

20 September 2023

**Shanta Gold Limited**  
("Shanta Gold", "Company" or the "Group")

**Interim results for the six months ended 30 June 2023**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, announces its unaudited interim financial results for the six months ended 30 June 2023 ("H1" or the "Period"). The Company's asset portfolio includes New Luika Gold Mine ("NLGM" or "New Luika") and Singida Gold Mine ("Singida") in Tanzania and West Kenya Project ("West Kenya") in Kenya.

**Eric Zurrin, Chief Executive Officer, commented:**

*"Today we have delivered another set of record-breaking results, reflecting the huge effort from the team at Shanta over the first half of 2023. We continue to reach new heights at New Luika and Singida, with record half year revenues of US\$88.3 million. This was driven by a 55 per cent increase in gold production as well as the benefits of a diversified portfolio and strong gold price. As a result, EBITDA was up 140 per cent to US\$33.9m.*

*We are very confident in the multiple growth opportunities that exist across the portfolio at Shanta. During the period, we commenced targeted exploration programmes at Singida to unlock nearly 75 per cent of additional resource not currently in the mine plan and outline new targets, as well as undertaking further exploration and infill drilling at West Kenya which we believe will uncover further significant resources and make new discoveries. In the meantime, our strong production performance, underpinned by an improved output from New Luika, drives us closer towards our guidance of 90,000-98,000 oz gold production for 2023, which I am pleased to reconfirm today.*

*"As we deliver on our strategy, we continue to deliver value for our shareholders. Today the Board has declared an interim dividend of 0.10 pence per share, the sixth consecutive period with a dividend paid, totalling cash payments of US\$8.0 million since 2021."*

## H1 2023 HIGHLIGHTS

### Financial and Operating

- Revenues of US\$88.3 million ("m") (H1 2022: US\$51.9 m);
- Gold production of 44,771 oz (H1 2022: 28,947 oz);
- EBITDA<sup>1</sup> of US\$33.9 m (H1 2022: US\$14.1 m);
- EBITDA margin of 38.4% (H1 2022: 27.5%);
- Profit before tax of US\$22.7 m, up from loss of US\$0.9 m in H1 2022;
- Profit after tax of US\$12.7 m, up from loss of US\$3.1 m in H1 2022;
- Cash, and available liquidity<sup>2</sup> of US\$25.0 million (FY 2022: US\$10.4 m);

- Operating Costs and All in Sustaining Costs (“AISC”<sup>3</sup>) tracking in line with annual guidance for NLGM and ahead of guidance for Singida:
  - NLGM: US\$1,009 /oz and US\$1,293 /oz
  - Singida: US\$655 /oz and US\$825 /oz
- Net debt of US\$8.6 m (FY 2022: US\$13.6 m);
- Outstanding safety record: TRIFR rate of 0.00 in Q2 and 0.00 YTD and zero LTIs; and,
- No gold hedging – 100% exposed to spot gold price.

### **Singida**

- Tanzania’s first new medium-scale gold mine in a decade;
- Significant addition to the Shanta portfolio already delivering free cash to the Group;
- Efficient ramp up from first gold pour on 31 March to full commercial production on 1 June;
- Above target production during the Period from improved gold recoveries and purity; and,
- Targeted exploration programmes now underway to unlock nearly 75% of resource not included in reserve-based mine plan and outline new targets.

### **New Luika**

- Gold production of 34,655 oz (H1 2022: 28,947), ahead of H1 internal forecasts;
- 437,456 tonnes (“t”) milled (H1 2022: 430,388 t), ahead of plan; and,
- Stable and safe operations with zero LTIs in H1 2023 (H1 2022: Nil) and March onwards producing over 6,000 oz per month.

### **West Kenya**

- Resource update announced at West Kenya to 1.76 Moz grading 5.55 g/t Au following FY22 successful exploration and drilling campaign;
- Technical studies commenced at West Kenya with work on long lead areas including environmental and social baseline studies ongoing as part of feasibility study;
- Exploration and infill drilling recommenced during the Period targeting conversion of ounces to Indicated category, resource extensions at Isulu and Ramula deposits, and testing proximal new targets; and,
- Sterilisation drilling on the potential mining infrastructure underway.

### **Outlook**

- Annual production guidance reconfirmed at 90,000-98,000 oz gold for 2023; and,
- AISC cost guidance for 2023 has been reiterated at US\$1,200-1,300 / oz gold for NLGM and US\$1,300-1,400 / oz gold for Singida.

## **Post Period**

- Interim dividend of 0.10 pence per share (H1 2022: 0.10 pence) declared by the Board and expected to be paid on 27 November 2023. This will be the sixth consecutive half-year period with a dividend paid, totalling shareholder returns of US\$8.0 million cash since 2021.

Note 1: EBITDA is earnings before interest, tax, depreciation, and amortisation which has been derived as operating profit exclusive of depreciation/depletion of tangible assets, amortisation of intangible assets and exploration expenditure at the West Kenya Project totalling US\$0.9 million.

Note 2: Available liquidity has been derived as unrestricted cash, restricted cash, and the sale value of doré available for sale at the end of the Period (net of royalties and expected selling costs).

## **Analyst Conference Call and Presentation**

Shanta Gold will host an analyst conference call and presentation today, 20 September 2023, at 9:00 am BST. Participants can access the call by registering via the link below.

[https://secure.emincote.com/client/shanta/shanta005/vip\\_connect](https://secure.emincote.com/client/shanta/shanta005/vip_connect)

The presentation will be available for download from the Company's website: [www.shantagold.com](http://www.shantagold.com). A recording of the conference call will subsequently be available on the Company's website.

