SHANTA GOLD

2021

Annual Report and Financial Statements


29

Contents

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 666 koz grading 3.04 g/t, and exploration licences covering approximately 1,100 km^2 in the country.

Alongside New Luika and Singida, Shanta also owns the West Kenya Project in Kenya with defined high grade indicated and inferred resources and licences covering approximately 1,162 km^2. Shanta is quoted on London's AIM market (AIM: SHG) and has approximately 1,048 million shares in issue. For further information please visit: www.shantagold.com.

These financial statements are consolidated financial statements for the Group consisting of Shanta Gold Limited and its subsidiaries. A list of major subsidiaries is included in note 14.

Country of incorporation
Guernsey

Nature of business
East Africa-focused gold producer, developer and explorer

Company registration number
43133

Registered office
11 New Street
St Peter Port
Guernsey GY1 2PF

Secretary
Vistra Fund Services (Guernsey) Limited
11 New Street
St Peter Port
Guernsey GY1 3EG

Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Nominated advisor and broker
Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY

Joint Broker
Tamesis Partners LLP
125 Old Broad Street
London EC2N 1AR

Website
www.shantagold.com


BALFLEX
24 V
JUMP
START

Board of Directors

Anthony Durrant
Non-executive Chairman

Mr Durrant has had a long and distinguished career in the global natural resources sector, having formerly been the Global Head of Metals & Mining at UBS Investment Bank. He is currently Chairman of the Investment Advisory Committee of Arias Resource Capital Management, which manages private equity funds investing in Latin American mining. Mr Durrant brings significant experience in capital markets and natural resources. Mr Durrant has long-standing links to East Africa.

Eric Zurrin
Chief Executive Officer, Director

Eric Zurrin has 20 years' experience in mining and investment banking including previous roles with UBS Investment Bank and BMO Capital Markets. Eric has worked and lived in North America, the UK, Asia and Africa and held senior positions in advisory, private equity and operational roles. Eric is a Canadian national and a graduate of Harvard Business School.

Luke Leslie
Chief Financial Officer, Director

Luke is a mining investor with a background in Mergers & Acquisitions. He was formerly a member of UBS Investment Bank's Corporate Finance team based in London. Luke began his career as a management consultant with Accenture where he specialised in post-acquisition integration and cost reduction strategies.

Ketan Patel

Non-executive Director

Mr Patel was a founder of Shanta Mining Company Limited (now a subsidiary of Shanta Gold) in 2001 and chairs the Company's Sustainability committee. He has worked extensively in trading organisations in the UK and since 1986 has traded agrocommodities internationally. Mr Patel has extensive commercial interests in Tanzania and is a senior director of Export Holdings (Pty) Ltd and Managing Director of the Sea Cliff and White Sands Hotel in Dar es Salaam.

Keith Marshall

Non-executive Director

Mr Marshall is a mining engineer with over 35 years' experience in the sector enabling him to accumulate a wealth of technical and managerial expertise with the last fifteen years spent in senior mine leadership roles. Mr Marshall is currently an non-executive director of SolGold. His previous operational roles were with Rio Tinto, with whom he has worked for 22 years, as Managing Director of the Palabora Mining Company in South Africa and as President of the Oyu Tolgoi Project in Mongolia. He chairs the Company's Remuneration committee.

Michelle Jenkins

Non-executive Director

Ms Jenkins is a Chartered Accountant (South Africa) and an exploration geologist with an Honours degree in Geology from the University of Witwatersrand, South Africa. Ms Jenkins has 25 years' experience in the mining sector during which time she has accumulated a wealth of technical and managerial expertise. Ms Jenkins has extensive experience across Africa including currently as the Executive for Finance and Administration (South Africa) for Orion Minerals Ltd and as a Non-Executive Director of Kumba Iron Ore Limited. Ms Jenkins previously worked for the Pangea Group.

