of appropriate personal protective equipment to all our direct and indirect employees, fortifying our defence against workplace hazards.
- **Targeted safety awareness sessions:** Our proactive approach included 83 general safety awareness sessions and an impressive 1,816 sessions focusing on specific safety aspects, significantly enhancing our workforce's understanding and adherence to safety measures.
- **Routine workplace inspections:** With 1,116 field inspections performed, including detailed evaluations of critical workstations, our weekly inspection routine underscores our commitment to identifying and mitigating potential risks proactively.
- **Workstation-specific risk assessments:** Each workstation undergoes thorough risk assessments, enabling tailored safety strategies that address the unique challenges and hazards of different work environments.
- **Diligent monitoring and corrective actions:** Our vigilant monitoring of non-compliance and incident registers, coupled with prompt follow-up on necessary corrective actions, exemplifies our commitment to continuous improvement in safety management.
- **Strategic safety signage installation:** The strategic placement of safety signage panels throughout the site serves as a constant reminder and guide, significantly contributing to the prevention of traffic-related incidents.
- **Fire safety training:** We have provided specialised training on the use of fire extinguishers to both employees and subcontractors, ensuring preparedness and effective response in the event of a fire emergency.

Through these initiatives, Kouroussa demonstrated an unwavering dedication to not only maintaining but continually enhancing the safety and well-being of our workforce.

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Training and development:

In 2023, we intensified our dedication to safety through an expansive training regimen for all employees and contractors. This regimen encompassed a wide range of crucial topics including hazard identification, job safety analysis, basic fire response techniques, first aid procedures, and the management of hazardous chemicals. Furthermore, we provided specialised training for personnel engaged in higher-risk activities, notably including the safe management of cyanide, underscoring our commitment to addressing the unique challenges posed by our operations.

Our site safety managers played a pivotal role in this effort, meticulously maintaining up-to-date safety training records to ensure full compliance and operational readiness across the board. Despite facing operational challenges, our collective efforts in safety training marked a significant advancement, achieving a total of 17,638 hours in 2023 (2022: 13,464 hours), a substantial increase from the previous year. This achievement not only highlights our steadfast commitment to elevating safety standards but also demonstrates our ongoing dedication to the well-being and professional development of our workforce.

Moreover, in 2023, we extended our safety initiatives beyond the confines of our operational sites to engage with the broader community. Notable among these initiatives were the Safety Awareness Campaigns launched by our site teams in Bougoudalé and Yanfolila through local radio stations. These campaigns were thoughtfully crafted to effectively communicate crucial safety information, thereby enhancing the safety awareness and knowledge of our workforce.

Additionally, we embarked on targeted community outreach efforts, including fire safety campaigns in Soloba village and road traffic safety campaigns in Bougoudalé. These efforts were aimed at educating and preparing the local communities for potential emergencies, contributing significantly to the enhancement of public safety standards.

These comprehensive initiatives underscore our proactive and holistic approach to safety, evidencing our deep-seated commitment to fostering a culture of safety and well-being that transcends our immediate operational environment to include our employees, contractors, and the communities we are a part of.

We offer comprehensive safety trainings to our employees and contractors at site, with subjects such as Safety Induction, Cyanide Awareness, Working at Height, First Aid Training, Hazardous Awareness and Defensive Driver trainings.

Health

In 2023, we deepened our commitment to the health and safety of our workforce, recognising the fundamental connection between employee well-being and operational productivity. Our ongoing collaboration with Critical Care International ("CCI") has been pivotal in providing high-quality healthcare solutions at the Yanfolila and Kouroussa sites, ensuring comprehensive medical services are accessible to all employees.

Healthcare initiatives at Yanfolila and Kouroussa were marked by significant achievements and expansions in services, including:

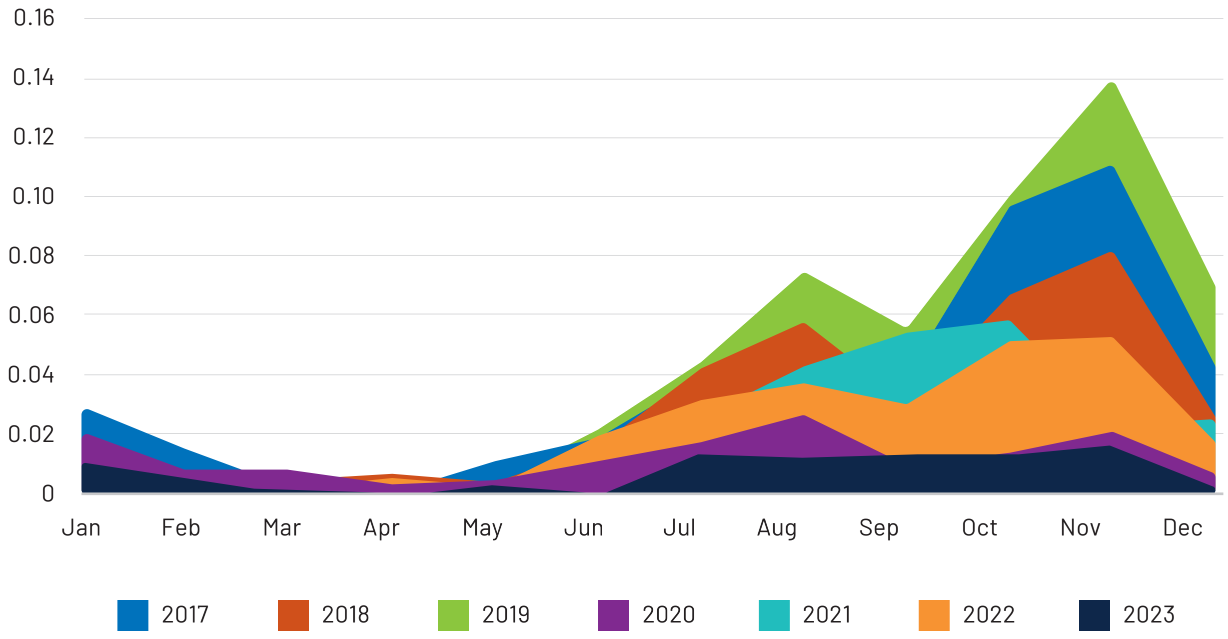
- **Medical consultations:** A total of 4,179 medical consultations were conducted across both Yanfolila and Kouroussa sites, emphasising the importance of accessible healthcare for our employees. These consultations covered a wide range of services, from initial assessments and chronic illness management to emergency care, showcasing our comprehensive approach to employee health.
- **Preventative measures and health promotion:** Our healthcare strategy extended beyond immediate medical services to include a strong focus on preventative care and health education. Through our clinics, employees and subcontractors' staff received routine medical assessments, preventative care for chronic and acute conditions, and infectious disease control. Health promotion activities covering diabetes, high blood pressure, healthy diets, and fatigue management were regularly conducted, emphasising our proactive stance on health and wellness.
- **Infectious disease management and malaria prevention:** The successful Indoor Residual Spraying ("IRS") campaign at Yanfolila exemplifies our comprehensive approach to infectious disease management. This initiative significantly reduced the risk of malaria infection, benefiting not only camp residents but also the surrounding community. Our efforts to combat malaria and other infectious diseases were further supported by regular health training sessions and the distribution of educational materials on disease prevention.
- **Innovative health education:** The introduction of health education podcasts at Yanfolila represented a novel approach to disseminating health information. This method proved effective in enhancing long-term retention of crucial health knowledge among our workforces. The positive feedback and measured effectiveness of these podcasts have encouraged us to expand this initiative, planning to leverage local radio partnerships to reach wider communities in the upcoming year.

- **Community health initiatives:** Our commitment to health extends beyond our employees to the communities surrounding our operations. Notable efforts include a comprehensive community health needs assessment at Kouroussa, first aid training in local schools, and widespread health campaigns. These initiatives not only foster stronger community relations but also contribute to the overall health and wellness of the populations adjacent to our sites.

As we look to the future, we remain dedicated to enhancing the health and safety of our workforce and neighbouring communities. Our partnership with CCI continues to be a cornerstone of this commitment, driving forward initiatives that ensure a healthy, productive, and informed community.

Health		Yanfolila 2023	Kouroussa 2023	Yanfolila & Kouroussa 2023
1.8.1	Medical consultation	2,657	1,522	4,179
1.8.2	Case of malaria	166	211	377
1.8.3	Days lost due to malaria	0	0	0
1.8.4	Attendance first aid training	223	253	476

Malaria incidence 2017-2023



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Occupational health activities

We conducted several occupational health activities in 2023, including:

- Medical surveillance of workers, as required by the labor code in Mali. Physical examination of the employees including ophthalmological examinations, blood, and urine analyses.
- Various workplace inspections: Kitchen and canteen, process plant.
- Gold room air monitoring. Air measurement of potentially harmful substances including mercury, cyanide, arsenic and lead. Substance abuse was also measured in blood and urines: Values all in the normal ranges.

Image: Ophthalmological examination of an employee of the Yanfolila mine, by an ophthalmologist who came to the site for annual medical examinations.

Image: Fight against malaria in the community: Indoor Residual Spraying of long-lasting insecticides in the community (conducted in five villages around the mine)

We have a well-established partnership with CCI, who has provided specialist medical care for our workforce at Yanfolila since the construction of the site and has led the set-up and continued management of our site clinic at Kouroussa.

Our clinic health programme provides comprehensive medical services for our employees as well as our subcontractors' staff, providing consultations, implementing preventative measures for chronic and acute conditions, infectious disease control, routine medical assessments, and urgent medical care.

In 2023, 2,657 consultations were carried out at our Yanfolila site clinic, and at Kouroussa, 1,522 were carried out. Alongside medical services for our workforce, CCI has held regular training sessions throughout the year to medical staff, as well as weekly first aid training delivered to a total of 253 employees at Kouroussa, and 223 employees at Yanfolila. At both sites, regular health promotion activities took place on site covering a variety of topics including diabetes, high blood pressure, healthy diets, and fatigue management. These were delivered in the form of meetings, toolbox talks, and 'topic of the month' campaigns covering subjects such as malaria, breast cancer and sexually transmitted infections.

In February 2023 at Yanfolila, a successful IRS campaign took place in the camp, including residential rooms and offices. Through this initiative, not only was the camp residents' risk of infection reduced but the surrounding community indirectly benefited by controlling the distribution of malaria on site.

At Yanfolila, CCI and the clinic team conducted a study into the effectiveness of using podcasts to distribute health information. The team rolled out a snakebite podcast to members of the Yanfolila workforce and conducted a series of surveys that measured listeners' retention of knowledge on snakebite prevention and management over time. As well as receiving positive feedback from the participants, the study's results showed that podcasts were an effective tool in sharing health information that resulted in long-term knowledge retention. As a result of the study, podcasts and audio broadcasts played a larger role in our health promotion campaigns at Yanfolila and Kouroussa in 2023. Recognising the inherent advantages that podcasts offer in disseminating health information to a broad audience, including surrounding communities, we plan to expand their reach in 2024. This will be achieved through strengthening partnerships with local radio stations at both sites, allowing us to broadcast our health promotional podcasts to local communities.

Community health care

In partnership with CCI we have delivered several community health care initiatives to strengthen relations and improve health outcomes in the communities surrounding our sites. Most notably, CCI conducted a community health needs assessment in the communities surrounding Kouroussa Gold Mine, and the results of the assessment will be used as baseline data against which future community health development projects can be measured. The study employed a multi-faceted approach to assess the community's health needs. This included a community survey to gather baseline health data and identify the most prevalent conditions, a register review and audit of local health service providers to evaluate the quality of existing care and understand common patient presentations, and finally, interviews and focus groups with key stakeholders like health facility employees and village chiefs to gain a deeper understanding of specific community health needs.

The community health needs assessment has already had an impact on the communities involved. As a result of the household survey 86% of children who took part ("373 children") were treated for either malaria, anaemia, or both conditions. In 2024, we hope to implement several projects to tackle key issues such as malaria, chronic conditions, and maternal and child health. The projects developed and implemented from this study will serve approximately 14,761 people in impacted communities around Kouroussa.

Furthermore, at Kouroussa, our clinic team conducted first aid training at two local high schools and for the Youth Association of Kouroussa. Over 130 students and teachers benefitted from this training, which not only equipped them with essential first aid knowledge, but also strengthened the relations between the mine and the community.

In November 2023, as part of World HIV Day celebrations, the clinic team at Kouroussa hosted a broadcast on HIV in collaboration with the Prefectural Health Agency. The program was broadcasted simultaneously on the city's two main radio stations. It is estimated that over a thousand listeners tuned in to the initial broadcast, and it was repeated on subsequent days to ensure the widest audience benefited. We plan to continue collaborating with local radio stations at Yanfolila and Kouroussa to distribute health awareness podcasts developed during health promotion activities in 2024, as well as hosting live broadcasts.

Community health activities at Yanfolila have included the appointment of Community Health Officers, whose responsibilities include liaising with community health facilities, conducting training sessions with community members and healthcare staff, and participating in community health projects. In May 2023, a health needs

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assessment focusing on maternal and child health was completed, involving focus groups, health centre assessments and household surveys, the results of which led to the development of several recommendations for improving the health of the community. Since then, there have been sustained relations with Yanfolila's Clinic and Safety, Health, Environment, and Community ("SHEC") team, through delivering education campaigns to health workers and awareness sessions to community members on topics such as women's health and medical waste management. In addition to this, an indoor residual spraying and malaria awareness education campaign took place in July in nine communities surrounding the Komana Mine. 93% of structures were included in the IRS campaign, covering 94% of the total population.

About Critical Care International

Critical Care International is an internationally recognised medical company which Hummingbird has worked with for several years to deliver employee healthcare and community initiatives. CCI works globally providing a range of healthcare and medical services, including clinic services for remote sites and projects, to build relationships with local communities to deliver healthcare programmes that ensure sustainable change and skills transfer. Through our collaboration, we have delivered impactful initiatives like annual malaria indoor residential spraying and prevention campaigns, educational workshops, and a training program for a local community clinic.

Security

At Hummingbird we have a holistic security strategy, leveraging a mix of in-house personnel, contracted security services, and the support of state security forces in Mali and Guinea to safeguard our operations, protecting our people and assets while respecting human rights. Our comprehensive approach underscores the commitment to protect employees, assets, and shareholders, reinforcing our dedication to collaboration with governments, local communities, and adherence to the Voluntary Principles on Security and Human Rights ("VPSHR").

In 2023, our security framework was supported by security professionals who are integral to our operational integrity. Guided by our corporate security policy, we ensure that our security measures not only protect but also respect the rights and dignity of individuals in and around our areas of operation.

A pivotal component of our security strategy is regular VPSHR training; which is essential for aligning our security practices with international standards and reinforcing our commitment to ethical conduct. Our VPSHR training sessions are comprehensive, consist of four modules and an assessment, including Human Rights Framework for Global Operations and Security Practices, Roles and Responsibilities of Security Personnel, Module 3: Human Rights and Ethics and Human Rights and the Use of Force.

We are pleased to report that our diligent security management has resulted in a year free of major security incidents and grievances. This achievement underscores the effectiveness of our proactive and principled security approach.

Our engagement with local communities, especially concerning artisanal mining activities, illustrates our commitment to collaborative security. By working closely with our ESG teams, we made significant strides in reducing unauthorised access to our sites, thereby enhancing community safety and operational security. Moreover, our on-site security measures include over 1,167 random alcohol tests to ensure workplace safety, and the apprehension of over 579 gold panners, underscoring our zero-tolerance policy towards unauthorised site access. The presence of a mixed camp of gendarmes and military personnel further fortifies our sites against intrusions.

Under the stewardship of Kouroussa's security department, and in partnership with the Guinean surveillance company G4S, we continue to strengthen our collaboration with state security services. This partnership is vital in protecting our assets and personnel and in preventing accidents by controlling access to our mining sites.

Our commitment to creating a secure working environment extends beyond mere physical security to embody a holistic approach that respects human rights and fosters a culture of safety and respect. This approach is not only fundamental to our operational success but also critical to maintaining our social license to operate.

Training and development:

In 2023, we continued our commitment to the training and development of our employees, promoting not only exceptional performance but also significantly contributing to the skill bases of our host communities. Our aim is to have our mining operations primarily managed by staff employed locally and nationally, providing them with ample opportunities for career advancement and development strictly based on merit. As of this fiscal year, 94% of our total workforce is employed nationally, showcasing our dedication to integrating with and supporting the talent within our host communities.

The training focused on various aspects, including environmental and social training, engagement and social dialogue with unions, accountancy, and taxation specific to the mining sector and West African standards, Health, Safety, Security & Environment ("HSSE") training, and training for the Health and Safety Committee. This comprehensive training approach ensures that our employees are well-equipped to meet industry standards and contribute effectively to our operations.

Overall, our training and development initiatives in 2023 continue to prioritise safety, compliance, and the professional growth of our workforce, aligning with our broader commitment to responsible business practices.

Fair wages:

Hummingbird's adherence to RGMP 6 reflects in our commitment to providing fair wages and comprehensive benefits to our workforce. By benchmarking pay levels against both national and international mining companies, and through regular wage surveys, we have developed new salary scales and expanded our corporate incentive scheme to benefit a larger segment of our employees, ensuring competitive and equitable compensation across the board.

Diversity and inclusion:

Hummingbird values a diverse and inclusive workforce, representing a wide range of backgrounds and perspectives. As an equal opportunity employer, we prohibit discrimination on any grounds and uphold policies such as the Equal Opportunities Policy and the Anti-Discrimination, Harassment, and Bullying Policy. Our commitment to diversity is reflected in every facet of our operations, from recruitment to promotions, underpinned by our Recruitment Policy and Diversity Policy. A particular focus has been placed on enhancing gender diversity and empowering female employees at all organisational levels.

Talent management and training:

Our annual performance and talent management process is designed to spotlight and develop individuals who significantly contribute to our organisational performance. Training programs span from onboarding to technical skills development and leadership training, underlining our commitment to continuous development. The introduction of a people database is set to further refine our performance and talent management processes by capturing individual skills and development trajectories.

Employee investment:

Investment in our employees is multifaceted, encompassing performance management, competitive salary structures, incentive programs, and share-based long-term incentives, all aimed at fostering a motivated and engaged workforce.

Labour relations:

Hummingbird maintains a robust relationship with labour unions, respecting the rights of employees to unionise and engage in collective bargaining. Regular meetings with union representatives offer a vital communication channel for employees to voice concerns and suggest improvements, facilitating a transparent and respectful dialogue.

In conclusion, Hummingbird's approach in 2023 has been holistic, emphasising not just fair wages, diversity, and inclusion but also talent development and positive labour relations. Our strategies and initiatives are tailored to create a supportive, equitable, and empowering work environment for all our employees, reflecting our core values and commitment to responsible and sustainable business practices.

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Communities and social responsibility

Hummingbird's commitment to responsible gold mining extends beyond operational excellence to actively contribute to the sustainable development of the regions and communities where it operates.

The Company strives to create a lasting positive legacy through various initiatives:

- **Community projects:** Collaborating with host communities to implement projects that deliver sustainable and enduring benefits. These projects aim to improve the quality of life and create opportunities for local residents.
- **Economic contribution:** Making a meaningful economic impact through operations that contribute to the nations and communities in which Hummingbird operates. This includes creating employment opportunities and supporting local economies.
- **Stakeholder engagement:** Maintaining strong relationships and open lines of communication with local and national stakeholders. Regular engagement ensures that Hummingbird understands and addresses community needs and concerns effectively.
- **Livelihood protection:** Implementing livelihood restoration programs. These efforts aim to protect and enhance local livelihoods while ensuring sustainable mining practices.

These priorities are embedded in Hummingbird's Community and Social Performance Policy, which guides the Company's actions. The policy mandates:

- Consultation with stakeholders to design and implement community investment programs, regularly evaluating their impact.
- Maintaining ongoing communication channels with communities associated with operations to address feedback and concerns promptly.
- Providing training and employment opportunities for residents and promoting the involvement of local businesses in operational activities.
- Respecting and preserving the cultural heritage of local communities in all operations and initiatives.
- The ESG Committee reviews this policy annually, ensuring alignment with best practices and continuous improvement. The Board holds ultimate accountability for the policy's implementation and effectiveness.

Hummingbird's commitment to responsible mining goes beyond profit generation, emphasising sustainable development, community engagement, and environmental stewardship to leave a positive and lasting impact on the regions and communities it serves.

Community investment and projects

Our commitment to community development extends beyond mere financial contributions. We believe in fostering active participation from local populations in the management of initiatives, achieved through the establishment of a Local Community Development Committee. This committee serves as a platform for consensus-building around projects aligned with the Economic, Social, and Cultural Development Program set forth by the Mayor of the commune of Yallonkoro-Soloba.

Operated and funded in collaboration with territorial communities, our community projects undergo rigorous consultation and prioritisation processes to ensure alignment with local needs and aspirations. However, despite these efforts, ensuring the full ownership of these initiatives by the beneficiaries remains a challenge.

During 2023, the Company continued its commitment to enhancing the well-being of communities surrounding our operations. Through various investment projects, we aimed to foster sustainable development and create lasting positive impacts.

Yanfolila

Water infrastructure:

- Installation of four Human-Powered Hydraulic Pumps in key areas such as Digneba, Guelenikoro School, Bangassi, and Badani.
- Construction of 30 wells within agricultural areas to support local gardening projects.

Education:

- Our education initiatives focused on improving access to quality education. We sponsored teachers in local schools, constructed classrooms, and provided necessary infrastructure enhancements to facilitate better learning environments.
  - Continued sponsorship of teachers aimed at, enhancing educational opportunities across 10 villages. To-date 12 teachers have received sponsorship since the program commenced in 2016.
  - Construction of three classrooms with toilets in Tientogo, rehabilitation of Komissana school, and improvement of teacher housing in Guelenikoro.

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Infrastructure:

- Infrastructure development was a key priority in Yanfolila. We invested in road maintenance and dust suppression projects to enhance rural connectivity, ensuring easier access to essential services and markets for local communities, including:
- 1.3 km Road maintenance in Bougoudalé village and dust suppression.

Community healthcare:

- Our healthcare initiatives in Yanfolila aimed to improve access to basic healthcare services. We constructed a maternity ward to enhance care for pregnant women and children and provided support for community health campaigns, including malaria prevention efforts.

Kouroussa

Education:

- In Kouroussa, our focus on education involved providing 500 school kits and supplies to support students and educational institutions. This investment aimed to enhance learning outcomes and promote educational opportunities for children in the region.

Infrastructure:

- Infrastructure projects in Kouroussa aimed to improve community facilities and amenities. We undertook initiatives such as the construction and equipping of a youth centre and painting of public buildings to enhance community infrastructure.

Water infrastructure:

- Construction of six boreholes in impacted communities, along with training for management committees.

Community healthcare:

- Our healthcare endeavours in Kouroussa included initiatives to improve access to healthcare services and facilities. We invested in water infrastructure projects, including borehole installations, to ensure access to clean water for drinking and sanitation purposes.

Livelihood restoration

During 2023, the Company implemented various initiatives aimed at restoring and supporting local livelihoods in communities affected by our operations.

Yanfolila

- In Yanfolila, we prioritised livelihood restoration through projects such as community market gardens and poultry farms, providing alternative income sources for local residents.
  - Establishment of a one-hectare gardening area in Badougou, benefiting 50 women and promoting sustainable livelihoods.

Kouroussa

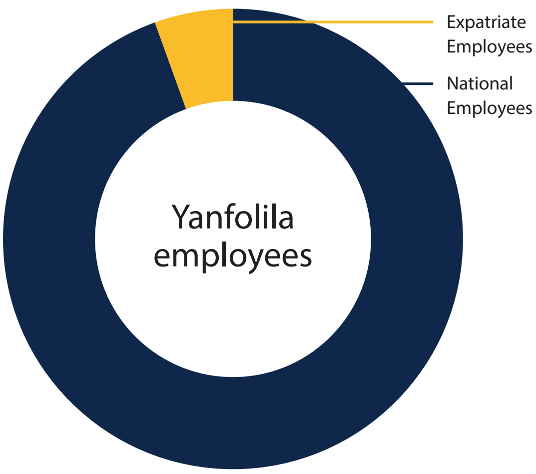
- Similarly, in Kouroussa, we supported livelihood restoration efforts through initiatives like market gardening programs and beekeeping projects, empowering communities with sustainable livelihood options.
- Implementation of a market gardening project in Bananko village, providing alternative income sources, particularly for women.

Local employment

At both our Yanfolila and Kouroussa operational sites, fostering local employment and nurturing talent within the communities where we operate is integral to our commitment to sustainable and responsible mining practices.

