16 May 2023

METALS EXPLORATION PLC

Final Results for the Year Ended 31 December 2022

Metals Exploration plc (AIM: MTL) (the "**Company**" or the "**Group**"), a gold producer in the Philippines, announces its final audited results for the year ended 31 December 2022.

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 31 December 2022 or 31 December 2021. The financial information has been extracted from the statutory accounts of the Group and the Company for the years ended 31 December 2022 and 31 December 2021. The auditors reported on those accounts; the 31 December 2022 and 31 December 2021 reports were unqualified and did not contain a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006. The statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2022 will be delivered to the Registrar of Companies following the Company's annual general meeting.

To access a full version of the 2022 annual report, please go to the Company website investor centre webpage.

ABOUT METALS EXPLORATION

Philippine Gold Producer
Metals Exploration plc ("Metals Exploration", the "Company", or the "Group") is a Philippines focused gold producer operating the Runruno gold and molybdenum mine 250 kilometres north of Manila in the mineral rich Nueva Viscaya province.

Group vision & mission statement
The Group's vision is to be the most admired gold producer in the Philippines. Our mission is to enhance the lives of our people and local communities through the responsible management of our natural resources, to build a multi-project business and to deliver performance that stakeholders can be proud of.

Well-defined values embedded into the business processes and structures along with consistent leadership actions and behaviors provide the foundation for corporate culture and its subsequent success. As a responsible mining company, we ensure that our Company's core values reverberate across all aspects of our business and represent the way we do business.

PRODUCTION AND FINANCIAL HIGHLIGHTS

FY2022	FY2021	% CHANGE
GOLD PRODUCTION (ounces)		
72,537 ozs	**73,206 ozs**	Down 1%
AVERAGE GOLD RECOVERY (% of head grade)		
85.7%	**84.5%**	Up 1.4%
LOST TIME INJURIES		
NIL	NIL	Nil – no lost time injuries
SALES REVENUE (US$ MILLIONS)		
$124.4	$129.8	Down 4.2%
OPERATING PROFIT (US$ MILLIONS)		
$23.8	$29.4	Down 19.0%
PROFIT BEFORE TAX (US$ MILLIONS)		
$8.7	$11.3	Down 23.0%
FREE CASH GENERATED FROM OPERATIONS (US$ MILLIONS)		
$38.2	$46.5	Down 17.8%
NET DEBT (US$ MILLIONS)		
$81.1	$98.9	Down 18%
TOTAL DEBT REPAYMENTS (US$ MILLIONS)		
$33.8	$39.7	Down 14.9%
TOTAL GOVERNMENT TAXES & FEES (US$ MILLIONS)		
$13.9	$12.3	Up 13.0%
TOTAL COMMUNITY PROGRAM EXPENDITURE (US$ MILLIONS)		
$3.6	$1.9	Up 89.5%

CHAIRMAN'S REPORT

Dear Shareholder,

The period under review has seen Metals Exploration continue to make excellent operational progress despite a number of challenges which impacted the operating profit for the year. As Chairman, I am delighted to announce that the Company ended FY2022 exceeding its guidance for gold production and at an All-In-Sustaining-Cost (AISC) of US$1,235 per ounce, below the FY2022 AISC guidance of between US$1,275 to US$1,325 per ounce. This was an outstanding achievement by the team and a testament to the continued high standards that they strive to achieve.

Earlier in FY2022, the Philippines Government relaxed its Covid restrictions which facilitated international travel. I was therefore able to visit Runruno and our office in Manila for the first time since my appointment in April 2021. In this vein, although Covid remains an ongoing health issue, its impact on the workforce and operation is negligible, though the after effects of the pandemic continue to have some impact on the mine's supply chains.

As for my initial impressions of the operation when I visited in May 2022, I could not have been more impressed by the positive "buzz" there was on site amongst all the employees and management. It was clearly a high performing, high morale site. That is testament to the CEO and General Manager's leadership. One also could not fail to be impressed by the exemplary housekeeping which to me is a proxy for good management, including management of safety and care for the environment and local communities.

We were also delighted that this commitment, as well as the Company's continued focus on safety and the communities where we operate, has been recognised by the Government. As a Company, we were very pleased to receive the highest government mining award attainable in the Philippines, the Presidential Mineral Industry Environmental Award (PMIEA) in the Surface Mining Category. In addition to this, the Company was also named Runner-up for the award for Safest Surface Mining Operation Award and third runner up in the Best Mining Forest Contest – Metallic Category. These awards are recognition of the team's continued achievements and of their outstanding levels of dedication, initiative and innovation in the pursuit of excellence in environmental protection, health and safety management and social/community development.

As a mining company, safety as a mindset and in particular, the safety of our team, remains at the forefront of everything we do. In this respect, we are delighted to be able to report an exceptional safety record. At the time of publishing this report, the Group has achieved in excess of 19 million man-hours with no lost time incidents occurring. An outstanding achievement for any mining company; and something the team is incredibly proud of, and are dedicated to ensure that this record continues into the year ahead.

Our community programmes remain at the heart of what we do and each year the Group sets aside 1.5% of direct mining and processing costs to be applied in its Social Development and Management Program ("SDMP") projects; designed to benefit the local communities. Last year working with the local communities, we invested US$3.6 million in a number of areas including, but not limited to, health, education, and infrastructure development.

We do not intend to rest "on our laurels" in these respects. We will continue to ensure that we operate to the highest standards and actively promote responsible mining practices to reduce the potential environmental impacts of our operations and enhance the environmental performance in mined-out and disturbed areas; whilst continuing to work with our local communities to deliver our extensive community and environmental programmes targeted to their requirements.

The focus at Runruno for FY2022 was on improving plant performance and operational reliability, thereby underpinning strong cash flows for the Company. This has helped us accelerate the repayment of our debt.

Notwithstanding operational issues for several months in Q2 and Q3 of FY2022, this was a very strong year at Runruno. FY2022 gold production of 72,537 ounces exceeded our gold production guidance; whilst the last quarter of the year was the Company's best ever quarter, achieving record quarter performances across several key metrics, including record gold production with 25,474 ounces recovered; showing what can be achieved with a stable power supply which had impacted earlier in the year. We were also delighted to maintain, at such high levels, our average gold recovery at 85.7%, again a very significant achievement by the team. Despite these strong operational performances, the FY2022 operating profit for the year was lower than FY2021. As mentioned, this was due to a number of external challenges, such as power outages, leading to production losses affecting operations in the period from March to August 2022.

During Q4 2022, the Group's senior debt was effectively fully repaid. A nominal amount of circa US$1,200 remains unpaid to ensure that various loan securities remain in place while the Company completes the elevation of the status of the mezzanine loans to that of secured debt. This is a hugely significant milestone for the Company that considerably strengthens our balance sheet enabling us to consider investment in exploration and any appropriate acquisition opportunities.

In May 2022, we were also delighted to announce the appointment of Tim Livesey as a Non-executive Director, replacing Jeremy Wrathall. Tim has over 30 years of professional exploration, project development and mining experience in gold and base metals across Africa, Europe, the Middle East and Asia covering both technical and executive management. I would like to take this opportunity to thank Jeremy for his contribution to the Company during his tenure as a Non-executive Director and wish him well with the ongoing development of Cornish Lithium.

On behalf of the Board, I would like to take this opportunity to thank our entire workforce for all their efforts this year, as well as all our stakeholders and investors, for their continued support.

The year under review has highlighted the Group's robust business fundamentals. These fundamentals provide us with a strong platform from which to grow. We expect Runruno to continue to operate well producing strong cash flows which, with our strengthened balance sheet, will also enable us to invest not only in the exploration upside at Runruno, but also to look at appropriate acquisition opportunities creating a larger more robust company that will deliver our strategy and thus value to all our stakeholders.

David Cather
Independent Non-Executive Chairman
15 May 2023

CHIEF EXECUTIVE OFFICER'S REPORT

Despite operational challenges faced during a large part of 2022, the Group is pleased to have closed out the year with gold production exceeding its published gold production guidance for the year.

With the Group's robust business fundamentals providing a strong platform from which to grow, we go into 2023 focused on opportunities to transform the Group into a multi-project company.

Most importantly, the Group continues to create a net-positive impact for its stakeholders and local communities. Our environmental, sustainability and social programmes continue to be of a very high standard, ensuring the Company continues to be accountable, transparent, and responsible in its corporate purpose.

SAFETY AND HEALTH

Safety is at the core of the Group's business, being the priority subject at all levels of activity. During the year there were no material safety and health incidents throughout the project site. A safe working culture is actively promoted by a dedicated occupational health and safety department and is embraced across the Runruno site and in all departments, with all staff recognising their individual responsibilities for their own safety and the safety of others.

Evidence of adhering to these values is the excellent safety record that the Group's employees and contractors have achieved. As at the date of this report the Group has achieved in excess of 19 million man-hours with no lost time incidents occurring since the last lost time incident in December 2016. This is a remarkable achievement for an operation of this nature, and all employees and contractors are to be congratulated on this outstanding record.

During the year COVID-19 cases had limited impact on our employees, contractors and operations; with all positive cases dealt with in accordance with Philippine Government regulations. Currently over 97% of all employees and contractors are fully vaccinated against the COVID-19 virus.

FINANCIAL YEAR 2022 ("FY2022") OVERVIEW

Operational profit was US$23.8 million (2021: US$29.4 million) following gold production for FY2022 of 72,537 ounces, being marginally down on FY2021's production of 73,206 ounces. The gold production was achieved with average gold recovery improving to 85.7% from 84.5% in FY2021. The AISC for FY2022 was US$1,235 per ounce (2021: US$1,281 per ounce), which was below the FY2022 AISC guidance of approximately US$1,275 to US$1,325 per ounce.

During FY2022 the gold price remained strong resulting in an average sales price of US$1,797 per ounce (2021: US$1,792 per ounce). Total sales for FY2022 were US$124.4 million (2021: US$129.8 million).

Management's operational focus during FY2022 was on improving plant performance and operational reliability. Mill throughput was maintained above nameplate design levels, while numerous modifications and equipment upgrades throughout the process circuit have improved general performance of the plant.

The main reason for the FY2022 operating profit for the year being lower than FY2021 was due to several power outages leading to production losses that affected operations, including the performance of BIOX®, in the period March to August 2022.

GROUP DEBT

During FY2022 the cash generated from operations was US$38.2 million (FY2021: US$46.5 million). This enabled the Group to make US$33.8 million in debt interest/principal repayments during FY2022 (FY2021: US$39.7 million).

As at year end 2022, the Group had total debt, including unpaid interest, of US$81.9 million (2021: US$103.6 million). Refer to note 23 of the financial statements for full details of the Group's debt.

During FY2022 the Group made regular monthly loan repayments such that, except for a nominal circa US$1,200, the New Senior Debt has been fully repaid. This nominal amount was left in place to ensure various securities remained in place until the mezzanine loans are elevated to the status of secured borrowings (the "Elevation").

The Elevation process requires completion of complex and multi-country documentation and the registration of new security arrangements in numerous jurisdictions. The necessary material documentation has been agreed by all parties. The October 2020 debt restructuring agreements envisage the interest rate applicable to the Mezzanine Debt being reduced from 15% to 7% once the Senior Debt is repaid and the elevation of the Mezzanine Debt to "new" Senior Debt is complete.

The majority mezzanine lender, MTL Luxemburg, Nick Candy's investment vehicle, (holding 70.7% of the Mezzanine Debt), has confirmed in writing that, subject to completion of the Elevation documents within a reasonable period (expected to be before the end of Q3 2023), the interest rate on its portion of the Mezzanine Debt will reduce to 7% per annum from 15% per annum from 3 November 2022 (being the date that the Company could have fully repaid the Senior Facility, but for the requirements of the elevation).

The minority 29.3% mezzanine lenders, the RHL Group, have not confirmed the same in writing. As a result the Company has created a provision for possible increased interest of US$334,000, being the difference between 15% per annum and 7% per annum on the RHL and D&A loans for the period 3 November 2022 to 31 December 2022. The RHL Group is yet to make a decision on reducing the 7% interest rate from 3 November 2022 and it is the Company's understanding that the RHL Group will consider this once the Elevation is completed within a reasonable period.

MINING OPERATIONS

Total material moved during FY2022 was above budget at 13.7Mt (million tonnes) (FY2021: 10.8Mt).

Mining operations during FY2022 were concentrated in Stages 2 and 3, with mining of Stage 2 completed in Q2 2022. In-pit backfilling commenced in Q2 2022, which will reduce closure and environmental restoration costs upon the eventual closure of the mine.

Unfortunately, the Group's access to Stages 3, 4 and 5 did not occur as early as planned due to delays in removing the remaining illegal miners from these areas. Delays in accessing key areas of Stage 3 continued until May 2022. These delays in having suitable access to Stage 3 affected the 2022 mining schedule resulting in higher grade material from Stage 3 being pushed into the Q4 2022 section of the mining schedule. Good equipment performance during most of Q4 2022 enabled this Stage 3 higher grade material to be delivered for processing prior to the end of FY2022.

Access issues to Stages 4 and 5 resulted in the suspension of the Group's exploration programme during FY2022, however, these access issues were largely resolved at FY2022 year-end with the near-pit exploration programme recommencing in Q1 2023.

The FY2023 drill programme will consist of 10 diamond drill holes and 14 reverse-circulation holes for an aggregate meterage of 3,410 metres. The drill programme is aimed at discovering additional economic resources outside of the current mine plan pit-shell, especially to the north, east and west of the current Stage 5 pit design. The objective is to discover new economically mineable ounces that would increase the Runruno life of mine ("LOM"). The area to be drilled has been worked by small scale miners as evidenced by the ball mills and tunnels discovered during recent reconnaissance activity.

All relevant permits for operations remain in place for the Runruno mine.

GOLD RESERVE STATEMENT

Access delays and inclement weather issues resulted in insufficient resource definition drilling undertaken during FY2022 to issue an updated ore reserve statement. A new ore reserve statement is expected to be released in Q4 2023.

The most recent gold reserve statement was issued in February 2022, based on data as at 1 August 2021, as follows**:**

Table 1 –Ore Reserve estimate – published in February 2022

Reserve	Ore	Gold	
Category	**Mt**	**g/t**	**Moz**
Proved	-	-	-
Probable	9.94	1.35	0.43
Total	**9.94**	**1.35**	**0.43**
Inferred resources included in LOM model pit			
Inferred material	0.69	1.11	0.02

Using a Surpac block model, the Group modeled an internal estimation of the subsequent depletion of ore due to mining that has occurred since the above model was calculated (the period 1 August 2021 to 31 December 2022). The estimated resource depletion and the resulting depleted reserve statement (note that these calculations have not been independently verified) as at 31 December 2022 are:

Table 2 – Ore depletion estimate

Reserve	Ore	Gold	
Category	**Mt**	**g/t**	**Moz**
Estimated ore mined from August 2021 to December 2022	2.8	1.33	0.12

Table 3 – December 2022 Depleted Ore Reserve estimate

Reserve	Ore	Gold	
Category	**Mt**	**g/t**	**Moz**
Proved	-	-	-
Probable	7.1	1.36	0.31
Total	**7.1**	**1.36**	**0.31**
Inferred resources included in LOM model pit			
Inferred material	0.66	1.11	0.01

PROCESS PLANT

Plant performance in FY2022 continued to show improvement in gold recovery from both the flotation and BIOX® circuits. During FY2022, the Group achieved an overall gold recovery of 85.7%, an improvement upon FY2021 which was 84.5%. Total gold produced in FY2022 was 72,537 ounces compared to 73,206 ounces in FY2021.

The project suffered from a series of power failures from March 2022 through into Q3 2022. These numerous power failures contributed to failures of the BIOX® bacteria culture and ongoing difficulties in maintaining stability of the BIOX® bacteria culture. In addition, difficulties were experienced in Q2 2022 in re-establishing a stable bacteria culture in BIOX® due to an unidentified contaminant that developed in the return water sources that were being used to feed the BIOX® circuit. These issues impacted the overall efficiency of the BIOX® circuit for the year with resultant gold production losses. In addition, the BIOX® circuit was negatively impacted by a higher sulphur content than forecast in the processed ore.

Further unplanned downtime during FY2022 resulted mainly from tails line failures and conveyor belt and return water line repairs which the Company is seeking to minimise through proactive maintenance.

During FY2022, a major upgrade to the process plant return water and cooling systems was completed, improving plant availability and throughput rates. This upgrade also improved the ability to control BIOX® temperatures with further marginal production gains in BIOX® anticipated.

Notwithstanding the above, the process plant crushed ore operations were above design throughput with the following points of note:

- The crushing and grinding circuit operated above design throughput, achieving an availability rate of 86.5% (FY2021: 89.5%) and processing 2.07Mt of ore (FY2021: 2.14Mt);
- The milling circuit operated adequately during FY2022 with incremental throughput being achieved, whilst maintaining production at approximately 273t/hr (FY2021: 273t/hr);
- The gravity circuit operated marginally below design recoveries at 27.9% (FY2021: 26.9%);
- Fine-tuning of the flotation circuit resulted in incremental increases in recovery and improving concentrate grade for BIOX®. The circuit operated reliably with only minor maintenance issues;
- The CIL circuit achieved an overall CIL recovery of 89.9% (FY2021: 90.8%);
- A major upgrade to the return water circuit was completed providing greater control of temperatures in the BIOX®; and
- The ancillary systems including counter current decantation, neutralisation, reagents, cyanide destruction and residue disposal circuits all operated adequately.

RESIDUAL STORAGE IMPOUNDMENT (RSI)

The Group's tailings products are delivered to a residual storage impoundment (RSI) structure. This structure has been designed and is being constructed to international standards that relate to water storage dams. The standard to which the RSI is being constructed far exceeds international standards that apply to traditional mining tailings dam structures.

The final scheduled lift to the RSI was not completed by year-end due to inclement weather conditions. This is expected to be completed in Q2 2023.