Chairman's Statement

Whilst 2021 posed some challenges to Shanta, the Group did well to finish the year in line with our revised production guidance. The robust fundamentals that underpin the Group's operations ensured that we ended the year with a strong balance sheet, an outstanding safety record for the fourth year in a row, and having completed the largest exploration programme ever conducted in the Group's history.

I am also pleased to announce that our first standalone annual Sustainability Report for 2021 was recently published and reports on the sustainability issues that are most important to both our stakeholders and the wider business community. This year was important for the Group in terms of our Environmental, Social and Governance ("ESG") goals, with Shanta achieving key milestones including benchmarking our current position against peers, starting to report our Scope 1 and 2 greenhouse emissions, and mapping a path forward towards decarbonising our operations.

I would like to take this opportunity to extend my welcome to Michelle Jenkins who joined the Board of Shanta Gold Limited in May 2021. We believe Michelle's experience in exploration and mining finance across Africa brings a complementary skill set and will be of considerable value as the Company continues to develop its portfolio in East Africa. I would also like to .thank all of our employees for their continued commitment and hard work over the last year, without which, these achievements would not have been possible.

Performance and operating highlights
For the third consecutive year, we replaced all annually mined ounces and extended New Luika's mine life to at least the end of 2026 following a successful exploration campaign that included recent discoveries at the Porcupine South deposit. After the introduction of a third mill at New Luika during the year, Shanta achieved record annual throughput of 834,607 tonnes milled. The Group also reduced its gross debt to US$2.4 million, following the repayment of the US$10 million convertible loan note in April 2021, further strengthening our financial position.

Portfolio developments
The Singida Mine construction remains on track for first production in Q1 2023, adding a second revenue stream across the portfolio and further strengthening our diversified portfolio of assets in East Africa. We remain committed to growing and further defining our portfolio as evidenced by the largest exploration programme ever carried out by the Group at the West Kenya operations in a year which delivered consistently encouraging high-grade drilling results, including spectacular visible gold. As a result, we are confident of our ability to transform Shanta to a 100,000+ oz/p.a. producer in 2023 and deliver further sustainable returns to our shareholders.

Creating new opportunities for our communities
Developing the education, health and employment prospects of local communities that neighbour our operations was a core priority of Shanta's community development programme in 2021. The Group supported various schools and pupils with the provision of much needed infrastructure and supplies. Due to the Group's various water projects carried out during the year, a further 7,600 local residents now have access to clean running water. Furthermore, through additional projects designed to better the employment prospects of our local communities, approximately 2,000 farmers in Tanzania and 100 previously unemployed youths can now look forward to the opportunity to earn year-round income.

Apart from directly investing in our community engagement programmes, Shanta's contribution to the Tanzanian and Kenyan economies through our operations have been significant, totalling US$123.1 million in 2021. Shanta maintains an excellent relationship with district, regional and national levels of the Tanzanian Government. For the year 2021, Shanta was awarded three first place awards at the national level of government for *Local Content Performance, Outstanding Performance in CSR Projects, and Environmental and Safety Issues Compliance.*

Year ahead
2022 is set to be an exciting year for the Group. Our ongoing exploration programme will play an important role in sustainably extending and adding to Shanta's production profiles over time, maximising the social impact of our assets on the ground and improving returns for shareholders. We've announced increased production guidance of 68,000 – 76,000 oz for 2022, with production weighted towards the second half of the year once mining of the high-grade Bauhinia Creek crown pillar has commenced. Construction at the Singida Gold Mine will largely be completed in 2022 with significant milestones being reached in the second half of 2022 and first pour in Q1 2023. Once gold production commences at Singida, we are confident that the project will help transform the Ikungi region in Central Tanzania for the benefit of the local communities whilst also de-risking the business from a financial and operational perspective as the Company begins generating significant cash flow from two independent operations.

Anthony Durrant
Chairman

9 May 2022

Chief Executive Officer's Review

Despite some operational challenges faced in 2021, Shanta is pleased to have closed out the year in line with the revised guidance and forecasted production growth for 2022.