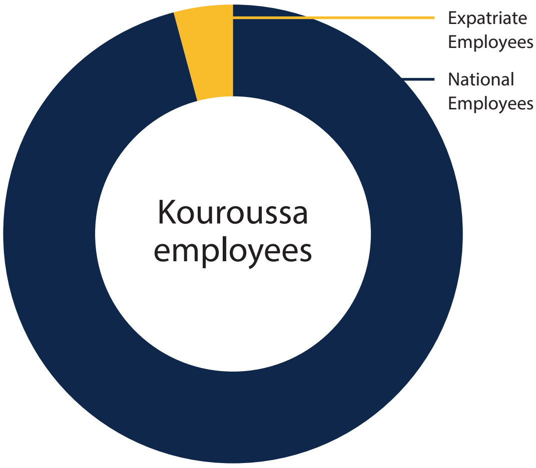
Yanfolila

In Yanfolila, we continually update our nationalisation plans for all positions and prioritise the development of national succession plans for roles currently held by international employees. Presently, 94% of our site employees, are Malian nationals, with 24% of our Malian employees' are from local communities.



Kouroussa

Similarly, in Kouroussa, we are dedicated to updating nationalisation plans for all positions and implementing national succession plans for roles currently occupied by international staff. As of 2023, 96% of our site employees, including subcontractors, are Guinean nationals. Among them, 81% (2022: 63%) originate from local communities.



Kouroussa's commitment to local employment exceeds the national requirement regarding employment and the representation of Guineans in positions of responsibility across all categories stipulated by mining regulations.

By surpassing these requirements, Kouroussa showcases its dedication to local empowerment and sustainable development within Guinea's mining sector. This achievement not only fulfils regulatory obligations but also underscores Kouroussa's proactive approach to fostering economic growth and social progress in the communities where it operates.

Furthermore, Kouroussa's emphasis on local employment and leadership positions not only contributes to the socio-economic advancement of Guineans but also enhances the Company's operational efficiency and cultural integration within the region.

Overall, our performance in exceeding regulatory standards highlights its commitment to responsible and inclusive business practices, setting a commendable precedent for the mining industry in Guinea and beyond.

Recruitment practices and local content:

To ensure transparency and community involvement, the recruitment of skilled workers is overseen by the recruitment commission established by the Kouroussa prefecture. Unskilled worker recruitment is conducted by the affected villages and validated by local authorities. As part of our commitment to transparency, we have engaged with local radios during the recruitment of unskilled workers.

Additionally, we continuously assess our progress in promoting local content in line with the provisions of the mining code.

Economic contribution

Hummingbird continues to participate in the Extractive Industries Transparency Initiative ("EITI") processes across Mali, Guinea, and Liberia. In 2023, our contributions to the Government of Mali totalled $16.3 million (2022: $13.8 million), encompassing taxes, duties, and royalties. This amount reflects a $2.5 million increase, primarily attributed to reduced minimum tax payments. In Guinea, our contributions to the Government totalled $8.2 million (2022: $0.8 million), encompassing taxes, duties, and royalties.

Aligned with UK disclosure requirements, we strongly advocate for and support in-country EITI transparency processes. These initiatives play a vital role in fostering ongoing dialogue among governments, businesses, and civil society, thereby enhancing accountability regarding the utilisation of the countries' rich natural resources.

In Liberia, our contributions to the Government of Liberia totalled $0.3 million (2022: $0.5 million) in license fees and taxes. These payments underscore our commitment to responsible resource utilisation and sustainable development in the regions where we operate.

Assistance to local communities

As part of our Corporate Social Responsibility ("CSR") strategy, Hummingbird extends support to local communities by providing donations to alleviate social burdens during significant occasions.

OPERATIONAL REVIEW

Payments to government of Mali 2023

	2023		2022	
	XOF'000'000	'000 $	XOF'000'000	'000 $
Payroll Taxes	874	1,425	684	1,089
Social security	1,275	2,090	1,164	1,881
Withholding tax – IBIC	896	1,475	239	381
Royalties – CPS Tax payable	3,155	5,147	1,859	2,969
Customs and import fees	1,947	3,194	3,019	4,792
Gold export fees	519	855	466	751
Corporate tax/minimum tax	902	1,470	893	1,434
Other taxes	392	646	317	538
Total*	**9,960**	**16,302**	**8,641**	**13,835**

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

Payments to government of Guinea 2023

The Group has made the following payments to the Guinean Government.

	2023		2022	
	GNF'000'000	'000 $	GNF'000'000	'000 $
Payroll taxes	8,692	1,021	3,755	433
Social security	796	94	392	45
Withholding tax	44,373	5,213	2,674	309
Custom duties	15,904	1,869	301	33
Total	**69,765**	**8,197**	**7,122**	**820**

Payments to government of Liberia 2023

The Group, through our subsidiary, Pasofino, has made the following payments to the Government of Liberia.

	2023 '000 $	2022 '000 $
Business registration fees	5	8
Licence fees	6	3
Surface rent	160	178
Payroll taxes	74	57
Withholding tax	19	288
Total	**264**	**534**

Local purchases in Mali 2023

In 2023, 82% of procurement for goods and services were made to nationally registered and local suppliers, equating to over $98.6 million (2022: $137.2 million) of purchases.

	2023 '000 $	2022 '000 $
Local vendors (Yanfolila area)	714	905
National vendors	97,858	136,249
International vendors (18% of total (2022: 11% of total))	22,120	16,961
Total	**120,692**	**154,115**

Local purchases in Guinea 2023

In 2023, 83% of procurement for goods and services were made to national and local suppliers, equating to over $73.4 million (2022: $56.0 million) of purchases.

	2023 '000 $	2022 '000 $
Local Vendors (Kouroussa area)	2,583	118
National vendors	70,778	56,410
International vendors	15,174	30,617
Total	**88,535**	**87,145**

Local purchases in Liberia 2023

In 2023, 51% of procurement for goods and services were made to national and local suppliers, equating to over $497,000 (2022: $363,000) of purchases.

	2023 '000 $	2022 '000 $
Local vendors (Dugbe area)	98	36
National vendors	399	327
International vendors	487	2,926
Total	**984**	**3,289**

Political donations policy

Our commitment is to collaborate with host governments for the mutual benefit of all stakeholders. Any perception of political bias could undermine our relationships and portray the Company as seeking undue influence or preferential treatment.

To uphold transparency and integrity, we refrain from making political donations to parties or individual candidates in our host nations, the UK, or any other country. Our Political Donation Policy mandates that all political donation activities must receive prior approval from the Board.

OPERATIONAL REVIEW

Cultural heritage

At Hummingbird we are committed to undertaking our activities in a way that is respectful of our host government and communities. Our investment of capital and expertise creates opportunities for development in the countries and communities where we work and wherever we operate we seek to create substantial local benefits. But we recognise that our activities can also have a significant negative impact if they are not managed responsibly. Therefore, we pledge to carry out rigorous environmental and social impact assessments ("ESIA").

At Yanfolila, a Cultural Heritage Management Plan ("CHMP") is implemented, outlining measures to avoid, mitigate, and manage cultural heritage impacts. This plan aligns with international standards and identifies areas of cultural significance, providing recommendations to minimise impact on these sites. In accordance with RGMP 7, a Chance Find Procedure ("CHP") is in place, ensuring that unknown archaeological or cultural heritage resources encountered during activities are handled appropriately by specialists without disturbance until assessment.

For Kouroussa, an ESIA completed in 2015 identified cultural heritage sites within the mining permit area and its immediate environment which may be impacted during the mining activities. A CHMP was subsequently developed based on assessments by independent ESIA consultants. Additionally, a site-specific CHP was developed that outlines actions required if previously unknown archaeological or cultural heritage resources are encountered during the project mining activities.

Grievance policy and performance

In line with our unwavering commitment to uphold the principles of transparency, accountability, and active engagement, we have established comprehensive grievance mechanisms across all our sites. These frameworks are essential in ensuring we are responsive and attentive to any concerns or issues that emerge, reinforcing our commitment to ethical operations and sustainable practices.

Our grievance management procedures, designed to capture both internal and external feedback, are tailored to offer straightforward access and prompt resolution at the local level. This localised approach emphasises our dedication to delivering solutions that are not only effective but also relevant to the specific needs of the communities and environments we serve.

The governance of these mechanisms is overseen by our Management ESG Committee. This group is charged with the important task of supervising our grievance resolution processes and conducting detailed reviews of the actions taken in response to significant incidents or complaints. When needed, it advises on additional measures or follow-ups, ensuring a cycle of continuous learning and improvement in our operations and stakeholder relations.

The integration of such thorough grievance mechanisms is a direct reflection of our core values and our steadfast dedication to the highest ethical standards. It signifies to our investors and stakeholders our commitment to efficiently identify and address any operational or community concerns, fostering a culture of transparency and ongoing enhancement. This strategy is pivotal in maintaining stakeholder trust, securing our social license to operate, and ultimately driving the long-term resilience and success of our enterprise.

Yanfolila

At Yanfolila, our active approach to grievance management has been crucial in addressing and resolving community incidents including:

- **Mudslide incident:** Swift actions were taken in response to a mudslide that impacted local agriculture, involving coordination with the Prefect of Yanfolila and relevant authorities for damage assessment and compensation, underscoring our aim to mitigate our operational impact.
- **Pending grievances:** Efforts continue to address an outstanding complaint from 2022 regarding quarry blasting, with a commitment to resolving the matter in accordance with our established protocols.

The community incidents at Yanfolila, primarily centred around inter-community disputes, highlight the broader social challenges within our operational areas.

Kouroussa:

Our strategy to maintain our social licence to operate in Kouroussa involves careful management of complaints and grievances, especially considering the historical challenges associated with the Koekoe and Kinkine permits. Despite efforts to communicate the private status of these permits, unauthorised intrusions for gold prospecting persist.

Our dedication to fostering harmonious relations and ensuring operational continuity is evident through:

- Resolution of Complaints: Demonstrating our commitment to engaging with stakeholders responsibly, our community relations department has successfully resolved 35 out of 36 complaints to all parties' satisfaction.
- Compensation Disputes Settlement: We have resolved 15 instances of initial compensation agreement refusals through amicable discussions, in collaboration with the Prefectural Directorate of Mines and Geology, ensuring fair outcomes.

Key community initiatives and continuous improvement

Identified community concerns such as dust management, road rehabilitation, local employment, and site intrusions guide our communication and stakeholder engagement strategies. In 2023, we intensified our efforts to address both the physical and social aspects of our operations, emphasising community awareness and the involvement of youth and women in development initiatives.

Artisanal and Small-Scale Mining ("ASM") strategy

ASM represents a form of mining conducted by individuals or small cooperatives, often operating informally and sometimes within licensed concession areas without authorisation. Hummingbird recognises the crucial role ASM plays in sustaining livelihoods within the communities of Mali and Guinea, especially against the backdrop of the challenging unemployment scenario.

Despite the economic contributions of ASM, concerns persist regarding the health and safety risks, environmental damage due to mercury usage, and potential disturbances to local communities that such mining activities can introduce. Aligning with the principles of RGMP 5, Hummingbird is committed to facilitating access to legitimate markets for ASM operations that comply with legal and regulatory standards, address environmental, health, human rights, and safety concerns, and are engaged in the formalisation process.

To navigate the complexities of ASM, Hummingbird has enacted a strategic action plan at our Yanfolila and Kouroussa locations. This plan mandates our SHEC teams to undertake ongoing stakeholder dialogues aimed at elevating local understanding of the risks associated with ASM, particularly mercury use, and to advocate for adherence to minimum health and safety practices. Through our livelihood and training initiatives, we aim to cultivate sustainable alternative livelihoods, enriched with valuable skills for community members. Additionally, where feasible, we explore the possibility of ceding concession areas to legally operating ASM entities.

The effectiveness of our ASM management strategy is assessed on a quarterly basis, focusing on the evaluation of ASM activities scale and spread, and their environmental implications. The responsibility for the oversight and execution of this strategy is vested in the General Managers at each site, with our Security departments tasked with crafting a security framework tailored to managing ASM activities. Our ongoing collaboration with national and local governments seeks to establish regulated ASM corridors, offering a structured and safer environment for artisanal mining.

At Yanfolila, the shift from traditional gold panning using basic tools to more mechanised and chemical-intensive methods pose significant challenges. The utilisation of machinery and harmful chemicals like cyanide and mercury not only escalates the risks associated with artisanal gold mining but also complicates the management of these activities.

Recognising the impracticality of outright banning ASM in Mali, our focus shifts towards formalisation as the viable path forward. This includes the proposition of a designated gold panning corridor alongside comprehensive training for practitioners on safer and more environmentally friendly extraction techniques. Through such measures, we aim to mitigate the adverse impacts of illegal gold panning, ensuring that ASM contributes positively to the local economy while adhering to environmental and safety standards.

OPERATIONAL REVIEW

Protecting the environment

We recognise the critical importance of operating with a high level of environmental stewardship throughout the entire mine life cycle. We acknowledge that our activities can significantly impact the surrounding environment and host communities. Therefore, our approach to environmental management focuses on avoiding, reducing, mitigating, and compensating for impacts whenever possible. The ultimate objective is to protect and conserve the natural environment while continuously improving environmental performance.

Key areas of priority for managing environmental impact include:

- **Tailings management:** Proper handling and management of tailings to minimise environmental impact.
- **Water stewardship:** Responsible use and management of water resources, including wastewater treatment and conservation measures.
- **Waste management:** Proper disposal and management of waste, including hazardous waste, to minimise pollution and environmental harm.
- **Energy usage and climate change:** Monitoring and reducing energy consumption, implementing measures to address climate change impacts.
- **Biodiversity:** Protecting and preserving biodiversity through conservation efforts and responsible land use practices.
- **Closure and rehabilitation:** Planning and implementing effective closure and rehabilitation strategies to restore impacted areas post-mining activities.

Our environmental management approach is governed by our Environmental Policy, which outlines the commitment to drive continuous improvement in environmental performance. Site-based ESG teams are responsible for ensuring that environmental procedures and protocols are followed according to the policy.

The ESG Committee oversees the day-to-day implementation of the policy, with ultimate accountability resting with the Board. The Committee reviews the Environmental Policy annually, ensuring alignment with best practices and regulatory requirements while striving for ongoing improvement in environmental performance.

Tailings management

In 2023, we continued to uphold the highest standards of environmental stewardship with regard to the management of tailings at both our Yanfolila and Kouroussa mining activities. Recognising the significant environmental implications associated with mining waste, we remain committed to advancing our practices in tailings management, ensuring stability, preventing infiltration, and safeguarding our surrounding ecosystems.

Yanfolila, Mali

The Yanfolila Tailings Storage Facility ("TSF"), operational since December 2017, exemplifies our commitment to environmental safety and regulatory compliance. Nestled in a natural valley and secured by a robust main dike, the facility integrates advanced engineering solutions, including impermeable natural clay and a polyethylene liner on the upstream wall, to prevent infiltration and erosion effectively.

Throughout 2023, we have pursued the ongoing Stage 6 expansion, reinforcing our infrastructure to accommodate additional tailings responsibly. This process is guided by meticulous independent assessments prior to each embankment raise, ensuring the TSF's integrity and the environmental safety of our operations.

Compliance with the Global Industry Standard on Tailings Management ("GISTM") remains a cornerstone of our approach. Independent quarterly audits by certified engineers, coupled with annual reviews by TSF consultancy specialists Knight Piésold, facilitate our alignment with international best practices and enable continuous improvement in our tailings management strategies.

The comprehensive waste management system at Yanfolila is supported by robust monitoring and control systems, third-party engineered expansion designs, and effective supernatant basin and residue deposit management. This system's effectiveness was reaffirmed by an independent tailings storage facility site inspection by Knight Piésold in November 2023.

Kouroussa, Guinea

Hummingbird is committed to responsible and sustainable mining and in doing so, have committed to upholding the highest standards of environmental stewardship, with respect to the design, construction, operation, maintaining and rehabilitation of its TSF. Although the Kouroussa site has not entered commercial production, we have started daily performance monitoring and inspection by our internal ESG and plant staff. We have appointed Knight Piesold as the Engineer of Record ("EoR") for the Kouroussa TSF.

As the EoR, Knight Piesold has a number of crucial responsibilities, including but not limited to review of monitoring data at least monthly to verify that the TSF is operating in accordance with the relevant design parameters, provision of construction supervision and annual technical audit.

Dugbe, Liberia

The Dugbe site has undergone a comprehensive site selection process for its TSF, and will result in a phased development approach. Both phases, designed as downstream valley dams and complemented by a detoxification plant and water dam, exemplify our proactive measures to treat and responsibly manage excess water. Initial operations will utilise raw water from the Geebo river, transitioning to TSF return water in subsequent years, minimising environmental impact and optimising resource use.

OPERATIONAL REVIEW

Water management

Water is a critical resource for mining operations, essential at various stages including ore processing. Recognising the importance of water, especially in the arid, water-stressed regions of Mali like where our Yanfolila site is situated, we are committed to excellent water management and efficiency. Our practices are designed not only to minimise our environmental footprint but also to ensure the sustainability of water resources for other users in the region, which faces challenges such as recurring drought and unpredictable rainfall.

Our site level water management focus on efficient use of water, water recycling and water access and quality. At Yanfolila, comparing to 2022, we reduced freshwater consumption in 2023 by 300,000 m3. Once the Kouroussa project has started commercial operation, we will assess its challenges regarding water withdrawal or discharge and will use the water balance as the basis for its water management strategy. We will also align with a global recognised reporting standard for measuring and reporting water management.

Water recycling

Site-level water management procedures prioritise the efficient use of water, limiting water consumption and water extraction, and reusing and recycling water where possible.

	2020	2021	2022	2023
Water recycled from TSF (%)	78%	86%	85%	90%
Freshwater efficiency (m3/tonne ore)	0.42	0.26	0.2	0.45

Water Access and Quality

We closely measure and monitor ground and surface water quality at both Yanfolila and Kouroussa projects, to ensure they meet respective host country's water quality standards and comply with water quality permits. We also ensure that there is not going to be any negative impact on human health, freshwater aquatic habitats or final land use objectives.

Since operations at Yanfolila began, we have installed a total of:

14
Large scale water towers

6
Deep boreholes

28
Rehabilitations of key water infrastructure

52
Market garden water wells

Water management practices

At the Yanfolila site, our water management strategy is built around efficiency and sustainability. We prioritise reducing water consumption and extraction, maximising the reuse and recycling of water within our operations. Utilising fresh water from the Sankarani River and extracting mineral groundwater through open pit dewatering, our focus has been on improving the return water use from the TSF. Our goal was to recycle 85% of the water we pump into the TSF, and we have made significant strides towards this target:

- Increased Recycling Rates: In 2023, we achieved a recycling rate of 90% (2022: 85%), surpassing our target and improving upon the previous year's performance. This is part of our ongoing effort to enhance water use efficiency and reduce reliance on fresh water sources.
- Improved Fresh Water Efficiency: We have continued to improve our freshwater use efficiency, with a significant reduction in fresh water used per tonne of ore processed. This not only reflects our commitment to sustainability but also our operational efficiency.

While striving for operational excellence, we acknowledge that incidents may occur. In 2023, we reported a total of eight environmental spill incidents, classified into minor and moderate categories. Notably, these incidents were managed swiftly and effectively, with minimal environmental impact, thanks to our robust incident management procedures and our commitment to continuous improvement. Corrective and preventive measures were implemented promptly to address each incident, ensuring that similar issues are mitigated in the future.

Looking ahead, we remain committed to further enhancing our water management practices. Our achievements in recycling and efficiency are steps toward our broader environmental sustainability goals. We continue to engage with local communities and authorities, sharing our results and working collaboratively to ensure the preservation of water resources in the Yanfolila region. Our dedication to environmental stewardship and sustainable operations is unwavering, as we aim to set industry benchmarks for water management in mining.

Hazardous waste

Recognising the potential environmental and health hazards posed by the use of cyanide in gold production across our operations, Hummingbird has instituted stringent management protocols. Our site-level Cyanide Management Plan aligns with the International Cyanide Management Code, aiming to minimise cyanide exposure risks to employees, local communities, and the environment. This comprehensive plan includes detailed procedures for the safe offloading, disposal, and spill response, alongside prevention and response strategies for poisoning incidents.

Ensuring that all employees handling cyanide are thoroughly trained and competent in these procedures is a priority, With Site SHEC managers overseeing the maintenance of these critical protocols.

At Kouroussa, we have proactively put in place a cyanide Management Plan, mirroring our commitment to pre-emptive risk management. Similarly, the Yanfolila site benefits from a well-structured Hazardous Materials Management Plan. This plan is designed to manage the risks associated with the transport, handling, storage, and disposal of hazardous materials, and is rigorously reviewed and updated on a regular basis to ensure its effectiveness and compliance with evolving standards.

Commitment to safety and sustainability

These measures at Hummingbird sites underscore our unwavering commitment to safety, sustainability, and responsible mining practices. Through continuous improvement of our waste management and hazardous materials protocols, we aim to set industry benchmarks for environmental protection and community safety.

Scope 1 + 2 emissions and contractor emissions

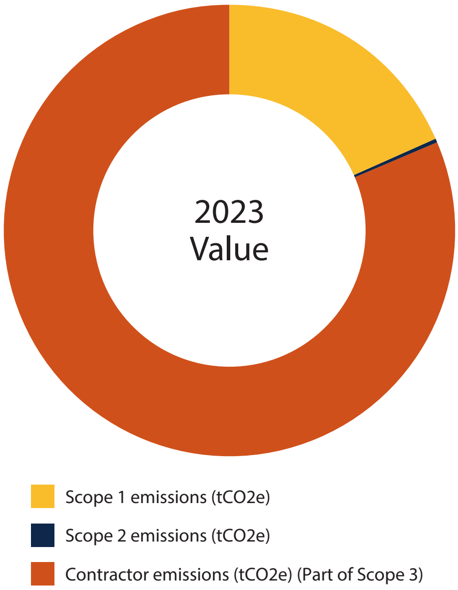
Metric	2022 Value	2023 Value	Variance	Variance%
Scope 1 emissions (tCO2e)	12,446	13,947	1,500	12%
Scope 2 emissions (tCO2e)	57	47	(10)	-17%
Contractor emissions (tCo2e) (Part of Scope 3)	63,900	61,473	(2,426)	-4%
Scope 1+2 Intensity (tCO2e / oz gold)	0.16	0.17	0.01	7%
Scope 1+2+3 intensity (tCO2e / oz gold)	0.95	0.90	0.00	-5%
Yanfolila Scope 1+2+3 intensity (tCO2e / oz gold)	0.88	0.67	(0.21)	-24%
Yanfolila/London, Scope 1+2+3 intensity (tCO2e / oz gold)	0.88	0.67	(0.21)	-24%

Over the reporting years of 2022 and 2023, we have diligently tracked and reported our GHG emissions across our operations, both within the UK and offshore. Our Scope 1 emissions, primarily from fuel combustion and facility operations, experienced a modest increase of 12% from 12,446 tCO2e in 2022 to 13,947 tCO2e in 2023, primarily driven by the increased operations of the Kouroussa mine. This reflects our ongoing efforts to monitor and reduce emissions within our direct control.

Additionally, our Scope 2 emissions, primarily from electricity purchased for own use, demonstrated a reduction of 17%, showcasing our dedication to sourcing cleaner energy alternatives and improving energy efficiency measures. Our commitment to energy conservation is further underscored by our global energy consumption metrics, with a 10% increase in kWh consumption, offset by a significant 16% decrease in energy consumption from purchased electricity globally.

Including the Kouroussa site, which commenced gold production in 2023, provides a broader understanding of our emissions landscape. We are enhancing our Scope 3 reporting approach, with a focus on expanding our calculation to cover a more significant portion of our total Scope 3 emissions, enhancing transparency and accountability.

OPERATIONAL REVIEW



Management and improvement

The ESG Committee holds the ultimate responsibility for GHG emissions reduction, making climate change a staple topic during Committee meetings. Our strategy revolves around deploying practical, cost-effective GHG emissions reduction methods, constantly reviewing our progress, and exploring new initiatives

Kouroussa, Guinea

We are at the planning stage of a project to install a hybrid Solar PV with Battery Storage plant at the Kouroussa site. If the project advances, we envisage that it would provide significant reductions of CO2 emissions as well as cost savings over the mine life.

Yanfolila, Mali

At Yanfolila, we are in discussions with our energy supplier to enhance fuel efficiency and formulate an action plan aimed at diversifying our site's energy mix. This initiative intends to cut down emissions by minimising diesel fuel consumption. We are also exploring the implementation of heat recovery systems, similar to those at Kouroussa, to further our emissions reduction efforts.