The RSI remains in compliance with local guidelines and local development requirements, although it has not reached the final design stage of being capable of successfully coping with a 'Probable Maximum Flood' event. Studies have determined the final in-rock spillway location and detailed engineering drawings are almost complete. Initial earthworks both at the top and bottom of the final in-rock spillway commenced in Q1 2023. This final in-rock spillway will ensure the RSI has the capacity to cope with a 'Probable Maximum Flood' event.

The performance of the RSI is continuously monitored by independent international consulting engineers. During FY2022, a different independent consulting group conducted an audit of the RSI design and its construction to date. This report listed certain recommendations which the Group will adopt where appropriate.

GOVERNMENT INDUSTRY AWARDS

During Q4 2022, the Group was awarded the following Philippine Government awards:

- Presidential Mineral Industry Environmental Award (PMIEA) in the Surface Mining Category;
- Runner-up, Safest Surface Mining Operation Award; and
- 3rd Runner-up, Best Mining Forest Contest – Metallic Category.

These awards are given to mining companies in recognition of outstanding levels of dedication, initiatives and innovations in the pursuit of excellence in environmental protection, health & safety management and social/community development. Winning the Presidential award is the highest Government mining award attainable in the Philippines.

OUTLOOK

Annual production guidance for FY2023 has been set at 68,000 – 72,000 ounces at an AISC of between US$1,250 – US$1,300 per ounce. FY2023 operations are expected to maintain the general operational results produced during FY2022, such that free cash flow is maintained from a stable consistent level of mining and gold production.

Both in-pit shell and out-pit shell drilling will be undertaken in an endeavor to add further resources to the Group’s gold inventory. The Group’s positive operational cash-flows will, in the main, continue to be utilised to reduce the Group’s outstanding debt as quickly as possible.

Further, the operational stability and positive cash flows will allow the Group to investigate acquiring other mining opportunities in the Philippines.

Darren Bowden, *Chief Executive Officer*
15 May 2023

Competent Persons' Statement

The information contained in this report that relates to the Gold Reserves Estimate, issued in February 2022, was compiled by Paola Tuyor of Metals Exploration and reviewed and verified by Grant Walker of Xenith Consulting. Mr Walker is a Member of The Australasian Institute of Mining and Metallurgy and is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report.

Mr Darren Bowden, a director of the Company, a Member of the Australasian Institute of Mining and Metallurgy and who has been involved in the mining industry for more than 25 years, has compiled, read and approved the technical disclosure in this regulatory announcement in accordance with the AIM Rules - Note for Mining and Oil & Gas Companies.

Forward Looking Statements

Certain statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Metals Exploration plc and the Group, planned work at the Company's projects and the expected results of such work contained herein are forward-looking statements which are based on current expectations, estimates and projections about the potential returns of the Group, industry and markets in which the Group operates in, the Directors' beliefs and assumptions made by the Directors. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: "expects", "plans", "anticipates", "forecasts", "believes", "intends", "estimates", "projects", "assumes", "potential" or variations of such words and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when a project is actually developed.

These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or quantify. Among the factors that could cause actual results or projections to differ materially include, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realise the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to report to you on behalf of the Audit Committee.

Since April 2021, the Audit Committee has been comprised of only non-lender appointed, non-executive directors (two of whom are independent), which has consolidated the Group's commitment to improved corporate governance.

The Group's established financial reporting structures have continued to perform effectively in the year, and the Committee has continued to oversee the proper maintenance of these structures. The Group's robust framework of internal controls facilitated a smooth external audit process, helping to ensure the integrity of the 2022 Annual Report.

Aims of the Audit Committee

The overall aim of the Audit Committee is to assist the Board in discharging its duties regarding the financial statements, to ensure that a robust framework of accounting policies is in place and enacted, and to oversee the maintenance of proper internal financial controls and risk management. The Committee monitors the integrity of the Financial Statements of the Interim and Annual Reports and formal announcements relating to the Group's financial performance, including advising the Board that the Annual Report taken as a whole is fair, balanced and understandable.

The Committee reviews significant financial reporting issues, key judgements and accounting policies and disclosures in financial reports, reviews the effectiveness of the Group's internal control procedures and risk management systems and considers how the Group's internal audit requirements shall be satisfied, making recommendations to the Board. It reviews the independent auditor's audit strategy and implementation plan and its findings in relation to the Annual Report and Interim Financial Statements. It monitors the relationship with the Group's independent auditor including the consideration of audit fees and independence.

Membership and attendance

The Audit Committee consists of myself, Andrew Chubb, as the Chair, together with two other Non-Executive Directors, David Cather and Tim Livesey. The Committee aims to meet at least three times each year. The external audit team and the Chief Financial Officer are invited to attend meetings of the Committee, and I am satisfied that we were presented with papers of good quality, and in a timely manner. Attendances at committee meetings during the year were:

Audit committee member/qualifications	*Eligible to attend*	*Attended*
Andrew Chubb (B.Law [Hons]) – Chair	4	4
David Cather (B.Sc [Hons] Mining)	4	4
Tim Livesey (B.Sc [Hons] Geology) (appointed 5 May 2022)	3	3
Jeremy Wrathall (B.Sc [Hons] Mining) (resigned 5 May 2022)	1	1

The external auditors attended all committee meetings during the year.

Key responsibilities

The main responsibilities of the Audit Committee are contained within its terms of reference that have been approved by the Board and are available on our website. The terms of reference and the key responsibilities of the Audit Committee are set out below:

- Maintain the integrity of the annual and interim financial statements of the Company and review any significant reporting matters they contain;
- Review the Annual Report and Accounts and other financial reports;
- Maintain the accuracy and fairness of the Company's financial statements, including through ensuring compliance with applicable accounting standards and the AIM Rules;
- Review the adequacy and effectiveness of the Company's internal control environment and risk management systems;
- Review the adequacy and effectiveness of the Company's Whistleblowing policies;
- To consider the need for, and to oversee, internal audit activities; and
- Oversee the relationship with, and the remuneration of, the external auditor, reviewing their performance and advising the Board members on their appointment.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Committee received regular reports from the Chief Financial Officer throughout the year and was satisfied with the effectiveness of internal controls and risk mitigation. The Committee also received and considered reports from the external auditor, CLA Evelyn Partners Limited (formerly Nexia, Smith & Williamson) ("EP"), which included control findings relevant to their audit.

Significant reporting matters

The Audit Committee has reviewed management's assessment of critical accounting judgements and key sources of estimating uncertainty disclosed in note 2.

As part of the review, the Committee considered whether:

- There are any material or sensitive omissions from the Annual Report narrative;
- The Annual Report narrative is a true and balanced reflection of events and performance in the year;
- There is consistency throughout the Annual Report and Financial Statements; and
- There is a clear explanation of key performance indicators, their link to performance and strategy and equal prominence of statutory performance measures.

The Committee is satisfied that management have considered these matters appropriately and that a reasonable conclusion has been reached, and appropriate disclosure made, based on the information available to the Group. The Committee is not aware of any significant failings or weaknesses in the Company's existing system of internal controls. The Committee has determined that an internal audit function is not an appropriate mechanism for the Company in the context of the Company's level of complexity of its operations.

Going concern

The Directors consider the continuing strong operating and financial performance of the Group, together with its flexible debt repayment terms provide ample evidence that there currently is no material uncertainty surrounding the Company and the Group's ability to continue as a going concern.

Accordingly, the Company and Group financial statements are prepared on a going concern basis. Further detail regarding the reasoning behind this conclusion can be found in the Directors' Report on page 31.

External audit

The Audit Committee considers various matters when reviewing the appointment of an external auditor including their performance in conducting the audit and its scope, terms of engagement including remuneration and their independence and objectivity.

EP was reappointed as external auditors at the Company AGM in June 2022. The Audit Committee has confirmed it is satisfied with EP's knowledge of the Company and its effectiveness as external auditor. The Company continues to reduce its reliance upon EP for the provision of non-audit services. As such the Audit Committee has recommended the reappointment of EP to the Board. There will be a resolution to this effect at the forthcoming Annual General Meeting.

The year ahead

The Committee remains focussed on ensuring that the robust framework of internal controls and risk management currently in place throughout the Group is maintained. Financial risk management will continue to be closely monitored, and mitigated where appropriate.

The Committee will also continue its close dialogue with the Company's external auditors, highlighting any emerging financial risks or matters facing the Company throughout the coming year and ensuring that the Company's financial reporting mechanisms continue to be subjected to scrutiny and challenge.

Andrew Chubb, Chair of the Audit Committee

15 May 2023

REMUNERATION COMMITTEE REPORT

Dear Shareholders,

It is my pleasure to report to you on behalf of the Remuneration Committee.

As part of the Group's commitment to improved corporate governance, only non-lender, appointed non-executive directors (two of whom are independent) have been members of the Remuneration Committee since April 2021.

Throughout 2022 the Committee has continued to focus on aligning reward with performance and providing incentives, such that the Company's remuneration framework best facilitates an environment that will deliver the swift repayment of the Group's debt enabling the Group to focus on strategic opportunities to grow the Group's activities. Certain covenants within the Group's debt documents require lender approvals of any equity incentive schemes and the Committee's efforts in seeking a lender approved acceptable long-term incentive programme continue.

Aims of the Remuneration Committee

The Committee's overall aim is to align employee remuneration with the successful delivery of long-term shareholder value. Our core principles that enable us to achieve this goal are:

1. To offer competitive remuneration to executive management that attracts, retains and motivates highly skilled individuals;
2. To align remuneration packages with performance-related metrics that mirror our long-term business strategy; and,
3. To encourage accountability in the workplace and link reward with success.

The Group currently operates the following remuneration framework:

- Annual salary and associated benefits; and
- Discretionary bonuses that are granted following the Committee's assessment of performance against certain key business indicators.

Membership and attendance

The Remuneration Committee consists of myself, Tim Livesey, as the Chair, together with two other Non-Executive Directors, David Cather and Andrew Chubb. The Committee aims to meet at least two times each year. I joined the Board as an Independent Non-Executive Director part way through the year and as such had the opportunity to attend one of the two meetings held in 2022. Attendances at Committee meetings during the year were:

Remuneration committee member	Eligible to attend	Attended
Tim Livesey – Chair (appointed 5 May 2022)	1	1
David Cather	2	2
Andrew Chubb	2	2
Jeremy Wrathall (ex-Chair) (resigned 5 May 2022)	1	1

No Director is involved in any decisions relating to their own remuneration. None of the Committee has any personal financial interest, conflicts of interests arising from cross-directorships, or day-to-day involvement in running the business.

Terms of reference

The terms of reference of the Remuneration Committee, that have been approved by the Board and are available on our website, are set out below:

- Determine and propose to the Board the Company's overall remuneration policy and monitor the efficacy of the policy on an ongoing basis;
- Determine and propose to the Board the remuneration of the Executive Directors and senior management;
- Determine the objectives and headline targets for any performance-related bonus or incentive schemes;
- Monitor, review and approve the remuneration framework for other senior employees; and,
- Review and approve any termination payment, such that these are appropriate for both the individual and the Company.

Executive remuneration package and service contracts

There was no change to the CEO's base remuneration and no material changes to other executive remuneration packages during the year. The Group's remuneration framework includes payment of an annual salary and short term bonus. At present there is no long-term incentive programme in place. Executives are provided with life assurance cover equivalent to two times their base salary (capped at £500,000). There are no pension/superannuation schemes in place for executives or non-executive directors. Termination of executive contracts are subject to a 3 month notice period or an in lieu base salary termination payment.

Management Incentive Programme ("MIP") – 2022 Performance

The CEO and other senior executives are eligible to participate in a MIP. The MIP awards an annual short-term bonus based on performance achieved against pre-determined key performance indicators ("KPIs"). Given the Group priority on being cash generative to reduce external debt, the KPIs are focused on operations and productivity performance.

The following table details the KPIs that were set during 2020 and adopted by the Committee in its assessment of the Group's performance and the quantum of the MIP bonus, to apply for FY2022.

Performance indicator	Standard target weighting	2022 Rating	2022 Performance
Environmental/Safety/Health and compliance	25%	Exceptional	Zero LTIs recorded; TRIFR < 0.95, minimal CV19 on-site; no material FTAA/RSI/Environmental incidents
Free cash generated before debt principal/interest/fees	35%	Above standard target achieved	Free cash generated 133% of budget.
Gold Recovery v budget	25%	Above standard target achieved	Average gold recovery 103% of budget
Total Expenditure v budget	5%	Above standard target achieved	Actual spend 97.3% of budget
Total Material Movements v budget	5%	Maximum target achieved	Actual mined material 115% of budget
Mill Throughput v plant design	5%	Maximum target achieved	Actual throughput 118% of design

Glossary:

KPI – Key performance indicator; LTI – Lost time injury; TRIFR – Total reportable injury frequency rate
FTAA – Financial and Technical Assistance Agreement; RSI – Residual storage impoundment

Of the total MIP bonus, 15% is satisfied by an issue of Metals Exploration ordinary shares, at an issue price being the 30-day VWAP market value prior to the date the MIP bonus is approved (subject to shareholder approval).
At the annual general meeting to be held on 19 June 2023, shareholders will be asked to approve the future issue of 13,400,686 new ordinary shares to executives as part of the 2022 MIP bonus award. In June 2022, following the 2022 AGM, 17,461,385 new ordinary shares were issued to management as part of the 2021 MIP award.

Non-executive director remuneration
All non-executive directors are appointed under a letter of engagement that sets out the terms, responsibilities and remuneration attaching to their appointment. The remuneration of lender nominated non-executive directors is governed by the terms of a revolving credit facility and relationship agreements between the Company and the two major shareholders. The remuneration of non-lender nominated non-executive directors is determined by the full board.

Director remuneration
The Directors' remuneration for the year was as follows:

Year ended 31 December 2022	**Fees/salary USD**	**Short-term performance bonus USD**	**Share based payments USD**	**Total USD**
Darren Bowden[1] *Executive director/CEO*	805,610	856,287[2]	-	1,661,897
David Cather[1] *Independent Chairman*	92,024	-	28,469	120,493
Tim Livesey *Independent non-executive director (appointed 5 May 2022)*	40,240	-	36,081	76,321
Andrew Chubb *Non-executive director*	61,349	-	28,469	89,818
Guy Walker[3] *Non-executive director*	65,030	-	-	65,030
Steven Smith[3] *Non-executive director*	61,349	-	-	61,349
Jeremy Wrathall *Independent non-executive director (resigned 5 May 2022)*	21,109	-	8,982	30,091
Total	**1,146,711**	**856,287**	**102,001**	**2,104,999**

Year ended 31 December 2021	Fees/salary USD	Short-term performance bonus USD	Share based payments USD	Total USD
Darren Bowden[1] *Executive director/CEO*	804,254	573,479[2]	-	1,377,733
David Cather[1] *Independent Chairman (appointed 21 April 2021)*	91,973	-	3,661	95,634
Andrew Chubb *Non-executive director (appointed 21 April 2021)*	47,562	-	3,660	51,222
Guy Walker[3] *Non-executive director/Ex Chairman*	123,980	-	-	123,980
Steven Smith[3] *Non-executive director (appointed 31 August 2021)*	23,036	-	-	23,036
Jeremy Wrathall *Independent non-executive director (appointed 21 April 2021)*	47,562	-	3,661	51,223
Andrew Stancliffe[3] *Non-executive director (resigned 31 May 2021)*	45,729	-	-	45,729
Total	1,184,096	573,479	10,982	1,768,557

Notes:
[1] Includes consulting fees paid to private consulting companies.
[2] Includes shares issued in lieu of cash bonus and year-end accrual of unpaid bonuses.
[3] fees paid in accordance with Services Agreements between the Company and MTL (Luxembourg) Sarl and the Company and Runruno Holdings Limited

No element of the Directors' remuneration (other than the share options and shares issued as part of the MIP bonus as noted above) is currently related to the Company's future share price.

Director interests in shares and options

No directors own any shares in the Company apart from Mr Bowden who owns 8,257,355 ordinary shares.

Directors' beneficial interests in unissued ordinary shares granted by the Company under share options as at FY2022 year-end are as follows:

Director	Option expiry date	Option exercise price	Issued during year	Vested at year end	Options held at year end
David Cather[1] *Independent Chairman*	On or before 28 October 2024	Nominal share value	-	4,400,000	6,600,000
Andrew Chubb[1] *Non-executive director*	On or before 28 October 2024	Nominal share value	-	4,400,000	6,600,000
Tim Livesey[2] *Independent non-executive director*	On or before 17 June 2025	Nominal share value	6,600,000	2,200,000	6,600,000

Vesting/exercise conditions

Provided the option-holder remains a director of the Company,

[1] the remaining 2,200,000 options shall vest on 28 October 2023. A further exercise condition for all the options is that the Company's 30 day volume weighted average share price must exceed £0.0215 per share during the life of the options.

[2] the remaining 2,200,000 options vest on 17 June 2023 and 2,200,000 options on 17 June 2024. A further exercise condition for all the options is that the Company's 30 day volume weighted average share price must exceed £0.0165 per share during the life of the options.

The relevant Non-Executive Directors' independence is not considered to be compromised due to holding these options as the level of share options are deemed to be sufficiently immaterial.

The Year Ahead/LTIP

Under the Group's existing debt finance agreements material changes to the Group's remuneration policies and the level of executive and senior management remuneration require approval from the Group's lenders (who together own in excess of 65% of the Company's issued share capital). As such, the introduction of a long-term incentive programme ("LTIP") requires approval of the Company's lenders. Significant progress has been made in negotiating the introduction of an acceptable LTIP, that has lender support. It is expected that the terms of a LTIP will be finalised by the end of Q3 2023.

Other than the introduction of a long-term incentive scheme for executives and senior management, it is not proposed to make any change to remuneration policy.

Tim Livesey, Chair of the Remuneration Committee
15 May 2023

SUSTAINABILITY REPORT

In accordance with Philippine Government requirements, the Group issues a biennial in-depth sustainability report. Shareholders are recommended to access the most recent biennial sustainability report issued in May 2022, covering the 2020 and 2021 calendar years, which is available on the Company website at www.metalsexploration.com/esg.