We have replaced all mined ounces at New Luika, delivered some exceptional high-grade results in our West Kenya drilling programme, continued our leading health and safety record, and made good progress at Singida.

With the Group's robust business fundamentals providing a strong platform from which to grow, we go into 2022 excited at the opportunities in front of us, particularly the near-term opportunity to transform into a 100,000+oz/p.a. producer, which we are confident will happen in Q1 2023 following first gold pour at Singida.

Most importantly, Shanta continues to create a net-positive impact for its stakeholders and communities in Tanzania and Kenya. Our focus on sustainability and ESG during 2021 has been a highlight this year, ensuring the Company is more accountable, transparent, and responsible in its corporate purpose. This commitment to first class governance has been further enhanced in Q1 2022 when we released our inaugural sustainability report.

Highlights

Exceptional safety record
This year, once again, Shanta delivered an outstanding safety record with an incredible milestone achieved of over 8.0 million man-hours passed without a Lost Time Injury ("LTI's"). The Company has now operated for over four years without an LTI, earning itself a reputation as one of the safest mining operations worldwide. The Group also achieved a Total Recordable Injury Frequency Rate ("TRIFR") per 1 million hours worked of 0.67, a sixth successive annual decline in injuries and significantly below the global industry average of 2.94, as measured by the International Council of Mining and Metals.

Building the Singida Gold Mine
The construction of the Singida mine is progressing on schedule. Several major project milestones have now been completed on site with construction at approximately 45% completion. Total capital expenditure at Singida during 2021 amounted to US$10.9 million and the project remains on track for first production in Q1 2023, transforming Shanta Gold into a +100,000 oz/pa producer with a diversified resource base.

The project also has considerable upside potential given its location within a greenstone deposit, meaning it is well suited to further exploration growth. Future drilling planned for 2022 will target areas within these mining licenses with the aim of extending the reserves at Singida.

Shanta's exceptional safety standards are being carried through to its Singida operations with a robust health and safety framework and zero LTIs since commencement of construction.

The Singida Gold Mine directly employs 282 employees and contractors, all of which are Tanzanian nationals, further highlighting the Group's commitment to developing in country talent. We are confident that the project will transform the Ikungi region once complete as we continue to invest in community initiatives that benefit the people on the ground. We are delighted to have already started this process by investing in the upgrade of local schools in the Malumbi and Samburu villages, as well as the improvement of roads, numerous water projects, and renovation of a local dispensary.

The West Kenya Project
During the year, an extensive drilling campaign was carried out at West Kenya with the primary focus being to upgrade the high-grade resource at Isulu and Bushiangala. Shanta is pleased to have achieved this goal, successfully converting 117,000 oz grading 7.04 g/t Indicated at a conversion rate of over 100% in 2021. To date, this is the most consistently high-grade drilling campaign the Group has ever conducted.

Success at West Kenya is a hugely exciting prospect for Shanta and its stakeholders as the resource expands toward a multi-million ounce gold district comparable with other prolific greenstone belts in the world.

Looking forward to 2022, Shanta aims to continue to deliver outstanding drilling results. A third drill rig has been added to the operations as phase two of the campaign looks to establish a Mineral Resource Estimate.

Portfolio-wide exploration
For a third consecutive year, Shanta has replaced all mined reserves at New Luika, with 110,000 oz of new reserves added in 2021. During the year, the Company invested US$4.4 million in exploration at New Luika resulting in the upgrading of approximately 80,000 oz grading 4.31 g/t from Probable to Proven Reserve category, significantly de-risking the 12-month production outlook. Reserve-based mine life at New Luika has been extended again, now to the end of 2026. JORC compliant reserves across the Group increased by 20,000 oz to 645,000 oz at a grade of 3.04 g/t. Shanta's reserves assume a long-term gold price of US$1,350 /oz.

Off the back of the Group's 2021 exploration successes, the Board has approved a US$6.9 million Tanzanian exploration budget for 2022.