Dugbe, Liberia

For the Dugbe site, a combination of LNG and solar PV is planned to power operations, promising the lowest energy costs while also aiming for a significant decrease in GHG emissions compared to other energy sources. This integrated approach underscores our commitment to sustainability and GHG reduction across all operational sites.

Biodiversity

Our mining operations are situated in ecologically sensitive areas with potential significant impacts on local wildlife and ecology. Consistent with our Environmental Policy, Hummingbird is dedicated to mitigating biodiversity impacts and rehabilitating the environments of our operations. We strictly avoid exploration or mining activities on UNESCO World Heritage Sites.

From the outset, biodiversity management is incorporated into our project planning, integrating necessary environmental procedures and protections. Each site undergoes an ESIA, followed by the creation of Biodiversity Management Plans ("BMP"). These assessments are critical in determining potential impacts and shaping our environmental strategies.

Yanfolila, Mali

- A 2013 ESIA and a subsequent 2015 independent Rapid Wildlife Assessment found Yanfolila devoid of critical biodiversity habitats, predicting no significant adverse impacts from mining activities.
- Our BMP reflects the area's rich flora and includes standard mitigation measures appropriate for the identified sensitivities.
- Continued updates to our ESIAs across Yanfolila ensure compliance with Malian regulations, with notable permit acquisitions and compensation agreements following these studies.
- Efforts to avoid contamination of streams draining into the Sankarani River include implementing our Environmental Policy and regular water monitoring, with monthly reporting across the group.
- In 2023, Yanfolila commenced the rehabilitation of one hectare of sterile land in Komana. In terms of area, 24.89 hectares were reforested in 2023, exceeding Yanfolila's forecast of 20 hectares, achieving the compensatory reforestation target of 20 to 25 hectares in the three municipalities within the operational zones each year.

Kouroussa, Guinea

- The site's ESIA, initiated in 2020, underpins the BMP, acknowledging impacts on critical and natural habitats. Mitigation strategies are devised to minimise these impacts following the mitigation hierarchy.
- The ESIA details impacts on endangered and critically endangered species, including specific plant species and the endangered frog Phrynobatrachus pintoi, and addresses potential impacts on the Mafou Classified Forest and the Upper Niger National Park.

- As part of the World Environment Day celebration in 2023, Kouroussa launched a reforestation program of 670 fast-growing plants at the mining camp and the classified forest of Kouroussa in collaboration with the prefectural environmental services.

Dugbe, Liberia

- Conducted in 2022, the ESIA by Pasofino, in line with Liberian EPA guidelines, updates the environmental and social data for Dugbe, leading to the development of an Environmental and Social Management Plan ("ESMP").
- A BMP is underway to address impacts on sensitive biodiversity areas and soil. Additionally, a sustainable forestry initiative aims to collaborate with local stakeholders to manage forest areas for biodiversity impact offsets.
- Hummingbird's proactive approach to biodiversity management across its operations emphasises our commitment to environmental stewardship and the sustainable development of mining projects, integrating comprehensive strategies to protect and rehabilitate ecosystems in our areas of operation.

The Pygmy Hippo Foundation

Founded in 2012 by Hummingbird, the Pygmy Hippo Foundation is a dedicated charity committed to the conservation, preservation, and protection of the endangered pygmy hippopotamus within the Upper Guinea forests of West Africa.

Vision

Our vision is to forge strong partnerships with local governments, communities, conservation groups, and businesses to establish a sustainable model for the stewardship of Sapo National Park in Liberia. As Liberia's premier protected area, Sapo National Park is a crucial habitat for the pygmy hippopotamus, hosting the majority of what remains of this dwindling species.

Objectives and activities

The foundation's charter focuses on several core objectives:

- **Conservation Efforts**: We aim to conserve, preserve, and protect the pygmy hippopotamus in its natural habitat for the public's benefit, ensuring the survival and thriving of this unique species.
- **Education and Awareness**: We are dedicated to advancing public education about the pygmy hippopotamus, fostering understanding and appreciation for its conservation.
- **Biodiversity Protection**: Our efforts extend to the conservation of other species sharing the hippo's habitat, safeguarding the biodiversity of the region.
- **Knowledge Expansion**: We promote the education of the public on endangered species and their habitats, emphasising the importance of conservation efforts.

Closure planning

Yanfolila

In our steadfast commitment to responsible mining practices and community well-being, we have meticulously updated the closure plan for the Yanfolila mine in 2023. This update refines our approach, ensuring a safe, non-polluting, and sustainable post-mining landscape. Building upon the conceptual framework set in 2019, this comprehensive plan encompasses all operational facets, integrating invaluable stakeholder insights while adhering steadfastly to Malian regulations and international best practices.

Stakeholder engagement

Central to this process is our Stakeholder Engagement Plan ("SEP"), playing a pivotal role in facilitating meaningful dialogue with the community. Through quarterly closure committee meetings and monthly Committee Local Development ("CLD") meetings, we foster transparent communication and collaborative planning inclusive of government, community, and local authority representatives.

At the operational level, responsibility for social engagement and environmental stewardship is distributed among the site's General Manager and SHEC managers. This ensures the effective allocation of resources and execution of engagement activities. This comprehensive approach underscores our commitment to environmental care, social responsibility, and the sustainable development of our host communities.

OPERATIONAL REVIEW

A summary of closure goals for Yanfolila is given below:

(i) Environmental

Topic	Objectives	Closure management
Erosion control	No long-term active erosion at the site	Repair erosion features that do not stabilise
Surface water quality	No negative impact on human health or final land use objectives	Monitor surface water to meet Malian Class II Water Quality Standards
Groundwater quality	No negative impact on human health or final land use objectives	Monitor groundwater 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

(ii) Social

Topic	Objectives	Closure management
Stakeholder engagement	Ensure community and government are kept informed on closure planning	Regular meetings with stakeholders facilitated through the Stakeholder Engagement Plan
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	Redeployment, training, and microfinance support for employees
Social closure – community legacy	Leave a positive legacy in surrounding communities	Sustainable health, education, water, sanitation, and community development projects
Social closure – post closure land use	Successfully integrate agricultural business projects	Sustainable market garden and poultry farm projects

Kouroussa

The conceptual closure plan for the Kouroussa gold project, developed in June 2022 and reviewed in April 2023, is an integral component of the overall ESMP. This plan aligns with Guinean legislation, Hummingbird's Environment and Community Policy, results of the ESIA, international standards, including the World Gold Council's RGMPs, and ICMM guidelines for Mine Closure. Implementation will be overseen through the project's Environmental and Social Management System ("ESMS"), providing the necessary organisational framework for successful execution.

Plan development and review

The closure plan will undergo continuous updates and revisions throughout the project's development, construction, and operation phases, culminating in the establishment of a final closure plan prior to decommissioning. In late 2023, the update of this plan was entrusted to a BB Mining, a specialist advisor ("BBM"), with a focus on reviewing documentation to ensure alignment with the latest LOM mining plans and international best practices. The consultant worked with the Hummingbird team to update assumptions related to an end-of-mining scenario and identify costs for efficient closure without legacy issues. The main environmental legacy issues related to mine closures, including surface stability, water discharges, TSF remediation, and habitat protection, were identified, with plans for further studies closer to the closure date to fully assess these issues.

Schedule of tasks

The closure plan outlines various tasks required for closure, including finalisation of pit slope profiling and stabilisation, removal and beneficiation of ore dumps, waste dump profiling and stabilisation, TSF finalisation and remediation, water management, infrastructure demolition and removal, hazardous waste removal, and compliance with legal and planning obligations. An updated estimate of closure costs and an Asset Retirement Obligation ("ARO") will be prepared based on the latest infrastructure in place at the end of LOM.

Deliverables

BBM will provide a fully costed Mine Closure Plan, including an assessment of the ARO and an Aftercare Management Plan, in accordance with HUM requirements, Guinean legislation, and international best practices. This plan aims to ensure the responsible closure of the Kouroussa gold mine, minimising environmental impacts and fulfilling regulatory obligations.

Dugbe

A conceptual closure and rehabilitation plan has been developed, along with a preliminary cost estimate. The plan outlines progressive rehabilitation requirements, closure approaches, and post-mining monitoring and maintenance. Further studies will be conducted to confirm final closure approaches, considering mining waste, community expectations, and environmental sensitivities.

OPERATIONAL REVIEW

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 the 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").

Kouroussa Commercial production determination

As at 31 December 2023, the Group has determined that Kouroussa had not reached commercial production, due the delays in mobilisation by the mining contractor. This has meant the mine had not reached the level as intended by management and therefore all costs and revenues were still being capitalised as of this date.

Consolidated statement of comprehensive income

An unabridged analysis of the consolidated statement of comprehensive income for the year ended 31 December 2023 is shown below.

	2023 $'000	2022 $'000
Continuing operations		
Group revenue	**167,107**	**150,519**
Production costs	(93,961)	(126,527)
Amortisation and depreciation	(40,845)	(37,357)
Royalties and taxes	(6,235)	(5,620)
Cost of sales	**(141,041)**	**(169,504)**
Gross profit/ (loss)	**26,066**	**(18,985)**
Share based payments	(2,238)	(1,941)
Other administrative expenses	(17,070)	(11,791)
Operating profit/(loss)	**6,758**	**(32,717)**
Finance income	690	3,641
Finance expense	(22,417)	(14,156)
Share of joint venture (loss)/profit	(29)	4
Impairment of financial assets and liabilities	(223)	(316)
Loss on financial assets and liabilities measured at fair value	(3,433)	(715)
Loss before tax	**(18,654)**	**(44,259)**
Tax	(7,168)	4,269
Loss for the year	**(25,822)**	**(39,990)**

Principal items of income and expense are explained as follows:

Revenue

Total Group sales was $167.1 million (2022: $150.5 million).

Revenue from the Group's Malian subsidiary increased to $159.4 million from $143.3 million in 2022, as a result of higher realised gold prices as well as higher sales volumes. The subsidiary sold dore containing 82,652 ounces of gold (2022: 80,445 ounces). The average realised price for gold dore was $1,999 per ounce (2022: $1,781 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 $7.7 million (2022: $7.2 million) at a premium to the spot gold price as part the SMO Gold initiative.

OPERATIONAL REVIEW

Cost of sales

Cost of sales of $141.0 million (2022: $169.5 million) primarily relate to the following cost elements:

- Mining costs of $37.5 million (2022: $65.4 million), represents both owner and contract mining costs. In April 2023, Responsible Mining Services SARL ("RMS"), replaced Junction Contract Mining ("JCM") as the principal mining contractor in Mali. The mining contract with RMS is initially on an agreed cost-plus basis. Further, the full mining scope, including production drilling and blasting, to ore haulage for processing is now being managed by a combination of contractors, all being managed through RMS. This change in mining contractor has had a positive impact on the mining costs in Mali. The mining costs exclude 'lease' cost for the mining equipment of approximately $13.5 million (2022: $13.4 million) which are treated as lease payments under IFRS 16 Leases.
- Processing costs of $27.6 million (2022: $31.3 million), represent costs incurred at the processing plant. Major cost categories include power, plant maintenance and chemical reagents costs. Cost decreases were largely due to power costs decreases because of the lower fuel prices following the stabilisation of the fuel price from the 2022 increases, offset by higher costs because of slightly higher throughput of the plant.
- Inventory adjustments were a gain of $1.3 million to income statement (2022: $1.3 million gain). 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 2023 due to timing of the shipments at year end, offset by higher ore stockpiles compared to 31 December 2022. There were no inventory adjustments to carry inventory at lower of cost and net realisable value (2022: $nil).
- Support costs of $22.5 million (2022 $23.2 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. The decrease in costs is mainly related to lower fuel prices as well as a more cost control focus.
- Amortisation and depreciation of $40.8 million (2022: $37.3 million). Amortisation and depreciation costs are for the most part, based on a unit of production method, in line with ounces produced. The increase year on year reflects a larger depreciable base together with higher ounces produced. Also included in the above numbers is depreciation and amortisation on right of use assets of $11.2 million (2022: $11.3 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 $6.2 million (2022: $5.6 million), primarily representing amounts payable to the Government of Mali on gold sales. The increase in costs was mainly driven by higher revenues due to higher volumes sold and higher realised prices.
- Gold grain and investment gold coins cost of sales of $7.6 million (2022: $8.1 million) representing the cost of purchasing, transporting gold grain and minting investment gold coins.

Other administrative expenses

Other administration costs represent mainly support costs including staff costs and professional fees, as well as business development costs. Other administrative costs increased by $5.3m to $17.1m in 2023, mainly driven by increased costs to support a two-mine operation as well as one-off due diligence expenses related to a potential acquisition that was later abandoned.

Finance income and expenses

Finance income of $1.0 million (2022: $3.6 million), principally foreign exchange gains on non-functional currency borrowings.

Finance expenses of $22.4 million (2022: $14.2 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 and the movement in the CFA and USD exchange rates.

Impairments 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 $0.2 million (2022: loss of $0.3 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 $3.4 million (2022: loss of $0.7 million) during the year from assets at fair value through profit or loss. This loss was made up of losses of $0.5 million from the Group's investment in Bunker Hill due to a decrease in share price over the year. The 2023 movement also included a net loss of $0.1 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.

Fair value gains and losses also include $2.8 million net losses on gold collars and forward contracts following the Group's decision to enter near term revenue protection strategies for the first three quarters of 2024 as the Company looks to continue with capital projects as well as deleverage its balance sheet.

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.

For the Guinean operations the taxation is aligned to local statutes under which tax is charged at an amount of the greater of 2% of turnover and 30% and taxable profits. Minimum tax in Guinea is calculated as soon as revenue is being earned, despite the operation not having reached commercial production as of 31 December 2023.

The net tax expense of $6.4 million in the year is made up of a $1.6 million minimum corporation tax charge in Mali, $0.3 million estimated minimum corporation tax in Guinea together with a net deferred tax expense of $4.5 million in the Malian operations.

Statement of financial position

An abridged analysis of the statement of financial position as at 31 December 2023 is shown below:

	2023 $'000	2022 restated $'000
Non-current assets	536,050	385,607
Current assets	48,825	52,905
Cash and cash equivalents	15,242	3,892
Total assets	**600,117**	**442,404**
Non-current liabilities	100,330	71,561
Non-current borrowings	65,632	71,840
Current liabilities	168,261	95,506
Current borrowings	82,650	43,862
Bank overdraft	7,602	1,741
Total liabilities	**424,475**	**284,510**
Net assets	**175,642**	**157,894**
Equity attributable to equity holders of the parent	107,379	120,430
Non-controlling interest	68,263	37,464
Total equity	**175,642**	**157,894**

OPERATIONAL REVIEW

Principal movements in assets and liabilities are explained as follows:

Prior period presentation adjustment – VAT receivable

The time to receive VAT from the Governments of Mali and Guinea is unpredictable.

Having considered past recovery experience and the future profitability of both the Malian and Guinean operations, management have made judgements and estimated that a portion of the VAT balances will be non-current, as they are not expected to be received within 12 months. A retrospective view was also done on the 2022 balances, and therefore $14.7 million of VAT receivables which was reflected as current in the 2022 annual report have been reclassified as non-current.

There is no impact on the Group's total and net assets, total operating, investing, or financing cash flows for the year ended 31 December 2022. Refer to note 9 for further details.

Total assets

As at 31 December 2023, the Group's assets totalled $600.1 million, an increase of $157.7 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 $151.2 million during the year, as a result of additions, partially offset by depreciation and amortisation charges. Key movements were:
  - PPE – property plant and equipment increased by $101.9 million, mainly as a result of the continued spend in the Kouroussa construction, net of depreciation and amortisation of $31.4 million from the assets in Mali.
  - IFRS 16 assets - 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. This balance increased by $49.8 million, as the mining contract and power plant contracts in Guinea were also added to the assets, together with KE underground equipment leased from EPIROC, net of $26.42 million depreciation.
  - Also included in non-current assets is a net deferred tax asset of $5.1 million (2022: $9.5 million) in respect of the Malian subsidiary.
  - Intangible exploration assets – net decrease of $9.1 million because of $13.0 million transfer of some assets to mine development assets, offset by $3.3 million additions mainly in Liberia.
  - Receivable balance from Government of Mali ("GoM") – the receivable from GoM has been reclassified as non-current following a review of the likelihood of recovery within the next 12 months.
  - VAT - included in non-current assets are long-term portions of the VAT due from the Governments of Mali and Guinea. The time to receive VAT from the Governments of Mali and Guinea is unpredictable, and although the Group was able to continue to offset balances in 2023 in Mali, the total VAT balance in Mali remains high at $28.7 million and $16.6 million in Guinea. Both balances are 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") and Guinea Francs ("GNF"). The non-current portion of VAT increased by $7.0 million during the year.
- Current assets – Increased by $2.3 million during the year, comprised of $7.5 million increase in short-term portion of VAT recoverable, $2.0 million increase in financial asset in relating to the fair value of the floor level of the gold collars, offset by $7.2 million decreases in prepayments and other receivables. Key movements include:
  - Prepayments and other receivables – decreased during the year as some insurances were being amortised and some of the advances were reclassified to PPE following the completion of the Kouroussa construction.
- Cash and cash equivalents – As at 31 December 2023 the Group held cash and cash equivalents of $15.2 million, of which $4.0 million is cash held in Escrow restricted in accordance with the Group's borrowing obligations (2022: $3.9 million, of which $3.9 million was restricted). See analysis of consolidated statement of cashflow.

Total liabilities

As at 31 December 2023, the Group's liabilities totalled $424.5 million, an increase of $140.0 million on the prior year. Total liabilities were mainly impacted by a drawdown of $64.4 million (CFA 38.9 billion) on the Coris Loan facility in Mali, to help finalise the Kouroussa mine construction. Total liabilities movements were also impacted by:

- Current liabilities (excluding borrowings) – increased by $72.8 million during the year, mainly related to the increased activity in Guinea as construction progressed. Also included within this balance are $2.9 million worth of interest accruals due to Coris Bank International together with deferred consideration of $2.5 million, due to the vendors of Cassidy as part of the acquisition of Kouroussa, a $4.9 million of financial liability relating to the fair value of the collars and $29.8 million of the short-term portion of the lease liabilities mainly from Kouroussa and EPIROC equipment.
- Non-current liabilities (excluding borrowings) – Increased by $28.7 million during the year comprised as follows:
  - IFRS 16 lease liabilities - net increase of $41.9 million additions in Kouroussa, primarily the mining and power contracts, and EPIROC KE underground equipment in Mali, net of lease repayments.
  - Other financial liabilities - a net reduction of $19.3 million in loans due to Pasofino following the completion of the share exchange in December 2023, offset by an increase of $2.8 million related to the market valuation of the ceiling level of the gold collars and forward contracts.
  - Provisions – increase of $9.0 million in the rehabilitation provision ($2.0 million in Mali and $7.0 million in Guinea), refer to note 22.
  - Cassidy smelter royalty - a $1.0 million decrease in the 2% smelter royalty liability retained by Cassidy as part of the Kouroussa acquisition.
- Borrowings – Borrowings (including capitalised issue costs) increased by $32.5 million during the year. The increase is the net result of a $64.4 million drawdown on Coris Loans in Mali (note 21), $37 million repayments in Mali, foreign exchange movements plus issue costs capitalised and amortised.
- Bank overdraft – bank overdraft of $7.6 million (2022: $1.7 million). See analysis of consolidated statement of cashflow.

Summarised consolidated statement of cash flows

An abridged analysis of the consolidated statement of cash flows for the year ended 31 December 2023 is shown below.

	2023 $'000	2022 $'000
Operating cash flows before working capital	**50,364**	**6,582**
Changes in working capital	**38,165**	8,009
Taxes paid	**(1,470)**	(1,410)
Net cash generated from operating activities	**87,059**	**13,181**
Net cash used in investing activities	**(89,047)**	**(84,151)**
Net cash generated from financing activities	**7,579**	36,930
Net increase / (decrease) in cash and cash equivalents	**5,591**	**(34,040)**

OPERATIONAL REVIEW

Net cash generated by operating activities

- Operating cash flow before working capital and tax – Group generated $50.4 million, (2022: $6.6 million) as a result of higher revenues due to higher realised gold prices together with lower costs in 2023.
- Changes in working capital - $38.2 million inflows, impacted by:
  - Trade and other receivables – net outflow of $7.7 million, made up as a reduction in prepayments and advances, offset by an increase in VAT receivable balances.
  - Trade and other payables – an inflow of $46.2 million as the ramp up in Kouroussa gathered pace, together with impact of the delay in achieving commercial production due to mining contractor delays.
- Taxes paid – primarily 1% minimum tax payment in the Malian subsidiary.

Net cash used in investing activities

During the year ended 31 December 2023, the Group reported a $89.0 million cash outflow from investing activities (2022: $84.2 million cash outflow), primarily due to increase in property plant and equipment, due to construction activities in Kouroussa together with $3.3 million spent on exploration and evaluation assets, largely in Liberia and Mali.

Net cash generated from financing activities

During the year ended 31 December 2023, the Group reported an $7.6 million cash inflow from financing activities (2022: $36.9 million cash inflow), mainly made up as:

- Proceeds from share issues – $22.5 million (net of fees), was generated from the equity issue during the year.
- Movements in borrowings – net $10.5 million inflow from borrowings, comprising, $64 million loans drawdowns offset by $37.0 million principal repayments and $16.5 million of interest and commission payments in relation to the Coris loans.
- IFRS 16 lease repayments – $24.2 million of principal and interest payments on the IFRS 16 lease liabilities.

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 (debt)/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

	2023 $'000	2022 $'000
Net loss before tax	(18,654)	(44,259)
Less: Finance income	(690)	(3,641)
Add: Finance costs	22,417	14,156
Add: Depreciation and amortisation	41,035	37,435
EBITDA	**44,108**	3,691
IFRS 16 lease interest and principal payments	(13,742)	(13,602)
Share based payments including NI	2,570	1,866
Share of joint venture (gain)/loss	29	(4)
Reversals in impairment of financial assets	223	316
Losses on financial assets and liabilities measured at fair value	3,433	715
Adjusted EBITDA	**36,621**	(7,018)

Net (Debt)/cash reconciliation

Net (debt)/cash for the Group can be reconciliated to the cash in the statement of financial position as follows:

Reconciliation of net (debt)/cash before IFRS 16 Liabilities

	2023 $'000	2022 $'000
Group cash balances (including restricted cash and bank overdraft)	**7,640**	2,151
Add: Gold on hand (including SMO gold)	**6,045**	3,728
Less: Bank debt	**(148,282)**	(115,702)
Net Debt	**(134,597)**	(109,823)

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.

OPERATIONAL REVIEW

The Group strategic report

Reconciliation of cost of sales to cash costs, all-in sustaining costs including on a per ounce basis

	2023 $'000	2022 $'000
Group cost of sales	**141,041**	169,504
SMO cost of sales	**(7,533)**	(8,057)
Depreciation and amortisation within cost of sales	**(40,845)**	(37,357)
Lease charges under IFRS 16 relating to mining operations	**13,542**	13,541
Corporate recharges and administration costs applicable to mining operations	**2,895**	3,551
Cash cost	**109,100**	141,182
Mine sustaining capital expenditures	**896**	2,160
All-in sustaining cash cost	**109,996**	143,342
Ounces sold	**82,652**	80,445
Cash cost per ounce (US$ per oz)	**1,320**	1,755
All-in sustaining cash cost per ounce (US$ per oz)	**1,331**	1,782

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 KE Underground, which were all under development in the year, are not included in AISC. Further exploration costs on new deposits not yet in production are also excluded from our AISC number.

Group strategic review

This report serves as an explanation of the Group's approach to risk assessment, management, and the formulation of appropriate policies and targets. Further insights into the Group's business landscape and anticipated future trajectories are discussed elsewhere, encompassing our Strategy, Our Values and Principles, the Interim Chairman and CEO's Statement, Operational Review, Financial Review, and Sustainability Report. This collective Strategic Review endeavours to ensure compliance with the provisions of the Companies Act 2006.

Risk management framework

The Board constantly analyses the Group's risks and corresponding mitigation strategies on a routine basis. To facilitate this ongoing assessment, Group executives and senior management regularly furnish reports to the Board through its various subcommittees. These encompass operational reports, sustainability reports, community reports, cost analyses, and compliance reports, culminating in a comprehensive evaluation of the Group's prevailing and emergent risks.

Principal risks and uncertainties

Given the nature of the Group's operations and its diverse geographical footprint, it encounters significant and inherently uncertain risk factors, some of which lie beyond its immediate control. The Group's ability to realise its objectives and vision hinges upon its capacity to identify, comprehend, and effectively mitigate and monitor these risks. While not exhaustive, the table below delineates the principal risk factors and uncertainties that may impact the Group's future performance, along with its strategy for their management.