## **Investor Conference Call**

Shanta Gold is hosting a live investor presentation via the Investor Meet Company platform today, 20 September 2023, at 10:00 am BST. The presentation is open to all existing and potential shareholders and questions can be submitted any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Shanta Gold via: <https://www.investormeetcompany.com/shanta-gold-limited/register-investor>

Investors who already follow Shanta Gold on the Investor Meet Company platform will automatically be invited.

## **Enquiries:**

### **Shanta Gold Limited**

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### **About Shanta Gold**

Shanta Gold is an East Africa-focused responsible gold producer, developer, and explorer. The company has an established operational track record, with defined ore resources on the New Luika and Singida projects in Tanzania, with reserves of 625 koz grading 2.91 g/t Au, and exploration licences covering approximately 500 km<sup>2</sup> in the country. Alongside New Luika and Singida, Shanta also owns the West Kenya Project in Kenya and licences with resources of 1.7 million ounces including 722 koz in the Indicated category grading 11.45 g/t Au. With a strong balance sheet, a growing diversified portfolio and consistent dividend payments. Shanta offers a resilient investment opportunity for the near and long-term. Shanta is quoted on London's AIM market (AIM: SHG) and has approximately 1,051 million shares in issue.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019

## **Financial Performance**

Revenue for the Period of US\$88.3 m (H1 2022: US\$51.9 m) was generated from the sale of 45,402 oz (H1 2022: 27,751 oz). The average realised price from gold sales was US\$1,938 /oz (H1 2022: US\$1,870 /oz). Revenue for H1 2023 was 70% higher than for H1 2022, reflecting the increase in ounces sold at NLGM, new ounces sold from Singida, and a higher average selling price.

Gold production of 44,771 oz (H1 2022: 28,947 oz) was significantly higher than H1 2022, due to Singida contributing 10,065 oz during the Period, and a stronger performance at NLGM from improved equipment availability, power reliability and consistent grades being mined from the Luika underground (“UG”) stopes.

Cost of sales for the Period (excluding depreciation) amounted to US\$49.4 m, up 45% from US\$34.0 m in H1 2022. US\$7.9 m of the increase was driven by Singida operating and selling expenses following the commencement of gold production in the Period. US\$2.1 m of the increase was due to higher open pit mining costs at New Luika from more open pit mining during the period with 1,739,149 tonnes mined (H1 2022: 1,059,443 tonnes). Royalty fees paid to the government were US\$1.3 m higher from additional ounces sold at a higher sales price. 7,068 more tonnes were milled compared with H1 2022, leading to a US\$1.3 m increase in processing costs. The remaining increase was driven by higher maintenance costs and continued inflationary pressures within the global market impacting fuel, chemical and metal products prices used directly in the production process.

Administration expenses amounted to US\$3.5 m, down 42% from US\$6.0 m in H1 2022. This was mainly driven by less activity at the West Kenya Project in Q1 2023 as the Company prioritised funds for the completion of the Singida plant build, and a foreign exchange gain seen during the Period as a result of the US Dollar strengthening against the Tanzania Shilling when compared to a foreign exchange loss in H1 2022.

Exploration and evaluation costs amounted to US\$1.5 m, lower than the US\$4.0 m recorded in H1 2022, reflecting the limited exploration activity during Q1 as the Company focused on completing construction at Singida. This is consistent with the Company’s exploration strategy and budget for 2023, and exploration drilling has recommenced at all three assets.

EBITDA<sup>1</sup> for the Period was US\$33.9 m (H1 2022: US\$14.1 m). The increase is driven by the Singida Gold Mine commencing gold production during the Period, higher than forecast gold production at New Luika, and a sustained higher gold selling price.

Finance costs increased slightly to US\$1.0 m (H1 2022: US\$0.9 m) due to June interest costs associated with the long-term Stanbic loan agreement being recognised in profit and loss post commercial production (Jan-May interest costs were capitalised as part of the Singida Mining Asset).

A profit before tax of US\$22.7 m was recorded for the Period (H1 2022: loss before tax of US\$0.9 m) reflecting strong production at New Luika, Singida commencing production and higher gold selling prices. Profit after tax for the Period was US\$12.7 m (H1 2022: loss after tax of US\$1.3 m), resulting in a basic profit per share of US\$1.206 cents (H1 2022: loss per

share of US\$0.128 cents). Taxation for the Period was US\$10.1 m comprising a US\$6.7 m current tax charge (H1 2022: US\$2.6 m) and a US\$3.4 m deferred tax liability charge (H1 2022: deferred tax asset credit US\$0.4 m). The increase in current tax is due to a significant increase in profits for the Period. The increase in deferred tax is driven by temporary differences recognised on Singida assets transfer from assets under construction to depreciable asset classes. Deferred tax was not recognised on these assets in previous Periods as they did not affect the accounting Profits or taxable income at that time. This changed upon Singida commencing commercial production as these assets are now being depreciated. Further information on taxation for the Period is included below in Note 3 to the Consolidated Financial Information.

Adjusted Cash Operating Costs of US\$1,009 /oz (1% below budget) and AISC of US\$1,293 /oz (4% below budget) were achieved at New Luika during the Period. As outlined in Q1 and Q2 operational reports, the first half of the Period saw slightly lower than budgeted production and higher royalty payments, contributing to a higher AISC, Q2 saw a lower AISC due to more ounces produced, improved equipment reliability and lower maintenance costs.

Adjusted Cash Operating Costs of US\$655 /oz (36% below budget) and AISC of US\$825 /oz (32% below budget) were achieved at Singida during the Period. Operating costs and AISC were better than budget due to more ounces produced and lower than budgeted Open Pit mining and Processing costs. Management are continuing to monitor actuals versus life of mine forecasts to assess the long run steady state cost structures.