VAT status on refunds
The Company's VAT receivable was US$26.9 million at the end of the year. Following positive engagement with the Tanzanian Revenue Authority ("TRA"), US$7.2 million was refunded. The remaining VAT receivable is subject to verification audit before being available for further refunds or offsets against corporate income tax. The Company has taken extensive legal and tax advice to recover the VAT and is pursuing the appropriate avenues to recover the full balance as discussed in note 3.

Operations review

New Luika Operations Review
The Group faced some operational challenges at New Luika during the year with lower than anticipated grades being recovered and a faulty product received from a supplier in the last quarter of the period. During the first half of 2021, underground mining at the Bauhinia Creek deposit intersected a structure that dragged and pinched the ore zone for approximately 17 metres along strike at the 600 level (360 vertical metres below the underground portal) and approximately 37 metres at the 585 level. This resulted in total ounces recovered for the year being 55,280 oz (2020: 82,978 oz). The processing plant, however, continued to operate above its nameplate capacity with a record annual throughput of 834,607 tonnes being milled, following the installation of a third mill during the period, 7% greater than budgeted.

AISC[1] for the year were US$1,439, higher than anticipated as a result of less ounces being recovered. On an absolute basis, mining cash costs stayed relatively flat with the Group maintaining its ongoing efforts to rigorously review and manage expenses.

1 AISC figures published include development costs, in line with the WGC definition

Financial overview

Turnover for the year from sales of gold amounted to US$103.6 million, compared to US$147.4 million in 2020. The 29.7% decrease in sales was driven by the fall in gold ounces recovered. The Company sold 57,517 oz of gold in 2021 (2020: 83,228 oz) and all sales were unhedged and completed at spot price, with an average selling price of US$1,801 /oz during 2021 (2020: US$1,495).

Operating profit for the year amounted to US$4.7 million (2020: US$43.8 million), the decrease being mainly attributable to the combination of less revenue earned in the period, lower grades than anticipated being mined resulting in higher production costs and the inclusion of a full year of expenditure relating to the West Kenya Project. EBITDA[2] was US$19.0 million (2020: US$63.9 million).

Through successful negotiations with the Tanzania Revenue Authority ("TRA"), total VAT refunds of US$7.2 million were received by the Group in 2021, with a further US$4.3 million being verified for refund by the TRA in January 2022.

During 2021, the Group repaid the US$10 million convertible loan note reducing gross debt to US$2.4 million. The Group had an unrestricted cash balance of US$13.2 million (2020: US$41.6 million) at year-end with further available liquidity of 1,593 oz of unsold doré on hand.

Sustainability
The Group published its inaugural stand-alone Sustainability Report for 2021 which reports on the sustainability issues that are most material to Shanta's stakeholders. ESG and Sustainability have risen to the top of corporate agendas within both the mining sector and the wider business community, and this report marks an important stage in Shanta's journey to greater transparency and communication of how material ESG and sustainability issues affect our business and what we are doing to address these.

In 2021, the Group has continued to operate safely and look after its team, develop local communities, manage its resources and environmental impact, and act responsibly and accountably at all times. The 2021 Sustainability Report is available on the Shanta Gold website.

Managing Resources Responsibly and Mitigating Environmental Impact

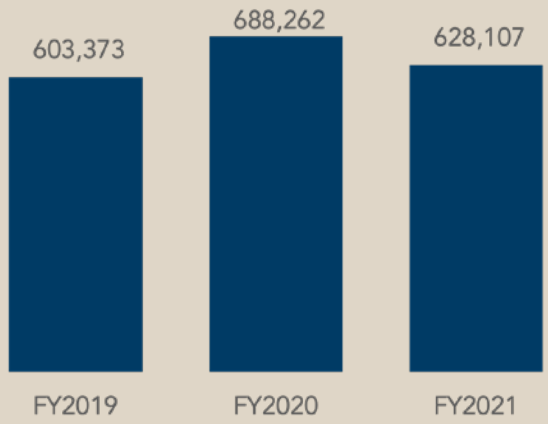
Managing our water supply
Mining activities require a large and consistent water supply. This can be challenging in the Songwe region where the year is divided into very wet and very dry

2 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.