Emerging risks

Together with the principal risks below, the following are emerging risks that are being monitored. These are risks that may become principal risks in time:

Interest rate risk

The current high levels 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 fixed rates.

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 28 to 75 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.

New environmental regulations may have both an operational 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 which is expected to result in emissions reductions.

OPERATIONAL REVIEW

Risk	Mitigation / management response
Asset portfolio	
During 2023, the Group's revenue was derived mainly from the Yanfolila Gold Mine in Mali. The delays in reaching commercial production at Kouroussa has significantly affected the cash flows of the Group. Reliance on a single asset requires continual focus on efficient management of operations and risks. Should cash flows from the Group's producing assets be impacted adversely by 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.	The Group continues to monitor its costs and expected future cashflows with the intention that any potential additional costs can be identified at an early stage. 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 and now Kouroussa is maintained. The following represents focus on those areas: • Kouroussa has been delayed, however management have been working with several parties including the mining contractor, its majority shareholder, and lenders to achieve commercial production as quickly as possible. Going forwards, two producing mines will provide the Group with optionality and move the Group towards being a multi-asset producer. • The finalisation of the earn-in and the share exchange agreements on the Dugbe Project in Liberia provides the Group with opportunity to review further growth options on that asset. • The development of the KE Underground Mine in Mali will further extend the mine life. • Ongoing exploration and development activities provide internal growth opportunities.
Changes to commodity prices, cash flow and credit risk	
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. Financial performance may also be impacted through foreign exchange movements, rises in fuel prices or where there is an inability to secure adequate funding.	The Group monitors its exposure to commodity price fluctuations and foreign exchange rate fluctuations as part of financial and treasury planning. 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. In 2023, the Group entered a revenue protection programme covering a portion of the 2024 production, to protect against commodity price variability in periods of significant deleveraging and capital investment.
Mining risk	
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. The delay in reaching commercial production at Kouroussa, due to the mining contractor, has significantly impacted on the Group. Further the temporary mining stoppage in March 2024, has further delayed the accessing of the ore to enable consistent gold production. Any further 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.	The Group continuously reviews its mining methods and, together with the mining teams and relevant contractors, assesses performances against targets on a regular basis. The Group has strengthened its Technical Services Team to support the mining operations, with a new Managing Director – Technical Services starting in the last quarter of 2023. Further recruits into the department have been made. The Group brought in additional fleet and personnel to support the principal contract miners' fleet in Guinea and continues to work with the contractors to seek to mitigate this risk. The mining contractor in Guinea has remobilised and working to achieve full scale mining activities to improve the ore being delivered to the plant.

Risk	Mitigation / management response
Geological risk	
The Group's 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.	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 grade control driling and mining, geological models are updated accordingly.
Fraud, error and corruption	
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.	The Group has robust policies, procedures and internal controls in place with the objective of mitigating the risk of fraud, corruption and error to the business.
Operational performance and reporting	
The Group can be impacted by unplanned operational stoppages affecting production and financial performance. Risks we are exposed to could be key contractor stoppages (as was experienced in Guinea in early 2024) or any stoppages due to natural causes. Any such stoppages will affect the performance of the Group and may also impact investor confidence. As a listed company, the Group acknowledges the importance of communicating actual and forecast operational performance on a timely basis.	The Group's focus on a culture of sustainability, good governance and transparent disclosure is aimed at providing timely, relevant and up-to-date information on activities impacting shareholders and other key stakeholders.
Social licence to operate	
The Group's ability to develop and operate its projects is dependent on the support of its host communities. 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. This could further lead to increased costs and could impact on any future growth plans.	As referenced throughout our Sustainability Report from pages 28 to 75 of this report, the Group is proactive in its social engagement and places a high importance on its relationship with the host communities as key stakeholders.
Health and Safety	
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.	The Group employs a wide range of safety management systems with the objective of ensuring the safety of the team. All mining sites continue to implement safety improvements plans and 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.

OPERATIONAL REVIEW

Risk	Mitigation / management response
Security and conflict risk	
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	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. As part of this the Group is highly proactive in its social engagement as set out in the Sustainability Report.
Legal and regulatory risks	
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. 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. 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. 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. The Group's operational and exploration activities are subject to extensive regulation in the relevant jurisdictions.	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. 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.

Risk	Mitigation / management response
Geopolitical risks	
The recent political transitions in Mali and Guinea, coupled with various international sanctions, have disrupted logistical operations, hindering the movement of personnel, commodities, supplies, spare parts, reagents, and the export of gold. These disruptions have incurred additional operational costs and affected our operational efficiency. The imposition of further sanctions poses an elevated risk to our operational capabilities. Extended sanctions could exacerbate logistical challenges, potentially impeding our ability to operate effectively and efficiently.	The Company is proactive in anticipating material risks and implementing suitable mitigation measures in a timely manner. This includes establishing a Crisis Committee to oversee necessary actions if a crisis arises. Furthermore, the Company maintains regular communication with host governments and key suppliers to enhance its ability to anticipate and mitigate risks of supply chain disruptions and operational challenges.
Exploration and development risk	
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.	The Group aims to conduct exploration on a systematic basis focusing on opportunities to increase long term shareholder value within available budgets. In September 2023, 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. Where appropriate, the Group will consider farmouts and joint ventures to progress projects such as the Earn-in Agreement in respect of Dugbe Project.
Capital project delivery	
The Group is advancing Kouroussa to commercial production and is developing the KE Underground Mine in Mali. 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. Delays (for example the mining contractor mobilisation delays experienced in Guinea) and overruns in projects could negatively impact our profitability, cash flow, ability to repay debt and relationships with key stakeholders.	The team tasked with delivery of the projects are supported by an experienced Technical Advisory Committee ("TAC") and Board. Our methodology includes: • Following strict budgetary and project approval processes. • Constant monitoring and status evaluation, together with ongoing stakeholder engagement. • Strong focus on contractor management.

GOVERNANCE

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 2023, 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 Shareholders			
Shareholders' support is vital to our long term success, and their value is an integral part of the Board decision making process.	Over the past year, we have received feedback on a number of topics from our shareholders, such as: 1) Strategic options for the Dugbe Project in Liberia 2) Operational performance at Yanfolila and commercial production at Kouroussa 3) Financial performance 4) Growth strategy	Our key mechanisms of communicating and engaging with our shareholders include but not limited to: 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	1) The Board receives regular updates on investors' feedback and share register analysis. 2) Regular market updates on operational and tradings. 3) One General Meeting and one Annual General Meeting held in 2023. 4) Following public announcements, the Investors Relations team engage with shareholders and stakeholders, and potential shareholders and provide feedback to the Board.
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.	1) Employment opportunities 2) Local procurement opportunities 3) Community projects 4) Environmental impact by the operations 5) Alternative livelihoods	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.	1) Approximately half of the workforce are locally recruited from project impacted communities. 2) The Group ESG Manager provides regular updates to the ESG Committee, on key interests of the communities around our operations, their concerns and proposed resolutions, supports they would like from us.

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Key Stakeholder Groups	Key interests	How we engage	Engagement Outcomes
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	1) Transparent procurement process and competitive tendering 2) Security management and human rights 3) Management of health, safety and environmental impacts	1) Local content and procurement practices 2) Policies and procedures 3) Regular formal and informal meetings at all levels, and site visits	1) Implementation of local content procurement practices. 2) Implementation of Supplier Code of Conduct, onboarding and due diligence process.
Our Employees			
Having dedicated and committed employees are critical to the success of the Company, and are central to our ambitious corporate goals.	Topics raised by employees and their union representatives in 2023 included: 1) Training and development 2) Salary scales and production bonus 3) Career progression opportunities 4) Support for community initiatives	1) Meetings with union representatives 2) Induction, training and development events 3) Performance reviews 4) Representations to workforce	1) Health and Safety Training, including formal tutor-led trainings, on-the-job trainings, and trainings held overseas by specialists. 2) nearly 1/3 of employees received promotion at SMK. 3) 97% national local employment rate at SMK. 4) 54% of leadership roles at SMK are held by Malian nationals.

Examples of key board decisions:

Stakeholder considerations and impacts		
Approval of the strategic investment and placement	In February 2023, the Board considered the management's recommendation to a strategic investment and placement, using the investment to strengthen the Company's balance sheet and provide improved liquidity to ensure that the Company brings its second gold mine, Kouroussa in Guinea, into production and to fast track exploration of the asset. Upon completion of the strategic investment and placement, the Company welcomed a strategic investment by CIG SA, which is a leading African investment company with over US$100 million of active investments across a number of sectors including mining and construction, as well as investment by certain existing institutional shareholders and through an open offer. In total, the Company received gross proceeds of c.US$17.1 million.	s.172 (1) (a) s.172 (1) (b) s.172 (1) (c) The investment strengthened the Company's balance sheet, provided improved liquidity and endorsed the Company's strategy for growth with a strategic partner to underpin that ambition – both in the West African region and beyond.

Stakeholder considerations and impacts		
Approval of the conversion of interest in the Dugbe Project into Pasofino Gold Limited	In October 2023, the Board considered management's recommendation to convert its 51% interest in the Dugbe Gold Project in Liberia, into a 51% controlling interest in TSX-V listed Pasofino Gold Limited. The Board considered the Dugbe project is a strategic asset with significant value upside for the shareholders. The Conversion was completed in December 2023.	s.172 (1)(a) s.172 (1)(b) s.172 (1)(c) s.172 (1)(d) s.172 (1)(f) The conversion simplifies the ownership structure of the Dugbe Gold Project, providing clear visibility and control to facilitate more efficient decision-making and project advancement. The Company's Interim Chairman and CEO, Daniel Betts and Finance Director, Thomas Hill have both been appointed as Non-Executive Directors to the Pasofino Board. The Company plans to optimise the Dugbe Definitive Feasibility Study ("DFS") completed by Pasofino to maximise value for the stakeholders and shareholders.
Approval of establishing a regional office and developing various teams in Ivory Coast	In October 2023, the Board considered the management's recommendation of establishing a regional office in Abidjan, Ivory Coast, which could strengthen the Company's strategic presence in the West African region, greater regional support, cultural alignment and access to local talent pool.	s.172 (1)(a) s.172 (1)(b) s.172 (1)(c) s.172 (1)(d) s.172.(1)(e) A subsidiary of the Company was officially incorporated in Abidjan and the office was established in February 2024. The team across different business function is expanding, and are providing regional technical, commercial, financial, environmental monitoring and community engagement support to the mining operations as well as to the London head office.

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

DE Betts
Director

3 June 2024

GOVERNANCE

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.

The quoted Companies Alliance published an updated version of its QCA Code in 2023 (the "2023 Code"), and the 2023 Code applies to financial year starting after April 2024. The Board has started assessing the impact of the 2023 Code on the Company's corporate governance structure and will publish its first disclosure against the 2023 Code in the next annual report.

Strategy and business model

The Group currently has two core gold projects, the Yanfolila Gold Mine in Mali and the Kouroussa Gold Mine in Guinea. Additionally, the Group has the controlling interest in the Dugbe Gold Project in Liberia that is being developed through its TSXV listed subsidiary, Pasofino Gold Limited.

The Group Strategic Report on pages 84 to 89 provides details the Group's strategy, as well as key risks and mitigation actions. The key challenges to the operations and how they were mitigated are detailed in the Group Strategic Review section of the Annual Report and Accounts for the year ended 31 December 2023, from page 85 – 89.

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 invited to the AGM where they are given opportunities to ask questions. Where this is not practical 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 2023 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 RGMPs in 2019, an overarching framework that represent international best practices in exploration, operation and closure of gold mines. The RGMPs set out clear expectations for stakeholders as to what constitute responsible gold mining and provide confidence that gold has been produced responsibly. Hummingbird is committed to responsible mining and have taken significant steps to align and fully conform to the RGMPs. Steps taken include developing and updating policies, procedures, and improved control mechanisms, and obtaining independent assurance which provide stakeholder confidences in the Group's processes.

In 2023, an independent annual assurance audit was performed by an independent auditor over policies, procedures, systems and controls. A limited assurance report was issued in April 2024 confirming compliance with

RGMPs requirements. 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 32 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.

A balanced and well-functioning Board led by the Interim Chairman

The Board consisted of the Interim Executive Chairman and Chief Executive Officer, the Finance Director and four Non-Executive Directors. The Board is satisfied that it consists of an appropriately diverse mix of individuals, and that, between the Directors it has effective and balance of skills, knowledge and expertise, including the areas of exploration, mining, geology, finance, ESG, management, business and M&A. Detailed biographies of the Directors are provided on page 112 of this Annual Report as well as the Company website. 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.

Biographies of all Directors are included on page 112.

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.

In summary, the Board is overall satisfied with the size, diversity and skills on the Board, with the search of a suitable Chairman ongoing.

GOVERNANCE

Director	Board of Directors**	Audit Committee	Remuneration Committee	Technical Advisory Committee
Dan Betts *	8/8	-	-	-
Thomas Hill *	8/8	-	-	-
Stephen Betts	8/8	-	-	-
David Straker-Smith	8/8	5/5	5/5	-
Attie Roux	8/8	-	-	12/12
Ernie Nutter	8/8	5/5	5/5	12/12

* The CEO and FD were invited to and regularly attended TAC, Remuneration and ESG Committee meetings. The FD was invited to and regularly attended Audit Committee meetings.

** In addition to the four full board meetings, Independent Committee of the Board held two meetings in relation to matters arising where certain directors had conflict of interests. The Independent Committee of the Board consisted of 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, production and refining, 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.

For example, the Company's Nominated Advisor ("NOMAD") was invited in May 2023 to provide a detailed refresher session on Continuing Obligations and Directors Responsibilities under the AIM Rules for Companies which was attended by all directors. Further a session on the 2023 Code also led by the Company's NOMAD occurred in Q2-2024.

Independence of the Non-Executive Directors

At the date of this report, two-thirds of the Board are Independent Non-Executive Directors. The Board considers that all Non-Executive Directors are independent of management and do exercise their independent judgment. The Board also considers S Betts to be independent on the basis of his immaterial shareholding, actions, character and judgement. Since co-founding the Company, S Betts has consistently acted in the best interests of the Company and its shareholders as a whole.

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. The last internal evaluation was carried out in Q1 2023. We are planning to review and re-evaluate key assessment areas in relation to the effectiveness of the Directors over the coming months. Result of the evaluation process will be used when reviewing composition of the Board selecting new board members as well as succession planning.

The Board recognises that Hummingbird's Core Values supported by its underlying Organisational Principles as set out on page 7 provide a framework that influence every part of the operation. Led by the Corporate Executive Team, the ongoing promotion and demonstration of the Core Values of Respect, Accountability, Integrity, Sustainability and Empowerment have been instrumental in supporting everyday employment practices.

Hummingbird's Core Values are clearly set out in various corporate level policies and procedures, including the Recruitment Policy and the Code of Conduct. These values serve as the foundation of Hummingbird commitment to responsible mining practices, positive stakeholder engagement and the creation of enduring value for everyone involved.

The Board receives regular feedback from stakeholder groups, board committees and management teams, which enables them to monitor the corporate culture, ethnical values and behaviours within the operations.

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	• 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

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 Yanfolila 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 sixteen 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 is actively searching for a suitable Chairman.

Governance structure

The Interim 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 112 and 113.

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 100.

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, the Group Processing Manager.

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. Composition of the ESG Committee was refreshed recently and currently comprises David Straker-Smith (Chairman) and Attie Roux.

In addition to the Board ESG Committee, an internal Management ESG Committee was established in Q3 2023, led by the Group ESG Manager supported by site level ESG managers. The Management ESG Committee typically meets once a week.

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

3 June 2024

GOVERNANCE

Audit Committee report

Dear Shareholder,

I am pleased to present you the Audit Committee Report for the financial year ended 31 December 2023.

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 2023 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 2023, 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 timing of the ramp-up of operations at Kouroussa following the temporary stoppage, production, gold price, operating costs, scheduled debt repayments in line with the Group's debt arrangements and capital expenditure through to December 2025. These cash flows showed that due to delays in meeting commercial production at Kouroussa, plus the temporary stoppage by the mining contractor on 17 March 2024, and the impact this had on accessing the high-grade ore, the Group will need to reschedule its debt repayments and /or will require additional funding to meet its financial obligations and service its debt.

To mitigate the impact of the stoppage and delays in meeting commercial production and facilitate a smooth transition back to full operations at Kouroussa, the Group's majority shareholder, CIG SA ("CIG") has agreed to provide the Group with a short-term loan of US$10 million of which US$8 million has been received as of 31 May 2024. Further, the Group remains in discussions with its primary lender, Coris Bank International ("Coris"), surrounding the mitigation of the financial impacts of the suspension in operation. These discussions include reviews on current debt repayments profile together with options for further funding.

Management have therefore presented cashflows that supports the conclusion of the Directors that, subject to those discussions with Coris on the loan repayment current loans profile and the continued support of the majority shareholder, CIG, there is sufficient funding available to meet the Group's anticipated cash flow requirements to 31 December 2025. These cashflow forecasts are subject to a number of risks and uncertainties, in particular the estimated time it will take the mining contractor to access high grade ore at Kouroussa, 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 around production ramp up at Kouroussa.

The biggest material uncertainties and risks remains conclusion of the discussions with Coris, the ramp up at Kouroussa, ounces produced and whether the current mine plans can be achieved and mining contractor equipment performances at both Yanfolila and Kouroussa 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 and subject to successful negotiations with Coris financing arrangements, 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 unsuccessful discussions with Coris, further delays in ramp up at Kouroussa, lower-than-expected production levels, timing of VAT offsets and receipts, 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 obtain additional funding and/or renegotiate the current financing arrangements, achieve the required levels of production and associated cashflows, defer expenditures, 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.

Determination of commercial production date in Kouroussa, Guinea

As at 31 December 2023, the Group has determined that Kouroussa had not reached commercial production, due to the delays in mobilisation by the mining contractor. This has meant the mine had not reached the level as intended by management and therefore all costs and revenues were still being capitalised as of this date.

Commercial production is deemed to have commenced when a mine is fully operational when all key elements of the mine are functioning at near capacity, and in particular the mining and processing capabilities of the mine are adequate, together with ability to sustain ongoing production of ore.

Having considered the assumptions used by management to determine commercial production, the Committee agreed with management's assessment that commercial production had not been reached at Kouroussa, Guinea as of 31 December 2023, and concurred with management in continuing to capitalise all costs and revenues as of this date.

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 2023, 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 2023, Pasofino continued to progress the project in Liberia. On 8 December 2023, the Group completed a share exchange to acquire 51% of Pasofino, and the results of Pasofino are now being consolidated into the Group accounts from that date. The continued activity displays no indicators of impairment under IFRS 6 and hence no impairment assessment was required. However, due to the market capitalisation of the Group, management carried out an assessment of the recoverability of the Liberian cash generating unit using the recoverable amount of the Liberian cash generating unit ("CGU"), with reference to the 2022 Feasibility Studies. The net present value method proved that no impairment loss was to be recognised for the year ended 31 December 2023.

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For the Malian exploration and evaluation assets, further exploration work was completed in the Malian licence areas in 2023, 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 2023.

As at 31 December 2023, 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 2023, 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 Yanfolila Gold Mine in Mali and the Kouroussa Gold Mine in Guinea. In determining the recoverable amount of the Malian and Guinean CGUs at 31 December 2023, 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.

The table below summarises the key assumptions used in the carrying value assessments of both the Malian and Guinean CGUs:

Gold price ($ per ounce):	2023: $2,000 2022: $1,800	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):	2023: 24.28% 2022: 21.86%	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 budgets and life of mine plans.	

Based on the recoverable amount of the Malian and Guinean CGUs, no impairment loss was recognised for the year ended 31 December 2023. At around 23% Mali and 12% Guinea lower production, the headroom for both the Malian and Guinean CGUs respectively are eroded and value in use is equal or less than the carrying value of the CGUs. The headrooms are 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.

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

Other receivables

As set out in note 4, included in other receivables is an amount of CFA 4,968,387,000, approximately $8,301,000 (2022: $8,017,000), 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 one 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, the part payment in 2020 together with movements in exchange rates. This assessment resulted in a lifetime expected credit charge of $223,000 as at 31 December 2023. This takes the net lifetime expected credit loss for the full balance to $1,826,000 as at 31 December 2023. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Further management have made judgments and reclassified this balance as non-current as it is not expected to be received within 12 months.

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 2023, includes VAT receivables of $28.8 million in Mali, $16.6 million in Guinea and $427,000 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 some VAT balances against tax in 2023 (and in 2024), the VAT balance in Mali remains high at $28.8 million on 31 December 2023 (2022: $25.9 million). Recoverability is expected to continue 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 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").

Having considered past recovery experience and the future profitability of both the Malian and Guinean operations, management have made judgements and estimated that a portion of the VAT balances will be non-current, as they are not expected to be received within 12 months. 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 the 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 has reassessed the rehabilitation provision balance to $11.4 million as of 31 December 2023. An external consultant was engaged to assess the provision calculations in Guinea.

For Mali, management continued to roll forward the previous calculations in line with previously agreed methodologies, whilst reviewing the key inputs to ensure they remain appropriate.

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

Pasofino acquisition

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 earn-in was formally completed in September 2022. On 8 December 2023, the Group completed a share swap agreement with the conversion of its 51% interest in the Dugbe Gold Project in Liberia, into a 51% controlling interest in TSX-V listed Pasofino Gold Limited.

Following the share exchange agreement, management have made judgments and assessed that this transaction represents an asset purchase as opposed to a business combination transaction.

The Committee has considered the proposed accounting treatment adopted by management together with the key judgements made, as reflected in note 28.

Having considered these, the Committee found the proposed treatment to be appropriate.

Deferred tax

As set out in note 24, 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 of the greater of 1% of turnover and 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 $5.1 million were recognised at 31 December 2023 in respect of the Malian subsidiary. This resulted in a net charge to the income statement of $4.5 million in 2023. 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 $19.4 million, as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

In Guinea, most of the completed assets including the original research fees of GNF 585bln (circa US$60.0 million) which was transferred to Kouroussa Gold Mine SA, has now been transferred to the fixed asset register and depreciation started towards the end of 2023. Given the immaterial nature of any temporary differences on the Kouroussa assets at 31 December 2023 due to timing of capitalisation and depreciation start, no deferred tax or liabilities were recognised as 31 December 2023.

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 $7.5 million as at 31 December 2023 (2022: $8.2 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, the impact of the temporary stoppage by the mining contractor, 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 well as a post-tax discount rate of 24.28% (2022: 21.86%).

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

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration of circa £2 million in respect of 200,000 excess ounces became payable to Cassidy, with 22,688,844 shares being issued on 7 February 2023 to satisfy this liability.

The deferred consideration payable to the vendors of Cassidy was reassessed to $2.5 million as at 31 December 2023 (2022: $4.2 million), using the latest discount rates and reserve growth estimations, with the resulting movement after accounting for the payment on 7 February 2023 recorded within statements of comprehensive income.

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 ounces 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 post-tax discount rate of 24.28% (2022: 21.86%) 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.

Fair value of the zero-cost collars and forward contracts

As set out in note 32, the Group implemented a zero-cost collar strategy using written call options and bought put options with a floor price of approximately $2,000 and an average ceiling price of $2,160 per ounce. The collars covered a total of 40,000 ounces to be settled during 2024.

The Group also entered forward contracts for 20,000 ounces at an average gold price of $2,033 per ounce which were settled in Q1 2024. These forward contracts were classified as a derivative financial liability (note 26) and had a fair value of $0.6 million, which is classified as a current asset.

As of 31 December 2023, the put options of the collars were a financial liability with a fair value of $4.2 million which is included in derivative financial liabilities and the call options were a financial asset with a fair value of $2.0 million which is included in derivative financial assets, and they are both classified as current.

As of 31 December 2023, the Group recognised an unrealised fair value loss of $2.8 million in respect of the collars and forwards.

The collars were not designated as a hedge by the Group and accordingly are recorded at its fair value at the end of each reporting period.

Significant judgement and estimations were used to determine the fair value of these financial assets and financial liabilities including judgement on valuation methods to use, commodity prices to use and whether to be designated as a hedge or not.

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.

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

3 June 2024

GOVERNANCE

Remuneration Committee report

This report is for the year ended 31 December 2023. 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 2023 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 five times in 2023 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 Finance Director 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.

2023 Incentive scheme

For 2023, the Company operated the 2023 incentive scheme for its Executive Directors, other senior managers and relevant employees 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 three years subject to performance criteria), with any cash bonus being paid 50% in the first quarter of 2024, 25% in December 2024 and 25% in December 2025.

Corporate targets covered the key performance areas of production, AISC, cash flow, KE Underground project at Yanfolila, Kouroussa operational ramp-up, safety, and ESG commitments, in addition to individual personal performance measures.

