

BEA MOUNTAIN MINING CORPORATION

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2023

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

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BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

CORPORATE INFORMATION

Directors	Murathan Doruk Günal Metehan Günal Serhan Umurhan Alpay Dogutepe Ayhan Yılmaz Debar Allen
Registered office	18 Street Sinkor Payne Avenue Monrovia, Liberia
Lawyers	International Law Group, LLC Landsdawn at Fort Norris 12 Broad Street, 2nd Floor Monrovia, Liberia
Bankers	International Bank (Liberia) Limited
Auditor	Gedei & Associates Inc. Certified Public Accountant & Chartered Accountants, Liberia Randall Street, Adjacent LBDI Monrovia, Liberia

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

REPORT OF THE DIRECTORS

The directors, submit their report together with the audited financial statements for the year ended December 3, 2023, which disclose the state of affairs of the Company.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profits or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent, and followed International Financial Reporting Standards.

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

Principal activities

The principal activity of the Company is exploration, development and operation of gold assets, specifically the New Liberty Gold Mine. Commercial production at New Liberty commenced on March 1, 2016.

Parent company

The immediate parent company is Avesoro Resources Inc, Limited which maintains its registered office in the British Virgin Islands. Avesoro Resources Inc (a company domiciled in Canada) is a holding company with an ultimate beneficiary owner.

Going concern

The financial statements have been prepared on the basis of accounting policies application to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Financial results

The results for the year ended December 31, 2023 are set out below:

	US\$
Profit/Loss for the period is	136,236,617
to which is added balance on retained earnings account brought forward of	(1,113,819,210)
giving a balance to be carried forward on retained earnings account of	<u>(977,582,593)</u>

Post balance sheet events

The directors are not aware of any matter or circumstances arising since the end of the financial year.

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
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REPORT OF THE DIRECTORS (CONTINUED)**Directors' interests**

The names of the directors are detailed on page 1. None of the directors of the Company maintained disclosable interests in any contracts nor arrangements either subsisting at the end of the financial period or entered into during the financial period.

Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

Dividend

The directors do not recommend any payment of dividend for the financial year December 31, 2023.

Auditor

The auditor, Gedei & Associates Inc have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Board of Directors.



DIRECTOR



GEDEI & ASSOCIATES INC.

Certified Public Accountants (CPAs) and Chartered Certified Accountants (ACCAs)
Suite 105, MIC Tower Building, Corner of Front & Buchanan Streets,
Monrovia, Liberia
Tel: +231-886-641-187, +231-880-526-667
Email: gedeiassociates@yahoo.com

REPORT OF THE INDEPENDENT AUDITOR

Opinion

We have audited the financial statements of Bea Mountain Mining Corporation which comprise the statement of financial position as at December 31, 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Registered Business Company Law (2002).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Liberia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.



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REPORT OF THE INDEPENDENT AUDITOR

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain

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



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REPORT OF THE INDEPENDENT AUDITOR

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The Registered Business Company Law (2002) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were required for the purposes of our audit; and
- II. The company's statement of financial position is properly drawn up so as to exhibit a true and fair view of the state of the Company's affairs according to the best of the information and the explanations given to us and as shown by the books of the Company.

Dr. Paul C. Collins, FCCA, CPA, CIA

LICPA Licensed #: 0000025

Gedei and Associates Inc.

Firm of Chartered Accountants and Certified Public Accountants

Monrovia, Liberia



Date

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are expressed in US dollars)

	Note	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	5	694,356,219	475,398,153
Cost of Sales	6	<u>(467,801,421)</u>	<u>(520,561,897)</u>
Gross Profit from operations		226,554,798	(45,163,744)
General and administrative expenses	6 (i)	88,482,360	77,046,421
Finance cost	19(ii)	<u>1,835,821</u>	<u>4,055,034</u>
Loss for the period		<u>136,236,617</u>	<u>(126,265,199)</u>

The notes on pages 9 to 26 are integral part of these financial statements.