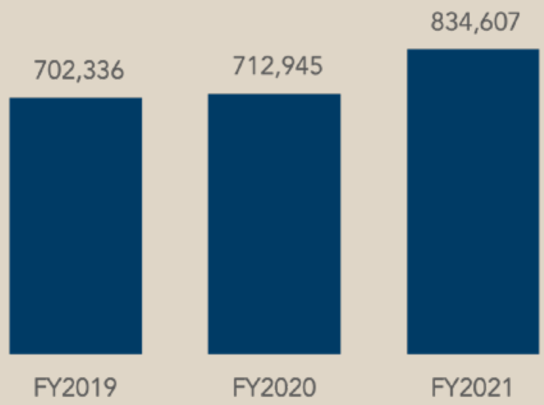
New Luika Gold Mine Operations Review

New Luika Gold Mine operations

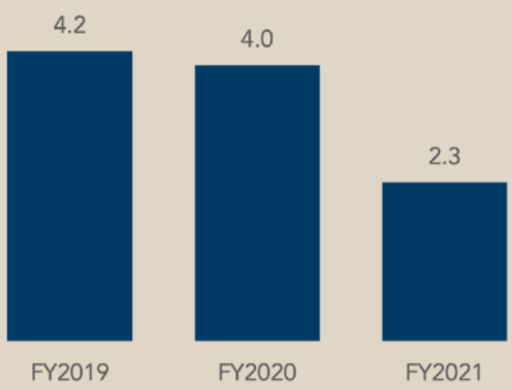
Tonnes ore mined



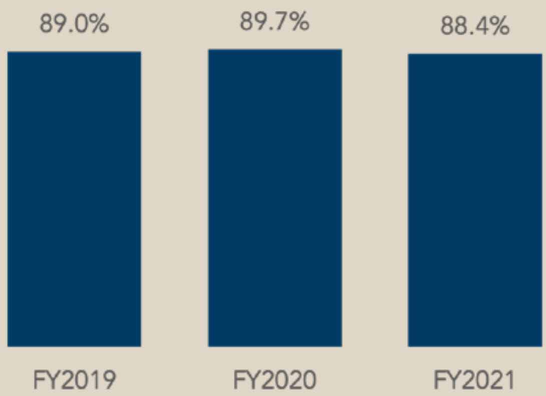
Tonnes ore milled



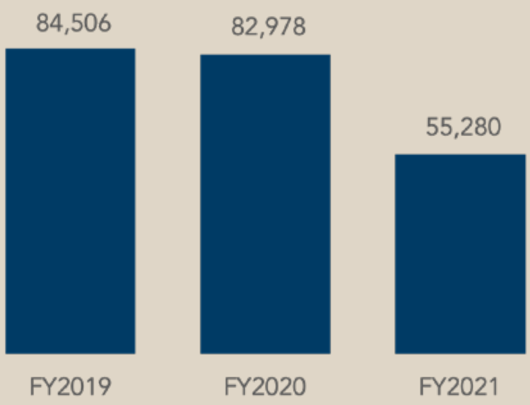
Grade (g/t)



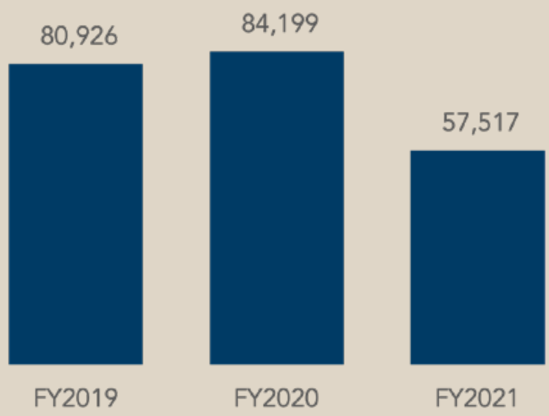
Recovery (%)