## **Financial Position**

Total liabilities increased by US\$14.8 m in the Period compared with Year End. This was driven primarily by the deferred tax provision increasing by US\$3.4 m from Year End due to the recognition of deferred tax for the Singida assets transferred from assets under construction upon commercial production. In addition, US\$5.2 m of the increase is attributable to loans and borrowings. These rose due to a US\$3.0 m net drawdown in the Stanbic working capital facility, and a US\$2.0 m increase in finance lease obligations associated with the purchase of a new Sandvik TH551i underground truck, a new Sandvik drill rig, and lab equipment. Trade payables and accruals were US\$4.2 m higher than Year End reflecting a rise in Singida payables from the mine being in full commercial production. The decommissioning provision estimate at Singida also increased by US\$1.9 m due to the completion of the TSF, processing plant infrastructure, and further disturbance at Gold Tree Open Pit.

Inventories were US\$36.7 m at the end of the Period, up slightly from US\$36.2 m at 31 December 2022. This included 3,290 oz of gold bullion available for sale at the end of the Period (3,963 oz at 31 December 2022). The increase was primarily driven by additional tonnes in the NLGM stockpile at Period End. The spares and consumables balance was consistent with Year End.

Trade and other receivables (current and non-current) amounted to US\$16.2 m at the end of the Period, up US\$5.7 m from US\$10.5 m 31 December 2022. The increase is mainly attributable to an increase in the Company's VAT receivable which rose by US\$3.7 m to US\$31.3 m as expected with Singida operating expenses increasing the value of VAT return

submissions. During the Period US\$5.7 m of VAT receivables were offset against the Company's 2022 corporation tax liability in Tanzania with US\$1.1 m being received as a cash refund. US\$10.6 m of VAT receivables are subject to verification audit by the TRA before being available for further offsets and are treated as a current asset. The remaining VAT balance of US\$20.7 m relates to the Company's input VAT refund application for the period from July 2017 to June 2020 for which the Company is pursuing a settlement to recover; this is treated as a non-current asset.

## Cash Flow

Gold production increased by 55% in H1 2023 compared with H1 2022 and gold sales increased by 64% to 45,402 oz (H1 2022: 27,751 oz). This was driven by new sales from Singida of 8,702 oz (H1 2022: Nil) and an increase in sales from NLGM of 36,699 oz (H1 2022: 27,751 oz) from better grades and equipment availability. Operating cashflow also benefited from a 4% increase in the realised sales price during H1 2023 to \$1,938 /oz (H1 2022: \$1,870 /oz.)

Capital expenditure amounted to US\$15.2 m, including US\$3.5 m of capitalised mine development costs (H1 2022: US\$5.5 m) and US\$9.5 m at Singida (H1 2022: US\$10.9 m).

Cash generated from operations before working capital amounted to US\$32.1 m in the Period. Working capital increased by US\$6.5 m, accounted for by an increase in inventories of US\$0.5 m, an increase in trade and other receivables of US\$10.1 m and an increase in trade and other payables of US\$4.1 m.

The Company's unrestricted cash balance at 30 June 2023 was US\$15.0 m, up from US\$3.8 m at 31 December 2022. Net debt at the end of the Period amounted to US\$8.6 m (FY 2022: US\$13.6 m).

## Singida

Singida Gold Mine announced first gold pour on 30 March 2023 following completion of the plant construction as planned. Singida is Tanzania's first new medium-scale gold mine in a decade and a significant addition to the Shanta portfolio. It will add 45%-50% to the Group's annual production profile, accelerating Shanta's growth towards becoming a 100 koz per annum gold producer.

On 1 June 2023, commercial production was declared following an efficient ramp up from first gold pour and a successful testing and commissioning phase. Commercial production was declared based on achieving 30 consecutive days of mill throughput exceeding 95% of nominal nameplate capacity of 1,000 tonnes per day ("tpd"), overall plant utilisation and gold recovery exceeding 91%, and plant availability above 90%.

Following this, six months' worth of feed already stockpiled was processed with 82,674 tonnes milled. The plant has performed well with good availability and utilisation contributing to strong production during the Period with 10,116 oz produced, an increase of 15% compared to budget. Improved recoveries, gold purity in ore, and percentage recovery from gravity also contributed to higher-than-expected production.

Singida is an underexplored asset, and the Company is now focusing on unlocking the nearly 75% of resource not included in the reserve-based mine plan through a targeted exploration programme that will convert resources, add reserves, outline new targets and demonstrate further potential of the Singida Project.

### **West Kenya Project**

Following a successful FY22 exploration and drilling campaign the Group announced a Resource Update at the West Kenya Project to 1.76 Moz grading 5.55 g/t Au. This represents an increase of 49% from 1.18 Moz since Shanta commenced drilling at the start of 2021. The current resources are expected to increase to over 3 Moz over time.

Exploration and infill drilling recommenced during H1 2023, with 26,000 meters planned across 80 holes within a total 2023 budget of up to US\$10 m, consistent with previous years. This will target conversion of ounces to the Indicated category and resource extensions at the Isulu and Ramula deposits. Sterilisation drilling on the potential mining infrastructure is also underway to further define the extent of the mineral resource.

Technical study work has commenced and is accelerating with third party consultants engaged to progress long lead areas including environmental and social baseline studies as part of the feasibility study project. Workstreams towards mining licence application and permitting are also now underway.

### **CEO Succession**

In April 2023, following the successful construction and completion of the Singida Gold Mine, Shanta announced that Eric Zurrin, Chief Executive Officer, had informed the Board of his decision to step down from his role after six years with the Company. A formal search process is advanced with the Board currently in discussions with short-listed candidates. Mr Zurrin commits to ensuring a smooth transition to new leadership for Shanta Gold, who will inherit a transformed multi-asset gold producer with financial flexibility and a strong management team in place to support the Company's ongoing stability.