The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and provides stakeholders with a transparent account and comprehensive information on our sustainability performance and governance disclosures.

RISK MANAGEMENT

The Group's Code of Conduct enumerates its ethics. Operational procedural standards, aligned with legal requirements, have been established for all activities we undertake. Operations are certified with ISO 14001:2015 compliance and the Group is a member of the Chamber of Mines of the Philippines "Towards Sustainable Mining" initiative. The reporting of any infractions, particularly on safety concerns and potential environmental non-compliance, is participatory and cuts across all employees regardless of position.

COMMUNITY AND SOCIAL DEVELOPMENT

Each year the Group sets aside 1.5% of direct mining and processing costs to be applied in its Social Development and Management Program ("SDMP") projects; designed to benefit the local communities. Implementation of the SDMP passes through a series of community consultations to identify appropriate socio-economic programmes. The Group's SDMP objectives are to benefit host communities by undertaking sustainable development within the community with programmes focused on:

- Health;
- Education;
- Capacity building;
- Community development and empowerment;
- Enterprise development, improvement and networking;
- Infrastructure development; and
- Preservation and respect of socio-cultural values.

Total community programme expenditure for FY2022 was US$3.6 million, up from US$1.9 million in FY2021. The reach of the programmes extends to assist the residents of the Barangay of Runruno and surrounding Barangays, the Municipality of Quezon and the Province of Nueva Vizcaya.

The Community Relations Department, the community interface arm of the Group, maintains strong partnerships with various national agencies and local governments from Barangay to Provincial level. They are primarily engaged in managing the implementation of identified and prioritised projects within the mandated Social Development and Management Program and other programmes under them as a component of the Group's commitment to its Corporate Social Responsibility ("CSR").

The relocation of illegal miners operating on the back of the existing/planned operations in Stages 3, 4 and 5 of the mine plan was a major issue for the Group to resolve. Throughout this process the Group received significant community support of its actions. The Group continues to work closely with the local government in relation to these areas. Agreed compensation packages were paid to those families that relocated and to date this undertaking has proceeded without incident.

SAFETY AND HEALTH

As the mine-site was relatively free of COVID-19 cases from February 2022, the pandemic had limited impact on employees, contractors and operations; and all positive cases were dealt with in accordance with Philippine Government regulations.

Otherwise, there were no material safety and health incidents throughout the project site. A safe working culture is actively promoted by a dedicated occupational health and safety department and is embraced across the Runruno site and in all departments, with all staff recognising their individual responsibilities for their own safety and the safety of others. To date the operation has accumulated in excess of 19 million man-hours with no lost time incidents.

HUMAN CAPITAL

The Group recognises that the valuable work of our people greatly contributes to long-term success; and it seeks to be a preferred employer. Priority in employment opportunities are initially provided for people from the communities within which the Group operates.

Our policy is to recruit and retain the most talented and high-performing people who share the Group's commitment to sustainable development. Great care is taken in every step of the employment process with an emphasis on equality, diversity, work-place safety and employee welfare.

ENVIRONMENT

The Group is active in promoting and implementing "responsible mining" practices. It is a leader in the Philippine mining industry in its environmental and environmental rehabilitation practices, having received numerous government/industry awards in this area over a number of years. The Group recognises good environmental management as a key parameter in its CSR charter. The Group maintains and promotes its commitment to the effective stewardship, protection and enhancement of the environment in and around the areas where it operates, including the conduct of its business in an environmentally sound manner. This is the driving thrust towards the goal of sustainable development and reducing potential significant impacts of the Runruno operations upon the environment.

WASTE MANAGEMENT

Safe management of tailings and other waste products are crucial to the safety of our communities and longevity of our operations. All tailings are sent to the residual storage impoundment facility (RSI) which has been constructed to international standards applicable to water storage dams, which are much higher than international standards applicable to mining tailings.

While the Group has a strong waste management record to date, it understands the risks associated with tailings management are a particular concern to our stakeholders and the Group is determined to maintain high levels of safe tailings management.

REFORESTATION AND REHABILITATION

The Group acts positively to reduce the potential environmental impacts of its operations. It undertakes this obligation through immediate and continuous rehabilitation activities, by the re-greening of disturbed areas, the establishment of protection forests and the provision of habitat for wildlife within the FTAA area.

These programmes demonstrably improve the environment within and surrounding the Group's operations and are designed for beautification, stabilisation and to off-set green-house gas emissions and the impacts of the Group's operations. Through its various programmes, the Group has been responsible for planting over 2 million endemic and cash crop trees.

A total of 7.68 hectares were rehabilitated during FY2022 (FY2021: 7.17 hectares) to bring the total area rehabilitated since commencement of mining to 44.13 hectares.

As a manifestation of our unwavering and exemplary commitment, the Group has received awards from the Philippine government Best Mining Forest Contest for six consecutive years (2017-2022).

WATER MANAGEMENT

Mining activities require a large and constant supply of water and the Group recognises that access to safe water is a fundamental right for local communities.

The Group operates a dynamic water management programme to avoid possible impacts on the downstream water quantity, quality and aquatic environment. The ASTER technology contained in the final segment of the process plant destroys all cyanide species from tailings before the tailings are pumped into the RSI.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

The Group recognises its social responsibility to align its efforts to contribute to global climate change goals and targets including net-zero emissions by 2050. Policies to minimise the Group's greenhouse gas emissions ("GHG"), as far as economically practicable, are followed.

Within our operations we support the use of renewable energy by purchasing our electricity from a hydroelectric company.

Regulations made under the UK Companies Act 2006 requires the Group, to the extent practicable, to obtain relevant information on the Group's annual quantity of GHG emissions, which is reported in tonnes of carbon dioxide equivalent, and the Group's energy consumption.

Scope 1 GHG emissions from operations refers to direct activities that are owned or controlled by the Group; primarily emissions from fuel consumed by haul trucks, other vehicles and stationary plant at the Runruno project.

The calculation of GHG emissions is based on activity data, i.e. monitoring of fuel consumption rates, fuel composition, etc multiplied by industry produced conversion factors.

Scope 2 GHG emissions are indirect emissions from the generation of purchased electricity consumed by operations that are owned or controlled by the Group. Group Scope 2 emissions have been calculated using Philippine government recorded supplier-specific emission factors.

These Scope 1 and 2 GHG emissions are regularly reported to the Philippines mines department.

The Group's total carbon footprint (generated outside of the UK) for the last two financial years was measured as follows:

	2022	2021
	CO_2e Tonnes	CO_2e Tonnes
Scope 1 GHG emissions	21,219	24,823
Scope 2 GHG emissions	70,712	72,291
Operational GHG emissions Total	91,931	97,114
	Total CO_2e Tonnes per ounces gold sold	Total CO_2e Tonnes per ounces gold sold
Operational GHG Emissions Intensity	1.27	1.33

ENVIRONMENTAL MONITORING

The Group maintains very high compliance standards and employs industry leading initiatives to ensure the highest environmental performance. It regularly conducts its own internal comprehensive environmental monitoring programme to ensure compliance with its licence provisions, Philippine Regulations and any appropriate contemporary Standards. These programmes extend to reference sites outside the immediate operational area and are used to provide reference and base-line data for future use. The Government programmes quarterly monitoring by an independent, community based Multipartite Monitoring Team. The

Group also engages an independent third-party consultant group specialising in environment monitoring services to conduct independent monitoring of its environmental performance.

LEGAL COMPLIANCE
High compliance standards are practiced across the Group. A large site-based team is dedicated to managing the high levels of compliance mandated within the Philippines. The site is regularly audited with upwards of 60 audits, verifications or reviews of its operations undertaken annually by the various regulators. The wide range of permits to operate in the Philippines are secured from more than a dozen Government agencies and regulators.

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of Metals Exploration plc (the "Company") and its subsidiary undertakings (the "Group"), for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES
The principal activity of the Group is to identify, acquire, explore and develop mining and processing projects, mining companies, businesses or opportunities with particular emphasis on precious and base metals mining opportunities in the Philippines.

The Company was incorporated on 8 April 2004 under the Companies Act 1985 (now Companies Act 2006) and is registered in England and Wales with registered number 05098945. The Company was admitted to trading on AIM in October 2004.

The principal activity of the Company is that of a holding Company for its subsidiary undertakings, which are set out in note 14 of the financial statements.

FINANCIAL RESULTS
For the year ended 31 December 2022 the profit before tax of the Group for the year was US$8.7 million (2021: US$11.3 million).

DIVIDENDS
The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: US$nil).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
A review of the current and future development of the Group's business is given in the Chairman's Statement on page 3 and the Chief Executive Officer's Report on page 5.

NOMINATED ADVISER & CORPORATE BROKER
The Company's nominated adviser is Strand Hanson Limited. The Company's corporate broker is Hannam & Partners ("H&P Advisory Limited").

AUDITOR
CLA Evelyn Partners Limited (formerly Nexia, Smith & Williamson) were re-appointed as auditor of the Company at the Annual General Meeting held in 2022 and it is proposed that they be re-appointed at the Company's forthcoming Annual General Meeting.

DIRECTORS & DIRECTORS' INTERESTS
The Directors of the Company during the year and since the year end were:

David Cather	(Independent Non-Executive Chairman)
Darren Bowden	(Chief Executive Officer and Executive Director)
Andrew Chubb	(Non-Executive Director)
Tim Livesey	(Independent Non-Executive Director), appointed 5 May 2022
Steven Smith	(Non-Executive Director)
Guy Walker	(Non-Executive Director)
Jeremy Wrathall	(Independent Non-Executive Director), resigned 5 May 2022

Refer to the Remuneration Report for details of Directors' beneficial interests in unissued ordinary shares granted by the Company under share options.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES
During FY2022, the Company issued:

- 6,600,000 options to acquire new ordinary shares to Mr Livesey. These options are subject to the vesting conditions as noted in the Remuneration Report.
- 8,257,335 new ordinary shares to Mr Bowden in lieu of a cash payment of a portion of his management incentive bonus award.

Apart from outstanding share options, a full summary of which is disclosed in the Remuneration Report, there are no other arrangements entered into to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE
No contract of significance to which the Company, or any of its subsidiary companies was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the year; other than:

- Steven Smith is a 10% shareholder in MTL Guernsey Limited ("MTLG"). During the year the Company effectively completed the repayment of the debt payable to MTLG under the Senior Debt Facility.
- Andrew Chubb is a partner of Hannam & Partners, the Company's broker and financial adviser.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP
The Board of Directors review the principal risks and uncertainties facing the Group on an ongoing and regular basis. Assessments are made as to how to manage these and mitigate as much risk as possible through various controls. Many of these risks and uncertainties are common to all mining projects. The principal risks and uncertainties facing the Group are identified as follows:

Market risk
The profitability of the Group's projects is impacted by the risks associated with the gold market. Profitability can be affected by factors beyond the Group's control, such as a prolonged decline in world gold prices. The Group regularly tracks gold prices and regularly refines its models on financial profitability in order to have available for the Board at all times, a current view on the future financial viability of its active projects. The Group has attempted to mitigate this risk by entering into limited hedge arrangements in relation to future gold prices. Refer note 20.

The Group is exposed to currency risks in its operations; particularly in relation to Philippine domestic peso currency exposure from costs associated with mining and gold recovery. Currency exposures are carefully monitored, and forward contracts are in place to insure against major adverse currency movement risk. Refer note 20.

Nature of mining, resource estimation and mineral processing

Mineral resource and reserves estimation provides no assurance that the potential tonnage and grades will be achieved. The exploration of mineral rights is speculative in nature and any published results are expressions of judgement developed using industry tested measuring techniques, none of which can be relied upon with complete certainty. Each set of published results builds upon the previous published information and includes any new and reliable information from systematic drill results, mining, and recovery and reconciliation activities and is independently verified by qualified persons. However, this still involves experience, judgement, skill and estimation, all of which are imprecise, interpretative and open to challenge. The actual results of mining may differ upwards or downwards from the published reserves upon which the Group relies in its business projections.

The size of the deposit, its grade, depth and type of orebody, are only some of the particular attributes which determine the costs and recovery methods required to be employed. There is also the length of haul to the processing plant, age and maintenance programmes for plant and equipment, land access, environmental protection and community relations, capital costs, reclamation and closure costs and labour and host community relations. The quantities, costs and assumptions used to identify and interpret these variables can be modelled to the lowest level of detail possible, but they do not provide absolute certainty that the expected cost of mining will be achieved.

The metallurgy of the Group’s ore requires a complex set of processes to extract economic levels of gold doré. Maintaining efficient processing operations requires specialised equipment and consumables, combined with an experienced and motivated processing team. It is also subject to numerous factors some of which are within the Group’s ability to control, and some that are external factors outside the control of the Group.

Reserves and Life of Mine

Based upon the Group’s current delineated gold reserves and planned mining schedule it is predicted that the Runruno project’s remaining life of mine is approximately 3-4 years.

Exploration and development of mineral deposits involve a wide range of significant risks and require a significant investment over an extended period of time. These risks are seldom constant with new types invariably arising and adding to the industry’s and Group’s challenges.

Exploration success that results in the discovery of new gold resources that can be developed into new economic gold mineral reserves that in turn can extend the Runruno project life of mine is not guaranteed.

Mining regulatory risk

Mining investors are exposed to a high level of regulatory risk under the governing bodies responsible for the Philippine mining sector. There is a wide array of ‘rules and regulations’ (“Rules”) that govern the regulatory regime for foreign mining investment in the Philippines and the Rules are created and enforced by several layers of government and government agencies nationally, provincially and locally. The Philippines mining industry is subject to frequent audit and review activity by regulatory agencies.

Failure to receive, extend or amend any Regulatory Approval, or delays in receiving, extending or amending any Regulatory Approval may adversely affect the properties, business or operations of the Group including, but not limited to, increasing the costs of the Group’s activities; limiting the Group’s capacity to produce gold; delaying the implementation of any planned changes to the Group’s activities; or requiring the full or partial suspension of the Group’s operations.

The Group has almost 500 approvals, licences and permits to conduct mining, processing and related activities at its Runruno Gold Project in the Philippines (collectively “Regulatory Approvals”) and is routinely required to obtain new permits and Regulatory Approvals or to amend, renew or extend its existing permits and Regulatory Approvals.

As at the date of this Report, neither the Group nor the Runruno project is subject to any suspension or closure order. The Group has applied for, or is in the process of, applying for the issue, extension or renewal of a number of Regulatory Approvals and cannot be certain that they will be issued, extended or renewed on acceptable terms or within the required timeframes.

Key personnel
The Group's future success is substantially dependent upon the continued service of senior management, and it's highly skilled and trained personnel at all levels of management, however the retention of relevant members of staff cannot be guaranteed. There can be no certainty that the Group can recruit suitably qualified or skilled employees in a competitive, highly skilled, specialist industry and it is possible the Group will face periods of varying lengths of management and skills shortages.

Where key personnel cannot be retained in the medium to long term, the Group's commercial production could be compromised at various intervals.

Further, COVID-19 travel restrictions impacted on the ability of international senior management to travel to and from the project site, which combined with the imposition of various levels of government mandatory quarantine periods has added to the pressure of retaining key personnel. These travel difficulties are waning and it is hoped that this matter will not be an issue in the future.

Environmental risk
Mining operations are by nature environmentally risky ventures. As a responsible miner the Group takes its environmental responsibilities very seriously and is subject to stringent rules and regulations before, during and after its period of exploration and mining development. Open pit mining is mining on a large-scale and has the potential to become entangled in environmental disputes. The Group employs every effort to avoid and mitigate even the most minor of damage to the environment but it is aware it will always be exposed to these risks for as long as it is present at Runruno.

Any breach of its environmental code or obligations to the environment as dictated in its Financial or Technical Assistance Agreement ("FTAA") or its Environmental Compliance Certificate may result in a temporary suspension of operations, fines, and even the possibility of closure of mining operations at Runruno. The Group is aware there may be further environmental standards imposed throughout the life of its mining operations which will involve further costs, time and compromises to be compliant.

Political and Country Risk
The Philippines is a challenging jurisdiction for foreign mining companies to succeed. The Mining industry's percentage contribution to the country's GDP has dropped significantly over the last 30-40 years. Philippine political and country perceived risk issues have hindered the development of a world class Philippine mining industry. The Group has no control or influence in these matters and these risks are a constant.

In an effort to reduce these risks, the Group applied for and was granted a FTAA, a contract in law with the government. The 1995 Mining Act allows 100% foreign ownership of mining entities where there is a US$50 million investment or higher, through the ownership of a FTAA. Mines operating under a FTAA have recourse for disputes to be arbitrated offshore. Despite opposition to the 1995 Mining Act successive Presidents have supported the framework.

Further, it is noted that during the COVID-19 crisis the Government strongly supported the industry such that the Group was able to continue to operate, albeit initially on a reduced level. Further recent Philippine government pronouncements are increasingly mining supportive.

Access to Tenement Areas
The Group now has full access to all stages of the mining plan. However, further development of the Runruno project in Stages 4 and 5 are dependent upon the successful removal of a small number of illegal gold miners, and their structures, that still remain on Group owned land in those areas. Although the resettlement of

these illegal miners is substantially complete, the delay in doing so has necessitated changes to the Group's mining schedule.

In order to mitigate any further risk in this matter, the Group has worked diligently with the local and provincial government departments with the aim of ensuring the process continues to proceed on as smooth as possible basis, and with limited disruption to existing and near term operations.

RSI Integrity

The Group's tailings waste is directed to a Residual Storage Impoundment ("RSI") facility. The RSI is being constructed to standards applicable to international water dam construction, which has significantly higher standards than normal mine tailings facilities. However, the failure of the RSI would be catastrophic, and as such the continued integrity of this structure is of the utmost importance.

Third party audits of the design and construction integrity of the RSI are conducted. Although the final lift to the RSI will be completed in Q2 2023 the RSI remains in compliance with local guidelines and local development requirements. Studies have determined the final in-rock spillway location and construction of the final in-rock spillway has commenced in Q1 2023. This final in-rock spillway will ensure the RSI has the capacity to cope with a 'Probable Maximum Flood' event.