The Group encountered a number of challenges during the year including delays in the operational ramp-up at Kouroussa and lower than expected production in Mali. These challenges meant that the Group only partially met its production and AISC targets for 2023.

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

2024 Incentives scheme

The structure of the incentive arrangements for 2024 will broadly remain consistent with 2023, 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 2024, 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 cover the key performance areas of production, AISC, growth, safety, and ESG commitments, in addition to individual personal performance measures.

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

The maximum amounts payable under the new arrangements are in line with 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, vesting one year from the award date, subject to remaining in office. For 2024, this award has a value of £26,250. 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 do not impact on each Non-Executive Director's independence in performing their duties.

David Straker-Smith
Chair of the Remuneration Committee

3 June 2024

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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 Finance Director have rolling service contracts dated 1 June 2014 and 2 August 2010, with notice periods of 12 months. 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 2023.

2023 Summary of Directors' total remuneration

Executive directors' remuneration

	31 December 2023				31 December 2022			
	Base Salary	Other benefits/ committee fees[2]	Deferred bonus paid[1]	Total	Base Salary	Other benefits/ committee fees[2]	Deferred construction bonus paid[1]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
DE Betts	**518**	**32**	**96**	**646**	**475**	**21**	**74**	**570**
TR Hill	**333**	**33**	**62**	**428**	**304**	**28**	**51**	**383**
	851	**65**	**158**	**1,074**	**779**	**49**	**125**	**953**

In addition to the amounts above, the Executive Directors are accruing potential benefits under incentive schemes as set out in note 30.

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 30.

2 Other benefits and committee fees include pension allowances, medical and life insurances for DE Betts and TR Hill.

	31 December 2023				31 December 2022			
	Base Salary	Other benefits/ committee fees[1]	Deferred bonus paid	Total	Base Salary	Other benefits/ committee fees[1]	Deferred construction bonus paid	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
SA Betts	**62**	**16**	**-**	**78**	62	12	-	74
RD Straker-Smith	**81**	**17**	**-**	**98**	81	12	-	93
GE Nutter	**74**	**46**	**-**	**120**	75	42	-	117
AA Roux	**62**	**48**	**-**	**110**	62	44	-	106
	279	**127**	**-**	**406**	280	110	-	390
Former Directors								
RJ King	**-**	**-**	**-**	**-**	47	6	-	53
	279	**127**	**-**	**406**	327	116	-	443

In addition to the amounts above, the Non-Executive Directors are accruing potential benefits under incentive schemes as set out in note 30.

[1] Represents 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. Further details on the directors deferred share awards and their vesting conditions are disclosed in note 30.

Salary and fees

The salaries of the CEO and Finance Director in the year were £388,000 and £250,000, respectively.

As explained earlier in this annual report, the Company did not have an independent Non-Executive Chairman during the year. The annual base remuneration of the Non-Executive Directors for the year was £50,000 in cash, with additional £25,000 received by way of deferred shares. Non-Executive Directors also received an additional £5,000 fee in cash for audit and remuneration committee membership and £2,500 in cash for chairing committees. Members of the Technical Advisory Committee received an additional committee fee of approximately $30,000 per annum. The deferred share element of the base remuneration, granted on 31 March 2023, vests one year from the award date, subject to remaining in office. Deferred share remuneration must be retained and cannot normally be sold until the individual ceases to hold office. The Company believes that in addition to conserving cash, the award of deferred shares as part of base remuneration aligns the interests of Non-Executive Directors with the long-term interests of shareholders.

Incentive Plans ("IP") – 2023 IP

The Group operated the 2023 Incentive Plan ("2023 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 two 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 2023 Incentive Plan, 50% of the STI would have been paid out in Q1 2024, 25% in December 2024 and 25% in December 2025, and that share options granted under the LTI are expected to vest on 6 February 2026 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 fully meet its AISC or production targets in 2023, 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 2023 operational performance on the business, approved STI cash awards of approximately £1.1 million, 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 30 April 2024	Number of shares at 31 December 2022
DE Betts[1 & 2]	30 October 2005		5,734,149	5,734,149
TR Hill	17 July 2012		641,574	408,235
SA Betts[1 & 3 & 4]	28 April 2006		2,998,601	2,998,601
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 2023.

Directors' interests in share options

The Directors' interests in the share options, directors deferred share awards and RSUs of the Company at 31 December 2023 were as follows:

	At 1 January 2023	Granted	Lapsed	Exercised	At 31 December 2023
DE Betts[1]	8,514,972	5,359,215	(1,064,996)	-	12,809,191
TR Hill	5,668,223	3,451,767	(684,640)	-	8,435,350
SA Betts	330,558	368,189	-	-	698,747
RD Straker-Smith	330,558	368,189	-	-	698,747
AA Roux	330,558	368,189	-	-	698,747
GE Nutter	330,558	368,189	-	-	698,747
Total	**15,505,427**	**10,283,738**	**(1,749,636)**	**-**	**24,039,529**

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.

2024 Looking ahead

Salaries

Following a review, the Remuneration Committee approved an increase of the CEO and Finance Director salaries to £407,400 and £270,000 respectively with effect from 1 February 2024.

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 2025, 25% in December 2025 and 25% in December 2026 (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, KE Underground Project delivery, ESG and 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") are approved by the board.

The 2024 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 2027 in two tranches as follows:

- **c.** Retention Tranche: 1/2 of the RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Group targets.
- **d.** Relative Total Shareholder Return ("TSR"): 1/2 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 2024 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 Finance Director, are 3,924,896 and 2,601,156 respectively.

Non-Executive Director remuneration

The Non-Executive Directors remunerations arrangements for 2024 have increased by 5% from 1 February 2024, comprising base remuneration of £52,500. Non-Executive Directors will also continue to receive an additional £5,250 fee in cash for audit and remuneration committee membership and £2,625 in cash for chairing committees. Members of the Technical Advisory Committee will receive an additional committee fee of approximately $30,000 per annum.

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, vesting one year from the award date, subject to remaining in office. For 2024, this award has a value of £26,250. 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 do not impact on each Non-Executive director's independence in performing their duties.

GOVERNANCE

Board of Directors

Daniel Edward Betts

Interim Executive Chairman 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, qualified as a chartered accountant with BDO LLP in 2001 and in 2023 was appointed as the Honorary Treasurer of the Institute of Materials Minerals and Mining ("IOM3").

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, Remuneration and ESG 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 and sits on the ESG Committee.

GOVERNANCE

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 2023.

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 94 to 99 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 by rotation every three years.

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

Non-Executive

- Ernie Nutter
- Attie Roux
- David Straker-Smith
- Stephen Betts

Executive

- Daniel Betts
- 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 2023 (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 35 to the financial statements.

Strategic report

The Strategic Report is shown on pages 84 to 89.

Results and dividends

The results of the Group for the year ended 31 December 2023 are set out in the Consolidated Statement of Comprehensive Income. The Directors do not recommend payment of a dividend for the year (2022: $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 2023 were equivalent to 131 (2022: 46) days' purchases, based on the average daily amount invoiced by suppliers during the year. Trade payables of the Company at 31 December 2023 were equivalent to 52 (2022: 30) 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 28 to 75.

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 way 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. Details of the 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 28 and the S172 statement from page 90 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.

Charitable and political donations

During the year the Group and Company made no charitable donations (2022: $Nil).

The Group and Company did not make any payments to political parties during the year (2022: $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 32 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 Interim Chairman and CEO'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

3 June 2024

Registered Office:
49-63 Spencer Street, Hockley, Birmingham, B18 6DE
Company registered in England and Wales 05467327

Statement of Directors' responsibilities

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.

FINANCIAL STATEMENTS

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 2023 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 2023 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.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that the group is in discussions with its principal lender to reschedule its debt repayment profile and/or secure additional funding in order to meet its financial obligations. In addition should the production of mining operations be below forecast levels, the group would require further additional funding and this is not currently 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.

Summary of our audit approach

Key audit matters	**Group** ▪ Production achieved at the Kouroussa mine in Guinea **Parent Company** ▪ None
Materiality	**Group** ▪ Overall materiality: $2,200,000 (2022: $2,280,000) ▪ Performance materiality: $1,650,000 (2022: $1,710,000) **Parent Company** ▪ Overall materiality: $1,010,000 (2022: $1,200,000) ▪ Performance materiality: $757,000 (2022: $900,000)
Scope	Our audit procedures covered 100% of revenue, 98% of total assets and 90% 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 and parent company 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 and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FINANCIAL STATEMENTS

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..

Production achieved at the Kouroussa mine in Guinea	
Key audit matter description	As disclosed in note 5, the net assets of the Guinea segment, which principally relates to the Kouroussa mine in Guinea, have increased from $70.2m at 31 December 2022 to $140.0m at 31 December 2023. This increase is principally due to the development of the mining development asset and processing plant at Kouroussa. This is determined to be a key audit matter as there is significant judgement involved in the determination of commercial production because IAS 16 does not consider the nuances of the mining industry in its drafting. Revenues from testing are capitalised under the standard but no guidance is provided for industries with long commissioning phases. In addition, the consideration of impairment involves judgement because of the significant capital expenditure during the period and the fact the mine is not yet at commercial production levels. The first gold pour at Kouroussa was achieved in June 2023 with mining activities and processing activities both taking place during the period. The most significant impacts on our audit were: ■ Assessing management's judgement that the Guinea mine had not reached commercial production by 31 December 2023. This is significant as the group capitalises costs and revenues associated with development activity. ■ Assessing whether there was a risk of impairment in Guinea given the large increase in capital expenditure during the accounting period.
How the matter was addressed in the audit	Management provided us with their assessment that commercial production had not been achieved by 31 December 2023 and their assessment that the Guinea cash generating unit, which is represented by the mining activities in Guinea, is not impaired. Our response included: ■ Visiting Kouroussa in February 2024 to observe performance of the mining operation and the processing plant. ■ Challenging management on their judgement that commercial production had not been achieved and reviewing other examples of industry practice to assess whether their conclusion was reasonable. ■ Reviewing the ramp up in revenue generation in Guinea to assess whether management's judgement that commercial production had not been achieved was reasonable. ■ Reviewing the impairment consideration prepared by management and challenging them on the reasonableness of their assumptions. ■ Using an auditor's expert to assist in the audit work performed on the discount rate used in the impairment model. ■ Reviewing the disclosures made in note to the financial statements under the headings "Impairment assessment indicators" and "Determination of commercial production in Guinea" to assess whether these were reasonable.

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	$2,200,000 (2022: $2,280,000)	$1,010,000 (2022: $1,200,000)
Basis for determining overall materiality	5% of earnings before interest, tax, depreciation and amortisation (2022: 5% of result before tax)	0.8% of net assets (2022: 0.9% of net assets)
Rationale for benchmark applied	As a listed entity, a result-based metric 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	$1,650,000 (2022: $1,710,000)	$757,000 (2022: $900,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $110,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of $51,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

The benchmark for assessing for group materiality has changed from the use of 5% of result before tax in the prior period to 5% of earnings before interest, tax, depreciation and amortisation in the current period ("EBITDA"). EBITDA is a key performance of the indicator of the group.

An overview of the scope of our audit

The group consists of 10 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; and
- United Kingdom – contains the head office operations.

FINANCIAL STATEMENTS

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	4	100%	97%	90%
Specific audit procedures	1	–	1%	–
Total	**5**	**100%**	**98%**	**90%**

Analytical procedures at group level were performed for the remaining 5 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.

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 117, 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.

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.

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.

DAVID HOUGH (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

3 June 2024

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Revenue		**167,107**	**150,519**
Production costs		(93,961)	(126,527)
Amortisation and depreciation		(40,845)	(37,357)
Royalties and taxes		(6,235)	(5,620)
Cost of sales		**(141,041)**	**(169,504)**
Gross profit/(loss)		**26,066**	**(18,985)**
Share based payments	30	(2,238)	(1,941)
Other administrative expenses	6	(17,070)	(11,791)
Operating profit / (loss)		**6,758**	**(32,717)**
Finance income	10	690	3,641
Finance expense	10	(22,417)	(14,156)
Share of joint venture (loss)/profit	14	(29)	4
Impairment of financial assets	19	(223)	(316)
Losses on financial assets and liabilities measured at fair value	11	(3,433)	(715)
Loss before tax		**(18,654)**	**(44,259)**
Tax (charge)/credit	12	(7,168)	4,269
Loss for the year		**(25,822)**	**(39,990)**
Attributable to:			
Equity holders of the parent		(24,359)	(34,279)
Non-controlling interests		(1,463)	(5,711)
Loss for the year		(25,822)	(39,990)
Loss per share *(attributable to equity holders of the parent)*			
Basic ($ cents)	13	(4.30)	(8.71)
Diluted ($ cents)	13	(4.30)	(8.71)

Consolidated statement of financial position

As at 31 December 2023

	Notes	2023 $'000	2022 Restated (see note 9) $'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	15	120,555	129,652
Intangible assets software	15	393	143
Property, plant and equipment	16	306,300	204,393
Right of use assets	23	75,235	25,488
Investments in associates and joint ventures	14	104	133
Financial assets at fair value through profit or loss	14	993	1,532
Trade and other receivables	19	28,155	14,695
Deferred tax assets	24	4,315	9,571
		536,050	385,607
Current assets			
Inventory	18	16,006	15,748
Trade and other receivables	19	30,789	37,157
Other financial assets	26	2,030	–
Unrestricted cash and cash equivalents	20	11,212	–
Restricted cash and cash equivalents	20	4,030	3,892
		64,067	56,797
Total assets		**600,117**	442,404
Liabilities			
Non-current liabilities			
Borrowings	21	65,632	71,840
Lease liabilities	23	53,505	15,845
Deferred consideration	27	2,549	1,801
Other financial liabilities	26	7,497	26,795
Provisions	22	36,779	27,120
		165,962	143,401
Current liabilities			
Trade and other payables	25	114,175	66,081
Lease liabilities	23	34,075	11,819
Deferred consideration	27	–	1,776
Other financial liabilities	26	19,866	15,000
Provisions	22	145	830
Borrowings	21	82,650	43,862
Bank overdraft	20	7,602	1,741
		258,513	141,109
Total liabilities		**424,475**	**284,510**
Net assets		**175,642**	**157,894**
Equity			
Share capital	29	8,840	5,828
Share premium		39,140	17,425
Retained earnings		59,399	97,177
Equity attributable to equity holders of the parent		**107,379**	**120,430**
Non-controlling interest		68,263	37,464
Total equity		**175,642**	**157,894**

The financial statements of Hummingbird Resources PLC were approved by the Board of Directors and authorised for issue on 3 June 2024. 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.

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Consolidated statement of cashflows

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Net cash inflow from operating activities	31	**87,059**	**13,181**
Investing activities			
Asset purchase, net of cash	28	130	-
Purchases of intangible exploration and evaluation assets		(4,230)	(5,876)
Purchases of property, plant and equipment		(84,978)	(82,942)
Pasofino funding		–	4,665
Interest received		31	2
Net cash used in investing activities		**(89,047)**	**(84,151)**
Financing activities			
Net proceeds from issue of shares		22,454	–
Exercise of share options		–	14
Lease principal payments		(15,082)	(10,741)
Lease interest payments		(9,136)	(2,862)
Lease deposits		(1,158)	-
Loan interest paid		(12,918)	(3,452)
Commissions and other fees paid		(3,962)	(4,724)
Loans repaid		(37,031)	–
Loan drawdown		64,412	58,695
Net cash generated from financing activities		**7,579**	**36,930**
Net increase/(decrease) in cash and cash equivalents		**5,591**	**(34,040)**
Effect of foreign exchange rate changes		(102)	(548)
Cash and cash equivalents at beginning of year		**2,151**	**36,739**
Cash and cash equivalents at end of year[1]		**7,640**	**2,151**

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

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total equity attributable to the parent $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2022	**5,814**	**17,425**	**137,895**	**161,134**	**9,520**	**170,654**
Comprehensive income for the year:						
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)**
Transactions with owners in their capacity as owners:						
Pasofino minority interest after earn-in	–	–	(9,528)	(9,528)	33,655	24,127
Exercise of share options	14	**–**	–	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**
Comprehensive income for the year:						
Loss for the year			(24,359)	(24,359)	(1,463)	(25,822)
Total comprehensive loss for the year			**(24,359)**	**(24,359)**	**(1,463)**	**(25,822)**
Transactions with owners in their capacity as owners:						
Issue of shares	3,012	21,940	–	24,952	–	24,952
Issue of shares - fees	–	(225)	-	(225)	–	(225)
Movements in non-controlling interest	–	–	(15,809)	(15,809)	32,262	16,453
Share based payments	–	–	2,390	2,390	–	2,390
As at 31 December 2023	**8,840**	**39,140**	**59,399**	**107,379**	**68,263**	**175,642**

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 to:

(a) 20% stake the Government of Mali has in Société Des Mines De Komana SA ("SMK") which owns and operates the Yanfolila Mine.

(b) 49% of Pasofino Gold Limited that is not currently owned by the Group.

(c) 15% stake the Government of Guinea has in Kouroussa Gold Mine SA ("KGM") which owns and operates the Kouroussa Mine.

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Notes to the consolidated financial statements

For the year ended 31 December 2023

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 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 2022. The following standards have been adopted in the year with no material impact on the financial statements of the Company or the Group.

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

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

IAS 1 (Amendments)	effective 1 January 2024	Non-current Liabilities with Covenants
IAS 1 (Amendments)	effective 1 January 2024	Classification of Liabilities as Current or Non-current
IFRS 16 (Amendments)	effective 1 January 2024	Lease Liability in a Sale and Leaseback
IFRS 7 (Amendments)	effective 1 January 2024	Supplier Finance Arrangements

3. Significant accounting policies

Statement of Compliance
The financial statements have been prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

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") unless otherwise stated. For reference the year-end exchange rate from Sterling to $ was $1.2731 (2022: $1.2097).

These consolidated financial statements were approved by the Board of Directors of the Company on 3 June 2024.

Basis of preparation
These consolidated financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments that are measured at fair value at the end of each reporting period. The Group's accounting policies have been applied consistently to all periods in the preparation of these consolidated financial statements.

The principal accounting policies adopted are set out below.

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 76 to 83. At 31 December 2023, the Group had net cash and cash equivalents of $7.6 million, (made up of $4.0 million of restricted cash in line with the Group's loan arrangements, $11.2 million cash and $7.6 million of overdraft) and total borrowings of $148.3 million. Details on the Group's borrowings are set out in note 21 to the financial statements.

The Group has prepared cash flow forecasts based on estimates of key variables including timing of the ramp-up of operations at Kouroussa following the temporary stoppage, production, gold price, operating costs, scheduled debt repayments in line with the Group's debt arrangements and capital expenditure through to December 2025. These cash flows showed that due to delays in meeting commercial production at Kouroussa, plus the temporary stoppage by the mining contractor on 17 March 2024, and the impact this had on accessing the high-grade ore, the Group will need to reschedule its debt repayment and/or will require additional funding to meet its financial obligations and service its debt.

To mitigate the impact of the stoppage and delays in meeting commercial production and facilitate a smooth transition back to full operations at Kouroussa, the Group's majority shareholder, CIG SA ("CIG") has agreed to provide the Group with a short-term loan of US$10 million of which US$8 million has been received as of 31 May 2024. Further, the Group remains in discussions with its primary lender, Coris Bank International ("Coris"), surrounding the mitigation of the financial impacts of the suspension in operation. These discussions include reviews on current debt repayments profile together with options for further funding.

Management have therefore presented cashflows that supports the conclusion of the Directors that, subject to those discussions with Coris on the loan repayment profile and the continued support of the majority shareholder, CIG, there is sufficient funding available to meet the Group's anticipated cash flow requirements to 31 December 2025. These cashflow forecasts are subject to a number of risks and uncertainties, in particular the estimated time it will take the mining contractor to access high grade ore at Kouroussa, 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 around production ramp up at Kouroussa.

The biggest material uncertainties and risks remains conclusion of the discussions with Coris, the ramp up at Kouroussa, ounces produced and whether the current mine plans can be achieved and mining contractor equipment performances at both Yanfolila and Kouroussa. 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 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 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 and subject to successful negotiations with Coris, 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 unsuccessful discussions with Coris, further delays in ramp up at Kouroussa, lower-than-expected production levels, timing of VAT offsets and receipts, 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 obtain additional funding and/or renegotiate the current financing arrangements, achieve the required levels of production and associated cashflows, defer expenditures, 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 2023. 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.

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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.

Foreign currencies
The presentation and functional currency of the Group is the US Dollars ("$"). The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) is recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates at the date of the transaction.

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.

Revenue
Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the 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 in accordance with whether control is recognised over a defined period or at a specific point in time.

Revenue for the Group is derived principally from commodity sales, being gold sales in bullion and doré bar form. A sale is recognised when control has been transferred. This is usually when title, price risk and insurance risk have passed to the customer and the goods have been delivered to a contractually agreed location. Revenue from contracts with customers is measured at the fair value of consideration received or receivable as at the date control is transferred, after deducting

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for sales returns and trade discounts. The consideration is based on gold content determined prior to shipment and is subsequently adjusted to reflect the final gold content determined by the customer.

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.

Stripping Costs
Capitalisation of waste stripping requires the Group to make judgements and estimates in determining the amounts to be capitalised. In open pit mining operations, it maybe necessary to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalised and included in the carrying amount of the related mining property. During the production phase of a mine, stripping costs will be recognised as an asset only if the following conditions are met:

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

Stripping costs incurred and capitalised during the development and production phase are depleted using the unit-of production method over the reserves and, in some cases, a portion of resources of the area that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as operating expenses.

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

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease.

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.

Commercial production is deemed to have commenced when a mine is fully operational when all key elements of the mine are functioning at near capacity, and in particular the mining and processing capabilities of the mine are adequate.

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The Group determines commencement of commercial production based on the following factors; however, the list is not exhaustive, and each mine will be assessed based on its own specific circumstances:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable for operating in the manner intended by management have been completed.
- The completion of a reasonable period of testing of the mine plant and equipment.
- The mill has reached a pre-determined percentage of design capacity.
- The ability to sustain ongoing production of ore and where applicable reaching 80 – 100% of required monthly volumes.

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 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.

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(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, the zero-cost collars, forward contracts 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.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedging

Certain derivative investments may qualify for hedge accounting. At the inception of hedge relationships, the Group documents the economic relationship between hedging instruments and hedged items and our risk management objective and strategy for undertaking the hedge transactions.

For fair value hedges, any gains, or losses on both the hedged item and the hedging instrument are recognised in the same line item in (loss)/earnings. For cash flow hedges, any unrealised gains or losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive (loss)/earnings. Where a cash flow hedge relates to a transaction where a non-financial asset or liability is recognised, accumulated gains or losses are recognised directly in the carrying amount of the non-financial asset or liability. The gains or losses are reclassified to (loss)/earnings in the same period or periods in which the hedged expected future cash flows affect profit or loss, when the hedged item ceases to exist or when the hedge is determined to be ineffective.

There were no derivatives that qualified for hedge accounting for the year ended 31 December 2023.

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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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 and the Guinean subsidiaries, 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.

Other financial liabilities – Liberia Royalty

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 26, 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.

Other financial liabilities – Cassidy Smelter Royalty

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 26, 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.

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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 (Corporate).

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.

Pasofino Acquisition
Refer to note 28.

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:

CRITICAL JUDGEMENTS
The critical judgements that the Group's management has made in the process of applying the Group's accounting policies, that have the most significant effect on the amounts recognised in the Group's consolidated financial statements are as follows:

Recoverability of VAT
In both Mali and Guinea, VAT is payable on qualifying purchases and reclaimed from the governments. The Group is following the relevant process in each country to recoup the VAT balances owing and continues to engage with authorities to estimate if all amounts are recoverable and to accelerate the repayment of the outstanding VAT balances.

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 2023, the VAT balance in Mali remains high at $28.7 million on 31 December 2023 (2022: $25.9 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, VAT receivables balances have increased during the year to $16.6 million 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").

Having considered past recovery experience and the future profitability of both the Malian and Guinean operations, management have made further judgements and estimated that a portion of the VAT balances will be classified as non-current in the statement of financial position, as they are not expected to be received within 12 months.

Refer to note 9.

Capitalisation and Depreciation of Stripping Costs
Where applicable the Group capitalises stripping costs. Capitalisation of stripping costs requires the Group to make judgements and estimates in determining the amounts to be capitalised. These judgements and estimates include, among others, the expected life of mine stripping ratio for each open pit, the determination of what defines separate pits, and the expected ounces to be extracted from each component of a pit for which the stripping asset is depreciated.

Impairment assessment indicators
The Group considers both internal and external information in its process of determining whether there are any indicators for impairment or impairment reversals on any of its assets.