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in US dollars)

	Note	<u>2023</u>	<u>2022</u>
Non-current assets			
Property, plant and equipment	8	134,663,421	128,290,073
Other fixed assets		70,433,012	48,946,519
		<u>205,096,433</u>	<u>177,236,592</u>
Current assets			
Inventories	7	155,425,355	109,606,991
Trade and other receivables	9	14,262,215	9,520,331
Other assets - prepayments	10	7,239,785	7,296,197
Cash and cash equivalents	11	560,665	501,165
		<u>177,488,020</u>	<u>126,924,684</u>
Total Assets		<u>382,584,453</u>	<u>304,161,276</u>
Equity and liabilities			
Equity			
Share capital	13	500,000	500,000
Retained earnings		(977,582,593)	(1,113,819,210)
		<u>(977,082,593)</u>	<u>(1,113,319,210)</u>
Non-current liabilities			
Borrowings	16	88,926,225	51,602,939
Provision for rehabilitation		-	-
		<u>88,926,225</u>	<u>51,602,939</u>
Current liability			
Borrowings	16	770,764,692	880,216,852
Trade and other payables	12	496,293,962	481,820,825
Other current liabilities	15	-	-
Taxation - Income tax payable	20(i)	3,682,167	3,839,870
		<u>1,270,740,821</u>	<u>1,365,877,547</u>
Total Liabilities		<u>1,359,667,046</u>	<u>1,417,480,486</u>
Total Equity and Liabilities		<u>382,584,453</u>	<u>304,161,276</u>

The financial statements on pages 8 to 11 were approved on _____ 2025 by:

.....
Director

.....
Director

The notes on pages 9 to 26 are integral part of these financial statements.

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

STATEMENT OF CASH FLOWS

(All amounts are expressed in US Dollars)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Loss for the year		136,236,617	(126,265,199)
Adjustment for:			
Depreciation		61,736,815	56,765,312
Exchange (gains)/losses			
Interest expense		1,835,821	4,055,034
Other non-cash items		(1,993,524)	(5,057,441)
		<u>197,815,729</u>	<u>(70,502,294)</u>
Changes in working capital:			
- increase/(decrease) in inventories		(45,818,364)	(47,313,001)
- increase/(decrease) in accounts receivable		(4,685,472)	(2,533,032)
- (Decrease)/increase in accounts payable		14,473,137	98,647,802
- Other assets balances		(21,486,493)	(18,835,033)
Net cash used in operating activities		<u>140,298,537</u>	<u>(40,535,558)</u>
Investing activities			
Purchase of property, plant and equipment	8	(68,110,163)	(27,543,592)
Net cash used in investing activities		<u>(68,110,163)</u>	<u>(27,543,592)</u>
Financing activities			
Proceeds from borrowings and related party loans		(72,128,874)	59,709,381
Net cash inflow from financing activities		<u>(72,128,874)</u>	<u>59,709,381</u>
Net Decrease in cash and cash equivalents		59,500	(8,369,770)
Cash and cash equivalents at beginning of period		501,165	8,870,935
Cash and cash equivalents at end of period	11	<u>560,665</u>	<u>501,165</u>

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BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in US Dollars)

	Share Capital	Revaluation Reserve	Retained Earnings	Total
Year ended 31 December 2023				
Balance as at 1 January, 2023	500,000	-	(1,113,819,210)	(1,113,319,210)
Adjustments	-	-	-	-
Profit/(Loss) for the period	-	-	136,236,617	136,236,617
Balance as at December 31, 2023	<u>500,000</u>	<u>-</u>	<u>(977,582,593)</u>	<u>(977,082,593)</u>
Year ended 31 December 2022				
Balance as at 1 January, 2022	500,000	-	(987,554,011)	(987,054,011)
Addition	-	-	-	-
Profit/(Loss) for the period	-	-	(126,265,199)	(126,265,199)
Balance as at December 31, 2022	<u>500,000</u>	<u>-</u>	<u>(1,113,819,210)</u>	<u>(1,113,319,210)</u>

The notes on pages 9 to 26 are integral part of these financial statements.

NOTES

1. General information

Bea Mountain Mining Corporation ("Bea Mountain" or "Company") is engaged in the exploration, development, and operation of gold assets in Liberia. The Company is wholly owned by Mano Gold (Liberia) Limited, which maintains its registered office in the British Virgin Islands. The Company was incorporated on the 26th November 1996 in accordance with the Business Corporation Act of the Associations of Liberia. Commercial production was declared at New Liberty Gold Mine effective March 1, 2016. There are nine other sites (i.e. New Liberty, Weaju, Silver Hill, Ndablama, Gondoja, Yambesei, Mabong, Mafa West and Leopard Rock) where exploration activities were undertaken during the year. The sites are all located in the western part of Liberia within Grand Cape Mount County

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention except as disclosed in the summary of principal accounting policies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Changes in accounting policy and disclosures

The Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and have been adopted in preparing these financial statements