### **Interim Dividend**

Following consideration of the Company's financial condition and outlook, the Board has declared an interim dividend of 0.10 pence per share (H1 2022: 0.10 pence) expected to be paid on 27 November 2023. This interim dividend, which will be paid gross, is expected to align with the following proposed timetable:

Ex-div date:	2 November 2023
Record date:	3 November 2023
Payment date:	27 November 2023

### **2023 Production and Cost Guidance**

Management reiterates production and cost guidance for NLGM and Singida:

		<b>Production (Koz)</b>	<b>Cost (AISC) US\$ / oz</b>
<b>NLGM</b>	FY 23	66 – 72	1,200 – 1,300
	H1 23 Actual	34.7	1,293
<b>Singida</b>	FY 23 <sup>1</sup>	24 – 26	1,300 – 1,400
	H1 23 Actual	10.1	825
<b>Group</b>	<b>FY 23<sup>1</sup></b>	<b>90 – 98</b>	-
	<b>H1 23 Actual<sup>2</sup></b>	<b>44.8</b>	-

Note 1 – Singida: for the 9-month period April-December 2023

Note 2 – Reflects actual Singida production since 30 March 2023

## Country Overview

In September 2022, the Government of Tanzania revoked the 2020 Mining (State Participation) Regulations and reissued new regulations governing Section 10 of the Mining Act that had been amended in 2017. In April 2023, the Government of Tanzania signed agreements worth approximately US\$650 m with various international mining companies to enable foreign investment. As disclosed by the Company in October 2022, discussions between the Ministry of Minerals and Shanta were expected to take place in 2023. The Company held an introductory meeting in April 2023. No further discussions have taken place since then.

## Post Period

An Interim dividend of 0.10 pence per share (H1 2022: 0.10 pence) is declared by the Board and expected to be paid on 27 November 2023. This will be the sixth consecutive Period with a dividend paid totalling cash payments of US\$8.0 m since 2021.

**SHANTA GOLD LIMITED**  
**Consolidated Statement of Comprehensive Income**  
**for the six months ended 30 June 2023**

	Note	6 months ended 30-Jun-23 US\$'000	6 months ended 30-Jun-22 US\$'000	Year ended 31-Dec-22 US\$'000
		Unaudited	Unaudited	Audited
<b>Revenue</b>		<b>88,349</b>	51,908	114,055
<b>Loss on non-hedge derivatives</b>		<b>(1,163)</b>	-	(81)
Depreciation		<b>(9,076)</b>	(7,920)	(16,725)
Other cost of sales		<b>(49,417)</b>	(33,990)	(71,844)
<b>Cost of sales</b>		<b>(58,493)</b>	(41,910)	(88,569)
<b>Gross profit</b>		<b>28,693</b>	9,998	25,405
Administration expenses		<b>(3,472)</b>	(5,980)	(12,000)
Exploration and evaluation costs		<b>(1,466)</b>	(4,039)	(7,370)
<b>Operating profit/(loss)</b>		<b>23,755</b>	(21)	6,035
Finance income		<b>3</b>	10	425
Finance expense		<b>(1,032)</b>	(863)	(3,535)
<b>Profit / (loss) before taxation</b>		<b>22,726</b>	(874)	2,925
<b>Taxation</b>	3	<b>(10,057)</b>	(2,239)	(5,224)
<b>Profit / (loss) after taxation</b>		<b>12,669</b>	(3,113)	(2,299)
<b>Other comprehensive loss:</b>				
Exchange differences on translating subsidiary which can subsequently be reclassified to profit or loss		<b>(497)</b>	-	-
<b>Total comprehensive profit / (loss) attributable to equity shareholders of parent company</b>		<b>12,172</b>	(3,113)	(2,299)
<b>Basic earnings / (loss) per share (US\$ cents)</b>	4	<b>1.206</b>	(0.297)	(0.220)
<b>Diluted earnings / (loss) per share (US\$ cents)</b>	4	<b>1.206</b>	(0.297)	(0.220)

The notes that follow in this report form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 19 September 2023.

**SHANTA GOLD LIMITED**  
**Consolidated Statement of Financial Position**  
**As at period ended 30 June 2023**

	Note	30-Jun 2023 US\$'000 Unaudited	30-Jun 2022 US\$'000 Unaudited	31-Dec 2022 US\$'000 Audited
<b>Non-current assets</b>				
Intangible assets		43,343	43,343	43,343
Property, Plant and Equipment	6	125,424	97,968	115,731
Right of use assets		4,497	2,212	2,740
Other receivables		20,762	24,111	22,064
<b>Total non-current assets</b>		<b>194,026</b>	<b>167,634</b>	<b>183,878</b>
<b>Current assets</b>				
Inventories		36,716	31,472	36,207
Trade and other receivables		16,155	6,805	10,495
Cash and cash equivalents		14,885	7,592	3,828
<b>Total current assets</b>		<b>67,756</b>	<b>45,869</b>	<b>50,530</b>
<b>Total assets</b>		<b>261,782</b>	<b>213,503</b>	<b>234,408</b>
<b>Capital and reserves</b>				
Share capital and premium		211,949	211,540	211,540
Share option reserve		-	148	-
Translation reserve		(47)	450	450
Retained deficit		(47,354)	(58,469)	(60,023)
<b>Total equity</b>		<b>164,548</b>	<b>153,669</b>	<b>151,967</b>
<b>Non-Current liabilities</b>				
Loans and borrowings	5	17,427	2,693	19,316
Provision for decommissioning		14,406	8,189	12,266
Provision for deferred taxation		14,544	11,984	11,180
<b>Total non-current liabilities</b>		<b>46,377</b>	<b>22,866</b>	<b>42,762</b>
<b>Current liabilities</b>				
Trade and other payables		30,439	26,113	26,208
Loans and borrowings	5	15,175	6,377	8,126
Derivative financial liability		-	-	81
Income tax payable		5,243	4,478	5,264
<b>Total current liabilities</b>		<b>50,857</b>	<b>36,968</b>	<b>39,679</b>
<b>Total liabilities</b>		<b>97,234</b>	<b>59,834</b>	<b>82,441</b>
<b>Total equity and liabilities</b>		<b>261,782</b>	<b>213,503</b>	<b>234,408</b>

The notes that follow in this report form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 19 September 2023.