Management may consider among other things, the following external factors:

- changes in the market capitalisation of the entity,
- changes in the long-term gold price expectations,
- or changes in the technological, market, economic or legal environment in which the entity operates, or in the market to which the asset is dedicated.

Management may also consider among other things, the following internal factors:

- changes in the estimates of recoverable ounces,
- significant movements in production costs and variances of actual production costs when compared to budgeted production costs,
- production patterns and whether production is meeting planned budget targets, changes in the level of capital expenditures required at the mine site,
- changes in the expected cost of dismantling assets and restoring the site, particularly towards the end of a mine's life.

The Group also considers certain judgements on future events, specifically if the Group will continue with development of certain exploration and evaluation assets, and the likelihood of exploration permits currently in process of being renewed will be renewed by the appropriate regulatory bodies.

Determination of Commercial Production in Guinea
Management have made judgments and assessed that Kouroussa had not reached commercial production as of 31 December 2023. Commercial production is deemed to have commenced when a mine is fully operational when all key elements of the mine are functioning at near capacity, and in particular the mining and processing capabilities of the mine are adequate , together with ability to sustain ongoing production of ore.

Following this judgement all costs and revenues for Kouroussa are still being capitalised into mine development as at 31 December 2023.

KEY ESTIMATES
The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the year following 31 December 2023 are as follows:

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Fair value of the Cassidy Smelter Royalty
The Cassidy Smelter Royalty was reassessed to $7.5 million as at 31 December 2023 (2022: $8.2 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 seven 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 post-tax discount rate of 24.28%. The model is also subject to gold price changes, with a price of $2,062 per ounce having been used for the 2023 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 26.

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.

The Group continued to use the same methodology of reassessing the rehabilitation provisions as adopted in prior years, and for Guinea, the Group engaged an independent party to help assess its initial costs. The provision for Guinea was increased to $11.4 million at 31 December 2023, in line with the increased activities during the year.

Refer to note 22.

Recoverability of mine property, plant and equipment
Determination as to whether, and by how much, an asset or 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, 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 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 Mine in Guinea. In determining the recoverable amount of the Malian CGU at 31 December 2023, 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 budgets and LOM plan.

The table below summarises the key assumptions used in the carrying value assessments of the Malian and Guinean CGUs:

Gold price ($ per ounce):	2023: $2,000 2022: $1,800	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):	2023: 24.28% 2022: 21.86%	In determining the value in use of the CGUs, 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 CGUs and company size.
Operating and capital costs:	Life-of-mine operating and capital cost assumptions are based on the Group's latest budgets and life of mine plans.	

Having considered the recoverable amount of the Malian CGU, no impairment loss was recognised for the year ended 31 December 2023. At around 23% 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.

The Guinea GCU had still not reached commercial production at 31 December 2023, due mainly to the delays in mobilisation by the mining contractor. This has meant the mine had not reached the level as intended by management and therefore all costs are still being capitalised at year end.

Management performed impairment assessment on the Guinean CGU, even though it had not reached commercial production. Having considered the recoverable amount of the Guinean CGU, no impairment loss was recognised for the year ended 31 December 2023. At around 12% 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.

Recoverability of exploration and evaluation assets

Determination as to whether an 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 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 2023.

Liberia

Following the acquisition of a controlling stake in Pasofino by the Group in December 2023, management have considered the recoverable amount of the Liberian 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 2023.

Guinea

As at 31 December 2023, 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 2023, 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 LOM plan for the Group's Yanfolila Gold Mine in Mali, no impairment loss was recognised for the year ended 31 December 2023.

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 $8,301,000 (2022: $8,017,000) 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.

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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 on the manner, timing, quantum and probability of recovery of the receivable, the Group recognised the lifetime expected credit loss $223,000 as at 31 December 2023 (2022: $316,000). The net cumulative lifetime expected credit loss for the balance is $1,826,000 at 31 December 2023. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Further judgments were done to classify this balance as non-current as it is not expected to be received within 12 months, based on management forecasts.

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 $5,064,000 and deferred tax liabilities of $nil were recognised at 31 December 2023 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 24.

Cassidy Deferred Consideration
The deferred consideration payable to the vendors of Cassidy was reassessed to $2.5 million as at 31 December 2023 (2022: $4.2 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income. 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 ounces results in additional purchase 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, and shares were issued on 7 February 2023 to satisfy this liability.

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 post-tax discount rate of 24.28% 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 27.

Pasofino earn-in and subsequent acquisition
There is no formal accounting standard guiding the earn-in agreements (which was completed in September 2022) and related asset acquisitions (completed in December 2023). 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 share exchange agreements in December 2023 and the acquisition of a controlling stake in Pasofino, further judgements were applied in determining whether the transaction represented a business combination or an asset acquisition, what accounting policies to apply and the related accounting implications to the Group's financial position. Refer to note 28 for further details.

5. Segmental analysis

Statement of comprehensive income Year ended 31 December 2023	**Mali S'000**	**Guinea $'000**	**Liberia $'000**	**Corporate $'000**	**Total $'000**
Revenue	159,360	–	–	7,747	167,107
Production costs	(86,428)	–	–	(7,533)	(93,961)
Amortisation and depreciation	(40,845)	–	–	–	(40,845)
Royalties and taxes	(6,235)	–	–	–	(6,235)
Cost of sales	**(133,508)**	**–**	**–**	**(7,533)**	**(141,041)**
Gross profit	**25,852**	**–**	**–**	**214**	**26,066**
Share based payments	–	–	–	(2,238)	(2,238)
Other administrative expenses	(1,400)	–	(11)	(15,659)	(17,070)
Operating profit/(loss)	**24,452**	**–**	**(11)**	**(17,683)**	**6,758**
Finance income	546	–	–	144	690
Finance expense	(22,167)	–	(11)	(239)	(22,417)
Share of joint venture income	–	–	–	(29)	(29)
Impairment of financial assets	(223)	–	–	–	(223)
Gain/(losses) on financial assets and liabilities measured at fair value	–	721	–	(4,154)	(3,433)
Profit/(loss) before tax	**2,608**	**721**	**(22)**	**(21,961)**	**(18,654)**
Tax	(6,851)	(317)	–	–	(7,168)
(Loss)/profit after tax	**(4,243)**	**404**	**(22)**	**(21,961)**	**(25,822)**

Statement of financial position Year ended 31 December 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment assets	169,797	313,896	108,577	7,847	600,117
Segment liabilities	(216,525)	(173,941)	(18,588)	(15,421)	(424,475)
Segment net assets	**(46,728)**	**139,955**	**89,989**	**(7,574)**	**175,642**

Statement of comprehensive income Year ended 31 December 2022	**Mali S'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)**

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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**

Non-current assets for the year ending 31 December 2023	Mali $'000	Guinea $'000	Liberia $'000	Corporate $'000	Total $'000
Intangible exploration and evaluation assets	12,075	752	107,728	–	120,555
Intangible assets software	76	317	–	–	393
Property, plant and equipment	70,691	235,341	209	59	306,300
Right of use assets	18,666	56,011	–	558	75,235
Investment in joint ventures	–	–	–	104	104
Trade and other receivables	28,155	–	–	–	28,155
Financial assets at fair value through profit and loss	–	–	–	993	993
Deferred tax assets	4,315	–	–	–	4,315
Segment non-current assets	**133,978**	**292,421**	**107,937**	**1,714**	**536,050**

Non-current assets for the year ending 31 December 2022 (restated)	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
Trade and other receivables	14,695	–	–	–	14,695
Financial assets at fair value through profit and loss	–	–	–	1,532	1,532
Deferred tax assets	9,571	–	–	–	9,571
Segment non-current assets	**151,512**	**125,546**	**105,824**	**2,825**	**385,607**

Geographic information

During the year the Group had four operating segments. Guinea had not reached commercial production on 31 December 2023, and hence its revenues of $10.0 million in 2023 was capitalised in line with accounting standards.

Revenues in connection with the Mali operating segment totalled $159.4 million (2022: $143.3 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 $7.7 million (2022: $7.2 million), and all were derived from a single related customer (note 33) at a premium to the spot gold price.

Revenues from customers are based on the locations of the customers.

	Location	2023 $'000	2022 $'000
Dore	USA	159,360	143,344
SMO gold	UK	7,747	7,175
Total revenue from customers		**167,107**	**150,519**

6. Administrative expenses by nature

	2023 $'000	2022 $'000
Audit fees, paid to Group auditors (Note 7)	370	263
Audit fees, paid to subsidiary advisors	16	6
Bank charges	133	138
Communications and IT	292	231
Depreciation of property, plant and equipment	190	78
Insurance	1,112	756
Marketing	1,592	400
Office expenses	979	522
Other taxes	529	529
Professional and consultancy	2,752	2,793
Lease charges – short term and low value	89	271
Staff costs excluding share-based payments and employers NI accrual on share options	6,743	4,503
Travel and accommodation	800	590
Charge/(release) of employers NI accrual on share options	332	(77)
Other income	(25)	(7)
Net foreign exchange losses	1,166	795
Total administration expenses	**17,070**	**11,791**
Share based payments	2,238	1,941
Total expenses by nature	**19,308**	**13,732**

7. Auditor's remuneration

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services:

	2023 $'000	2022 $'000
Audit fees		
Fees payable to the Group's auditor for the audit of the annual accounts	370	263
Total audit fees	**370**	**263**
Non-audit fees payable to associates of the Company's auditor		
World Gold Council's Responsible Gold Mining Principles compliance audit	10	27
Other non-audit fees	35	53
Total non-audit fees	**45**	**80**

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8. Staff costs

The average monthly number of employees and directors was:

	2023 Number	2022 Number
Directors	6	7
Other employees	492	408
	498	**415**

	2023 $'000	2022 $'000
Their aggregate remuneration comprised:		
Wages and salaries	16,504	12,363
Social security costs	2,750	2,183
Pensions	86	67
Charge/(release) for share-based payments	2,238	1,941
Charge for potential social security costs related to share-based payments	332	(77)
	21,910	**16,477**

Within wages and salaries, $1,311,000 (2022: $1,260,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $1,538,000 (2022: $682,000) under the short-term cash incentive scheme payable to directors, and within pensions is $10,000 (2022: $10,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $646,000 (2022: $570,000) comprising $641,000 (2022: $565,000) in relation to wages and salaries (including vested performance bonuses paid) and pension contributions of $5,000 (2022: $5,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2022: 2).

Included within staff costs is $911,000 (2022: $1,054,000) capitalised to intangible exploration and evaluation assets and $3,885,000 (2022: $1,641,000) capitalised into mine development assets.

9. Reclassification of VAT Balances – between current and non-current

In both Mali and Guinea, VAT is payable on qualifying purchases and reclaimed from the governments. The Group is following the relevant process in each country to recoup the VAT balances owing and continues to engage with authorities to estimate if all amounts are recoverable and to accelerate the repayment of the outstanding VAT balances. The time to receive VAT from the Governments of Mali and Guinea is unpredictable and subject to significant judgments and estimations.

Following a review and having considered past recovery experience and the future profitability of both the Malian and Guinean operations, management have made judgements and estimated that a portion of the VAT balances will be non-current, as they are not expected to be received within 12 months. A retrospective reclassification was done for the comparative period.

The following table summarise the impacts on the Group's consolidated financial statements.

i. Consolidated statement of financial position

As at 31 December 2022	As previously reported $'000	Adjustment $'000	As restated $'000
Non-current assets			
Intangible exploration and evaluation assets	129,652	-	129,652
Intangible assets software	143	-	143
Property, plant and equipment	204,393	-	204,393
Right of use assets	25,488	-	25,488
Investments in associates and joint ventures	133	-	133
Financial assets at fair value through profit or loss	1,532	-	1,532
Trade and other receivables	-	14,695	14,695
Deferred tax assets	9,571	-	9,571
	370,912	**14,695**	**385,607**
Current Assets			
Inventory	15,748	-	15,748
Trade and other receivables	51,852	(14,695)	37,157
Unrestricted cash and cash equivalents	-	-	-
Restricted cash and cash equivalents	3,892	-	3,892
	71,492	**(14,695)**	**56,797**
Total assets	**442,404**	**-**	**442,404**
Total liabilities	**284,510**	**-**	**284,510**
Net assets	**157,894**	**-**	**157,894**
Total equity	**157,894**	**-**	**157,894**

There is no impact on the Group's total assets as well as total operating, investing, or financing cash flows or loss for the year ended 31 December 2022. The Group has not presented a balance sheet for the year ended 31 December 2021 as it is not deemed material.

10. Finance income and expense

Finance income	2023 $'000	2022 $'000
Interest on bank deposits	31	10
Foreign exchange gain	659	3,631
	690	**3,641**

Finance expense	2023 $'000	2022 $'000
Interest on borrowings	15,864	10,317
Amortisation of borrowing costs (Note 21)	2,285	1,421
Unwinding of discount on rehabilitation provision	952	261
Foreign exchange loss	3,316	2,157
	22,417	**14,156**

Foreign exchange gains and losses arose mainly on non-functional currency bank deposits and foreign currency loans.

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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:

	2023 $'000	2022 $'000
Net fair value loss on gold collars and forward contracts	2,838	–
Fair value loss on Bunker Hill shares and warrants (Note 14)	539	1,998
Fair value loss/(gain) in deferred consideration (Note 27)	777	(408)
Fair value gain in Cassidy Smelter Royalty (Note 26)	(721)	(875)
	3,433	**715**

12. Tax

The tax charge/(income) for the year is summarised as follows:

	2023 $'000	2022 $'000
Minimum tax pursuant to Malian and Guinean laws	1,912	1,434
Deferred tax charge/(income)	5,256	(5,703)
Tax charge/(income) for the year	**7,168**	**(4,269)**

The taxation charge for the period can be reconciled to the loss per the statement of comprehensive income as follows:

	2023 $'000	2022 $'000
Loss before tax	(18,654)	(44,259)
Tax expense at the rate of tax 30.00% (2022: 30.00%)	(5,596)	(13,278)
Tax effect of non-deductible items	52	55
Origination and reversal of temporary differences	11,260	9,766
Deferred tax asset not recognised /(recognised)	(5,716)	3,457
Recognised deferred tax liabilities/(assets)	5,256	(5,703)
Minimum tax pursuant to Malian and Guinean laws	1,912	1,434
Tax charge/(income) for the year	**7,168**	**(4,269)**

The Group's primary tax rate is aligned with its operations in Mali and Guinea of 30% (2022: 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% (2022:1%) of turnover and 30% of taxable profits. For the Guinean operations the taxation is aligned to local statutes under which tax is charged at an amount of the greater 2% of turnover and 30% of taxable profits.

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:

	2023 $'000	2022 $'000
Loss		
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(24,359)	(34,279)

Number of shares	2023 Number	2022 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	566,893,814	393,525,771
Adjustments for weighted average share options and warrants	1,967,146	25,362,582
Weighted average number of ordinary shares for the purposes of diluted loss per share	568,860,960	418,888,353

Loss per ordinary share	2023 $ cents	2022 $ cents
Basic	(4.30)	(8.71)
Diluted	(4.30)	(8.71)

At the reporting date there were 45,800,839 (2022: 29,560,125) potentially dilutive ordinary shares and warrants. For the year ended 31 December 2023, 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. Other financial assets

Other financial assets are comprised of the following:	2023 $'000	2022 $'000
Investment in joint ventures (a)	104	133
Financial assets at fair value through profit and loss (b)	993	1,532
	1,097	**1,665**

Investments:

Name of entity	Place of business/ country of incorporation	% of ownership interest 2023 %	% of ownership interest 2022 $	Nature of relationship	Measurement method
Single Mine Origin Gold Limited*	United Kingdom	49%	49%	Joint venture [1]	Equity method
Bunker Hill Mining Corporation	United States America	3%	4%	Investment [2]	Fair value through profit or loss

1 Single Mine Origin Gold Limited ("SMO Ltd") has been established for the marketing of gold together with other precious metals investment products, and the development of the Single Mine Origin business. The Group sold its entire holding in SMO Ltd on 14 March 2024.

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.

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(a) Investment in joint ventures:

	Single Mine Origin Gold Limited	
Investments:	**2023 $'000**	**2022 $'000**
Opening carrying value	133	129
Share of (loss)/profit	(29)	4
Closing carrying value	**104**	**133**

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:

	Single Mine Origin Limited	
Summarised statement of comprehensive income:	**2023 $'000**	**2022 $'000**
(Loss)/profit before income tax	(59)	9
Income tax expense	–	–
(Loss)/profit for the year	**(59)**	**9**
Group's % ownership	49%	49%
Group's share of (loss)/profit	**(29)**	**4**

Summarised statement of financial position:	**$'000**	**$'000**
Non-current assets	32	46
Non-current liabilities	(7)	–
Current assets	149	44
Current liabilities	(171)	(26)
Net assets	**3**	**64**
Group's % ownership	49%	49%
Group's share of net assets	**1**	**31**

Reconciliation to carrying amounts:	**$'000**	**$'000**
Group's share of net assets (as shown above)	1	31
Goodwill	119	119
Provision for impairment	(16)	(17)
Closing carrying value	**104**	**133**

Single Mine Origin Limited

The Group entered into a joint venture agreement ("JV Agreement") with Stephen Betts and Sons Limited ("SBS") and 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.

The Group sells Hummingbird gold investment coins and grain to SBS to fulfil orders placed by customers via SMO Ltd. Additionally the Group provides marketing support 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.

The Group sold its 49% holding in SMO Ltd on 14 March 2024. Refer to note 35.

(b) Financial assets at fair value through profit and loss:

	Bunker Hill – shares and Warrants[1]	
	2023 $'000	2022 $'000
Opening position	1,532	3,530
Loss through profit and loss	(539)	(1,998)
Closing carrying value	**993**	**1,532**

1 Warrants are valued using the Black Scholes model.

Bunker Hill Mining Corporation – shares and 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 2023 are split as follows, level 1 shares $789,600 (2022: $1,208,000) and level 2 warrants $203,700 (2022: $323,800).

The value of these shares and warrants on 31 March 2024 was $1.1 million.

15. Intangible assets

(a) Intangible exploration and evaluation assets

	Liberia $'000	Guinea $'000	Mali $'000	Total $'000
Cost				
At 31 December 2021	**67,233**	**238**	**23,816**	**91,287**
Additions for the year	37,190	430	745	38,365
At 31 December 2022	**104,423**	**668**	**24,561**	**129,652**
Additions for the year	3,290	90	532	3,912
Transfers to mine development [1]	–	–	(13,009)	(13,009)
At 31 December 2023	**107,713**	**758**	**12,084**	**120,555**

1 Primarily intangible evaluation and explorations costs that have been transferred to mine development costs upon completion and when depreciation will start, refer to note 16.

Exploration in Liberia is undertaken by Pasofino Gold Limited ("PGL"), through 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 2,000km^2, 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).

The earn-in was formally completed in September 2022, and on 8 December 2023, the Group completed the acquisition of 51% of Pasofino Gold Limited. This was further increased to 53% on 8 February 2024. See note 28.

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.

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(b) Intangible software assets

	Total $'000
Cost	
At 31 December 2021	**535**
Additions	3
Disposals	(7)
At 31 December 2022	**531**
Additions/Transfers	323
At 31 December 2023	**854**
Accumulated amortisation	
At 31 December 2021	**300**
Charge for the year	95
Disposal	(7)
At 31 December 2022	**388**
Charge for the year	73
At 31 December 2023	**461**
Carrying amount	
At 31 December 2022	**143**
At 31 December 2023	**393**

Intangible software assets include software purchased for the operations of the mines and exploration. Amortisation charge of $7,000 (2022: $nil) was capitalised into to mine development assets during the year. Refer to note 16.

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:

	2023 $'000	2022 $'000
Right-of-use assets (Note 23)	75,235	25,488
Property, plant and equipment – owned	306,300	204,393
	381,535	**229,881**

(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 2021	**127,772**	**15,272**	**50,468**	**30,057**	**4,092**	**25,393**	**985**	**254,039**
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	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**
Additions	3,609	–	3	479	1	116,652	56	120,800
Transfers from WIP[1]	27,346	6,022	46,857	14,967	288	(95,803)	–	(323)
Transfers from E&E [2]	13,009	–	–	–	–	–	–	13,009
Adjustments	396	–	30	1,029	–	–	–	1,455
Disposals	–	–	(307)	(314)	–	–	–	(621)
At 31 December 2023	**178,113**	**23,779**	**98,502**	**46,447**	**4,444**	**122,382**	**1,084**	**474,751**
Accumulated depreciation								
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	2,275	–	–	–	–	–	–	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**
Charge for the year	16,880	3,086	6,872	4,307	192	–	38	31,375
Adjustment	1,205	–	30	1,029	–	(809)	–	1,455
Disposals	–	–	(163)	(254)	–	–	–	(417)
At 31 December 2023	**93,868**	**12,491**	**36,803**	**20,704**	**3,573**	**–**	**1,012**	**168,451**
Carrying amount								
At 31 December 2022	**57,970**	**8,352**	**21,855**	**14,664**	**774**	**100,724**	**54**	**204,393**
At 31 December 2023	**84,245**	**11,288**	**61,699**	**25,743**	**871**	**122,382**	**72**	**306,300**

1 Transfers represents completed assets under construction balances being transferred to the respective asset categories. A total of $323,000 relating to software was transferred to intangible software assets, refer to note 15.

2 Primarily intangible evaluation and explorations costs that have been transferred from intangible exploration and evaluation assets to mine development costs upon completion and when depreciation will start, refer to note 15.

Amortisation charge of $1,731,000 (2022: $21,000) was capitalised into mine development assets during the year.

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17. Subsidiaries

The Company had investments in the following subsidiary undertakings as at 31 December 2023, all of which have been included in these consolidated financial statements:

Name and Registered Office	Country of incorporation and operation	Proportion of voting interest % - 2023	Proportion of voting interest % -2022	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
Pasofino Gold Limited [3] 366 Bay Street, Suite 200 Toronto, ON M5H 4B2, Canada	Canada	51	-	Exploration & development
Afro Minerals Inc. Hummingbird pasHouse, 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	41	41	Dormant
Hummingbird Resources (Liberia) Inc. [3] Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	51	51	Exploration & development
ARX Resources Limited Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	British Virgin Islands	51	-	Exploration & development
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	51	51	Security
Intervest Inc Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	51	51	Dormant
Bentley International Trading Corporation Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia	Liberia	51	51	Dormant
Glencar Mining Limited 10 Earlsfort Terrace, Dublin 2, D02 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
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
Kouroussa Gold Mining SA [2] Immeuble Sankaran Plaza,3 eme, Etage Apt B, Conakry Republique de Guniee,	Guinea	85	100	Mining

Name and Registered Office	Country of incorporation and operation	Proportion of voting interest % - 2023	Proportion of voting interest % -2022	Activity
Kouroussa Exploration SARLU Immeuble Sankaran Plaza,3 eme, Etage Apt B,, Conakry Republique de Guniee,	Guinea	100	100	Exploration
Hummingbird West Africa Limited Falcon Cliff, Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	-	Intermediate holding company
Sunangel B Limited Falcon Cliff, Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	-	Intermediate holding company
Trochilidae Holdings Limited Suite 108, Premier Buidling, Victoria, Mahe, Seychelles	Seychelles	100	-	Intermediate holding company

1 On 2 February 2017 the Government of Mali exercised its right to participate in the Yanfolila project by acquiring in the subsidiary;
i) a 10% free carried interest (pursuant to the applicable mining law); and
ii) 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.
2 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).
3 On 8 December 2023, the Group converted its 51% stake in Hummingbird Resources (Liberia) Inc to a 51% stake in Pasofino Gold Limited. Refer to note 28.

Additionally, as of 31 December 2023 the Group had a 49% (2022: 49%) investment in Single Mine Origin Limited and a 3% (2022: 4%) 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:

	2023 $'000	2022 $'000
Total revenue relating to Société des Mines de Komana SA	**159,360**	**143,344**
Revenue applicable to NCI (20% of above)	**31,872**	**28,669**

Movement in NCI during the year are as follows:

	$'000
At 31 December 2021	**9,520**
Loss attributable to NCI	(5,711)
At 31 December 2022	**3,809**
Loss attributable to NCI	(1,463)
31 December 2023	**2,346**

Summarised financial information of the subsidiary adjusted for Group accounting policies, prior to elimination of intra-group items is set out below:

	2023 $'000	2022 $'000
Non-current assets	153,276	178,301
Current assets	56,274	49,051
Current liabilities	(43,804)	(84,277)
Non-current liabilities	(164,648)	(90,808)
Net assets	1,098	52,267

	2023 $'000	2022 $'000
Loss after tax	7,315	28,556
	7,315	28,556

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Non-controlling interests – Government of Guinea

Kouroussa Gold Mine SA in which the NCI is 15% (refer above).