Amendments to FRS 13 – Fair Value Measurement

An entity is not prohibited to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 – Financial Instruments: Recognition and Measurement or FRS 9 – Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 – Financial Instruments: Presentation.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policy and disclosures (continued)

(i) Accounting pronouncements that are effective and have been adopted in preparing these financial statements (continued)

- **Amendments to FRS 116 – Property, Plant and Equipment and FRS 138 – Intangible Assets**

If an entity adopts the policy of restating instead of eliminating the accumulated depreciation/amortisation when an asset is revalued, the gross carrying amount of the asset is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

- **Amendment to FRS 119 – Employee Benefits**

Contribution from employees or third parties to defined benefit plans that is independent of the number of years of service is permitted to be recognised as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

- **Amendment to FRS 124 – Related Party Disclosures**

The definition of 'related party' is extended to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- **Amendment to FRS 132 – Financial Instruments: Presentation**

Additional guidance is provided on the criterion and right to offset a financial asset and a financial liability following amendments made to FRS 7 – Financial Instruments: Disclosures.

- **Amendment to FRS 136 – Impairment of Assets**

Disclosure of the recoverable amount is narrowed to an individual asset or a cash-generating unit for which an impairment loss has been recognised or reversed during the period.

- **Amendment to FRS 139 – Financial Instruments: Recognition and Measurement**

Relief from discontinuing hedge accounting is permitted when the novation of derivatives is to effect clearing with a central counterparty as a result of laws or regulation.

The adoption of the above did not result in any significant changes to the Company's results and financial central counterparty as a result of laws or regulation.

NOTES (CONTINUED)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policy and disclosures (continued)

(ii) Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements

- **Amendment to FRS 7 – Financial Instrument: Disclosures**

Right to service the transferred financial asset is assessed for continuing involvement for the purposes of the disclosure requirements. An entity has continuing involvement if the income from servicing contract is dependent on future performance of the transferred financial asset.

- **Amendment to FRS 116 – Property, Plant and Equipment**

A depreciation method that is based on revenue generated by an activity that includes the use of the asset is not appropriate.

- **Amendment to FRS 138 – Intangible Assets**

Amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate except in circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold.

2.3 Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance and the collectability of the related receivables is reasonably assured; i.e. amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale, where any have been resolved. Turnover is shown at net of sales tax and discounts if any.

2.4 Foreign currency translation

(i) Functional and presentation currency

Transaction items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US dollars, which is the Company's functional and presentation currency.

BEA MOUNTAIN MINING CORPORATION

Independent Auditor's Report and Financial Statements
for the financial year ended December 31, 2023

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into US dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is then derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

The annual rates used for this purpose are:

Buildings	4%
Machinery	10% - 12.5%
Office equipment	10% - 33.3%
Furniture and fittings	10% - 33.3%
Motor vehicles	12.5% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the depreciation charge and decreasing the carrying value of property, plant and equipment.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

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

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of ore stockpiles and gold in circuit is determined principally by the weighted average cost method using related production costs. Costs of gold inventories include all costs incurred up until production of an ounce of gold such as mining costs, processing costs, directly attributable mine general and administration costs and depreciation but exclude transport costs, refining costs and royalties. Net realizable value is determined with reference to estimated contained gold, market gold prices and an estimate of the remaining costs of completion to bring inventories into its saleable form. When the net realizable value is lower than cost the difference is included in change in inventories under cost of sales. Impairment of inventories is recognised when stocks are determined to be uneconomic to process.

2.8 Trade Receivables

Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off when identified. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets.

Prepayments are recognised originally at cost and subsequently at cost less amortisation over the period.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.9 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are further classified as current liabilities if payment is due within one year or less (or in the normal operation cycle of the business if longer). Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

2.10 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposit held at call with banks, other short-term highly liquid investments, and bank overdrafts.

2.11 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.13 Financial assets

(i) Classification

All financial assets of the Company are classified as loans and receivables, based on the purpose for which the financial assets were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'non current receivables and prepayments', 'trade and other receivables' and 'cash and cash equivalents'.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the settlement date i.e. the date on which the Company commits to purchase or sell the asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include: significant financial difficulty of the issuer or borrower; a breach of contract, such as a default or delinquency in interest or principal payments; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.13 Financial assets (continued)

(iv) Impairment (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.14 Financial liabilities

The company's financial liabilities are classified as 'long-term liabilities'. They are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method.