# SHANTA GOLD LIMITED

## Consolidated Statement of Changes in Equity for the six months ended 30 June 2023

	Share Capital US\$'000	Share Premium US\$'000	Share Option Reserve US\$'000	Translation Reserve US\$'000	Retained Deficit US\$'000	Total Equity US\$'000
<b>At 1 January 2023</b>	<b>150</b>	<b>211,390</b>	-	450	(60,023)	<b>151,967</b>
Profit for the Period	-	-	-	-	12,669	<b>12,669</b>
Share awards	1	408	-	-	-	<b>409</b>
Other comprehensive loss	-	-	-	(497)	-	<b>(497)</b>
<b>At 30 June 2023 (Unaudited)</b>	<b>151</b>	<b>211,798</b>	-	(47)	(47,354)	<b>164,548</b>
<b>At 1 January 2022</b>	<b>150</b>	<b>211,390</b>	<b>148</b>	<b>450</b>	<b>(55,356)</b>	<b>156,782</b>
Loss for the Period	-	-	-	-	(3,113)	<b>(3,113)</b>
Share awards	-	-	-	-	-	-
Lapsed options	-	-	-	-	-	-
<b>At 30 June 2022 (Unaudited)</b>	<b>150</b>	<b>211,390</b>	<b>148</b>	<b>450</b>	<b>(58,469)</b>	<b>153,669</b>
<b>At 1 January 2022</b>	<b>150</b>	<b>211,390</b>	<b>148</b>	<b>450</b>	<b>(55,356)</b>	<b>156,782</b>
Loss for the Year	-	-	-	-	(2,299)	<b>(2,299)</b>
Share awards	-	-	-	-	-	-
Lapsed options	-	-	(148)	-	148	-
Dividend payments	-	-	-	-	(2,516)	<b>(2,516)</b>
<b>At 31 December 2022 (Audited)</b>	<b>150</b>	<b>211,390</b>	-	<b>450</b>	<b>(60,023)</b>	<b>151,967</b>

The notes that follow in this report form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 19 September 2023.

**SHANTA GOLD LIMITED**  
**Consolidated Statement of Cash flows**  
for the six months ended 30 June 2023

	Note	6 months ended 30-Jun-23 US\$'000	6 months ended 30-Jun-22 US\$'000	Year ended 31-Dec-22 US\$'000
		Unaudited	Unaudited	Audited
<b>Net cash flows from operating activities</b>	8	<b>24,503</b>	<b>7,315</b>	<b>11,753</b>
<b>Investing activities</b>				
Purchase of plant and equipment		(86)	-	(42)
Purchase of right of use assets		-	(203)	-
Purchase of assets under construction		(11,558)	(10,928)	(29,529)
Capitalised mine development expenditure		(3,497)	(4,889)	(8,387)
<b>Net cash flows used in investing activities</b>		<b>(15,141)</b>	<b>(16,020)</b>	<b>(37,958)</b>
<b>Financing activities</b>				
Loans repaid		(5,334)	(1,182)	(6,003)
Principal paid on lease liabilities		(397)	-	(1,301)
Interest paid		(1,242)	(193)	(1,361)
Dividends paid		-	-	(2,516)
Loans received (net of loan arrangement fees)		8,668	4,458	28,000
<b>Net cash flows received from financing activities</b>		<b>1,695</b>	<b>3,083</b>	<b>16,819</b>
Net increase / (decrease) in cash and cash equivalents		11,057	(5,622)	(9,386)
Cash and cash equivalents at beginning of Period / year		3,828	13,214	13,214
<b>Cash and cash equivalents at end of Period / year</b>		<b>14,885</b>	<b>7,592</b>	<b>3,828</b>

The notes that follow in this report form part of these financial statements. The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 19 September 2023.

# **SHANTA GOLD LIMITED**

## **Notes to the Consolidated Financial Information**

### **for the six months ended 30 June 2023**

#### **1. General information**

Shanta Gold Limited (the “Company”) is a limited company incorporated in Guernsey. The Company is listed on the London Stock Exchange’s AIM market. The address of its registered office is 11 New Street, St Peter Port, Guernsey, GY1 2PF. The interim consolidated financial information was approved by the Board and authorised for issue on 19 September 2023.

#### **2. Basis of preparation**

The consolidated interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (“IASB”) as adopted for use in the UK. The consolidated interim financial information has been prepared using the accounting policies which will be applied in the Group’s financial statements for the year ending 31 December 2023.

The Directors have performed an assessment of whether the Group would be able to continue as a going concern until at least December 2024. In their assessment, the Group has taken into account its financial position, expected future trading performance, its debt facilities, future debt servicing requirements, its working capital and capital expenditure commitments and forecasts. Based on a review of the Group’s budgets, cashflow forecasts and its ability to flex its future spending to suit prevailing circumstances, the Directors consider that the Group has adequate resources to continue in its operational existence until at least December 2024. Key assumptions underpinning this forecast included consensus analyst gold prices and production volumes in line with annual guidance.

At 30 June 2023 the Group had an unrestricted cash balance of US\$15.0 million and available liquidity of US\$6.0 million. The Group has sufficient operating cashflows to continue to operate for the foreseeable future, including meeting contractual debt repayments until at least December 2024.