As at 31 December 2023, Kouroussa Gold Mine had not reached commercial production and hence all revenues and costs were capitalised. Summarised financial information adjusted for Group accounting policies, after elimination of intra-group items is set out below:

	2023 $'000
Non-current assets	297,837
Current assets	21,449
Current liabilities	(68,663)
Non-current liabilities	(105,262)
Net assets	145,361

The resulting non- controlling interest based on net assets above is as follows:

	2023 $'000
15% of net assets above	21,804
	21,804

As at 31 December 2023, Kouroussa Gold Mine had not reached commercial production and hence all revenues and costs were capitalised. Summarised financial information adjusted for Group accounting policies, after elimination of intra-group items is set out below:

Non-controlling interests – Pasofino

For details of the Pasofino non-controlling interest refer to note 28.

18. Inventories

	2023 $'000	2022 $'000
Dore, refined gold, SMO gold, gold grain and coins	5,266	3,613
Gold in process	1,834	1,066
Stockpiled ore	1,814	3,781
Consumables	7,092	7,288
	16,006	**15,748**

At 31 December 2023, inventory included a provision of $nil (2022: $nil) to adjust finished gold and gold in process inventory to net realisable value.

Cost of inventories of $121.7 million (2022: $153.6 million) were recognised within cost of sales during the year.

19. Trade and other receivables

Trade and other receivables are mainly relates to prepayments, VAT and amounts due from Government of Mali.

	2023 $'000	2022 Restated $'000
Other receivables	13,048	16,810
Less: Allowance for expected credit losses	(1,826)	(1,603)
Net other receivables	11,222	15,207
Prepayments and accrued income	1,929	5,360
VAT recoverable	45,793	31,285
	58,944	**51,852**
Analysed as:		
Current	30,789	37,157
Non-current	28,155	14,695
At 31 December	**58,944**	**51,852**

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000, approximately $8.3 million (2022: $8.0 million), 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 $223,000 (2022: $316,000). The net cumulative lifetime expected credit loss for the balance is $1.8 million at 31 December 2023. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Refer to note 32 for a reconciliation of lifetime expected credit losses.

Having considered past recovery experience and the future profitability of the Malian subsidiary, management have made judgments and estimated that the full balance be classified as non-current, as it is not expected to be received within 12 months.

VAT Recoverable

VAT recoverable at end of 31 December 2023, includes VAT receivables of $28.8 million in Mali, $16.6 million in Guinea and $427,000 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 2023, the VAT balance in Mali remains high at $28.8 million on 31 December 2023 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 as of 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").

Having considered past recovery experience and the future profitability of the Malian and Guinean subsidiaries, management have made judgements and estimated that a portion of the VAT to be non-current, as it is not expected to be received within 12 months.

20. Cash and cash equivalents

Unrestricted cash and cash equivalents

Unrestricted cash and cash equivalents as at 31 December 2023 was net $3,610,000, made up as cash of $11,212,000 and an overdraft of $7,602,000, (2022: overdraft of $1,741,000) representing cash held by the Group.

Restricted cash and cash equivalents

Restricted cash and cash equivalents of $4,030,000 (2022: $3,892,000), is cash held in an escrow account as part of the security held by Coris Bank (note 21).

Net debt reconciliation

	At 1 January 2023 $'000	Cash flow $'000	Foreign exchange movement $'000	Amortisation of issue costs/ other[1] $'000	At 31 December 2023 $'000
Unrestricted cash	(1,741)	5,591	(240)	–	3,610
Restricted cash	3,892	–	138	–	4,030
Total cash & cash equivalents	**2,151**	**5,591**	**(102)**	**–**	**7,640**
Borrowings (Note 21)	(115,702)	(26,347)	(3,488)	(2,745)	(148,282)
Lease liabilities (Note 23)	(27,664)	24,218	–	(84,134)	(87,580)
Net debt	**(141,215)**	**3,462**	**(3,524)**	**(86,879)**	**(228,222)**

1 Included within the other category on lease liabilities is $74.9 million additions to liabilities, interest charge of $1.9 million expensed and interest charge of $6.8 million capitalised into mine development assets. Included within the other category for borrowings is $2.7 million of issue costs amortisation.

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	At 1 January 2022 $'000	Cash flow $'000	Foreign exchange movement $'000	Amortisation of issue costs/ other $'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 21)	(61,812)	(55,371)	3,247	(1,766)	(115,702)
Lease liabilities (Note 23)	(37,517)	13,603	–	(3,750)	(27,664)
Net debt	**(62,590)**	**(75,808)**	**2,699**	**(5,516)**	**(141,215)**

21. Borrowings

	Coris Mali Facility $'000	Coris Guinea Facility $'000	Total Borrowings $'000
At 1 January 2023	87,202	28,500	115,702
Loan drawdown	64,409	3	64,412
Capital paid during the year	(37,031)	–	(37,031)
Issue costs arising during the year	(1,034)	–	(1,034)
Issue costs amortised in the year	2,285	460	2,745
Interest capitalised during the year	–	2,656	2,656
Interest charged during the year	10,543	–	10,543
Interest paid during the year	(7,101)	(2,085)	(9,186)
Loan interest accrued during the year	(3,442)	(571)	(4,013)
Foreign exchange loss during the year	3,488	–	3,488
Total borrowings at 31 December 2023	119,319	28,963	**148,282**
Analysed as:			
Current	71,110	11,540	**82,650**
Non-current	48,209	17,423	**65,632**

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 of up to CFA 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 2022, 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 drawdown was available for an initial six-month period from 28 December 2022 and carrying an interest of 9% per annum.
- Between April and July 2023, SMK drew down CFA 10,000,000,000 (approximately $16.7 million) before fees and carrying an interest of 8.5% per annum.

c. Coris refinancing package up to CFA 32,700,000,000 (approximately $55,000,000)
In September 2023, SMK entered a refinancing package with Coris of up to CFA 32,700,000,000 (approximately $55,000,000) excluding fees, of which approximately $35 million was to refinance existing loans and an additional $20 million for working capital support to support the Group in bringing the Kouroussa Project into production.

This financing package was then split and drawn down as follows:

- In September 2023, SMK drew down on CFA 9,000,000,000 (approximately $15,000,000) of this facility before any fees. This short-term debt facility is available for an initial five-year period from draw down date and carries interest at 12% per annum.
- In December 2023, SMK drew down on CFA 6,000,000,000 (approximately $10 million) to repay the revolving short-term facility of the same amount. This CFA 6,000,000,000 was also immediately redrawn.
- A further CFA 13,850,000,000 (approximately $23 million) of this facility was drawn down at end of December 2023. This CFA 13.85 billion draw down is available for an initial twenty-month period from December 2023 and carries an interest of 12% per annum.
- The remainder of this financing package was undrawn as of 31 December 2023, however, was accessed in early 2024.

d. Coris Overdraft
An overdraft facility of CFA 5,200,000,000 (circa $8.5 million on 31 December 2023 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 20).

The Group records and measures borrowings at amortised cost, using the effective interest rate method.

Coris and CIG, the Company's major shareholder, are controlled by the same principal.

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22. Provisions

Provisions as at 31 December 2023 totalled $36,924,000 (2022: $27,950,000).

	2023 $'000	2022 $'000
Rehabilitation provision (a)	36,067	27,308
End of service provision (b)	857	642
	36,924	27,950
Analysed as:		
Current	145	830
Non-current	36,779	27,120
At 31 December	**36,924**	27,950

(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 until end of life of mines. 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.

	Rehabilitation provision – Mali $'000	Rehabilitation provision – Guinea $'000	Total $'000
At 1 January 2022	**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**
Utilised during the year	(49)	–	**(49)**
Additions during the year	–	6,470	6,470
Remeasurement	1,185	–	1,185
Unwinding of discount	952	201	1,153
At **31 December 2023**	24,632	11,435	36,067
Analysed as:			
Current	97	48	145
Non-current	24,535	11,387	35,922
At 31 December 2023	**24,632**	**11,435**	**36,067**

(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 2023 of $797,000 (2022: $642,000) 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 length of service in Guinea a provision of $60,000 (2022: $47,000) 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.

23. 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 and Kouroussa 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 2022	**47,517**	**475**	**47,992**
Forfeiture/lapses[1]	–	(475)	**(475)**
Arising during the year	–	761	**761**
Remeasurement	127	–	**127**
At 31 December 2022	**47,644**	**761**	**48,405**
Arising during the year[1]	76,157	**–**	**76,157**
At 31 December 2023	**123,801**	**761**	**124,562**
Depreciation			
At 1 January 2022	**11,531**	**475**	**12,006**
Forfeiture/lapses	–	(475)	(475)
Charge for the year	11,335	51	11,386
At 31 December 2022	**22,866**	**51**	**22,917**
Charge for the year – expensed	11,286	152	11,438
Charge for the year – capitalised[2]	14,972	–	14,972
At 31 December 2023	**49,124**	**203**	**49,327**
Carrying amount at 31 December 2022	**24,778**	**710**	**25,488**
Carrying amount at 31 December 2023	**74,677**	**558**	**75,235**

1 The addition during the year mainly relates to the mining contract and power generators in Kouroussa, Guinea and the underground EPIROC equipment lease in Yanfolila, Mali.

2 The depreciation and amortisation charges in Guinea were capitalised against mine development assets, as Kouroussa had not reached commercial production on 31 December 2023. The EPIROC depreciation and amortisation charges in Mali were also capitalised since the equipment is being used to develop the KE underground, which is still under development.

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(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:

	2023 $'000	2022 $'000
Within one year	42,014	12,730
In the second to fifth years inclusive	62,413	16,585
Total undiscounted lease liabilities at 31 December	**104,427**	**29,315**

Lease liabilities included in the statement of financial position at 31 December 2023 were:

	2023 $'000	2022 $'000
At 1 January	**27,664**	**37,517**
Arising during the year[1]	74,999	761
Remeasurement	–	127
Lease liability and lease interest paid during the year	(24,218)	(13,603)
Interest expense on lease liabilities – capitalised[2]	7,201	–
Interest expense on lease liabilities – expensed	1,934	2,862
At 31 December	**87,580**	**27,664**
Analysed as:		
Current	34,075	11,819
Non-current	53,505	15,845
At 31 December	**87,580**	**27,664**

1 The addition during the year mainly relates to the mining contract and power generators in Kouroussa, Guinea and the underground EPIROC lease in Yanfolila, Mali.

2 The interest expense in Guinea were capitalised against mine development assets, as Kouroussa had not reached commercial production on 31 December 2023. The EPIROC interest expense in Mali were also capitalised since the equipment is being used to develop the KE underground, which is still under development.

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $11.4 million (2022: $11.4 million) and $1.9 million (2022: $2.9 million) interest expense on lease liabilities. Low value and short-term lease charges of $107,000 (2022: $95,000) were also charged into the income statement during the year. A further $131,000 (2022: $86,000) capitalised into mine development in respect of Guinean based short-term leases.

Total of $24.2 million (2022: $13.6million) was paid during in respect of lease principal and interest, and this is reflected in statement of cash flows under financing activities.

24. 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 2023, deferred tax assets of $4.3 million were recognised in the Malian subsidiary, (2022: net deferred tax asset of $9.6 million). This resulted in a net deferred tax expense of $5.3 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 $20.3 million (2022: $17.4 million), as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

In Guinea, most of the completed assets including the original research fees of GNF 585bln (circa US$60m) which was transferred to KGM, has now been transferred to the fixed asset register and depreciation started towards the end of 2023. Given the immaterial nature of any temporary differences on the Kouroussa assets at 31 December 2023 due to timing of capitalisation and depreciation start, no deferred tax or liabilities were recognised as 31 December 2023.

Further, the Group will also be finalising the tax status of Kouroussa in 2024, as the Company is expected to be now in full commercial production, at which point the necessary advice will be obtained from local tax advisors which will inform the deferred tax position as at 31 December 2024.

The movement in deferred tax assets and liabilities during the year is as follows:

	Unrecognised deferred tax assets $'000	Deferred tax assets $'000	Recognised deferred tax liability $'000	Net deferred tax assets $'000
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**
Tax losses arising during the year	2,901	–	–	2,901
Tax losses utilised during the year	–	(8,853)	–	(8,853)
Accelerated tax depreciation	–	–	3,597	3,597
At 31 December 2023	**20,285**	**4,315**	**–**	**24,600**

25. Trade and other payables

	2023 $'000	2022 $'000
Trade payables	68,355	20,525
Other taxes and social security	11,215	7,814
VAT payable	3,823	430
Accruals	26,060	31,141
Other payables	4,722	6,171
	114,175	**66,081**

The average credit period taken for trade purchases is 131 days (2022: 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.

26. Other financial liabilities

	2023 $'000	2022 $'000
Royalty liability – Kouroussa	7,497	8,218
Royalty liability – Ecora Resources PLC (Formerly Anglo Pacific Group PLC)	15,000	15,000
Derivative financial liabilities (note 26)	4,866	–
Loans – Pasofino	–	18,577
	27,363	**41,795**
Analysed as:		
Current	7,497	26,795
Non-current	19,866	15,000
At 31 December	**27,363**	**41,795**

Royalty liability – Ecora Resources 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), now Ecora Resources PLC in relation to Dugbe. Under the terms of the agreement Ecora 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

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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 Ecora regarding the obligations of its subsidiaries in respect of this arrangement.

Royalty liability – Kouroussa

The Cassidy Smelter Royalty was reassessed to $7.5 million as at 31 December 2023 (2022: $8.2 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.

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.

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 2023. This liability, when there is an obligating event, will be deemed to be a level 2 liability under the fair value hierarchy.

27. Deferred consideration

	Total $'000
At 1 January 2022	**4,627**
Offsets for amounts receivable from Cassidy	(642)
Fair value movements through profit and loss	(408)
At 31 December 2022	**3,577**
Payment via issue of shares – net of offsets	(1,805)
Fair value movements through profit and loss	777
At 31 December 2023	**2,549**
Analysed as:	
Current	–
Non-current	2,549
At 31 December 2023	**2,549**

The deferred consideration was reassessed to $2.5 million as at 31 December 2023 (2022: $4.2 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income.

Following the publication of the reserve of 647,000 ounces (at 4.15g/t) at Kouroussa on 30 June 2022, deferred consideration of circa £2 million in respect of 200,000 excess ounces became payable to Cassidy, with 22,688,844 shares being issued on 7 February 2023 to satisfy this liability.

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.

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.

28. Pasofino acquisition

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") on 4 June 2020. 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.

The earn-in was formally completed in September 2022. On 8 December 2023, the Group completed a share swap agreement with the conversion of its 51% interest in the Dugbe Gold Project in Liberia, into a 51% controlling interest in TSX-V listed Pasofino Gold Limited.

The consideration for the share exchange, was done in following stages:

a. Pasofino' s 100% owned subsidiary, ARX Limited ("ARX"), buying the remaining 51% in Hummingbird Liberia Limited, from Hummingbird Resources Plc ("HBR"):
   - HBR sells all its intercompany balances and trade payable balances to ARX as part of this.

b. HBR acquiring 51% of Pasofino, through:
   - Pasofino issuing 54,027,783 shares to HBR.
   - One additional common share for the remaining balance of the Sole Funding agreement amount multiplied by 51/49, as the sole funding shares.

Following this the results of Pasofino are now consolidated into these financial statements from the 8thDecember 2023.

Key accounting judgements
Following the share exchange agreement, management have made judgments and assessed that this transaction represents an asset purchase as opposed to a business combination transaction. In arriving at this conclusion management took regard to the following key areas:

a. The Pasofino assets are concentrated on single asset, being the evaluation and exploration asset in Liberia, and hence in this situation accounting standards regard this as asset purchase as opposed to a business combination transaction.

b. Further Pasofino are currently purely concentrating on the Dugbe asset, and their valuation is primarily driven by the exploration and evaluation asset in Liberia.

The Directors consider the fair value of the consideration paid at the point of acquisition to be:

	Fair Value $'000
Fair value of consideration paid	
Intercompany loans and receivables given	51,290
Total net consideration	**51,290**

Given the sale was done as a share swap the Group initially sold Hummingbird Resources (Liberia) Incl assets to Pasofino and immediately bought the same assets back, with no overall impact to the assets. The assets purchased were therefore only those assets from the previously not controlled Pasofino.

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The consideration above has been allocated against the assets and liabilities acquired as follows:

	Net Fair Value $'000
Assets and liabilities purchased	
Property, plant and equipment – other at net book value	2
Short term investments	3
Trade and other receivables	38
Cash and cash equivalents	550
Trade and other payables	(723)
Total net liabilities acquired	**(130)**

The assets and liabilities have been recorded in the financial statements areas to which they relate.

Summarised financial information of Pasofino Group (which includes Hummingbird Resources (Liberia) Inc, adjusted for Group accounting policies, after elimination of intra-group items is set out below:

	2023 $'000	2022[1] $'000
Non-current assets	107,964	100,817
Current assets	649	3,850
Current liabilities	(3,588)	(2,407)
Non-current liabilities	(15,000)	(33,577)
Net assets	90,025	68,683

1 Only includes Hummingbird Resources (Liberia) Inc, before the share exchange agreement.

The resulting non-controlling interest based on net assets above is as follows:

	2023 $'000	2022 $'000
49% (2022: 49%) of net assets above	44,113	33,655
	44,113	33,655

Dugbe is still under development hence there is no revenue. There is an immaterial net loss of $12,000 (2022: $11,000) arising mainly from foreign exchange differences.

29. 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

	2023		2022	
	Number	$'000	Number	$'000
Issued and fully paid				
Ordinary shares of £0.01 each	**640,495,505**	**8,840**	393,724,051	5,828
Total Ordinary after issue – shares of £0.01 each	**640,495,505**	**8,840**	393,724,051	5,828

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 2022	**392,676,809**
Exercise of share options and deferred share awards	1,047,242
At 31 December 2022	**393,724,051**
Issue of shares	246,771,454
At 31 December 2023	**640,495,505**

The total number of outstanding share options are:

Share options	2023 Number	2022 Number
Opening balance	29,456,868	19,880,880
Issued	22,135,191	14,900,636
Exercised	–	(1,047,242)
Lapsed	(5,894,477)	(4,277,406)
As at 31 December	**45,697,582**	**29,456,868**
Total	**45,697,582**	**29,456,868**

30. Share based payments

The following table outlines movement in share options granted and outstanding:

Share options	2022 Number	Granted Number	Exercised Number	Lapsed Number	2023 Number
Granted 5/12/2013	**1,468,000**	–	–	(382,000)	**1,086,000**
Granted 30/09/2016	**3,084,089**	–	–	–	**3,084,089**
Granted 26/09/2017	**110,795**	–	–	–	**110,795**
Granted 30/04/2018	**383,724**	–	–	–	**383,724**
Granted 24/01/2019	**619,992**	–	–	–	**619,992**
Granted 27/02/2020	**2,768,416**	–	–	–	**2,768,416**
Granted 16/04/2020	**30,834**	–	–	–	**30,834**
Granted 27/02/2021	**8,821,802**	–	–	(3,680,569)	**5,141,233**
Granted 04/02/2022	**12,169,216**	–	–	(1,194,000)	**10,975,216**
Granted 06/02/2023	**–**	22,135,191	–	(637,908)	**21,497,283**
Total number of share options	**29,456,868**	**22,135,191**	**–**	**(5,894,477)**	**45,697,582**
Weighted average exercise price	**£0.02**	**£0.01**	**–**	**£0.01**	**£0.02**

Of the total number of share options outstanding at 31 December 2023 9,776,454 (2022: 8,658,265) had vested and were exercisable.

The weighted average fair value of share options granted during the year was $0.0872 (£ 0.0816) (2022: $0.176, (£0.13)).

The weighted average share price (at the date of exercise) of share options exercised during the year was nil (2022: $0.015 (£0.013)).

The exercise price of share options outstanding at 31 December 2023 ranged between £0.01 and £0.22 (2022: £0.01 and £0.22) and their weighted average contractual life was 4 years (2022: 6 years).

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The following table outlines share based payment charges:

	2023 $'000	2022 $'000
Charge for equity settled share-based payments (HIPPO 2016 to 2020)	–	35
Charge for cash settled share-based payments (CEO Deferred bonus)	85	(130)
Charge for Directors Deferred Share Awards	107	117
Charge for Long-Term incentive Plans (LTIPs)	2,046	1,919
Total share-based payment charges recognised in profit and loss	**2,238**	**1,941**
WACOM share based payments arrangements*	**(121)**	1,752
Total share-based payments capitalized to mine development	**(121)**	**1,752**

* 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. WACOM did not meet its conditions for the cash element of the incentive scheme and hence the provision was released. Discussions are still ongoing on the equity portion of the incentive scheme. 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 Yanfolila 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 2023:

	Share award - Number
Total award granted	8,681,658
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	(5,486,774)
Number of share options exercised or lapsed during the current period	–
Number of share options outstanding as at 31 December 2023	**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 Yanfolila 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 2023:

	Share award - Number
Total award granted 30 April 2019 – original grant	6,157,819
Black Scholes revaluation change	–
Lapsed as part of amendment	(234,375)
Reissued as part of amendment	751,427
Total HIPPO 2018 awards granted – as amended	**6,674,871**
Lapsed / paid out during the prior periods	(5,671,155)
Lapsed / paid out during the current period	–
Number of share options outstanding as at 31 December 2023	**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.

b) Cost and Cashflow Tranche:

i. 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;

ii. 1/6 of the RSUs will vest if the Company is in a net cash position by 31 December 2020.

c) Performance Tranche:

i. 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 2023:

	Share award - Number
Total award granted 27 February/16 April 2020 – original grant	9,080,000
Lapsed/exercised/paid during prior periods	(6,280,750)
Lapsed/exercised/paid out in current period	–
Number of share options outstanding as at 31 December 2023	**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:

a) Retention Tranche: based on continuous employment and subject to malice provisions.

b) 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.

c) 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 2021 Incentive Schemes as at 31 December 2023:

	Share award – LTIP– Number
Total award granted 28 February 2021	7,495,548
Others granted to selected employees [1]	2,870,370
Lapsed/exercised/paid out in prior periods	(2,008,368)
Lapsed/exercised/paid out in current period	(3,680,569)
Number of share options outstanding as at 31 December 2023	**4,676,981**

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 ran from 1 January 2021 to 31 December 2021.

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 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 2023:

	Share award-Number
Total award granted 28 February 2021	580,315
Lapsed/exercised/paid out in prior periods	(116,063)
Lapsed/exercised/paid out in current period	–
Number of Directors Deferred Share Awards outstanding as at 31 December 2023	**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:

a) Retention Tranche: 1/3 based on continuous employment and subject to malice provisions.

b) 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.

The below reflects the outstanding options in respect of the 2022 Incentive Scheme as at 31 December 2023:

	Share award – STIP Number
Total award granted 4 February 2022	13,828,161
Lapsed/exercised/paid out in prior periods	(2,516,925)
Lapsed/exercised/paid out in current period	(1,194,000)
Number of share options outstanding as at 31 December 2023	**10,117,236**

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)

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2023 Incentive Scheme

In line with the Long-Term Incentive Plan ("LTIP"), the Remuneration Committee approved the grant of 20,662,435 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 as follows:

a) Retention Tranche: 1/3 based on continuous employment and subject to malice provisions.

b) 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.

The below reflects the outstanding options in respect of the 2023 Incentive Scheme as at 31 December 2023:

	Share award – STIP Number
Total award granted 6 February 2023	20,662,435
Lapsed/exercised/paid out in current period	(637,908)
Number of share options outstanding as at 31 December 2023	**20,024,527**

The performance period ran from 1 January 2023 to 31 December 2023.

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	$0.0981 (£0.0816)
Expected dividend yield	Nil
Expected volatility	50.30%
Expected life	3.0 years
Risk free interest rate	3.201%
Resultant fair value	$0.087 (£0.072)

Non-executive Director 2022 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 2023, the awards are as follows:

Name	Position	Total number of Deferred Share Awards
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		**857,980**

The below reflect Non-executive Director Deferred Share Awards as at 31 December 2023:

	Share award - Number
Total award granted 4 February 2022	1,072,475
Lapsed/exercised/paid out in prior periods	(214,495)
Number of share options outstanding as at 31 December 2023	**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)

Non-executive Director 2023 Deferred Share Awards

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**

	Share award - Number
Total award granted 6 February 2023	1,472,756
Lapsed/exercised/paid out in prior periods	-
Number of Director Deferred Share Awards outstanding as at 31 December 2023	1,472,756

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	$0.0816 (£0.0679)
Expected dividend yield	Nil
Expected volatility	50.30%
Expected life	1.0 years
Risk free interest rate	3.589%
Resultant fair value	$0.070 (£0.058)

WACOM Incentive Plan

As we announced in December 2021, the Company 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.