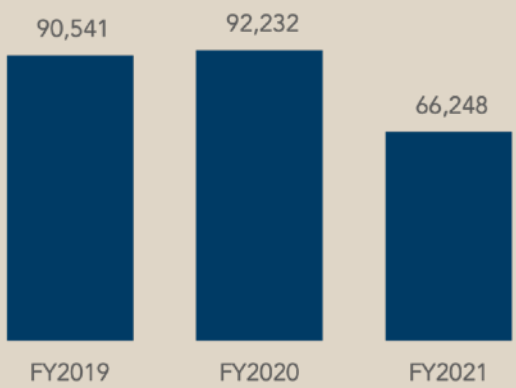
Gold production (ounces)



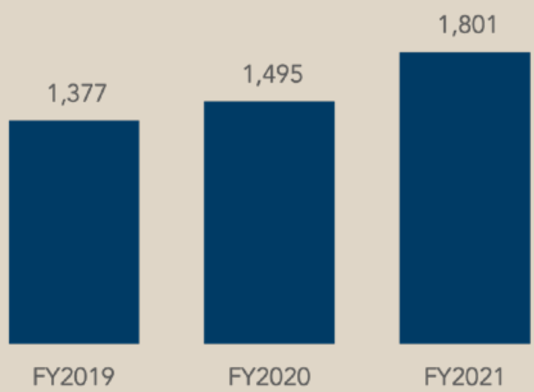
Gold sales (ounces)



Silver production (ounces)



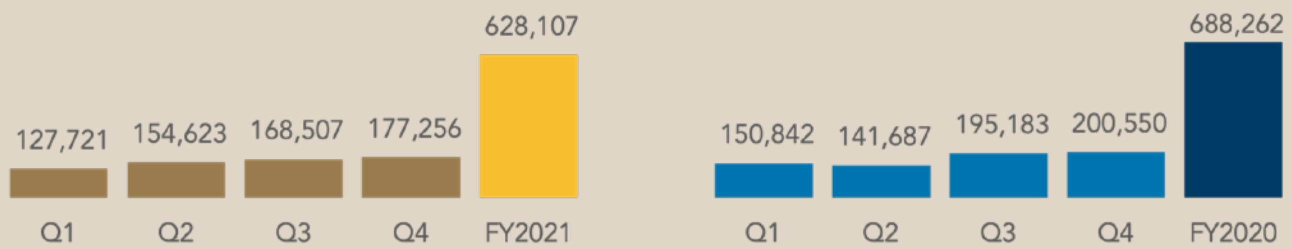
Realised gold price (US$/oz)