The Directors have concluded that these circumstances form a reasonable expectation that the Group has adequate resources to continue in operational existence, for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the consolidated interim information.

The consolidated interim financial information for the six months ended 30 June 2023 has been reviewed by the Company’s Auditor, BDO LLP in accordance with International Standard of Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 19 September 2023. The consolidated interim financial information for the Period 1 January 2023 to 30 June 2023 are unaudited and incorporate unaudited comparative figures for the interim Period 1 January 2022 to 30 June 2022 and the audited comparative figures for the year to 31 December 2022. It does not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 Annual Report.

The half year financial information for the six months ended 30 June 2023 set out in this document does not comprise the Group’s statutory accounts as defined in the Companies (Guernsey) Law, 2008 and accordingly this half year financial information is not considered to be the company’s statutory accounts. The statutory accounts for the year ended 31 December 2022, which were prepared under UK endorsed IFRS, were reported on by the auditors; their report was unqualified and did not include reference to any matters to which the auditor drew attention by way of emphasis.

# **SHANTA GOLD LIMITED**

## **Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)**

The same accounting policies, presentation and methods of computation are followed in the interim consolidated financial information as were applied in the Group's latest annual audited financial statements except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2023, and will be adopted in the 2023 annual financial statements.

The following new standards and interpretations became effective on 1 January 2023. None of these amendments are considered to have had a material effect in the Period, as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and,
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12 Income Taxes).

### **2.1 Critical accounting estimates, assumptions and judgements:**

#### **a) *Commencement of Commercial Production***

Commercial production is deemed to have commenced when a mining interest is capable of operating at levels intended by management. This is achieved when management determines that the operational commissioning of a major mine and plant components is complete, operating results are being achieved consistently for a period of time and that there are indications that these operating results will continue.

The Group determines commencement of commercial production based on the following factors:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- Key major necessary permits in place;
- Key personnel required to maintain commercial production in place;
- First gold shipment achieved;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mine or mill has reached a pre-determined percentage of design capacity; and,
- The ability to sustain ongoing production of ore.

The list is not exhaustive and each specific circumstance is taken into consideration before making the decision. Based on a review of the above factors, management deemed that Singida commenced commercial production on 1 June 2023.

All other estimates and associated assumptions made in the preparation of these interim financial statements are consistent with the estimates and assumptions made in the preparation of the Annual Financial Statements for 2022.

### **3 Taxation**

The Company is taxed at the standard rate of income tax for Guernsey companies which is 0%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

**SHANTA GOLD LIMITED**  
**Notes to the Consolidated Financial Information**  
**for the six months ended 30 June 2023 (continued)**

Tax charge for the Period relates to:

	30-Jun-23 US\$'000 Unaudited	30-Jun-22 US\$'000 Unaudited	31-Dec-22 US\$'000 Audited
Current tax charge	<b>6,693</b>	2,635	6,425
Deferred tax charge	3,364	(397)	(1,201)
<b>Net charge</b>	<b>10,057</b>	<b>2,238</b>	<b>5,224</b>

The tax charge for the Period can be reconciled to the profit / (loss) before taxation per the statement of comprehensive income as follows:

	30-Jun-23 US\$'000 Unaudited	30-Jun-22 US\$'000 Unaudited	31-Dec-22 US\$'000 Audited
Profit / (Loss) before taxation	22,726	(874)	2,925
<i>Tax at the standard tax rate</i>			
Tanzanian Corporation tax at 30%	6,818	(265)	878
Different tax rates applied in overseas jurisdictions	527	575	963
Permanent adjustments	2,329	(109)	5,405
Unrecognised taxable losses in subsidiaries	983	1,960	5,724
Taxable losses utilized not previously recognized	(447)	-	-
Adjustment in respect of prior periods	81	77	77
Capital allowances in excess of depreciation	(3,598)	-	(6,903)
Other movements	-	-	(920)
<b>Tax charge</b>	<b>6,693</b>	<b>2,238</b>	<b>5,224</b>

#### 4 Earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the Period/year.

At 30 June 2023 and at 31 December 2022 there were no share incentives outstanding that could potentially dilute basic earnings / (loss) per share in the future.

**SHANTA GOLD LIMITED**  
**Notes to the Consolidated Financial Information**  
**for the six months ended 30 June 2023 (continued)**

Profit	Unaudited			Unaudited			Audited		
	30-Jun-23	Weighted avg no of shares	Per share amount	30-Jun-22	Weighted avg no of shares	Per share amount	31-Dec-22	Weighted avg no of shares	Per share amount
	Loss			(Cents)			(Cents)		
	US\$'000	('000)	(Cents)	US\$'000	('000)	(Cents)	US\$'000	('000)	(Cents)
Basic earnings/(loss)	12,669	1,050,741	1.206	(3,113)	1,047,886	(0.297)	(2,299)	1,047,886	(0.220)
Diluted earnings/(loss)	12,669	1,050,741	1.206	(3,113)	1,047,886	(0.297)	(2,299)	1,047,886	(0.220)

## 5 Loans and borrowings

	30-Jun-23 US\$'000 Unaudited	30-Jun-22 US\$'000 Unaudited	31-Dec-22 US\$'000 Audited
<b>Amounts payable within one year</b>			
Silver stream <sup>(1)</sup>	1,226	1,190	1,347
Loans payable to Standard Bank <sup>(2)</sup>	6,667	277	3,114
Loan payable to Exim Bank <sup>(3)</sup>	333	-	-
Stanbic revolving credit facility payable <sup>(4)</sup>	6,000	4,000	3,000
Lease Liabilities	949	910	665
	<b>15,175</b>	<b>6,377</b>	<b>8,126</b>