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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 2023:

	Share award	Cash award ($'000)
Total award granted 25 November 2021	6,342,857	750
Lapsed/exercised/paid/ out during current and prior periods	–	(750)
Number of share options outstanding as at 31 December 2023	**6,342,857**	**–**

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 2023 was $0.131 (£0.103) (2022: $0.083, £0.069).

As a result of movement in the share price and changes in foreign exchange rates, the deferred bonus liability was increased by $86,000 (2022: decreased by $202,000).

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.

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. No value will accrue to the FEAP if the growth in shareholder value is less than 50% from 1 February 2023.

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 2023 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.

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% from 1 February 2023. 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.

31. Notes to the statement of cash flows

	Notes	2023 $'000	2022 $'000
Loss before tax		(18,654)	(44,259)
Adjustments for:			
Amortisation and depreciation	15 & 16	29,598	26,048
Amortisation and depreciation – right of use assets	23	11,438	11,386
Share based payments	30	2,570	1,865
Finance income	10	(690)	(3,641)
Finance expense	10	22,417	14,156
Share of joint venture loss/(gain)	14	29	(4)
Impairment/(reversals) in impairment of financial assets	19	223	316
Loss on financial assets and liabilities measured at fair value	14	3,433	715
Operating cash flows before movements in working capital		50,364	6,582
Increase in inventory		(258)	(2,601)
Increase in receivables		(7,734)	(21,491)
Increase in payables		46,157	32,101
		88,529	**14,591**
Taxation paid		(1,470)	(1,410)
Net cash inflow from operating activities		**87,059**	**13,181**

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 , bank overdrafts 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.

32. 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.

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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	
Financial assets	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**	**2023 $'000**	**2022 $'000**
Cash and cash equivalents (note 20)	7,640	2,151	–	–	–	–	–	–
Other financial assets	–	–	2,030	–	–	–	–	–
Investments (Note 14)	104	133	993	1,532	–	–	–	–
Other receivables (Note 19)	11,222	15,207	–	–	–	–	–	–
	18,966	17,491	3,023	1,532	–	–	–	–
Financial liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings (Note 21)	–	–	–	–	148,282	115,702	–	–
Lease liabilities (Note 23)	–	–	–	–	87,580	27,664	–	–
Trade payables (Note 25)	–	–	–	–	68,355	20,525	–	–
Other payables (Note 25)	–	–	–	–	4,722	6,171	–	–
Accruals (Note 25)	–	–	–	–	26,060	31,141	–	–
Royalty liability (Note 26)	–	–	–	–	15,000	15,000	7,497	8,218
Other financial liabilities (Note 26)	–	–	–	–	–	–	4,866	–
Pasofino Loan (Note 26)	–	–	–	–	–	18,577	–	–
Deferred consideration (Note 27)	–	–	–	–	–	–	2,549	3,577
	–	–	–	–	349,999	234,780	14,912	11,795

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 2023	Less than one year $'000	Between one and five years $'000	Over five years $'000	Total $'000
Trade payables (Note 25)	68,355	–	–	68,355
Royalty liability (Note 26)	15,000	7,497	–	22,497
Other payables (Note 25)	4,722	–	–	4,722
Accruals (Note 25)	26,060	–	–	26,060
Deferred consideration (Note 27)	–	2,549	–	2,549
Other financial liabilities (Note 26)	4,866	–	–	4,866
Lease liabilities (Note 23)	29,820	57,760	–	87,580
Borrowings (Note 21)	82,650	65,632	–	148,282
	231,473	**133,438**	**–**	**364,911**

At 31 December 2022	Less than one year $'000	Between one and five years $'000	Over five years $'000	Total $'000
Trade payables (Note 25)	20,525	–	–	20,525
Royalty liability (Note 26)	15,000	8,218	–	23,218
Pasofino loan	–	18,577	–	18,577
Other payables (Note 25)	6,171	–	–	6,171
Accruals (Note 25)	31,141	–	–	31,141
Deferred consideration (Note 27)	1,776	1,801	–	3,577
Lease liabilities (Note 23)	12,730	14,934	–	27,664
Borrowings (Note 21)	43,862	71,840	–	115,702
	131,205	**115,370**	**–**	**246,575**

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:

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, 2023 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 at 31 December 2023 (note 19).

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.

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Lifetime expected credit losses

A reconciliation of the lifetime expected credit losses at 1 January 2023 and 31 December 2023 in accordance with IFRS 9, is set out below.

	Other receivables
	Government of Mali $'000
As at 1 January 2022	**1,287**
Increase during the year	316
As at 31 December 2022	**1,603**
Increase during the year	223
As at 31 December 2023	**1,826**

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 21.

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.

Commodity price risk

Commodity price risk relates to the risk that the fair values of the Group's financial instruments will fluctuate because of changes in the commodity prices. Commodity prices may affect the revenue that the Group generates.

There has been no significant change in the Group's objectives and policies for managing this risk during the period ended 31 December 2023, however as announced on 31 January 2024 the Group entered into a short-term revenue protection programme covering a portion of the 2024 production, to protect against commodity price variability in periods of significant deleveraging and capital investment. These programmes are discussed below:

Revenue protection programme

	Gold Collars 2023 $'000	Forward contracts 2023 $'000	Total 2023 $'000
Unrealised loss	2,222	614	**2,836**
Total	**2,222**	**614**	**2,836**

Gold Collars

In the year ended 31 December 2023, the Group implemented a zero cost collar strategy using written call options and bought put options with a floor price of $2,000 and an average ceiling price of $2,160 per ounce. The collars covered a total of 40,000 ounces to be settled during 2024.

As of 31 December 2023, the put options of the collars were a financial liability with a fair value of $4.2 million which is included in derivative financial liabilities (note 26) and the call options were a financial asset with a fair value of $2.0 million which is included in derivative financial assets (note 14) and they are both classified as current. The collar was not designated as a hedge by the Group and recorded at its fair value at the end of each reporting period.

The Group recognised an unrealised loss of $2.2 million due to a change in fair value of the collar for the year ended 31 December 2023.

Forward contracts

During the year ended 31 December 2023, the Group entered into forward contracts for 20,000 ounces at an average gold price of $2,033 per ounce which were settled in Q1 2024. These forward contracts were classified as a derivative financial liability (note 26) and had a fair value of $0.6 million, which is classified as current.

The Group recognised an unrealised loss of $0.6 million in the year ended 31 December 2023.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Australian Dollars ("AUD")	103	54	62	54
Canadian Dollars ("CAD")	–	–	19	17
Euros ("EUR")	688	916	3,192	1,024
Sterling ("GBP")	10,140	9,051	–	1,934
South African Rand ("ZAR")	634	116	188	–
Guinea Franc ("GNF")	31,712	5,404	16,775	8,407
West African CFA Franc ("FCFA")	147,042	114,744	34,471	30,630

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:

	2023 $'000	2022 $'000
Increase in comprehensive income and net assets – EUR	251	11
Decrease in comprehensive income and net assets – GBP	(844)	(712)
Decrease in comprehensive income and net assets – ZAR	(45)	(12)
(Decrease)/Increase in comprehensive income and net assets – GNF	(1,472)	300
Decrease in comprehensive income and net assets – FCFA	(9,806)	(8,411)

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33. 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 CIG
CIG is classified as a Substantial Shareholder of the Company pursuant to the AIM Rules for Companies (the "AIM Rules"). The Company entering into any further investment or short-term lending transactions with CIG is accordingly classified as a related party transaction pursuant to the AIM Rules. There were no balances payable or receivable to/from CIG as of 31 December 2023. In May 2024, CIG agreed to provide a short-term loan of $10 million to enable smooth transition to full operations at Kouroussa. The loan is being provided in tranches, is unsecured, attracts interest at a rate of 14% per annum and has a maturity date of 30 September 2024, which can be extended by mutual agreement.

Further, Coris and CIG, are controlled by the same principal.

Transactions with Stephen Betts & Sons Limited
During the year Stephen Betts & Sons Limited charged the Company $75,000 (2022: $75,000) under a contract for the provision of staff, office equipment and premises. There were $50,000 accrued outstanding charges between the parties as at 31 December 2023 (2022: $19,000). The amounts outstanding are unsecured and have been settled in cash.

Additionally, during the year the Company sold Stephen Betts & Sons Limited $7,747,000 (2022: $7,175,000) in gold grain and investment gold coins. There was an outstanding debtor balance of $nil (2022: $42,000) between the parties as at 31 December 2023. The amounts outstanding are unsecured and were 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.

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*.

	2023 $'000	2022 $'000
Short-term employee benefits	1,311	1,260
Social security cost	164	154
Pensions	10	10
Share based payment charge	1,040	682
Increase/(decrease) in provision for potential social security costs on share options	232	(44)
	2,757	**2,062**

34. Capital Commitments

As of 31 December 2023, the Group had commitments of $19.0 million (2022: $32.8 million) in respect of the Yanfolila Mine and Kouroussa Project. Included in the amount above is $3.8 million of equipment orders with EPIROC through vendor financing to be used in the KE Underground mine at Yanfolila. Part of the equipment was delivered in 2023, and the remainder is expected through 2024 and 2025 in line with the development program.

35. Events after the reporting date

Additional investment in Pasofino Gold Limited
In January 2024, Pasofino Gold Limited announced a non-brokered private placement totalling approximately US$2.33 million. The Group invested an additional US$2 million into Pasofino increasing Hummingbird's shareholding in Pasofino to 53%.

Completion of Fund Raise
In January 2024, the Group received the remaining US$22.2 million of the fundraise totalling US$28.1 million which began in December 2023.

Sale of Shares in SMO Ltd
On 14 March 2024, the Group sold its entire investment in SMO Ltd.

2024 Long Term Incentive Scheme – 2024 LTIP

In line with the Long-Term Incentive Plan ("LTIP"), the Remuneration Committee has approved the grant of 16,112,859 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 3 February 2027 in two tranches as follows:

a) Retention Tranche: 8,580,793 RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Group targets.

b) Relative Total Shareholder Return ("TSR"): 7,532,066 RSUs will be based on Relative TSR from the share price on the 1st of February 2024 of 9.65 pence per share 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 2024 LTIP the following RSU awards have been approved.

Name	Position	Total number of shares subject to RSUs under the 2024 LTIP
Daniel Betts	Chief Executive Officer	3,924,856
Thomas Hill	Finance Director	2,601,156
Other Employees		9,586,847
Total Directors and Employees		**16,112,859**

The RSUs under the 2024 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.

Non-executive Director Deferred Share Awards

Like 2023, 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 £26,250, 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 2024, the awards are as follows:

Name	Position	Total number of Deferred Share Awards
Attie Roux	Non-executive director	272,021
Ernie Nutter	Non-executive director	272,021
Stephen Betts	Non-executive director	272,021
David Straker-Smith	Non-executive director	272,021
Total		**1,088,084**

Extension of Gold Collar Program

During March 2024, the Company looked to further leverage the current gold price environment to increase its revenue protection including:

a) Implemented a 15,000 oz hedge for Q4-2024 to capitalise on prevailing gold price upswings.

b) Restructured hedge commitments and postponed portions involving commitments from Q2-2024, Q3-2024, plus the additional volume in Q4-2024, now earmarked for Q1-2025. This adjustment is designed to leverage the gold pricing environment while ensuring future revenue protection.

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Company statement of financial position

As at 31 December 2023

	Notes	2023 $'000	2022 $'000
Assets			
Non-current assets			
Investments	42	148,914	129,199
Financial assets at fair value through profit or loss	42	993	1,532
Property, plant and equipment	43	59	53
Right of use assets	48	558	710
Receivables from subsidiaries	44	23,001	24,854
		173,525	156,348
Current assets			
Inventory	45	2,337	3,176
Other financial assets	45	2,030	–
Trade and other receivables	45	4,815	2,450
Cash and cash equivalents	45	250	247
		9,432	5,873
Total assets		182,957	162,221
Liabilities			
Non-current liabilities			
Deferred consideration	47	2,549	1,801
Lease liabilities	48	417	580
		2,966	2,381
Current liabilities			
Trade and other payables	46	35,743	29,253
Deferred consideration	47	–	1,776
Other financial liabilities	46	4,866	–
Lease liabilities	48	163	141
		40,772	31,170
Total liabilities		43,738	33,551
Net assets		139,219	128,670
Equity			
Share capital	49	8,840	5,828
Share premium		39,140	17,425
Retained earnings		91,239	105,417
Total equity		139,219	128,670

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 2023 of $16,568,000 (2022: $10,739,000). The financial statements were approved by the Board of Directors and authorised for issue on 3 June 2024.

They were signed on its behalf by:

DE Betts
Director

Company statement of cash flows

For the year ended 31 December 2023

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

	Notes	2023 $'000	2022 $'000
Net cash outflow from operating activities	51	**(10,403)**	**(5,050)**
Investing activities			
Purchases of property, plant and equipment		(43)	(43)
Decrease in investment in subsidiaries		–	66
(Increase)/decrease in amounts lent to subsidiaries		(11,847)	4,697
Interest received		28	-
Net cash (used in)/generated by investing activities		**(11,862)**	**4,720**
Financing activities			
Exercise of share options		–	14
Net proceeds from issue of shares		22,454	–
Lease interest payments		(59)	(21)
Lease principal payments		(141)	(40)
Net cash generated from/(used in) financing activities		**22,254**	**(47)**
Net decrease in cash and cash equivalents		**(11)**	**(377)**
Effect of foreign exchange rate changes		14	(193)
Cash and cash equivalents at beginning of year		**247**	**817**
Cash and cash equivalents at end of year		**250**	**247**

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Company statement of changes in equity

As at 31 December 2023

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2022	**5,814**	**17,425**	**113,084**	**136,323**
Comprehensive loss for year:				
Loss for year	–	–	(10,739)	(10,739)
Total comprehensive loss for the year	**–**	**–**	**(10,739)**	**(10,739)**
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**
Comprehensive loss for year:				
Loss for year	–	–	(16,568)	(16,568)
Total comprehensive loss for the year	**–**	**–**	**(16,568)**	**(16,568)**
Transactions with owners in their capacity as owners:				
Shares issued	3,012	21,940	–	24,952
Shares issued - fees	–	(225)	–	(225)
Share based payments	–	–	2,390	2,390
As at 31 December 2023	**8,840**	**39,140**	**91,239**	**139,219**

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

As at 31 December 2023

36. Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

37. 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 2022. The following standards have been adopted in the year with no material impact on the financial statements of the Company.

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

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

IAS 1 (Amendments)	effective 1 January 2024	Non-current Liabilities with Covenants
IAS 1 (Amendments)	effective 1 January 2024	Classification of Liabilities as Current or Non-current
IFRS 16 (Amendments)	effective 1 January 2024	Lease Liability in a Sale and Leaseback
IFRS 7 (Amendments)	effective 1 January 2024	Supplier Finance Arrangements

38. 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.

39. 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.

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As the market capitalisation of the Group was less than the carrying value of the Company's net assets as at 31 December 2023, 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 2023.

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; Kouroussa Gold Mine SA, which operates the Kouroussa mine in Guinea; and Trochilidae Resources Limited, focused on supporting the Group's wider business, including its Mali and Guinea 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 (2022: nil). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

40. Auditor's Remuneration

The auditor's remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

41. Staff costs

The average monthly number of employees (including directors) was:

	2023 Number	2022 Number
Directors	6	7
Other employees	16	14
	22	**21**

	$'000	$'000
Their aggregate remuneration comprised:		
Wages and salaries	3,919	2,771
Social security costs	465	362
Pensions	86	67
Charge for share-based payments	2,238	1,560
Charge for potential social security costs related to share-based payments	332	(77)
	7,040	**4,683**

Within wages and salaries, $1,311,000 (2022: $1,260,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $1,040,000 (2022: $682,000) under share-based payment scheme payable to directors, and within pensions is $10,000 (2022: $11,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $646,000 (2022: $570,000) comprising $641,000 (2022: $565,000) in relation to wages and salaries including bonuses paid and pension contributions of $5,000 (2022: $5,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2022: 2).

Key management remuneration is disclosed in note 33 to the consolidated financial statements.

42. Investments

(a) Investments in joint ventures and subsidiaries:

	$'000
Investments in joint ventures	
At 31 December 2022	198
At 31 December 2023	**198**
Investment in subsidiaries	
At 31 December 2021	110,490
Additions/Adjustments	**18,511**
At 31 December 2022	**129,001**
Additions/Adjustments [1]	**19,715**
At 31 December 2023	**148,716**
Total investments	
At 31 December 2022	**129,199**
At 31 December 2023	**148,914**

1 On 8 December 2023, the Company converted its investment in Hummingbird Resources (Liberia) Inc to a 51% investment in Pasofino Gold Limited. Refer to note 28 of the financial statements for further details.

(b) Financial assets at fair value through profit or loss:

	Bunker Hill – shares and Warrants[1]	
	2023 $'000	2022 $'000
Opening balance	1,532	3,530
Loss through profit or loss	(539)	(1,998)
Closing carrying value	**993**	**1,532**

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 2023 are split as follows, level 1 shares $789,600 (2022: $1,208,000) and level 2 warrants $203,700 (2022: $323,800).

The value of these shares and warrants on 31 March 2024 was $1.1 million.

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43. Property, plant & equipment

	Owned $'000
Cost	
At 31 December 2021	**858**
Additions	53
At 31 December 2022	**911**
Additions	42
At 31 December 2023	**953**
Accumulated depreciation	
At 1 January 2022	820
Charge for the year	38
At 31 December 2022	**858**
Charge for the year	36
At 31 December 2023	**894**
Carrying amount	
At 31 December 2022	**53**
At 31 December 2023	**59**

44. Receivables from subsidiaries

	2023 $'000	2022 $'000
Receivables from subsidiaries	23,001	25,237
Less: Cumulative allowance for expected credit losses	–	(383)
	23,001	**24,854**

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 in include amounts due from; Kouroussa Gold Mine SA, which operates the Kouroussa mine in Guinea; 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.

On 8 December 2023, the Company converted its investment in Hummingbird Resources (Liberia) Inc to a 51% investment in Pasofino Gold Limited. Following this share exchange, the related intercompany balances with Hummingbird Resources (Liberia) Inc were converted into an investment in Pasofino and the related expected credit loss of $383,000 that was previously carried was reversed during the year. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Refer to note 52 for a reconciliation of lifetime expected credit losses.

The Directors consider that the carrying amount of the receivables from subsidiaries approximates their fair value.

45. Current assets

Inventory

	2023 $'000	2022 $'000
Finished gold	2,337	3,176
	2,337	**3,176**

At 31 December 2023, inventory included a provision of $nil to adjust finished gold to net realisable value (2022: $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

	2023 $'000	2022 $'000
Other receivables	531	780
Prepayments and accrued income	328	383
Trade receivables – intercompany	3,956	1,287
	4,815	**2,450**

Other financial assets

The movements in other financial assets are disclosed in note 14 to the consolidated financial statements.

Cash and cash equivalents
Cash and cash equivalents as at 31 December 2023 of $250,000 (31 December 2022: $247,000) 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.

46. Current Liabilities

Trade and other payables

	2023 $'000	2022 $'000
Trade payables	2,604	1,149
Other taxes and social security	503	150
VAT	263	60
Accruals	1,839	2,791
Other payables	1,512	526
Trade payables – Intercompany	29,022	24,577
	35,743	**29,253**

The average credit period taken for trade purchases is 53 days (2022: 29 days).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Other financial liabilities
The movements in other financial liabilities are disclosed in note 26 to the consolidated financial statements.

47. Deferred consideration

The movements in deferred consideration are disclosed in note 27 to the consolidated financial statements.

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48. 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 2022	–
Remeasurements	761
At 31 December 2022	**761**
Additions	–
At 31 December 2023	**761**
Depreciation	
At 1 January 2022	–
Charge for the year	51
At 31 December 2022	51
Charge for the year	152
At 31 December 2023	203
Carrying amount at 31 December 2022	**710**
Carrying amount at 31 December 2023	**558**

(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:

	2023 $'000	2022 $'000
Within one year	208	200
In the second to fifth years inclusive	469	677
Greater than five years	–	–
Total undiscounted lease liabilities at 31 December	677	877

Lease liabilities included in the statement of financial position at 31 December 2023 were:

	2023 $'000	2022 $'000
At 1 January	**721**	**–**
Remeasurement	–	761
Lease liability and interest paid during the year	(200)	(61)
Interest expense on lease liabilities	59	21
At 31 December	**580**	**721**
Analysed as:		
Current	163	141
Non-current	417	580
At 31 December	**580**	**721**

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $152,000 (2022: $51,000) and interest expense on lease liabilities of $59,000 (2022: $21,000). A total of $200,000 (2022: $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.

49. Share Capital

The movements are disclosed in note 29 to the consolidated financial statements.

50. Share based payments

The Company's share-based payments information is disclosed in note 30 to the consolidated financial statements.

51. Notes to the statement of cash flows

	2023 $'000	2022 $'000
Loss before tax	**(16,568)**	**(10,739)**
Adjustments for:		
Amortisation and depreciation	189	78
Share based payments	2,570	1,483
Finance income	(82)	(185)
Finance expense	203	391
Losses on financial assets and financial liabilities measured at fair value	3,768	1,589
Operating cash flows before movements in working capital	**(9,920)**	**(7,383)**
Decrease in inventories	840	750
(Increase)/decrease in receivables	(2,743)	2,655
Increase/(decrease) in payables	1,420	(1,072)
Net cash outflow from operating activities	**(10,403)**	**(5,050)**

52. Financial Instruments

The Company's strategy and financial risk management objectives are described in note 32.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial assets								
Cash and cash equivalents	**250**	247	–	–	–	–	–	–
Other receivables	**531**	780	–	–	–	–	–	–
Investments	**–**	–	993	1,532	–	–	–	–
Other financial assets	**–**	–	2,030	–	–	–	–	–
Intercompany trade receivables	**3,956**	1,287	–	–	–	–	–	–
Loans due from subsidiaries	**23,001**	24,854	**–**	–	–	–	–	–
	27,738	27,168	**3,023**	1,532	–	–	–	–
Financial liabilities								
Trade payables	–	–	–	–	2,604	1,149	–	–
Other payables	–	–	–	–	1,512	526	–	–
Accruals	–	–	–	–	1,839	2,791	–	–
Intercompany trade payables	–	–	–	–	29,022	24,577	–	–
Other financial liabilities	–	–	–	–	–	–	4,866	–
Deferred consideration	–	–	–	–	–	–	2,549	4,219
Lease liabilities	–	–	–	–	580	721	–	–
	–	–	–	–	35,557	29,764	7,415	4,219

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The risks that the Company is subject to in addition to the Group risks described in note 32 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 32, 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 2023 in accordance with IFRS 9, is set out below.

Receivables from subsidiaries	Hummingbird Resources (Liberia) Inc $'000
As at 1 January 2022	**383**
Decrease during the year	–
As at 31 December 2022	**383**
Decrease during the year	(383)
As at 31 December 2023	**–**

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Australian Dollars ("AUD")	39	220	–	–
Canadian Dollars ("CAD")	225	160	18	19
Euros ("EUR")	38	62	584	356
Sterling ("GBP")	6,076	5,829	555	917
South African Rand ("ZAR")	70	78	–	–

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:

	2023 $'000	2022 $'000
Decrease in comprehensive income and net assets – AUD	4	22
Decrease in comprehensive income and net assets – CAD	21	14
Increase in comprehensive income and net assets – EUR	55	29
(Decrease in comprehensive income and net assets – GBP	552	491
Decrease in comprehensive income and net assets – ZAR	7	8

53. 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 2023	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	–	–	3,956	–	3,956
Loans due from related parties	–	17,592	–	5,409	23,001
Total related party receivables	**–**	**17,592**	**3,956**	**5,409**	**26,957**
Trade payables – Intercompany	–	29,022	–	–	29,022
Total related party payables	**–**	**29,022**	**–**	**–**	**29,022**

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	–	2,342	–	–	2,342
Recharge of technical fees	–	2,328	–	–	2,328
Total sales with related parties	**–**	**4,670**	**–**	**–**	**4,670**

Year ended 31 December 2023	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	–	2.383	–	–	2,383
Recharge of technical fees	–	4,610	–	–	4,610
Total sales with related parties	**–**	**6,993**	**–**	**–**	**6,993**

The Company's transactions with other related parties and remuneration of key management personnel are disclosed in note 33 to the consolidated financial statements.

54. Events after the reporting date

Events after the reporting date are disclosed in note 35 to the Consolidated Financial Statements.

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> The greatest glory in mining is not in never falling, it is in rising every time you fall.

Basil De Tente