The performance of the RSI is continuously monitored by an independent international consulting group.

GOING CONCERN

The consolidated financial statements of the Group have been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

To date, the Group has managed to limit the negative impact of COVID-19 it believes the impact of COVID-19 will not affect the future going concern status of the Group.

Although the Group's current liabilities continue to exceed its current assets, primarily due to the estimated external borrowings the Group expects to repay within the next 12 months, profitable operations continued during FY2022. Further there is no obligation to adhere to a set loan principal or interest repayment schedule removing the risk of default under the debt due to cash flow issues.

As a result, the Directors believe there is no material uncertainty over the Group's going concern and that it is appropriate that the financial statements should be prepared on a going concern basis.

KEY PERFORMANCE INDICATORS

The Directors monitor the performance of the Group through the following key performance indicators:

- Safety – Safety is at the core of the Group's business. The Group aspires to a world class TRIFR target of <0.95, which was achieved both in FY2022 and FY2021. Indeed the focus on safety has been successful with over 19 million work-hours being recorded since the last lost-time incident. Maintaining a safe working environment at all times, for all employees and contractors, is of paramount importance to the Group. Safety is the lead item for consideration at all management meetings, with safety briefings and safety protocol reviews regularly undertaken. Management remains determined to minimise and where possible eliminate potential safety risks.
- Environment/permit compliance – The Group aims to have no major environmental/permitting incidents and <3 minor reportable environmental/permitting incidents per annum. This target was achieved during both FY2022 and FY2021. Operations are subject to numerous environmental and permit obligations and regulations. A dedicated department monitors the Group's performance in this regard. Regular reporting of compliance with these obligations and regulations is strictly adhered to. The Group is confident of its satisfaction of the compliance obligations imposed on its operations and its ability to maintain and renew permits as required.

- Gold recovery – Overall gold recovery measured against budget reflects the outcome of ongoing technical work undertaken to improve operational performance. The average gold recovery in FY2022 was 85.7% (FY2021: 84.5%) surpassing the average gold recovery target. Gold recoveries are continuously monitored providing detailed information on day-to-day performance, and for ongoing studies into improving gold recovery even further.
- Free cash flow – Given the Group's high debt level the amount of free cash flow produced to pay down Group debt is of paramount importance; and performance is determined by comparison of actual results against budget. The cost efficiencies of operations are measured against budgets and forecasts on a weekly and monthly basis. Detailed annual budgets are approved by the Board. Free cash generated from operations of US$38.2 million (FY2021: US$46.5 million) exceeded budget.
- Total expenditure – Total operating cost and CAPEX expenditure is measured against budget on a weekly, monthly and annual basis. Projected costs are re-forecast at regular intervals. Total operating cost and CAPEX expenditure for FY2022 of US$89.7 million (FY2021: US$91.1 million) was slightly in below budget.
- Total movement of material – Actual physical mining performance, both ore and waste, compared to budget is a key driver to ongoing mining operations. Mine schedules are constantly being reviewed to ensure sufficient ore is delivered to the process plant on a timely basis at an economic grade. Actual tonnes mined during the year was 15% above budget at 13.7Mt (FY2021: 10.8Mt).
- Mill throughput – Actual tonnes milled of 2.1Mt (FY2021: 2.1Mt) compared to the 1.75Mt name-plant design of the process plant indicates the degree of success plant modifications have made on the Group's ability to increase production rates above original design expectations.

EVENTS AFTER THE BALANCE SHEET DATE
Details of significant events occurring after the balance sheet date are set out in note 36 to the financial statements.

FINANCIAL RISK MANAGEMENT
Details of the Group's policies with respect to financial risk management are given in note 34 to the financial statements.

Although monitoring financial risk falls within the terms of reference of the audit committee, this matter is a standard agenda item at all board meetings. The Group's finance departments implement policies set by the Board of Directors.

CORPORATE RESPONSIBILITY AND ENVIRONMENTAL POLICY
The Group's policy is to conduct operations in a safe and environmentally responsible manner to industry best practice standards, to respect the indigenous culture of the mining project areas, to promote social and economic development and to offer employment and training opportunities to those who live in the mining project areas.

POLITICAL CONTRIBUTIONS AND CHARITABLE CONTRIBUTIONS
During FY2022, the Group did not make any political or charitable contributions (FY2021: $nil).

ANNUAL GENERAL MEETING
This report and the financial statements will be presented to shareholders for their approval at the Annual General Meeting ("AGM").

The Company's AGM is expected to be held on or around 19 June 2023 at the offices of Armstrong Teasdale LLP in London. The Notice of the AGM will be issued shortly.

In accordance with the Company's Articles of Association, Messrs Cather, Bowden, Chubb, and Livesey will retire and will offer themselves for re-election at the AGM.

SHARE CAPITAL

During the year the Company undertook a capital reorganisation which consisted of both a capital sub-division and a capital reduction. Refer to note 25. On 31 December 2022, there were 2,088,796,421 ordinary shares of £0.0001 each in the capital of the Company in issue.

SIGNIFICANT SHAREHOLDINGS

As at 31 December 2022, the Company is either aware of or has been notified of the following shareholders who hold disclosable interests of 3% or more of the nominal value of the Company's ordinary shares:

Significant Shareholders	Shares held as of 31 December 2022	%	Shares held as of 31 December 2021	%
MTL (Luxembourg) Sarl[1]	970,532,143	46.6%	970,532,143	46.9%
Runruno Holdings Ltd	393,513,302	18.8%	393,513,302	19.0%
Baker Steel Capital Managers LLP[2]	113,488,429	4.5%	123,738,429	6.0%
Interactive Investor[3]	87,747,000	4.2%	87,682,051	4.2%
Hargreaves Lansdown[3]	85,083,121	4.1%	85,680,762	4.1%

[1] MTL (Luxembourg) Sarl's holding includes 1 million shares owned by Ms. Crompton Candy and 1 million shares owned by Parman Street Holdings Limited both of whom are deemed to be acting in concert with MTL Luxembourg.
[2] Baker Steel Capital Managers LLP acting on behalf of various funds for which it acts as full discretionary Investment Manager.

[3] Acting on behalf of its clients.

BOARD ENGAGEMENT WITH STAKEHOLDERS – SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, and would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The Directors use the Board meetings as a mechanism for giving careful consideration to the factors set out above in discharging their duties under section 172.

Stakeholder engagement

Key stakeholder groups we engage with are listed below, together with an explanation of why we focus on them and how we engage them.

Employees

The success of the Group is dependent upon the hard work and dedication of all our employees. The Board ensures a continuing investment in existing employees who are supported through professional, technical and on-the-job training relevant to their functional areas. The Board directs executives and senior managers to keep staff informed of the progress and development of the Group on a regular basis through formal and informal operational updates, meetings and other regular communications. In addition, the Board ensures funds are provided for regular events to encourage employee participation in local community initiatives.

The Group strives to create an equal opportunity work environment where employees can be safe and healthy at all times, while feeling valued and supported. Employees are encouraged to speak out about anything that impacts their performance and/or safety.

The Board is conscious of its social obligation to impart skills and knowledge onto local Philippine employees. Accordingly over 98% of the Group's workforce is Philippine. Workforce gender diversity policies are actively followed with approximately 28% of the workforce being female.

Government Agencies & Local Communities
The Group operates in the highly regulated mining business in the Philippines. The Board ensures the Company adopts a positive focus on maintaining productive relations with local communities and all levels of government. As a result the Chief Executive Officer and senior managers regularly conduct consultations with multi-levels of government agencies to ensure that all regulatory approvals and permits remain in good order. Development of local community improvement programmes are undertaken with consultation of local government and community representatives.

Contractors & Suppliers
Our contractors and suppliers are key business partners, and the quality of goods and services we receive are essential to supporting operations and to provide the Group with the opportunity to produce positive cash flows.

As directed by the Board, management collaborates and continually works with our contractors and the full supply chain, sharing best practice and seeking out synergies to improve performance.

Lenders
For the entire reporting period, the CEO and the CFO, on behalf of the Board, were in regular contact with its lenders regarding the Group's performance and to ensure expectations are properly managed.

Customers
The Group's business in mining and selling gold doré means it only deals with a small number of end customers, being refiners of doré and/or gold concentrate. The Board ensures a close relationship is maintained with senior personnel at each customer group.

Investors
Investors are considered key stakeholders, and consequently investor relations are a focus area for Directors. Where possible the Board engages investors on Group performance following trading updates and results announcements.

DISCLOSURE OF INFORMATION TO THE AUDITORS
The Directors at the date of approval of this Annual Report individually confirm that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are 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 auditors are aware of that information.

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

Approved by the Board of Directors and signed on behalf of the Board

Darren Bowden, Chief Executive Officer
15 May 2023

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 US$	2021 US$
Continuing Operations			
Revenue	3	124,410,991	129,843,489
Cost of sales		(91,667,471)	(91,977,555)
Gross profit		32,743,520	37,865,934
Administrative expenses		(8,924,926)	(8,475,303)
Operating profit	4	**23,818,594**	**29,390,631**
Impairment loss	8	(1,202,397)	(1,450,078)
Loss on sale of assets		-	(78,206)
Net finance and other charges	8	(13,765,824)	(16,232,196)
Provision for (loss) on derivatives	20	(4,883)	(332,996)
Share based payment expense	27	(102,001)	(10,982)
Share of (loss)/profit of associates	15	(76,854)	18,232
Profit before tax		**8,666,635**	**11,304,405**
Tax benefit/(expense)	9/10	87,321	(11,769)
Profit for the period attributable to equity holders of the parent		**8,753,956**	**11,292,636**
Other comprehensive income:			
Items that may be re-classified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(247,475)	(791,929)
Items that will not be re-classified subsequently to profit or loss:			
Re-measurement of pension liabilities		(634,652)	123,855
Total comprehensive profit for the period attributable to equity holders of the parent		**7,871,829**	**10,624,562**
		Cents per share	Cents per share
Earnings per share:			
Basic cents per share	11	**0.42**	**0.55**
Diluted cents per share (* Restated – refer note 11)	11	**0.42**	**0.55***

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 US$	2021 US$
Non-current assets			
Property, plant and equipment	12	81,459,218	95,941,405
Other intangible assets	13	33,049	70,115
Investment in associate companies	15	105,411	182,265
Trade and other receivables	16	8,796,133	5,529,628
		90,393,811	**101,723,413**
Current assets			
Inventories	17	21,215,487	17,217,885
Trade and other receivables	19	8,135,100	5,968,568
Cash and cash equivalents	18	861,069	4,736,970
		30,211,656	**27,923,423**
Non-current liabilities			
Loans	23	(51,983,413)	(78,856,268)
Trade and other payables	22	(1,314,556)	(78,894)
Retirement benefits obligations	21	(2,463,112)	(1,871,641)
Deferred tax liabilities	10	(574,038)	(805,680)
Provision for mine rehabilitation	24	(3,764,708)	(4,015,050)
		(60,099,827)	**(85,627,533)**
Current liabilities			
Trade and other payables	22	(12,431,948)	(10,328,000)
Loans - current portion	23	(30,001,208)	(23,834,279)
Derivative liabilities	20	(308,725)	(332,996)
		(42,741,881)	**(34,495,275)**
Net assets		**17,763,759**	**9,524,028**
Equity			
Share capital	25	281,638	27,950,217
Share premium account	25	-	195,855,125
Acquisition of non-controlling interest reserve		(5,107,515)	(5,107,515)
Translation reserve		14,421,001	14,668,476
Re-measurement reserve		(472,649)	162,003
Other reserves	27/28	1,639,920	1,537,919
Profit and loss account	26	7,001,364	(225,542,197)
Equity attributable to equity holders of the parent		**17,763,759**	**9,524,028**

The financial statements were approved by the Board of Directors on13 May 2023 and were signed on its behalf by:

Darren Bowden, *Chief Executive Officer* 15 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	*Share capital*	*Share premium account*	*Acquisition of non-controlling interest reserve*	*Translation reserve*	*Re-measurement reserve*	*Other reserves*	*Profit and loss account*	*Total equity*
		US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Balance at 1 January 2022		**27,950,217**	**195,855,125**	**(5,107,515)**	**14,668,476**	**162,003**	**1,537,919**	**(225,542,197)**	**9,524,028**
Exchange differences on translating foreign operations		-	-	-	(247,475)	-	-	-	(247,475)
Change in pension liability		-	-	-	-	(634,652)	-	-	(634,652)
Profit for the year		-	-	-	-	-	-	8,753,956	8,753,956
Share-based payment	27	-	-	-	-	-	102,001	-	102,001
Total comprehensive income/(loss) for the year		-	-	-	(247,475)	(634,652)	102,001	8,753,956	7,973,830
Share issue	25	2,136	263,765	-	-	-	-	-	265,901
Capital reduction	25	(27,670,715)	(196,118,890)	-	-	-	-	223,789,605	-
Balance at 31 December 2022		**281,638**	**-**	**(5,107,515)**	**14,421,001**	**(472,649)**	**1,639,920**	**7,001,364**	**17,763,759**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs
- Acquisition of non-controlling interest reserve; being the amounts recognised on acquiring additional equity in a controlled subsidiary
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries
- Re-measurement reserve: being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in other comprehensive income
- Other reserves: being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense
- Profit and loss account; being the cumulative profit/(loss) attributable to equity shareholders

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital	Share premium account	Acquisition of non-controlling interest reserve	Translation reserve	Re-measurement reserve	Other reserves	Profit and loss account	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2021		**27,950,217**	**195,855,125**	**(5,107,515)**	**15,460,405**	**38,148**	**1,526,937**	**(236,834,833)**	**(1,111,516)**
Exchange differences on translating foreign operations		-	-	-	(791,929)	-	-	-	(791,929)
Change in pension liability		-	-	-	-	123,855	-	-	123,855
Profit for the year		-	-	-	-	-	-	11,292,636	11,292,636
Share based payment	27	-	-	-	-	-	10,982	-	10,982
Total comprehensive income/(loss) for the year		-	-	-	(791,929)	123,855	10,982	11,292,636	10,635,544
Balance at 31 December 2021		**27,950,217**	**195,855,125**	**(5,107,515)**	**14,668,476**	**162,003**	**1,537,919**	**(225,542,197)**	**9,524,028**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs
- Acquisition of non-controlling interest reserve; being the amounts recognised on acquiring additional equity in a controlled subsidiary
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries
- Re-measurement reserve: being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in other comprehensive income
- Other reserves: being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense
- Profit and loss account; being the cumulative loss attributable to equity shareholders

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	*2022* US$	*2021* US$
Net cash generated from operating activities	29	**38,189,947**	**46,515,768**
Investing activities			
Exploration expenses incurred		-	(338,203)
Purchase of property, plant and equipment		(8,227,773)	(11,542,751)
Purchase of intangible assets		-	(45,993)
Proceeds from sale of plant and equipment		-	60,000
Net cash (used in) investing activities		**(8,227,773)**	**(11,866,947)**
Financing activities			
Repayment of borrowing principal		(31,998,689)	(37,252,930)
Repayment of borrowing interest		(1,824,311)	(2,422,070)
Net cash (used in) financing activities	30	**(33,823,000)**	**(39,675,000)**
Net (decrease) in cash and cash equivalents		(3,860,826)	(5,026,179)
Cash and cash equivalents at beginning of year		4,736,970	8,931,792
Foreign exchange difference		(15,075)	831,357
Cash and cash equivalents at end of year		**861,069**	**4,736,970**

Note the comparative balances above have been updated to align with the current year categorisation and further disaggregation of line items; there have been no changes to the operating, investing and financing activity cash flow subtotals.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	*2022* *US$*	*2021* *US$*
Non-current assets			
Trade and other receivables (Restated – refer note 19)	19	70,695,188	88,729,224*
Investment in subsidiaries	14	-	-
		70,695,188	88,729,224
Current assets			
Trade and other receivables (Restated – refer note 19)	19	30,117,793	-*
Cash and cash equivalents	18	168,614	199,978
		30,286,407	**199,978**
Non-current liabilities			
Loans	23	(51,983,413)	(78,856,268)
Trade and other payables	22	(143,365)	(78,895)
		(52,126,778)	**(78,935,163)**
Current liabilities			
Loans	23	(30,000,000)	-
Trade and other payables	22	(735,836)	(389,327)
Derivative liabilities	20	(308,725)	(332,996)
		(31,044,561)	**(722,323)**
Net assets		**17,810,256**	**9,271,716**
Equity			
Share capital	25	281,638	27,950,217
Share premium account	25	-	195,855,125
Translation reserve		(1,090,923)	971,346
Other reserves	27/28	1,639,920	1,537,919
Profit and loss account	26	16,979,621	(217,042,891)
Equity attributable to equity holders of the parent		**17,810,256**	**9,271,716**

The Company has taken advantage of the exemption provided under section 408 of Companies Act 2006 not to publish an income statement or a statement of total comprehensive income. The total comprehensive income for the year ended 31 December 2022 dealt with in the financial statements of the Company was US$10,232,907 (2021: US$11,938,570).