2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalized within property, plant and equipment on initial recognition. Rehabilitation will generally occur on closure or after closure of a mine and can include facility decommissioning and dismantling, removal or treatment of waste materials, site and land rehabilitation. Initial recognition is at the time of the construction or disturbance occurring and thereafter as and when additional construction or disturbances take place.

Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are expensed when they are known, probable and may be reasonably estimated.

2.16 Share capital

Ordinary shares are classified as 'share capital' in equity.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.17 Income tax

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax. Tax is recognised in the statement of comprehensive income unless it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the Revenue Code of Liberia Act 2000. Under the concession agreement with the Government of Liberia, the company can carry forward its losses for up to 7 years.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2.18 Employee benefits

(i) Retirement benefit obligations

The Company operates defined contribution retirement benefit schemes for its employees. The Company and all its employees also contribute to the appropriate National Social Security Fund, which are defined contribution schemes.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.18 Employee benefits (continued)

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3. Critical accounting estimates and judgments

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

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of receivables

Impairment is made for receivables that the management considers the recoverability to be doubtful. On a regular basis, the management reviews the receivables' ageing report, repayment history and any other available evidence of possible default.

Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding the future financial performance of a particular entity in which the deferred tax asset has been recognised.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

3. Critical accounting estimates and judgments (continued)

- (i) Critical accounting estimates and assumptions (continued)

Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its plant and equipment. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned or sold.

The critical estimates made by the directors in determining depreciation rates for property, plant and equipment are set out in note 2.5 above.

4. Financial risk management objectives and policies

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk .

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The company does not hedge any risks.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

Market Risk

- (i) Foreign exchange risk

The Company's foreign currency exposure to the Liberian dollar is very minimal as the US dollar circulates freely with the Liberian dollar. The Company's transactions and balances in Liberian dollar are very minimal.

- (ii) Price risk

The company does not hold any financial instruments subject to price risk.

- (iii) Cash flow and fair value interest rate risk.

The company is not exposed to interest rate risk. Intercompany loans is a substantial portion of the company's liability and interest is charged on intercompany loans.

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NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

4. Financial risk management objectives and policies (continued)*Credit Risk*

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the financial controller. Credit risk arises from cash at bank and short term deposits with banks, as well as trade and other receivables. The company does not have any significant concentration of credit risk.

The Credit Controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. The company does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. The utilisation of the credit limits is regularly monitored.

The amount that best represents the company's maximum exposure to credit risk at December 31, 2023 is made up as follows:

	<u>2023</u>	<u>2022</u>
Cash at bank and short term bank deposits	560,665	501,165
Receivables	14,262,215	9,520,331
	<u>14,822,880</u>	<u>10,021,496</u>

No collateral is held for any of the above assets.

Cash and bank and short term bank deposits are held with the Liberian Bank for Development and Investments, a reputable commercial bank operating in Liberia. Trade receivables relate to advances given to employees and various contractors engaged to carry out works in the Company operation areas.

None of the above assets are either past due or impaired.

NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

4. Financial risk management objectives and policies (continued)

Liquidity risk

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

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

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Amounts due within 12 months equal their carrying values, as the impact of discounting is not significant.

2023	0-1 year	1-2 years	Total
Accounts payable	496,293,962	-	496,293,962
2022	0-1 year	1-2 years	Total
Accounts payable	481,820,825	-	481,820,825

Capital management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. For the financial year ended December 31, 2023, the Company has no borrowings.

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NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

4. Financial risk management objectives and policies (continued)*Financial instruments by category*

The Company's financial assets are trade and other receivables and cash and cash equivalents (as reflected in the credit risk disclosure above). All financial liabilities are classified as 'Other financial liabilities at amortised cost'.

The Company's financial liability is trade and other payables (as reflected in the liquidity risk disclosures above). All financial liabilities are classified as 'Other financial liabilities at amortised cost'.

5. Revenue

Revenue for the Company represent sale of goods, net of discounts, allowances and indirect taxes

	<u>2023</u>	<u>2022</u>
Sales of goods	694,356,219	475,398,153
Other Income	-	-
Total revenue	<u><u>694,356,219</u></u>	<u><u>475,398,153</u></u>

6. Cost of Sales

	<u>2023</u>	<u>2022</u>
Purchase of Materials and other cost	467,801,421	520,561,897
	<u><u>467,801,421</u></u>	<u><u>520,561,897</u></u>