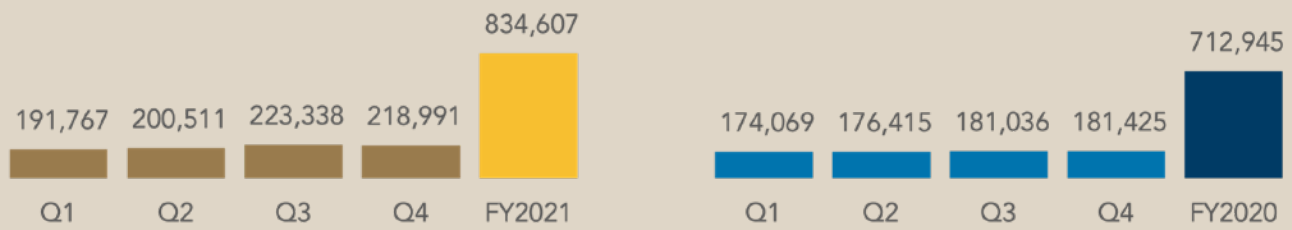
New Luika Gold Mine Operations Review

New Luika Gold Mine quarterly breakdown

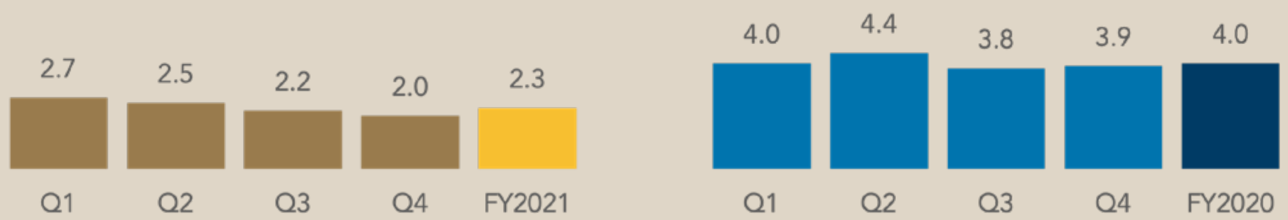
Tonnes ore mined



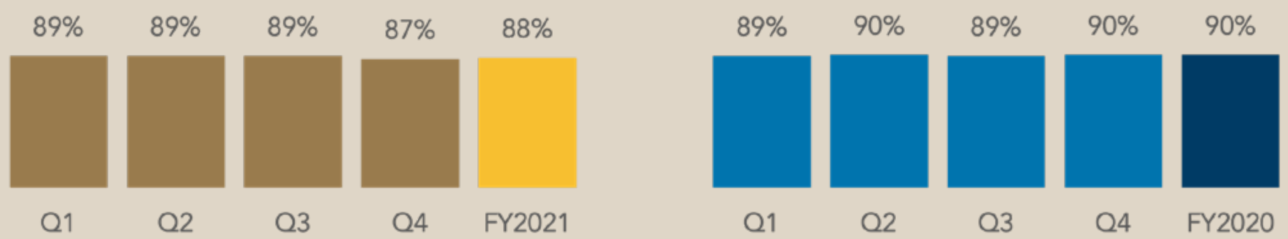
Tonnes ore milled



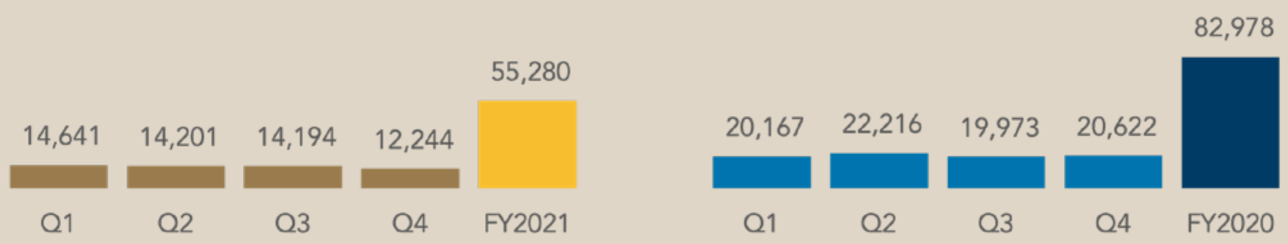
Grade (g/t)



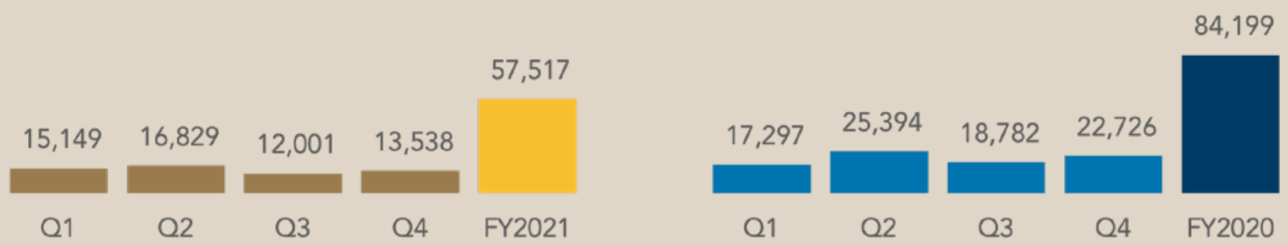
Recovery (%)