## Amounts payable after one year

Silver stream <sup>(1)</sup>	1,710	2,093	2,045
Loans payable to Standard Bank <sup>(2)</sup>	13,333	-	16,580
Lease liabilities	2,384	600	691
	<b>17,427</b>	<b>2,693</b>	<b>19,316</b>

### (1) Silver Stream

The Company entered into a silver streaming agreement ("SSA") with Silverback Limited ("Silverback"), a privately held Guernsey-based investment company, under which Silverback paid the Company an advanced payment of US\$5.25 million on closing. Silverback will also pay the Company an ongoing payment of 10 per cent of the value of silver sold at the prevailing silver price at the time of deliveries which will be made annually. The SSA relates solely to silver by- product production from New Luika with minimum silver delivery obligations totalling 608,970oz Ag over a 6.75-year period. There is a requirement to settle any shortfall in silver delivery from the minimum obligation in cash. The term of the SSA is 10 years during which time the Company will sell silver to Silverback and receive ongoing payments of 10% of the silver sold at the prevailing silver price. However, the Company has no minimum ounce obligations after 2022. The payable silver by the Company to Silverback can be reduced should there be any plant expansion as verified by an

**SHANTA GOLD LIMITED**  
**Notes to the Consolidated Financial Information**  
**for the six months ended 30 June 2023 (continued)**

independent engineer. Following an assessment from an independent engineer during 2021, a plant expansion was verified as having occurred by the commissioning of a new mill at NLGM. This change reduced the silver stream liability and was accounted for as an adjustment for the value in future estimates. The Silver Stream liability was re-estimated in 2022 to include the extension to life of mine plan. The liability is calculated using the forward silver price and interest at the effective rate is imputed interest.

**(2) Loans Payable to Standard Bank**

In July 2022 the Company entered into a long term facility agreement with Standard Bank Tanzania. The facility is for a principal amount of US\$20 million and has a term of 4 years at an interest rate of SOFR plus 5.25%. Repayment is in 12 equal capital repayments quarterly from September 2023. The loan is secured against the assets of the Company.

**(3) Loans Payable to Exim Bank**

During the Period, the Company entered into an Insurance Premium Finance Arrangement with Exim Bank (Tanzania) Limited ("EXIM"). The loan has a variable interest at 6.00% per annum and is repayable in 10 monthly instalments, being repayable by the start of 2024.

**(4) Stanbic Revolving Credit Facility**

The Company entered into a revolving loan facility with Stanbic Bank in Tanzania to fund short term working capital. The facility is for US\$ 10 million of which US\$ 6 million is drawn down at Period end. Each draw down is repayable after a maximum of 180 days and bears interest at 10% per annum. There are no securities held against the loan.

# SHANTA GOLD LIMITED

## Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)

### 6 Property, plant and equipment

US\$000	Gold Processing Plant	Mining Assets	Assets Under Construction <sup>1</sup>	Mining and other equipment	Decommissioning Asset	Deferred Stripping Asset	Total
<b>Cost</b>							
At 1 January 2023	44,996	156,017	52,375	42,517	8,489	36,219	340,613
Additions	-	1,907	12,509	86	2,267	1,590	18,359
Asset Transfer	37,515	21,055	(62,027)	1,489	-	1,968	-
<b>At 30 June 2023 (Unaudited)</b>	<b>82,511</b>	<b>178,979</b>	<b>2,857</b>	<b>44,092</b>	<b>10,756</b>	<b>39,777</b>	<b>358,972</b>
<b>Accumulated Depreciation</b>							
At 1 January 2023	36,470	118,138	-	30,434	3,963	35,877	224,882
Charge for the Period	1,153	5,706	-	1,408	241	158	8,666
<b>At 30 June 2023 (Unaudited)</b>	<b>37,623</b>	<b>123,844</b>	<b>-</b>	<b>31,842</b>	<b>4,204</b>	<b>36,035</b>	<b>233,548</b>
<b>Net Book Value</b>							
<b>At 30 June 2023 (Unaudited)</b>	<b>44,888</b>	<b>55,135</b>	<b>2,857</b>	<b>12,250</b>	<b>6,552</b>	<b>3,742</b>	<b>125,424</b>
<b>Cost</b>							
At 1 January 2022	44,996	144,642	28,974	38,936	4,581	36,219	298,348
Additions	-	4,375	11,009	73	-	514	15,971
Asset Transfers	-	2,718	(4,501)	1,783	-	-	-
<b>At 30 June 2022 (Unaudited)</b>	<b>44,996</b>	<b>151,735</b>	<b>35,482</b>	<b>40,792</b>	<b>4,581</b>	<b>36,733</b>	<b>314,319</b>
<b>Accumulated Depreciation</b>							
At 1 January 2022	34,115	108,790	-	26,278	3,906	35,603	208,692
Charge for the Period	1,176	4,718	-	1,556	-	209	7,659
<b>At 30 June 2022 (Unaudited)</b>	<b>35,291</b>	<b>113,508</b>	<b>-</b>	<b>27,834</b>	<b>3,906</b>	<b>35,812</b>	<b>216,351</b>

# **SHANTA GOLD LIMITED**

## **Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)**

### **Net Book Value**

<b>At 30 June 2022 (Unaudited)</b>	<b>9,705</b>	<b>38,227</b>	<b>35,482</b>	<b>12,958</b>	<b>675</b>	<b>921</b>	<b>97,968</b>
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### **Cost**

<b>At 1 January 2022</b>	<b>44,996</b>	<b>144,642</b>	<b>28,974</b>	<b>38,936</b>	<b>4,581</b>	<b>36,219</b>	<b>298,348</b>
Additions	-	8,387	29,529	441	3,908	-	42,265
Asset Transfer	-	2,988	(6,128)	3,140	-	-	-
<b>At 31 December 2022 (Audited)</b>	<b>44,996</b>	<b>156,017</b>	<b>52,375</b>	<b>42,517</b>	<b>8,489</b>	<b>36,219</b>	<b>340,613</b>