6 (i). General and administrative expenses

	<u>2023</u>	<u>2022</u>
General and administrative expenses include:		
Depreciation	61,736,815	56,765,312
Staff Costs	3,099,757	2,203,320
Royalty	20,720,829	14,126,536
General expenses - see note14	2,924,959	3,951,253
	<u><u>88,482,360</u></u>	<u><u>77,046,421</u></u>

7. Inventories

	<u>2023</u>	<u>2022</u>
Inventory (Assorted stock balances)	155,425,355	109,606,991
Balance as at 31 December	<u><u>155,425,355</u></u>	<u><u>109,606,991</u></u>

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NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

8. Property, plant and equipment

Year ended December 31, 2023	Mining Assets	Light Machinery	Plant and Machinery	Capital Lease	Other Assets	Total
Cost						
At January 1, 2023	314,712,323	45,028,456	235,528,792	3,565,748	-	598,835,319
Additions	1,900,000	8,954,598	57,244,222	11,343	-	68,110,163
Transfer/revaluation	-	-	-	-	-	-
At December 31, 2023	316,612,323	53,983,054	292,773,014	3,577,091	-	666,945,482
Accumulated depreciation						
At January 1, 2023	289,406,394	34,200,009	145,428,512	1,510,331	-	470,545,246
Charge for the period	8,911,832	8,085,455	44,501,055	238,473	-	61,736,815
At December 31, 2023	298,318,226	42,285,464	189,929,567	1,748,804	-	532,282,061
Net book value						
At December 31, 2023	18,294,097	11,697,590	102,843,447	1,828,287	-	134,663,421

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NOTES (CONTINUED)

(All amounts in the notes are shown in US dollars unless otherwise stated)

9. Receivables

	<u>2023</u>	<u>2022</u>
Trade receivables	14,262,215	9,520,331
Less Allowance for bad debts	-	-
	<u>14,262,215</u>	<u>9,520,331</u>

The carrying value of accounts receivable approximates fair value.

10. Prepayments

	<u>2023</u>	<u>2022</u>
Prepayments - Other prepaid expenses	7,239,785	7,296,197
Prepaid Insurance	-	-
	<u>7,239,785</u>	<u>7,296,197</u>

11. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks:

	<u>2023</u>	<u>2022</u>
Bank balances	560,665	501,165
Cash on hand	-	-
	<u>560,665</u>	<u>501,165</u>

12. Trade and other payables

	<u>2023</u>	<u>2022</u>
Trade payables	306,067,293	122,578,135
Other payables	190,226,669	359,242,690
	<u>496,293,962</u>	<u>481,820,825</u>

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NOTES (CONTINUED)

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13. Share capital

The authorised shares of the company are 100 ordinary shares of no par value of which 1 share has been issued. There is no unpaid liability on any share and there are no calls unpaid. There are no treasury shares.

	<u>2023</u>	<u>2022</u>
Number of shares	<u>1</u>	<u>1</u>
Proceeds from issue for cash	500,000	500,000
Paid-in-capital	<u>-</u>	<u>-</u>
	<u>500,000</u>	<u>500,000</u>

14. General Expenses

	<u>2023</u>	<u>2022</u>
General and administrative - invoices	2,924,959	3,951,253
	<u>2,924,959</u>	<u>3,951,253</u>

15. Other current liabilities

	<u>2023</u>	<u>2022</u>
Other amount payables in a year	-	-
Other trade payables	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

16. Loans and other long term liabilities

	<u>2023</u>	<u>2022</u>
Loan-term business loan	88,926,225	51,602,939
Other long-term liabilities	770,764,692	880,216,852
	<u>859,690,917</u>	<u>931,819,791</u>

17. Contingent liabilities

The company had no contingent liabilities at December 31, 2023.

18. Events after the reporting date

No events has occurred after the reporting date that requires adjustments or disclosures to the financial statements.

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19. Finance Cost

	<u>2023</u>	<u>2022</u>
Finance cost grouped in general and admin expenses	1,835,821	4,055,034
	<u>1,835,821</u>	<u>4,055,034</u>

20. Taxation

(i) Income tax	Balance at Jan. 1	Payments	Charge to P & L	Balance at Dec. 31
2019	-	-	2,387,678	2,387,678
2020	2,387,678	-	1,456,412	3,844,090
2021	3,844,090	-	998,187	4,842,277
2022	4,842,277	1,002,407	-	3,839,870
2023	3,839,870	157,753	-	3,682,167

(ii) Income tax expense	2023 U\$	2022 U\$
Income tax (i)	-	-
	<u>-</u>	<u>-</u>