The financial statements were approved by the Board of Directors on 13 May 2023 and were signed on its behalf by:

Darren Bowden; *Chief Executive Officer*

15 May 2023

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2022 & 31 DECEMBER 2021

	Note	*Share capital*	*Share premium account*	*Translation reserve*	*Other reserves*	*Profit and loss account*	*Total equity*
		US$	*US$*	*US$*	*US$*	*US$*	*US$*
Balance at1 January 2021		**27,950,217**	**195,855,125**	**1,305,125**	**1,526,937**	**(228,981,461)**	**(2,344,057)**
Exchange differences on translating foreign currencies		-	-	(333,779)	-	-	(333,779)
Profit for the year		-	-	-	-	11,938,570	11,938,570
Share-based payment	27	-	-	-	10,982	-	10,982
Total comprehensive income for the year		-	-	(333,779)	10,982	11,938,570	11,615,773
Balance at 31 December 2021		**27,950,217**	**195,855,125**	**971,346**	**1,537,919**	**(217,042,891)**	**9,271,716**
Exchange differences on translating foreign currencies		-	-	(2,062,269)	-	-	(2,062,269)
Profit for the year		-	-	-	-	10,232,907	10,232,907
Share-based payment	27	-	-	-	102,001	-	102,001
Total comprehensive income for the year		-	-	(2,062,269)	102,001	10,232,907	8,272,639
Share issue		2,136	263,765	-	-	-	265,901
Capital reduction	25	(27,670,715)	(196,118,890)	-	-	223,789,605	-
Balance at 31 December 2022		**281,638**	**-**	**(1,090,923)**	**1,639,920**	**16,979,621**	**17,810,256**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs
- Translation reserve; being the foreign exchange differences arising on the change of presentational currency and upon on the translation of foreign currencies
- Other reserves: being the cumulative fair value of warrants associated with certain mezzanine debt facilities and the share-based payments expense
- Profit and loss account; being the cumulative loss attributable to equity shareholders

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 US$	2021 US$
Net cash (used in) operating activities	29	**(37,720)**	**(364,719)**
Financing activities			
Repayment of borrowing principal	30	(7,384,358)	-
Repayment of borrowing interest	30	(1,215,642)	-
Advances from subsidiary		8,600,000	-
Net cash provided by financing activities		-	-
Net (decrease) in cash and cash equivalents		(37,720)	(364,719)
Cash and cash equivalents at beginning of year		199,978	569,732
Foreign exchange difference		6,356	(5,035)
Cash and cash equivalents at end of year		**168,614**	**199,978**

Note the comparative balances above have been updated to align with the current year categorisation and further disaggregation of line items; there have been no changes to the operating, investing and financing activity cash flow subtotals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

The principal accounting policies are summarised below. Except as elsewhere disclosed, the accounting policies have all been applied consistently throughout the period covered by these financial statements.

Basis of preparation
The financial information has been prepared on a historical cost basis, except for derivative financial instruments, which are measured at fair value, and in accordance with UK-adopted international accounting standards.

For the Group and its subsidiaries US Dollars is both the functional and presentational currency. Although the Company's functional currency is pounds sterling, it uses US Dollars as its presentational currency, to better reflect the underlying performance of that entity.

Going concern
The consolidated financial statements of the Group have been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

Although the Group's current liabilities continue to exceed its current assets, primarily due to the estimated external borrowings the Group expects to repay within the next 12 months, profitable operations continued during FY2022. Further, there is no obligation to adhere to a set loan principal or interest repayment schedule removing the risk of default under the debt due to cash flow issues.

As a result the Directors believe there is no material uncertainty over the Group's going concern and that it is appropriate that the financial statements should be prepared on a going concern basis.

Changes in accounting policies and disclosures
The accounting policies and disclosures applied in the preparation of these financial statements are consistent with the accounting policies and disclosures applied in the preparation of the prior period financial statements.

New standards and interpretations
The financial statements have been drawn up on the basis of accounting standards, interpretations and amendments effective from the beginning of the accounting period on 1 January 2022. The new standards, interpretations and amendments effective from 1 January 2022 had no significant impact on the Group.

There are a number of international accounting standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods and which have not been adopted early. None of these standards, amendments to standards or interpretations are expected to have a significant effect on the Group.

Basis of consolidation
The Group financial statements incorporate the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2022. A subsidiary is an entity controlled, directly or indirectly, by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiary companies have been included in the Group's financial statements from the date of acquisition when control was passed to the Group using the acquisition method of accounting. The Group financial statements include the results of the Company and its subsidiaries as if they were a single reporting entity. On consolidation, intra-Group transactions and balances are eliminated.

Foreign currency
Transactions in currencies different to the company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange gains and losses on the settlement of monetary items are recognised in the statement of total comprehensive income.

On consolidation, the assets and liabilities are translated to US Dollars at the rates prevailing at the balance sheet date. Income and expenses are translated at the average exchange rates for the period. Exchange differences are recognised within other comprehensive income in the consolidated statement of total comprehensive income.

Taxation and deferred tax
Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the statement of total 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 Company's liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base 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 only to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited, as applicable, as a taxation debit/credit to the statement of total comprehensive income, except when it relates to items charged or credited directly to other comprehensive income in which case, the deferred tax is recognised in the other comprehensive income section within the statement of total comprehensive income.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority, on either the same taxable Group Company or different Group entities, which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share based payments
The Company may enter into equity-settled share-based transactions with its Directors, employees of its subsidiaries, its contractors or its lenders in which the counterparty provides services/goods to the Company in exchange for remuneration in the form of certain equity instruments of the Company. The equity instruments can comprise of shares, warrants and share options.

The services/goods received by the Company in these share-based transactions are measured by reference to the fair value of the equity instruments at the date of grant and are recognised as an expense in the statement of total comprehensive income with a corresponding increase other reserves in equity.

Inventories
Inventories of finished goods (bullion), gold in circuit and stockpiles of processed ore are brought to account and stated at the lower of costs and estimated net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Costs are assigned to ore stockpiles and gold in circuit items of inventory based on weighted average costs. Net realisable value is the estimated selling price in the ordinary course of

business (excluding derivatives) less the estimated costs of completion and the estimated costs necessary to make the sale.

Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

Intangible assets

Exploration costs

Costs relating to the exploration of precious and base metal properties are capitalised as intangible assets in the balance sheet once the Group has obtained the legal right to explore an area.

Capitalised exploration costs are reclassified to tangible assets once technical feasibility and commercial viability of extracting a mineral resource are demonstrable. The capitalised exploration costs are tested for impairment annually.

Where exploration costs have been incurred and capitalised for a specific tenement and the commercial and technical requirements to demonstrate positive economic returns using approved mining techniques has not been established, the Company recognises these costs as an intangible asset and tests these costs annually for impairment. These costs are considered fully impaired unless the results of exploration indicate the presence of mineral resources that have the potential to be defined as an inferred resource in accordance with industry standards.

Other intangible assets

Intangible assets acquired separately are initially recognised at cost. Intangible assets acquired as part of a business combination are measured at their fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Amortisation charges are recognised in cost of sales. Computer software is amortised over its expected useful life of 3 years using the straight-line method. Licences acquired to support mining operations will be amortised over the expected useful life of the mining operation (or the term of the licence if shorter) when development is complete and mining commences. Intangible assets are tested annually for impairment.

Investments

Investments in subsidiaries are recognised at cost less any impairment losses in the Company accounts.

Equity accounting is applied to investments in associates on a Group basis. Investments in associates are recognised at the cost of investment as adjusted for post-acquisition changes in the Group's share of net assets of the associate. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Property, plant and equipment

Property, plant and equipment are initially recognised at cost plus directly attributable expenses and are subsequently carried at cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated over their expected useful lives, using the straight-line method.

The classes of depreciable assets, their expected useful lives and their depreciation methods are:

Buildings & leasehold improvements	10 years	Straight-line
Drilling equipment	5 years	Straight-line
Motor vehicles	3-5 years	Straight-line
Fixtures, fittings and equipment	3 years	Straight-line
Process plant	applying the units of production over the useful life of the mine.	
Residual Storage Impoundment	applying the units of production over the useful life of the mine.	
Mining properties	applying the units of production over the useful life of the mine.	

Mining properties costs have arisen entirely because of a reclassification of the intangible assets deferred exploration costs, mine development costs, advances to surface occupants, and mining licenses. As of 20 October 2011, the extraction of gold from the Runruno site was assessed as being both technically feasible and commercially viable. Further costs since this date have been capitalised directly to mining properties.

Construction in progress costs are allocated to a property, plant and equipment tangible asset category, once the relevant asset has been assessed as being available for use as intended by management. The costs will be treated as being reclassified and will be depreciated according to the adopted method of the appropriate asset category.

Provision for mine rehabilitation and decommissioning
Provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) at the end of the reporting period when the related environmental disturbance occurs, based on the estimated future costs using information available at the end of the reporting period. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is classified as net finance and other costs in the statement of total comprehensive income. At the time of establishing the provision, a corresponding asset is capitalised and depreciated over future production from the operations to which it relates.

The provision is reviewed on an annual basis for changes to obligations or legislation or discount rates that affect change in cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate, and the adjusted cost of the asset is depreciated prospectively.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each end of the reporting period and the cost is charged to the statement of total comprehensive income.

Revenue recognition
Gold sales
The Group is principally engaged in the business of producing gold. Revenue is recognised when the Group transfers control of its gold to a customer at the amount at which payment is expected. Sales revenue represents the gross proceeds receivable from the customer.

For gold sales, the enforceable contract is each purchase order, which is an individual, short-term contract, while the performance obligation is the delivery of the metals.

Recognition of sales revenue for the gold is based on determined metal in concentrate and the London Bullion Market Association (LBMA) quoted prices, net of smelting and related charges.

Revenue is recognized when control passes to the customer, which occurs at a point in time when the metal concentrate is credited to the buyer's account and provisionally paid by the buyer. Under the terms of offtake agreements with the customer, the Company issues a provisional invoice for the entire volume of concentrate loaded to the customer's vessel. A final invoice is made thereafter upon customer's outturn of concentrates delivered and submission of their final assay report. Adjustment is accordingly made against the final invoice with respect to provisional collections received by the Company within two days to determine amounts still owing from/to customers.

As the enforceable contract for the arrangements is the purchase order, the transaction price is determined at the date of each sale (i.e., for each separate contract) and, therefore, there is minimal future variability within scope of IFRS 15 and no further remaining performance obligations under those contracts.

Revenue from the immaterial sale of by-products such as silver is accounted for as a credit to the cost of sales.

Financial instruments

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 for payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as economic, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include payables, loans and borrowings and derivative forward contracts.

Subsequent measurement

Payables

This category pertains to financial liabilities that are not held for trading or not designated as at fair value through profit or loss upon the inception of the liability. These include liabilities arising from operations (e.g., accounts payable and accrued liabilities).

Payables, which include trade and other payables, are recognised initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium, discount and any directly attributable transaction cost.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of total comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statements of total comprehensive income.

Derivative assets and liabilities

Derivative financial instruments (e.g. commodity derivatives such as forwards and options to economically hedge exposure to fluctuations in gold prices and foreign exchange rates) are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivatives are accounted for at fair value through profit or loss, where any gains or losses arising from changes in fair value on derivatives are taken directly to profit or loss for the year. As at 31 December 2022, the derivative instruments held by the Group were gold price put/call option contracts and USD:PHP exchange rate forward contracts.

Both the Group and the Company have recognised derivative liabilities arising from the currency exchange rate forward contracts as at 31 December 2022.

Compound financial instruments
Compound financial instruments comprise both liability and equity components. At issue date, the fair value of the liability component is estimated by discounting its future cash flows at an interest rate that would have been payable on a similar debt instrument without any equity conversion option. The liability component is accounted for as a financial liability. The difference between the net issue proceeds and the liability component is the equity component, and is accounted for as equity.

Any transaction costs associated with the issue of a compound financial instrument are allocated in proportion to the equity and liability components.

The interest expense on the liability component is calculated by applying the effective interest rate for the liability component of the instrument. The difference between the interest expense and the interest payments made are included in the carrying amount of the liability.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates, assumptions and judgements that affect the application of policies, and reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from reported amounts in the financial statements.

The key sources of estimation uncertainty and judgements which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are:

Judgements
Impairment and impairment reversals of assets
The Group assesses at each reporting date whether there are any indicators that its assets and cash generating units (CGUs) may be impaired or require previous impairment provisions to be reversed. Operating and economic assumptions which could affect the valuation of assets using discounted cash flow models are regularly reviewed and updated as part of the Group's monitoring of operational and financial performance and forecasting processes. Judgement is required in determining the level at which these assessments are made, be that at the asset or CGU level. Further judgment of whether operating and economic changes are significant and impact the performance potential of an asset or CGU is required. These judgements determine whether there is an indication of impairment or an impairment reversal is required. Assets that have previously been impaired must be assessed for indicators of both further impairment and impairment reversal. Such assets are recorded in the consolidated balance sheet at their recoverable amount at the date of the last impairment assessment (less annual depreciation/amortisation); therefore a change in operational plans, assumptions or economic conditions could result in further impairment or an impairment reversal if an indicator is identified.

Treatment of foreign currency movement on inter-company debt
The Group accounting policy in relation to foreign currency is consistent with, and governed by, the International Accounting Standard IAS21 – The Effects of Changes in Foreign Exchange Rates.

This standard considers treatment of currency movements on inter-group loans and whether inter-group loans are to be classified as a 'monetary asset' (with currency movements treated within profit and loss), or as a part of the Company's net investment in subsidiaries (with currency movements taken directly to the foreign translation reserve). Under the standard, an inter-group loan for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance a part of the entity's net investment in subsidiaries.

The Group parent company has made significant advances to its subsidiaries over an extended number of years; which for many years there was no current/planned settlement expectation. These advances are currently at call interest free loans. These balances have historically been treated as investment in foreign operations, however, expectations over the repayment of portions of the loans has changed within the period (refer note 8(b)) and as such where loan repayments are to be expected in the short term these portions will be moved out of the Net investment in foreign operations allocation for the purposes of consolidation accounting.

Judgement is therefore required to determine whether the inter-company loans are treated as monetary assets, with currency movements taken to profit and loss, or whether they are treated as a portion of the Company's net investment in subsidiaries, with currency movements taken directly to foreign translation reserve. This judgement may change from period to period for some, or all, of the inter-company loan amounts.

Estimates
Current v Non-current borrowings
Under the Group's debt arrangements there is no fixed schedule of interest and principal repayments. Rather the Group's repayment obligation is limited to making a minimum quarterly repayment of that amount which equals the available net working capital (NWC) over and above a US$5 million NWC buffer. If at the end of any quarter the NWC is less than US$5 million there is no debt repayment obligation and there is no resultant event of default if no repayment is made.

As a result the amount of debt principal that will be repaid within 12 months from balance sheet date is not known with certainty. Thus the amount of debt principal that is classified as either a current liability (payable within 12 months), or a non-current liability (payable after 12 months) needs to be estimated.

In order to estimate the amount of debt principal that will be repaid within the next 12 months the Group has taken into consideration the following:

- The level of debt repayments made during 2022 and to date during 2023; and
- Forecast minimum debt repayment obligations based upon predicted cash flows for the 2023 year after taking into consideration:
    - Current gold prices and industry consensus forecast gold prices for the remainder of 2023;
    - Current and forecast levels of gold recovery and gold production; and
    - Current and forecast operational and CAPEX costs (AISC).

The outcome of these considerations was to estimate that US$36 million in principal and interest payments will be made in FY2023 (2022: US36.0 million); of which it is estimated that US$30.0 million of debt principal owing as at 31 December 2022 is to be settled (2021: US$24.6 million). Thus it was estimated that US$30.0 million (2021: US$24.6 million) of debt principal is considered a current liability.

Impairment and impairment reversals of assets
An annual review is made of the carrying amount of an asset which may not be recoverable, or has previously been subject to an impairment charge. An asset's carrying value is written down, or conversely written up,

to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use). To determine value in use the Group reviews future operations using the latest life of mine (LOM) model detailing future cash flows that the Runruno operation is expected to produce. The key assumptions for these value-in-use calculations are those regarding risk discount rates, the price of gold, gold recovery levels, plant availability levels, changes in the resource statements and forecast changes in operational and CAPEX costs, the availability of economic funding and the ability to renew its mining permit(s).

The net present value of these expected future cash flows is used to determine if an impairment, or impairment reversal, is required.

The year ended 31 December 2022 review of the net present value of expected future cash flows did not result in either an impairment charge or an impairment charge reversal being raised against its mining properties, plant and equipment.

Recovery of intercompany receivable accounts
Receivables due from group companies are assessed under the expected credit losses model. In each case, the most appropriate assessment is for the Company to consider the output from the impairment tests and value-in-use calculations carried out in respect of the Group's mining properties, plant and equipment assets.

In both the years ended 31 December 2021 and 2022 the Company booked a partial reversal of a 2018 year impairment made against its loans receivable from its subsidiaries. These impairment reversals recognise the improved trading outcomes of operating subsidiaries such that it is estimated that the Company will receive a larger than previously estimated recovery of loans made to subsidiaries.

Refer to note 8 for detail on the impairment reversal/charges.

Determination of mineral resources and ore reserves
The determination of mineral resources and ore reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for pensions and for decommissioning and restoration.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Given the lack of resource definition drilling during FY2022 these estimates are based upon the mineral resources and ore reserves estimate publicised in February 2022, adjusted for mining depletion since that calculation was performed.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated which may impact asset carrying values, depreciation and amortisation rates, deferred stripping costs and relevant provisions.

Estimating gold-in-circuit and gold stockpile inventories
Gold-in-circuit is measured by the Company's metallurgists based on the gold grade/recovery across different structures of the process plant. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained concentrates in dry metric tonnes is based on assay data, and the estimated recovery percentage is based on the expected processing outcomes. Stockpile tonnages are verified by periodic surveys. Refer to note 17.

Although regular assay data is collected and production recoveries closely monitored these estimates that are valid at the time of estimation may be significantly different to the final gold recovered once processing of the gold inventories is completed.

Application of FTAA exemption from certain taxes and duties

The Company's Philippine operating subsidiary, FCF Minerals Corporation ("FCF"), operates the Runruno mine in accordance with the terms of a Financial and Technical Assistance Agreement ("FTAA") with the Philippine government. Under the terms of the FTAA, FCF was exempt from numerous taxes including corporate income tax, VAT, stamp duty and import duty, for a period (defined as the 'Recovery Period') designed to assist FCF to recover its initial investment in establishing the Runruno mine. The FTAA defined the Recovery Period as the earlier of 5 years from commencement of commercial production (ending in July 2022) or the date upon which FCF recovered its initial investments. To date FCF has not fully recovered its investment in establishing commercial operations at Runruno.

In accordance with the provisions of the FTAA, in December 2021, FCF applied to have the Recovery Period extended from July 2022 until December 2024 on the basis that to date FCF has only recovered a small percentage of its initial investment in establishing the Runruno commercial operation.