### **Accumulated Depreciation**

<b>At 1 January 2022</b>	<b>34,115</b>	<b>108,790</b>	<b>-</b>	<b>26,278</b>	<b>3,906</b>	<b>35,603</b>	<b>208,692</b>
Charge for the Period	2,355	9,348	-	4,156	57	274	16,190
<b>At 31 December 2022 (Audited)</b>	<b>36,470</b>	<b>118,138</b>	<b>-</b>	<b>30,434</b>	<b>3,963</b>	<b>35,877</b>	<b>224,882</b>

### **Net Book Value**

<b>At 31 December 2022 (Audited)</b>	<b>8,526</b>	<b>37,879</b>	<b>52,375</b>	<b>12,083</b>	<b>4,526</b>	<b>342</b>	<b>115,731</b>
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<sup>1</sup> Assets under construction primarily relate to capitalised costs at the Singida Project and ongoing phases of underground development at New Luika.

On 1 June 2023 the Group declared commercial production at the Singida Project using multiple criteria. No borrowing costs were capitalised subsequent to 1 June 2023.

# SHANTA GOLD LIMITED

## Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)

### 7 Segment Information

The Group operates in two principal countries, Tanzania (New Luika and Singida gold mines) and Kenya. The following table provides the Group's results by operating segment in the way information is provided to and used by the Company's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

The Group considers each of its operational mines and expenditure at the West Kenya Project a separate segment. Tanzania exploration, central administration, and corporate costs are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics.

	Six months ended 30 June 2023 (Unaudited)				
US\$'000	New Luika Gold Mine	Singida Gold Mine	West Kenya Project	Other	Total
<b>Revenue</b>					
Gold revenue	71,546	16,803	-	-	88,349
<b>Cost of Sales</b>					
Operating expenses	(36,152)	(6,674)	(1,309)	(4,611)	(48,746)
Depreciation	(8,054)	(964)	(58)	(181)	(9,257)
Royalties	(5,371)	(1,220)	-	-	(6,591)
<b>Earnings / (loss) from mining operations</b>	<b>21,969</b>	<b>7,945</b>	<b>(1,367)</b>	<b>(4,792)</b>	<b>23,755</b>

	Six months ended 30 June 2022 (Unaudited)				
US\$'000	New Luika Gold Mine	Singida Gold Mine	West Kenya Project	Other	Total
<b>Revenue</b>					
Gold revenue	51,908	-	-	-	51,908
<b>Cost of Sales</b>					
Operating expenses	(30,074)	-	(5,841)	(3,969)	(39,884)
Depreciation and depletion	(7,920)	-	(4)	(205)	(8,129)
Royalties	(3,916)	-	-	-	(3,916)
<b>Earnings / (loss) from mining operations</b>	<b>9,998</b>	<b>-</b>	<b>(5,845)</b>	<b>(4,174)</b>	<b>(21)</b>

# SHANTA GOLD LIMITED

## Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)

US\$'000	Twelve months ended 31 December 2022				
	New Luika Gold Mine	Singida Gold Mine	West Kenya Project	Other	Total
<b>Revenue</b>					
Gold revenue	114,055	-	-	-	114,055
<b>Cost of Sales</b>					
Operating expenses	(63,189)	-	(8,572)	(10,482)	(82,243)
Depreciation and depletion	(16,725)	-	(79)	(318)	(17,122)
Royalties	(8,655)	-	-	-	(8,655)
<b>Earnings / (loss) from mining operations</b>	<b>25,486</b>	<b>-</b>	<b>(8,651)</b>	<b>(10,800)</b>	<b>6,035</b>

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the periods ended 30 June 2023 or 30 June 2022.

### 8 Net Cash flows from Operating activities

	30-Jun 2023 US\$'000 Unaudited	30-Jun 2022 US\$'000 Unaudited	31-Dec 2022 US\$'000 Audited
<b>Profit / (loss) before tax</b>	22,726	(874)	2,925
Adjustments for:			
Depreciation / depletion of assets	8,666	7,658	16,190
Amortisation of right of use assets	591	305	535
Unrealised exchange losses	(497)	(18)	1
Share based payments	409	-	-
Fair value adjustments	-	(94)	-
Non-cash settlement of Silver Stream obligation	(846)	(496)	(1,221)
Finance income	(3)	(10)	(425)
Finance expense	1,032	863	3,535
Increase in provisions	-	-	(145)
<b>Operating cash inflow before movement in working capital</b>	<b>32,078</b>	<b>7,334</b>	<b>21,395</b>
<b>Movements in working capital:</b>			
(Increase) in inventories	(508)	(4,238)	(8,973)
(Increase) in receivables	(8,995)	(1,170)	(8,431)
Increase in payables	3,923	5,962	8,699

## **SHANTA GOLD LIMITED**

### **Notes to the Consolidated Financial Information for the six months ended 30 June 2023 (continued)**

	<b>26,498</b>	<b>7,888</b>	<b>12,690</b>
Taxation paid	(1,995)	(573)	(938)
Interest received	-	-	1
<b>Net cash flow from operating activities</b>	<b><u>24,503</u></b>	<b><u>7,315</u></b>	<b><u>11,753</u></b>

During the Period US\$4.6 m of VAT receivables were offset against the Company's brought forward corporation tax liability in Tanzania

## **INDEPENDENT REVIEW REPORT TO SHANTA GOLD LIMITED**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the London Stock Exchange AIM Rules for Companies.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes.

### **Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“ISRE (UK) 2410”). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2 the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

### **Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

### **Responsibilities of Directors**

The Directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our report**

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London, UK  
19<sup>th</sup> September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).