Although the outcome of this extension request remains uncertain, the extension request has passed through several steps in the process of being approved and has the garnered the support of some of the relevant government departments, the Group is confident that the extension will ultimately be granted.

As a result the financial statements are based on the assumption that the extension will be granted.

Recovery of VAT and other duties

Non-current receivables include amounts the Group believe it is entitled to recover from the Philippine government in respect of past paid VAT, stamp duty and import duties. Under the terms of the FTAA, FCF was exempt from numerous taxes including corporate income tax, VAT, stamp duty and import duty until July 2022.

Although FCF was exempt from paying the above listed taxes until July 2022 it nonetheless, for operational reasons, needed to outlay significant amounts in paying some of these various taxes in the period to July 2022. FCF is pursuing reimbursement of these payments through numerous court actions. Notwithstanding the terms of the FTAA, FCF has yet to successfully recover any of these amounts from the Philippine government.

In each year from 2018 to 2022 the Group has estimated that an impairment charge should be raised against this non-current receivable. Refer to note 16 for detail on the impairment charges.

Provision for environmental rehabilitation and decommissioning costs

The amount recognised as a provision represents management's best estimate of the consideration required to complete the necessary restoration and rehabilitation activity at the end of the LOM in line with the mine closure program agreed with the Philippine Government. These estimates are inherently uncertain and could materially change over time. There is judgement in the input assumptions used in determining the estimated rehabilitation and decommissioning provision. Inputs used that require estimating include:

- closure costs, which are determined in accordance with regulatory requirements,
- inflation rate, which has been adjusted for a long-term view,
- risk-free rate, which is compounded annually and linked to the life-of-mine,
- the rate at which the progressive back-fill rehabilitation is undertaken,
- whether the final construction of the RSI facility is completed during normal operations, and
- life-of-mine and related Mineral Resources and Mineral Reserves.

Provision for Pensions

The Group makes provision for an unfunded, non-contributory defined benefit retirement plan covering substantially all regular employees who have rendered at least six months of continuous service. Benefits are dependent on the years of service and the respective employee's compensation. The valuation of the retirement plan obligation is estimated using the projected unit credit actuarial cost method, and calculated by an independent qualified consulting group. The principal estimates used in determining the defined benefit retirement plan obligations are listed in note 21.

3. Revenue

	2022	*2021*
	US$	*US$*
Sale of gold doré	122,339,602	129,171,321
Sale of gold concentrate	2,071,389	672,168
	124,410,991	129,843,489

All gold doré sales are made to a single refinery customer with 95% of sales proceeds received within 3-5 days of the gold doré having been shipped from the Runruno operation. The Group also sells small amounts of gold concentrate to other refiners, with 50% of sales proceeds received upon export, with the balance received following further assaying and final processing.

4. Operating profit for the year is stated after charging:

	2022	*2021*
	US$	*US$*
Depreciation of property, plant and equipment (note 12)	22,458,340	19,341,675
Amortisation (note 13)	37,066	27,908
Foreign exchange losses	907,786	865,236
Staff costs (note 7)	11,650,711	10,692,885
Auditors remuneration (note 5)	199,385	196,523

5. Auditor's remuneration

	2022	*2021*
	US$	*US$*
Fees payable to the Group and Company's auditor for the audit of the Group and Company's accounts	155,153	134,573
Fees payable to the Company's auditor for other services	6,748	6,876
Fees payable to the Company's auditor for taxation compliance services	37,484	55,074
	199,385	196,523

6. Segmental analysis

Operating segments have been identified based on the Group's internal reporting to the Chief Operating Decision Maker ('CODM') and in particular the components of the Group which are regularly reviewed by the CODM. The operating segments included in internal reports are determined on the basis of their significance to the Group. The CODM has been determined to be the Board of Directors as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments. The primary segments have been identified into three geographic areas of the UK, Philippines and Singapore. The CODM uses 'profit/(loss) before tax', 'cash & cash equivalents' and 'total liabilities' as the key measures of the segments' results and these measures reflect the segments' underlying performance for the period under evaluation.

The segment results for the year ended 31 December 2022 and 2021 and the reconciliation of the segment measures to the respective statutory items in the consolidated financial information are as follows:

Year ended 31 December 2022	UK US$	Philippines US$	Singapore US$	Total US$
Segment results				
Sales revenue	-	124,410,991	-	124,410,991
Group operating (loss)/profit	(2,300,314)	26,133,439	(14,531)	23,818,594
Other income & charges	(106,884)	(1,198,896)	(3,501)	(1,309,281)
Finance costs	(12,656,148)	(1,100,766)	(8,910)	(13,765,824)
Loss on sale of assets	-	-	-	-
Share of (losses) of associates	-	(76,854)	-	(76,854)
(Loss)/profit before tax	**(15,063,346)**	**23,756,923**	**(26,942)**	**8,666,635**
Segment assets				
Segment tangibles & intangibles	-	81,492,266	-	81,492,266
Segment receivables & inventories	116,103	38,030,618	-	38,146,721
Segment cash	168,614	684,932	7,523	861,069
Equity-accounted investees	-	105,411	-	105,411
Total segment assets	284,717	120,313,227	7,523	120,605,467
Segment liabilities				
Segment loans	(81,983,413)	(1,208)	-	(81,984,621)
Segment trade & other payables	(759,566)	(12,982,094)	(4,844)	(13,746,504)
Segment provisions and retirement benefits obligations	-	(6,227,820)	-	(6,227,820)
Segment derivative liabilities	(308,725)	-	-	(308,725)
Segment deferred tax	-	(574,038)	-	(574,038)
Total segment liabilities	(83,051,704)	(19,785,160)	(4,844)	(102,841,708)
Total segment net (liabilities)/assets	**(82,766,987)**	**100,528,067**	**2,679**	**17,763,759**
Segment other information				
Amortisation of intangible assets	-	(37,066)	-	(37,066)
Depreciation of property, plant and equipment	-	(22,458,340)	-	(22,458,340)
Additions to property, plant and equipment	-	8,227,773	-	8,227,773

Segment net assets are analysed net of intercompany transactions.

The results of each segment have been prepared using accounting policies consistent with those of the Group as a whole.

7. Staff numbers and costs - Group

The average number of persons, including Directors, was:	***2022*** *Number*	*2021* *Number*
Administration	22	20
Development & operations	769	794
	791	**814**

Staff costs of the above persons were:	***2022*** *US$*	*2021* *US$*
Wages and salaries	10,934,593	9,940,820
Social security costs	435,616	425,658
Retirement and pension costs	280,502	326,407
	11,650,711	**10,692,885**

Directors' emoluments:	***2022*** *US$*	*2021* *US$*
Directors		
D Bowden[1]	1,661,897[2]	1,377,773[2]
D Cather[1]	120,493	95,634
A Chubb	89,819	51,222
T Livesey	76,321	-
S Smith[3]	61,349	23,036
A Stancliffe[3]	-	45,729
G Walker	65,030	123,980
J Wrathall	30,091	51,223
	2,104,999	**1,768,597**

The Remuneration Report on pages 14-18 includes details of the components of Directors' emoluments and forms part of these financial statements.

[1] Includes consulting fees paid to private consulting companies.
[2] Includes performance bonus accruals.
[3] Fees in relation to S Smith and A Stancliffe were paid to their appointee, MTL Luxembourg Sarl in accordance with a Relationship Agreement dated 23 October 2020.

Share options held by Directors:

As at 31 December 2022, the following share options, held by directors, were outstanding:

Date of grant	Exercise price	Expiry date	Number of Options 31 December 2021	Issued during year	Options lapsed during year	Number of Options 31 December 2022
28 October 2021	£0.0001	28 October 2024	19,800,000	-	(4,400,000)	15,400,000
17 June 2022	£0.0001	17 June 2025	-	6,600,000	-	6,600,000

8. Other charges and income applied against profit and loss

8(a). Impairment charge and impairment reversal - Group

Property, plant and equipment (PPE)
Under IAS 36 - *Impairment of Assets*, each asset that forms a cash generating unit (CGU) should be tested annually for impairment. The Group considers that the entire Runruno project (encompassing capitalised property, plant and equipment, mining licence costs, deferred exploration expenditure and the provision for mine rehabilitation and decommissioning) comprises a single cash generating unit as all stages of the project are interdependent in terms of generating cash flow and do not have the capacity to generate separate and distinct cash flow streams. Accordingly, the annual recoverable value assessment made in accordance with IAS 36 is made on a whole of project basis.

The Group assesses the recoverable amount of the Runruno project CGU based on the value in use of the Runruno operations using cash flow projections over the remaining expected LOM and at appropriate discount rates. Based on assumptions current as at 31 December 2022 the Group reviewed its recent operational performance and its future expectations based on the current planned mining schedule to estimate the recoverable amount the Runruno project could deliver.

The recoverable amount estimates were based on the following key assumptions and source information:

- gold resources to be mined based on current estimated reserves and resources and LOM mining schedule, adjusted for forecast mine and grade dilution;
- estimated average gold recoveries forecast to be achieved over the remaining LOM based on average gold recoveries achieved to date;
- estimated ongoing capital expenditure required for the remaining LOM;
- estimated operating and administration costs for the remaining LOM including an inflation factor;
- future gold revenues based upon gold prices received for the past 12 months and the industry consensus gold price predictions as at December 2022;
- future gold revenues calculated for the remaining LOM of 5 years; and
- risk discount rate of 14.5% (2021: 15.5%).

For both the years ended December 2021 and 2022 the estimated recoverable value of the Runruno project calculated in accordance with IAS 36 approximated the current book value of the Group's property, plant and equipment (PPE), less the provision for mine rehabilitation and decommissioning. Accordingly, there has been no requirement to book either an impairment charge or an impairment reversal in relation to the Group's PPE book values for either the year ended December 2021 or 2022.

Receivables due
Impairment charges have been raised against trade and other receivables due, both within and after one year, in relation to stamp duties, and VAT on importations and other goods and services. Under the fiscal terms incorporated into the FTAA these taxes and duties are recoverable, however, given the Group continues to have little success in securing appropriate refunds of these taxes it has paid, an annual impairment charge has been raised. (Refer note 16 - trade and other receivables due after one year; note 19 - trade and other receivables due within one year). In addition an impairment charge has been raised against advances made to associates.

The total impairment charges raised against all receivables was US$1.2 million (2021: US$1.5 million).

8(b). Impairment charge and impairment reversal – Company

Receivables due
To a large extent the Runruno project has been funded by loans from the parent Company and these together with the Company's investment in its subsidiaries and associates is represented by the value of the Runruno

project CGU. The 2018 estimate of the value of the Runruno project CGU resulted in these loans and investments being fully impaired.

Repayment of these loans and recovery of the investments is dependent upon the Runruno project producing sufficient cash surpluses. Subsequent reviews of what the future estimated cash flows that the Runruno project may produce have estimated that the Company's subsidiaries should be able to partially repay past parent company advances. Thus the Company estimates the expected parent company loan repayments to be at least equal to the year-end subsidiary net asset balance. From a review of the subsidiaries net assets as at 31 December 2022 it was estimated that at least US$100.7 million (2021: US$88.0 million) of these parent company advances could be repaid. As a result, the Company has booked an impairment reversal of US$22.5 million in 2022 (2021: US$24.0 million) of receivables due from subsidiaries (Refer note 19 – trade and other receivables due within one year).

8(c). Net finance costs and other income

	2022	*2021*
	US$	*US$*
Exchange gain/(loss)	(267,179)	(897,870)
Interest income	1,389	687
Loan interest and fees	(13,434,936)	(15,035,477)
Warrant amortisation expense	(187,159)	(299,536)
Realised gain on derivatives	122,060	-
Finance costs and other income	**(13,765,825)**	**(16,232,196)**

9. Taxation

The taxation (benefit)/expense comprises the following

	2022	*2021*
	US$	*US$*
Current year corporation tax expense	54,382	14,812
Current year deferred tax (benefit)/expense	(141,703)	(3,043)
Total tax (benefit)/expense for the year	**(87,321)**	**11,769**

The total tax (benefit)/expense for the year can be reconciled to profit for the year as follows:

	2022	2021
Profit before tax	8,666,635	11,304,405
Tax on profit at UK corporation tax rate of 19% (2021: 19%)	1,646,661	2,147,837
Effects of:		
Income not taxable	(964,072)	(1,442,986)
Differing tax rates in different jurisdictions	1,121,461	1,558,992
Tax losses (utilised)/carried over not previously recognised	(3,574,474)	556,933
Non-taxable and non-allowable items	1,683,182	(2,808,835)
Short-term timing differences	(79)	(172)
Total taxation (benefit)/expense for the year	**(87,321)**	**11,769**

10. Deferred tax liability and asset

	Tax Liability		Tax Asset	
	2022	2021	**2022**	2021
	US$	US$	US$	US$
Undepleted asset retirement obligation	442,400	583,572	-	-
Capitalised expenses	131,638	131,638	-	-
Other short term timing differences	-	90,470	-	-
	574,038	**805,680**	**-**	**-**

The differences between the deferred tax expense through the Consolidated Statement of Total Comprehensive Income and the deferred tax liability on the Consolidated Balance Sheet has occurred from translation differences arising on consolidation. Liabilities are translated using the closing foreign exchange rate prevailing at 31 December 2022 whereas the foreign currency composition of the statement of total comprehensive income is translated using the average rate for the whole of the year.

Deferred tax asset

For the year ended 31 December 2022 the Group has net unused tax losses of US$90.7 million (2021: US$92.2 million) available for offset against future profits. However, due to the Group's carried forward loss situation, the current FTAA Recovery Period extension request and the profit sharing terms of the FTAA, the deferred asset has not been recognised on the Consolidated Balance Sheet due to uncertainty over its future reversal.

For the year ended 31 December 2022 the Group has net unused tax losses available for offset against future profits as follows:

	2022	*2021*
	US$	*US$*
UK	59,025,482	59,762,889
Philippines	31,722,235	32,406,481
Group unused tax losses available	**90,747,718**	**92,169,370**

11. Earnings per share

	2022	*2021*
	US$	*US$*
Earnings		
Net profit attributable to equity shareholders for the purpose of basic and diluted earnings per share	**8,753,956**	**11,292,636**
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,080,759,193	2,071,334,586
Number of dilutive shares under warrant/option	16,181,534	-*
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,096,940,727**	**2,071,334,586***
Earnings per share	**Cents per share**	Cents per share
Basic earnings	**0.42**	**0.55**
Diluted earnings	**0.42**	**0.55***

The earnings per share was calculated on the basis of net profit attributable to equity shareholders divided by the weighted average number of ordinary shares.
* Restated to remove dilutive warrants included in 2021 calculation as these are anti-dilutive in nature.

12. Property, plant and equipment - Group

	Motor vehicles	Office furniture & equipment	Buildings & leasehold improvements	Drilling, mining & milling equipment	Construction in progress (CIP)	Process plant	Residual Storage Impoundment (RSI)	Mining properties	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Cost									
As at 1 January 2021	1,093,046	1,578,633	3,872,278	25,952,324	6,645,838	113,777,101	25,576,770	135,936,360	314,432,350
Additions	237,764	18,327	17,528	1,959,722	3,902,630	2,316,445	-	3,090,335	11,542,751
Change in mine closure obligation estimate	-	-	-	-	-	-	-	719,402	719,402
Re-classification	-	-	268,049	-	(7,177,968)	-	6,909,919	-	-
Disposals	-	-	-	(251,673)	-	-	-	-	(251,673)
As at 31 December 2021	1,330,810	1,596,960	4,157,855	27,660,373	3,370,500	116,093,546	32,486,689	139,746,097	326,442,830
Additions	308,595	55,532	-	2,055,021	2,515,225	1,512,193	-	1,781,207	8,227,773
Change in mine closure obligation estimate	-	-	-	-	-	-	-	(251,619)	(251,619)
As at 31 December 2022	**1,639,405**	**1,652,492**	**4,157,855**	**29,715,394**	**5,885,725**	**117,605,739**	**32,486,689**	**141,275,685**	**334,418,984**
Impairment									
As at 1 January 2021	-	-	-	-	-	(34,738,122)	-	(115,261,878)	(150,000,000)
31 December 2021	-	-	-	-	-	(34,738,122)	-	(115,261,878)	(150,000,000)
Reversal (refer note 8(a))	-	-	-	-	-	-	-	-	-
As at 31 December 2022	**-**	**-**	**-**	**-**	**-**	**(34,738,122)**	**-**	**(115,261,878)**	**(150,000,000)**

	Motor vehicles	Office furniture & equipment	Buildings & leasehold improvements	Drilling, mining & milling equipment	Construction in progress (CIP)	Process plant	Residual Storage Impoundment (RSI)	Mining properties	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Depreciation									
As at 1 January 2021	(925,210)	(1,524,562)	(2,017,177)	(12,354,276)	-	(24,796,494)	(7,598,256)	(12,057,243)	(61,273,218)
Charge for the period	(70,042)	(34,642)	(409,404)	(3,314,666)	-	(9,869,725)	(4,074,978)	(1,568,219)	(19,341,675)
Disposals	-	-	-	113,468	-	-	-	-	113,468
As at 31 December 2021	(995,252)	(1,559,204)	(2,426,581)	(15,555,474)	-	(34,666,219)	(11,673,234)	(13,625,462)	(80,501,426)
Charge for the period	(141,315)	(41,804)	(432,132)	(3,736,939)	-	(10,557,600)	(4,650,804)	(2,897,746)	(22,458,340)
As at 31 December 2022	**(1,136,567)**	**(1,601,008)**	**(2,858,713)**	**(19,292,413)**	**-**	**(45,223,819)**	**(16,324,038)**	**(16,523,208)**	**(102,959,766)**
Net book value									
As at 31 December 2022	**502,838**	**51,484**	**1,299,142**	**10,422,981**	**5,885,725**	**37,643,798**	**16,162,651**	**9,490,600**	**81,459,218**
As at 31 December 2021	335,358	37,757	1,731,274	12,104,898	3,370,499	46,689,205	20,813,455	10,858,757	95,941,405

Refer note 8(a) for impairment charge/reversal consideration of these assets.

The Group’s lenders hold fixed and floating security charges over the Group’s property, plant and equipment.

13. Other intangible assets

Group	*Exploration expenses US$*	*Software US$*	*Total US$*
Cost			
As at 1 January 2021	80,601	661,394	741,995
Additions	338,203	45,994	384,197
As at 31 December 2021	418,804	707,388	1,126,192
Additions	-	-	-
As at 31 December 2022	418,804	707,388	1,126,192
Amortisation and impairment			
As at 1 January 2021	**(80,601)**	**(609,365)**	**(689,966)**
Charge for the period	-	(27,908)	(27,908)
Impairment charge for the period	(338,203)	-	(338,203)
As at 31 December 2021	(418,804)	(637,273)	(1,056,077)
Charge for the period	-	(37,066)	(37,066)
As at 31 December 2022	**(418,804)**	**(674,339)**	**(1,093,143)**
Net Book Value			
As at 31 December 2022	**-**	**33,049**	**33,049**
As at 31 December 2021	-	70,115	70,115

Exploration costs incurred during 2021 were fully impaired as exploration did not progress to a point where it is considered probable that an inferred resource can be determined.

14. Investments in subsidiaries - Company

	2022 US$	*2021* US$
Cost	8,783,629	8,783,629
Impairment brought forward	(8,783,629)	(8,783,629)
	-	-

The investments in subsidiaries are as follows:

Company	***Registered address***	***Percentage holding***	***Nature of business***
Metals Exploration Pte	1 Harbourfront Avenue 14-08 Keppel Bay Tower, Singapore 098632	100%	Holding and investment company
FCF Minerals Corporation	Unit 1407, Pacific Star Building Sen. Gil Puyat Avenue cor. Makati Avenue Makati City 1200, Philippines	100%	FTAA licensee, holder of mining rights and gold production
MTL Philippines	Unit 1407, Pacific Star Building Sen. Gil Puyat Avenue cor. Makati Avenue Makati City 1227, Philippines	100%	To hold exploration rights

Metals Exploration Pte Ltd is a direct subsidiary of Metals Exploration plc, while FCF Minerals Corporation and MTL Philippines, Inc. are direct subsidiaries of Metals Exploration Pte Ltd.

Metals Exploration plc ROHQ established in the Philippines, is an overseas branch of the Company and therefore its results are reported together with the Company's.

The principal place of business of the subsidiary companies listed above is the same as their country of registration.

15 Investments in associates - Group

	2022	*2021*
	US$	*US$*
At 1 January	182,265	164,033
Share of (losses)/profits of associates	(76,854)	18,232
At 31 December	**105,411**	**182,265**

Associate company	**Domicile**	**Assets** *US$*	**Liabilities** *US$*	**P&L reserves at 31 Dec 2022** *US$*	**Sales** *US$*	**Gains/(losses)** *US$*	**Ownership of ordinary shares on issue** **%**
Cupati Holdings Corporation	Philippines	2,633,509	(2,382,166)	251,343	91,694	42,945	39.99%
Woggle Corporation	Philippines	72,918	(215,518)	(142,600)	-	(235,079)	39.99%

The investments in associates are held indirectly by Metals Exploration Plc through its investment in Metals Exploration Pte Ltd.

16. Trade and other receivables due after one year - Group

	2022	*2021*
	US$	*US$*
Other receivables	8,796,133	5,529,628
	8,796,133	**5,529,628**

Other receivables include VAT/import duties on importations and other goods and services and stamp duties. Although until July 2022 the Group operated under an exemption from these paying taxes the Group continues to have little success in advancing its legal challenges to recover these past paid government imposts. A total accumulated impairment charge of US$6.54 million has been recognised against these receivables (2021: US$5.08 million).

17. Inventories - Group

	2022	*2021*
	US$	*US$*
Gold doré on hand	2,841,219	1,248,485
Gold in circuit	1,431,828	1,476,942
Gold in ore stockpiles	5,651,224	4,035,563
Consumable inventories	11,841,216	10,706,895
Provision for obsolete consumable inventories	(550,000)	(250,000)
	21,215,487	**17,217,885**

Gold inventories are recorded at the lower of cost and net realisable value.

During the year ended 31 December 2022, consumable inventories recognised as an expense in cost of sales was US$30.86 million (2021: US$24.62 million).

18. Cash and cash equivalents

Group	***2022***	*2021*
	US$	*US$*
Cash on hand	8,736	10,953
Current accounts	852,333	4,726,017
	861,069	**4,736,970**

Company	***2022***	*2021*
	US$	*US$*
Current accounts	168,614	199,978
	168,614	**199,978**

The Directors consider that the carrying amount of these assets is a reasonable approximation of their fair value. The credit risk on liquid funds is limited because the counter-parties are banks with a high credit rating.

19. Trade and other receivables

Group – Due within one year	***2022***	*2021*
	US$	*US$*
Receivables from gold sales	5,808,604	3,988,410
Other receivables	2,130,624	1,777,991
Prepayments	195,872	202,167
	8,135,100	**5,968,568**

95% of receivables from gold doré sales are received within 3-5 days of the gold doré having been shipped from the Runruno operation. The Group's trade receivables are derived through sales of gold doré to a sole refinery customer whose credit quality is assessed by considering the customers financial position, past performance and other factors. The Group also sells small amounts of gold concentrate to other refiners. Terms of trade for these sales are 50% upon export with the balance received following further assaying and final processing. Within 5 days of year end, the Group had collected 95% (2021: 95%) of the trade receivables outstanding as at 31 December 2022. The Group believes the credit risk is limited as the customers pay within a short period of time and no provision for impairment of receivables has been made (2021: Nil).

Company - Due after one year	***2022***	*2021*
	US$	*US$*
Receivables from subsidiaries	70,695,188	88,496,608*
	70,695,188	**88,496,608**

Company - Due within one year	***2022***	*2021*
	US$	*US$*
Receivables from subsidiaries	30,000,000	-*
Other receivables	59,285	120,716
Prepayments	58,508	111,900
	30,117,793	**232,616**

A provision for impairment of receivables from subsidiaries was raised in 2018 using an expected credit loss model. The expected credit loss was estimated on the basis that recovery of amounts from the subsidiaries is uncertain. Subsequent reviews of the receivables from subsidiaries resulted in an impairment reversal of the 2018 impairment in FY2022 of US$22.5 million (2021: US$24.0 million reversal). Refer to note 8(b).

* Restated to reflect expected timing of repayment of amounts due from subsidiaries.

20 Derivative instruments

Gold option contracts

During FY2022 the Group entered into zero cost gold price collar contracts over 30,000 ounces of gold production. The zero cost collar contracts consisted of put options ranging from US$1,600 –US$1,700 per ounce, to protect the Group from a significant drop in the gold price; offset by sold call options at prices ranging from US$1,905 to US$2,314 per ounce.

In October 2022 the Group realised a US$122,060 profit from exercising a gold price put option.

As at 31 December 2022, the Group had outstanding gold put options at US$1,700 offset by sold call options ranging from US$2,310 – US$2,314 per ounce, over 9,000 ounces of gold production. These gold price collar contracts settled during 2023 at no profit or loss to the Group.

As at 31 December 2021, the Group had one outstanding gold put option at US$1,600 offset by a sold call option at US$1,905 per ounce, over 3,000 ounces of gold production. This gold price collar contract settled in January 2022 at no profit or loss to the Group.

Philippine Peso forward contracts

During FY2022 the Group entered into contracts totaling US$21 million (2021: US$22 million) for the forward purchase of Philippine Peso at various USD exchange rates.

The Group has the following forward contracts to purchase Philippine Peso at year-end:

	Amount US$	***PHP:USD Average FOREX rate***
Year ended 31 December 2022		
31 March 2023 settlements	4,000,000	53.65
30 June 2023 settlements	5,000,000	54.10
30 September 2023 settlements	6,500,000	54.51
31 December 2023 settlements	4,000,000	56.45
	19,500,000	54.63
Year ended 31 December 2021		
31 March 2022 settlements	6,000,000	50.00
30 June 2022 settlements	6,000,000	50.00
30 September 2022 settlements	4,000,000	50.00
	16,000,000	50.00

The Group and the Company have recognised a current liability as at 31 December 2022 of US$0.3 million (2021: US$0.4 million) being the change in the fair value of the forward contract value based on the same USD:PHP exchange rate.

21. Retirement benefits obligations - Group

The Group has an unfunded, non-contributory defined benefit retirement plan covering substantially all regular employees who have rendered at least six months of continuous service. Benefits are dependent on the years of service and the respective employee's compensation. The valuation of the retirement plan obligation is determined using the projected unit credit actuarial cost method. There was no planned termination, curtailment or settlement in either 2022 or 2021.

The relevant Philippine regulatory framework, RA 7641, known as the 'Retirement Pay Law', requires a provision for retirement pay to qualified private sector employees in the absence of any retirement benefits under any collective bargaining and other agreements being not less than those provided under the law.

The amounts of retirement benefits costs recognised in the statements of comprehensive income are determined as follows:

	2022	*2021*
	US$	*US$*
Current service costs	280,502	329,818
Interest costs	83,747	68,456
	364,249	**398,274**

The amounts were distributed as follows:

	2022	*2021*
	US$	*US$*
Cost of sales	267,391	201,493
Administration costs	13,111	128,325
Interest costs	83,747	68,456
	364,249	**398,274**

Changes in the present value of the unfunded retirement benefits liability are determined as follows:

	2022	*2021*
	US$	*US$*
Balance at beginning of year	1,871,641	1,799,863
Current service costs	280,502	329,818
Interest costs	83,747	68,456
Benefits paid	(51,263)	(202,641)
Actuarial loss/(gain) due to:		
Changes in financial assumptions	(74,702)	(90,653)
Experience adjustments	353,187	(33,202)
Balance at year end	**2,463,112**	**1,871,641**

The principal assumptions used in determining the defined benefit retirement plan obligations are as follows:

	2022	*2021*
Discount rate	6.25%	5.13%
Salary increase rate	2.00%	2.00%
Expected remaining working lives of employees	3 years	4 years
Turnover rate	14% at age 18 decreasing to 0% at age 60	13% at age 18 decreasing to 0% at age 60
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	1952 Disability Study, Period 2, Benefit 5	1952 Disability Study, Period 2, Benefit 5

The sensitivity analyses below has been determined based on reasonably possible changes of each significant assumption on the defined benefits retirement liability as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase/ (decrease)	***2022*** *US$*	*2021* *US$*
Discount rates	+1%	2,205,151	1,766,379
	-1%	2,335,846	1,913,447
Salary pay increases	+1%	2,349,494	1,924,515

Shown below is the maturity analysis of the undiscounted benefit payments:

	2022	*2021*
	US$	*US$*
Less than one year	206,615	67,293
More than one year to five years	3,807,253	3,675,966
	4,013,868	**3,743,259**

22. Trade and other payables

Due within one year

Group	***2022***	*2021*
	US$	*US$*
Trade payables	8,712,487	4,071,263
Other payables	756,254	1,759,573
Other tax and social security payable	147,613	173,154
Accruals	2,815,594	4,324,010
	12,431,948	**10,328,000**

Company	***2022***	*2021*
	US$	*US$*
Trade payables	206,960	265,323
Other tax and social security payable	-	1,434
Accruals	528,876	122,570
	735,836	**389,327**

Due after one year

Group	***2022***	*2021*
	US$	*US$*
Trade payables –performance bonus accruals	1,243,706	-
Amount owing to associate	70,850	78,894
	1,314,556	**78,894**

Company	***2022***	*2021*
	US$	*US$*
Trade payables –performance bonus accruals	72,515	-
Amount owing to associate	70,850	78,894
	143,365	**78,894**

Trade payables comprise amounts outstanding for trade purchases and on-going costs, and together with other payables and accruals are measured at amortised cost.

23. Loans

Group

In May 2014 the Group entered into a loan with two foreign international resource banks for US$83,000,000 in project finance (the "Facility Agreement"). In January 2020 the Facility Agreement was acquired by companies associated with the Company's Mezzanine Lenders (the "New Lenders").

In October 2020 the Group completed a debt restructuring with the New Lenders, whereby the Group no longer had an obligation to meet any fixed interest and principal repayment schedule (the "New Senior Debt"). During FY2022 the Group made regular monthly loan repayments such that, except for a nominal US$1,200, the New Senior Debt has been fully repaid. This nominal amount was left in place to ensure various securities remained in place until the mezzanine loans were elevated to the status of secured borrowings (the "Elevation").

In the period 2015-2018, the Company entered into numerous facility agreements with its Mezzanine Lenders. The purpose of these advances was for working capital requirements of the Company and to enable completion of the Runruno project.

In October 2020 under the debt restructuring the various original mezzanine facilities were consolidated into two new facilities (the "New Mezzanine Facilities") and a £100,000 revolving credit facility. There was no obligation to make any repayment of any amounts due under the New Mezzanine Facilities until the New Senior Debt is fully repaid.

The Elevation process requires completion of complex and multi-country documentation and the registration of new security arrangements in numerous jurisdictions. The necessary material documentation has been agreed by all parties. The October 2020 debt restructuring agreements envisage the interest rate applicable to the Mezzanine Debt being reduced from 15% to 7% once the Senior Debt is repaid and the elevation of the Mezzanine Debt to "new" Senior Debt is complete.

The majority mezzanine lender, MTL Luxemburg, (holding 70.7% of the Mezzanine Debt), has confirmed in writing that, subject to completion of the elevation documents within a reasonable period (expected to be before the end of Q3 2023), the interest rate on its portion of the Mezzanine Debt will reduce to 7% per annum from 15% per annum as from 3 November 2022 (being the date that the Company could have fully repaid the Senior Facility, but for the requirements of the elevation).

The minority 29.3% mezzanine lenders, the RHL Group, have not confirmed the same in writing. As a consequence of this the Company has created a provision for possible increased interest of US$334,000, being the difference between 15% per annum and 7% per annum on the RHL and D&A loans for the period 3

November 2022 to 31 December 2022. The RHL Group is yet to make a decision on reducing the 7% per annum interest rate from 3 November 2022 and it is the Company's understanding that the RHL Group will consider this once the Elevation is completed within a reasonable period.

Further the Group's repayment obligation under the New Mezzanine Debt is limited to making a quarterly repayment of that amount which equals the available net working capital ("NWC") over and above a minimum US$5 million NWC buffer. NWC is defined as the Group's available cash on hand plus gold sales proceeds due, and gold doré on hand or in transit, less all current liabilities (including budgeted operational, CAPEX and exploration expenses, taxes, hedging costs and government charges, but excluding all unpaid debt principal and interest).

As at 31 December 2022 the Group's outstanding loan position was:

	2022	*2021*
	US$	*US$*
Senior Lenders loans due within one year	1,208	24,570,061
Mezzanine Lenders loans due within one year*	30,000,000	-
Less: Capitalised debt restructuring transaction costs**	-	(735,782)
Total loans due within one year	**30,001,208**	**23,834,279**
Mezzanine Lenders loans due after one year*	51,983,413	79,043,427
Less: Remaining value of warrants issued in conjunction with mezzanine loans	-	(187,159)
Total loans due after one year	**51,983,413**	**78,856,268**

Company

As at 31 December 2022 the Company loan position was:

	2022	*2021*
	US$	*US$*
Mezzanine Lenders loans due within one year*	**30,000,000**	**-**
Mezzanine Lenders loans due after one year*	51,983,413	79,043,427
Less: Remaining value of warrants issued in conjunction with loans	-	(187,159)
Total loans due after one year	**51,983,413**	**78,856,268**

* Given the Group is not subject to a fixed repayment schedule, in accordance with the new debt facilities, there is no certainty to what amount of debt will be repaid within one year from balance date. Thus the determination of what debt is deemed current and what is deemed non-current is subject to estimation. In making this calculation the Group has taken into account the Group's estimate of what principal repayments will be made during the 2023 year. Refer to Note 2 for further discussion of this estimation.

** Transaction costs incurred during 2020 in relation to the October 2020 debt restructuring were capitalised in accordance with accounting standard IFRS9. The capitalised debt restructuring transaction costs have been amortised to profit and loss over the relevant debt repayment term within 2022 and 2021.

24. Provision for mine rehabilitation and decommissioning

	2022	2021
	US$	*US$*
At 1 January	4,015,050	3,291,388
Unwinding of discount and effect of change in estimate	(250,342)	723,662
At 31 December	**3,764,708**	**4,015,050**

The Group makes provision for the future cost of rehabilitation of the process plant on a discounted basis. Provision for mine rehabilitation and decommissioning represents the present value of future rehabilitation and decommissioning costs. These provisions have been created based on the Group's internal estimates, updated on a periodic basis. These estimated costs were reviewed in December 2021 and include labour, equipment hire, consumables and transportation for disposal, with the provision being unwound for inflation and interest charges for FY2022. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. However, actual costs will ultimately depend upon future market prices for the necessary works required which will reflect market conditions at the relevant time. Furthermore, the timing of the rehabilitation and expenditure of other costs is likely to depend on when the mine ceases to produce at economically viable rates, and the timing that the event for which the other provisions provided for will occur.

25. Called up share capital and share premium

The 17 June 2022 AGM approved a capital reorganisation which consisted of both a capital sub-division and a capital reduction. The objective of the capital reorganisation was to (i) enable the Company to issue shares in future at an issue price which significantly exceeds their nominal value; and (ii) to create distributable reserves which would provide the Company with certain flexibility in relation to future distributions of profits to shareholders.

The capital sub-division effected a change in the nominal value of ordinary shares. This was achieved by dividing the existing ordinary shares of £0.01 nominal value into one New Ordinary Share, with a nominal value of £0.0001 and one Deferred Share with a nominal value of £0.0099 each. The Deferred Shares had limited rights and the restrictions as set out in the new Articles of the Company adopted at the AGM. The capital reduction element was to cancel, for no consideration, the deferred shares and share premium account by way of creating a reserve to be offset against profit and loss. This capital reduction was completed in July 2022. The issued capital of the Company as at 31 December 2022 is shown below:

	December 2022 Number of shares	December 2021 Number of shares	December 2022 US$	December 2021 US$
Ordinary shares of £0.01 par value				
Opening balance	2,071,334,586	2,071,334,586	*27,950,217*	27,950,217
Sub-division	(2,071,334,586)	-	(27,950,217)	-
Closing balance	-	2,071,334,586	-	27,950,217
New Ordinary shares of £0.0001 par value				
Opening balance	-	-	-	-
Sub-division	2,071,334,586	-	279,502	-
Share issue	17,461,835	-	2,136	-
Closing balance	**2,088,796,421**	-	281,638	-
Deferred Shares of £0.0099 par value				
Opening balance	-	-	-	-
Sub-division	2,071,334,586	-	27,670,715	-
Capital reduction	(2,071,334,586)	-	(27,670,715)	
Closing balance	-	-	-	-
Total share capital			**281,638**	27,950,217
Share premium				
Opening balance			195,855,125	195,855,125
Share issue			263,765	-
Capital reduction			(196,118,890)	-
Closing balance			-	195,855,125

Share rights
New Ordinary shares confer the right to vote and to participate in dividends, capital, and other distributions including on winding up. New Ordinary shares are not redeemable.

26. Profit and loss

A component of the capital reduction completed in July 2022 (refer note 25), the credit arising from the cancellation of the deferred share capital and share premium, was applied against the profit and loss account. The movement in the profit and loss account is shown below.

	2022 US$	2021 US$
Group		
Opening balance	(225,542,197)	(236,834,833)
Profit for the year	8,753,956	11,292,636
Capital reduction credit	223,789,605	-
At 31 December	7,001,364	(225,542,197)
Company		
Opening balance	(217,042,891)	(228,981,461)
Profit for the year	10,232,907	11,938,570
Capital reduction credit	223,789,605	-
At 31 December	**16,979,621**	(217,042,891)

27. Share-based payments

Directors' share options

During the financial year the Company issued 6,600,000 options, exercisable at nominal par value, on or before 17 June 2025. During FY2021 the Company issued 19,800,000 options, exercisable at nominal par value on or before 28 October 2024.

	2022	**2021**
FY2021 tranche	*Number of options*	*Number of options*
Options on issue at 1 January	19,800,000	-
Options issued	-	19,800,000
Options lapsed	(4,400,000)	-
Options on issue at 31 December	**15,400,000**	19,800,000
Options that have vested as at 31 December	**11,000,000**	6,600,000
FY2022 tranche		
Opening balance	-	-
Options issued	6,600,000	-
Options on issue at 31 December	**6,600,000**	-
Options that have vested as at 31 December	**2,200,000**	-

These options are subject to the following vesting conditions:

- Provided the option holder remains a director then, one third vest upon issue, one third vest on the first anniversary of issue and one third vest upon the second anniversary of issue;
- The FY2021 issued options can only be exercised if the Company's 30 day volume weighted average price of each Company share traded on AIM exceeds £0.0215 during the life of the option; and
- The FY2022 issued options can only be exercised if the Company's 30 day volume weighted average price of each Company share traded on AIM exceeds £0.0165 during the life of the option.

The share-based payment expense, based upon a fair value measurement of the options, recognised in 2022 was US$102,001 (2021: US$10,982).

Following the change in nominal value of ordinary shares, which altered the exercise price of the FY2021 options, the fair value measurement of the FY2021 options, using a Black-Scholes option valuation model, was amended to £0.0046 (2021: £0.0074) per option, based upon the following:

- Share price at the date of the change of exercise price of £0.0115 (2021: £0.015),
- Option exercise price of £0.0001 (2021: £0.01),
- Estimated share volatility of 105% (2021: 50%),
- Option life of 3 years, (2021 – 3 years)
- Nil dividends during the life of the options (2021: Nil),
- Risk-free interest rate of 2.3% (2021: 2%),
- Discount to factor the market price exercise hurdle – 60% (2021: 0%).

The resultant impact the above changes was that the incremental fair value of the overall charge reduced by US$18,632 in FY2022.

The fair value measurement, using a Black-Scholes option valuation model, of the FY2022 options issued in June 2022 was £0.0076 per option, based upon the following:

- A share price at the date of option issue of £0.0115,
- An option exercise price of £0.0001,
- Estimated share volatility of 105%,
- Option life of 3 years,
- Nil dividends during the life of the options,
- Risk-free interest rate of 2.3%,
- Discount to factor the market price exercise hurdle – 33%

28. Compound financial instruments

Warrants

During the year ended 31 December 2017, two tranches of warrants were issued by the Company in conjunction with securing a past mezzanine funding package.

	Tranche 1	*Tranche 2*
Exercise Price	£0.055	£0.070
Expiry Date	31 December 2023	31 December 2023
Number of warrants	75,000,000	25,000,000

The fair value of these warrants as at the date of issue was independently calculated to be US$1,526,937 and has been brought to account as an equity reserve. The unwinding of the fair value of these warrants is charged through the statement of comprehensive income. There were no warrants issued in 2022 or 2021.

29. Net cash provided by/(used in) operating activities

Group	***2022***	*2021*
	US$	*US$*
Profit before tax	8,666,635	11,304,405
Depreciation and amortisation	22,495,406	19,369,583
Provisions	31,744	735,529
Impairment charge	1,202,397	1,450,078
Share of losses/(profits) of associates	76,854	(18,232)
Share based payment expense	102,001	10,982
Shares issued in lieu of cash bonus	265,900	-
Loss on disposal of asset	-	78,206
Finance expenses	13,571,116	14,237,057
Foreign exchange loss/(gain)	267,178	(1,498,514)
Decrease in receivables	274,629	4,286,820
(Increase) in inventories	(3,997,602)	(2,597,142)
(Decrease) in payables	(4,766,311)	(843,004)
Net cash provided by operating activities	**38,189,947**	**46,515,768**

Company	2022 US$	2021 US$
Profit before tax	10,287,290	11,953,382
Impairment (reversal)	(23,111,571)	(23,853,800)
Provisions	4,883	332,996
Share based expense	102,001	10,982
Shares issued in lieu of cash bonus	265,900	-
Finance expenses	12,098,383	11,277,146
Foreign exchange loss/(gain)	323,016	(16,001)
Decrease/(increase) in receivables	6,984,924	(97,371)
(Decrease)/increase in payables	(6,992,546)	27,947
Net cash used in operating activities	**(37,720)**	**(364,719)**

30. Reconciliation of liabilities from financing activities

Group	1 January 2022 US$	Cash flow US$	Non-cash movements US$	31 December 2022 US$
Loans (current)	24,570,061	(25,223,000)	30,654,147	30,001,208
Loans (non-current)	79,043,427	(8,600,000)	(18,460,014)	51,983,413
Non-cash deferred borrowing costs and warrant discount	(922,941)	-	922,941	-
	102,690,547	(33,823,000)	13,117,074	81,984,621

Company	1 January 2022 US$	Cash flow US$	Non-cash movements US$	31 December 2022 US$
Loans (current)	-	-	30,000,000	30,000,000
Loans (non-current)	79,043,427	(8,600,000)	(18,460,014)	51,983,413
Non-cash deferred warrant discount	(187,159)	-	187,159	-
	78,856,268	(8,600,000)	11,727,145	81,983,413

31. Capital commitments

As at 31 December 2022 the Group had US$nil outstanding capital commitments (2021: US$nil).

32. Related party transactions

Only members of the Board of Directors of Metals Exploration plc are deemed to be key management personnel. The Board has responsibility for planning, controlling and directing the activities of the Group. Key management compensation is disclosed in the Remuneration Committee report, note 7, Directors' emoluments section and note 27, Share-based payments. At period end the following amounts were due in relation to Directors' emoluments:

Amounts owing to Directors	2022 US$	2021 US$
D Bowden[1]	1,243,975	573,479
D Cather[2]	2,556	2,811
G Walker	5,112	11,243

[1] Includes consulting fees due to private consulting company and performance bonus accruals.

[2] Includes consulting fees due to private consulting company.

Fees in relation to corporate broking and research services were paid to Hannam & Partners, of which Non-Executive Director Mr A Chubb is a partner. In FY2022, the total fees paid to Hannam & Partners were US$70,000 (2021: US$35,000).

Refer to note 23 for loans payable to related parties.

During the year, the Company received funds repaying a portion of the outstanding loan owed from a subsidiary. At the year end, the Company had loans due by its subsidiaries totaling US$243 million (2021: US$253 million). As at 31 December 2022 these loan amounts owed by subsidiaries were impaired to a net recoverable amount of US$100 million (2021: US$88million). (Refer note 8(b)).

At the year end, the Group owed US$70,850 (2021: US$78,895) to its associates and the Group was owed US$2.29 million (2021: US$2.29 million) from its associates. This amount owing has been fully written off.

33. Financial instruments

The Group's financial instruments comprise cash and cash equivalents, borrowings, derivative gold price and currency contracts, and items such as trade payables and trade receivables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The carrying values of financial assets at the year-end are as follows:

Group	***Cash and cash equivalents***	***Trade and other receivables***	***Total***
	US$	*US$*	*US$*
As at 31 December 2022	861,069	9,000,103	9,861,172
As at 31 December 2021	4,736,970	6,773,794	11,510,764
Company			
As at 31 December 2022	168,614	100,812,981	100,981,595
As at 31 December 2021	199,978	88,608,508	88,808,486

Cash and cash equivalents and trade and other receivables are held at amortised cost.

The carrying values of financial liabilities at the year-end are as follows:

Group	***Trade payables***	***Accruals and other payables***	***Derivative liabilities***	***Loans***	***Total***
	US$	*US$*	*US$*	*US$*	*US$*
As at 31 December 2022	8,712,487	3,571,848	308,725	81,984,621	94,577,681
As at 31 December 2021	4,071,263	6,083,583	332,996	102,690,547	113,178,389
Company					
As at 31 December 2022	206,960	672,241	308,725	81,983,413	83,171,339
As at 31 December 2021	265,323	122,570	332,996	78,856,268	79,577,157

Trade payables, accruals and other payables and loans are held at amortised cost.

The Group's operations expose it to a variety of financial risks including liquidity risk, foreign currency exchange rate risk, commodity price risk and credit risk. The policies set by the Board of Directors are implemented by the Group's finance departments and senior management.

Liquidity risk

The Group actively monitors its cash resources to ensure it has sufficient available funds for operations and planned expansions. The Group has been cash flow positive in both 2021 and 2022 and surplus funds are being applied, in the main, to reduce the Group's borrowings.

The contractual maturities of the financial liabilities at the year-end are as follows:

Group	*Trade and other payables*	*Derivative liabilities*	*Loans**	*Total**
	US$	*US$*	*US$*	*US$*
As at 31 December 2022				
1 – 6 months	10,969,779	261,632	15,001,208	26,232,619
6 – 12 months	-	47,093	15,000,000	15,047,093
1 – 2 years	1,243,706	-	32,000,000	33,243,706
2 – 5 years	70,850	-	19,983,413	20,054,263
Total contractual cash flows	12,284,335	308,725	81,984,621	94,577,681
As at 31 December 2021	*US$*	*US$*	*US$*	*US$*
1 – 6 months	10,154,846	332,996	16,000,000	26,487,842
6 – 12 months	-	-	8,570,061	8,570,061
1 – 2 years	-	-	27,625,000	27,625,000
2 – 5 years	-	-	51,418,427	51,418,427
Total contractual cash flows	10,154,846	332,996	103,613,488	114,101,330

Company	*Trade and other payables*	*Derivative liabilities*	*Loans**	*Total**
	US$	*US$*	*US$*	*US$*
As at 31 December 2022				
1 – 6 months	735,836	261,632	15,000,000	15,997,468
6 – 12 months	-	47,093	15,000,000	15,047,093
1 – 2 years	72,515	-	32,000,000	32,072,515
2 – 5 years	70,850	-	19,983,413	20,054,263
Total contractual cash flows	879,201	308,725	81,983,413	83,171,339
As at 31 December 2021				
1 – 6 months	387,893	332,996	-	720,889
6 – 12 months	-	-	-	-
1 – 2 years	-	-	27,625,000	27,625,000
2 – 5 years	-	-	51,418,427	51,418,427
Total contractual cash flows	387,893	332,996	79,043,427	79,764,316

* The Group and Company's contractual future loan interest is presently not capable of being calculated given the flexible debt repayment arrangements. In addition the timing of future loan principal repayments can only be estimated (Refer note 2 – Accounting estimates).

As set out in more detail within note 23, given that the Elevation of the New Mezzanine Debt loan Elevation is ongoing, without certainty on when the reduced interest rate will apply, the average interest rate applicable to the Group and Company's outstanding loans is uncertain. The Group's average interest rate as at 31 December 2022 is either 9.3% or 7% (2021:13.1%), and the Company's average interest rate as at 31 December 2022 is either 9.3% or 7% (2021: 15.0%).

Credit risk
Credit risk is the risk of financial loss to the Group or Company if counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company are exposed to credit risk attributable to its cash balances; however, this risk is limited because the counterparties are large international banks.

The Group is exposed to credit risk for trade receivables due from third parties. This risk is limited because the counterparties to the gold sales are internationally recognised substantial organisations. Further, the Group receives significant payment for the gold upon the presentation of transportation documents. Based on the above, the Group considers the expected credit loss to be immaterial and no provision for expected credit loss has been required (2021: US$nil).

Other receivables include VAT on importations and other goods and services paid by the Group, notwithstanding the Group was exempt, under the terms of its FTAA, from these imposts until July 2022. An impairment charge has been raised on the basis that the Group continues to have little success in advancing its legal challenges to recover these receivables. As at 31 December 2022 an accumulated impairment charge of US$6.5 million has been recognised. All VAT paid for the period up to 31 December 2020, except US$1.4million the being subject of a specific court action, has been impaired as at 31 December 2022 (2021: All VAT paid for the period up to 31 December 2019, except US$1.4million being the subject of a specific court action).

The Company is exposed to credit risk to the extent that amounts owed by its subsidiaries and associates may not be recoverable in the future. An impairment reversal has been raised in relation amounts owed by its subsidiaries to partly reverse a 2018 expected credit loss.

The maximum exposure to credit risk at the year-end is best represented by the carrying amounts of trade and other receivables, and cash and cash equivalents.

Market risk and sensitivity analysis
Commodity price risk
The market price of gold is one of the most significant factors in determining the profitability of the Group's operations. The price of gold is subject to volatile price movements over short periods of time and is affected by numerous industry and macro-economic factors that are beyond the Group's control. In 2022 the gold price ranged from US$1,622 to US$2,052 per ounce, and the Group received an average gold selling price of US$1,797 per ounce (2021: US$1,792 per ounce).

The Group has adopted a policy to implement a gold price hedge strategy over no more than 50% of annual production by entering into zero cost gold price collars. Refer to note 20 for the Group's December 2022 financial instruments with exposure to gold prices.

The impact of a 10% increase/decrease in the Group's average gold sale price achieved during the financial year would have resulted in the Group's profit before tax being decreased/increased by US$12.4 million (2021: US$13.0 million). The impact is expressed on the assumption that the market price changes by 10% with all other variables held constant.

Interest rate risk
The Group has interest bearing assets comprising cash and cash equivalents which earn interest at a variable rate. Interest income is not material to the Group.

The Group has fixed interest-bearing liabilities and the impact on the reported profit for the year is an interest expense of US$12,562,110 (2021: US$13,937,521).

Foreign currency exchange rate risk
The Group and Company are exposed to foreign currency exchange rate risk having cashflows predominantly in US Dollars, Philippine Pesos and Pounds Sterling. The Group monitors exchange rates actively and converts

funds raised to other currencies when deemed appropriate in order to meet expected future foreign currency commitments.

The Group's major currency risk is the USD:PHP exchange rate. During 2022 the Group converted US$70.6 million into Philippine Peso (2021: US$74.0 million). A 10% increase/decrease in the US Dollar during the year, with all other variables held constant, would have resulted in the profit before tax being US$6.4 million higher or US$7.8 million lower (2021: US$6.7 million higher or US$8.2 million lower).

As at 31 December 2022 the Group had Philippine Pesos denominated assets and liabilities including cash of US$38,000 and current liabilities of US$10,772,000 (2021: cash of US$584,000 and current liabilities of US$7,726,000). The currency risk exposure from these assets and liabilities is covered by the Philippine currency forward contracts in place as at 31 December 2022.

Refer to note 20 for details of the Group's hedging instruments to protect against currency risk.

34. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt, which includes borrowings (note 23), cash and cash equivalents (note 18) and equity (note 25).

The Group is not subject to any externally imposed capital requirements.

35. Contingent liabilities

The Group has no contingent liabilities identified as at 31 December 2022 (2021: US$nil).

36. Post balance sheet events

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods, other than:

- the Group has made interest and principal debt repayments of US$23 million.

37. Ultimate controlling parties

As part of the October 2020 debt restructuring, the Company entered into a Revolving Credit Facility (RCF) under which the Company is obligated to seek prior approval from both the original mezzanine lenders, MTL Luxemburg SARL (MTLL) and Runruno Holdings Limited (RHL), for a number of operational matters. If these prior approvals are not properly sought the RCF deems an 'event of default' to have occurred. In this situation all outstanding debt becomes due and payable, and MTLL and RHL become entitled to a penalty/termination payment of £2 million each. The RCF operates for 10 years after the full repayment of the existing Group debt unless otherwise terminated by the Company by payment of the £2 million termination penalty to both MTLL and RHL. In March 2021, RHL assigned its interests in the major mezzanine facility to D & A Holdings Limited (an associated company controlled by the same entity at the time of assignment).

Although the Company has no ultimate controlling party, as a result of the above both MTLL and RHL are considered parties holding significant influence. MTLL owns 46.6% of the Company, while RHL holds 18.8% of the Company.