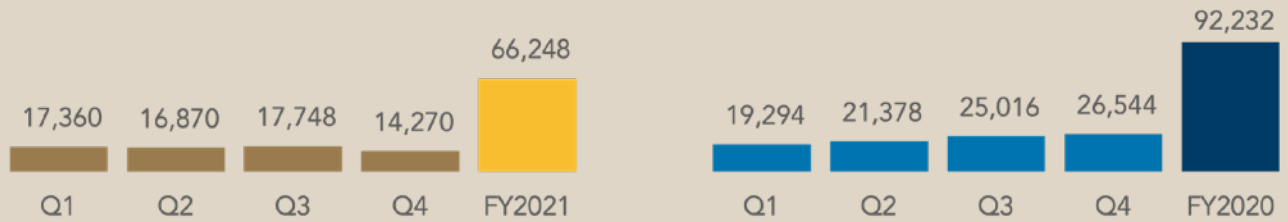
Gold production (ounces)



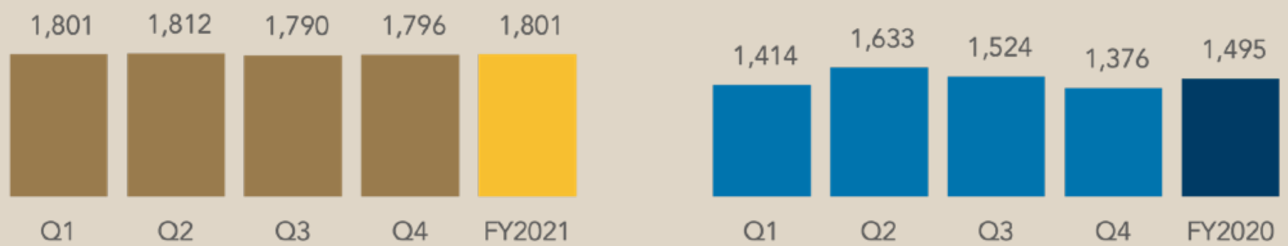
Gold sales (ounces)



Silver production (ounces)



Realised gold price (US$/oz)



seasons. As a result, we have developed a focused water recovery program at New Luika which targets the recovery of water used in tailings via a Return Water Dam. In 2021, 33% of water usage was recovered (2020: 31%). The team at New Luika work closely with the Lake Rukwa Basin Water Board to communicate water conservation strategies in place, and Annual Water Reports are prepared for the Board to monitor the status of water resources and consumption. The Group remains committed to using water efficiently and responsibly and continues to look for ways to manage our consumption and find innovative solutions to water supply.

Responsible tailings and waste management
Safe management of tailings and other environmental issues are also crucial to the safety of our communities and longevity of our operations. We were pleased that during 2021, as in 2020, there were zero reportable environmental and community incidents, and no issues or regulatory non-compliance were noted. While our record is strong to date, we understand the risks associated with tailings are a particular concern to our stakeholders and we are determined to continue our focus on maintaining high levels of safe management and avoid complacency.

Climate change
As a responsible gold miner, it's important for the Group to stay on top of the latest developments which affect our industry and the expectations of our stakeholders. 2021 was an important year in the wider landscape around climate change with businesses making long term commitments to combat their impact on climate change. For several years, Shanta has been committed to efficient energy usage at New Luika. This year, Shanta also calculated and reported its Scope 1 and 2 Greenhouse Gas ("GHG") Emissions for the first time. We are proud of how we benchmark against our peers, reporting one of the lowest GHG intensities per ounce of gold produced. However, we recognise there are important steps to take to make further progress in decarbonizing our footprint and driving down emissions.

Putting our People First
The Group's achievements in the year are directly linked to the efforts of its workforce working together with the same goal in mind, embracing opportunities and staying motivated during a year that had its ups and down.

The Group's headcount, including employees at New Luika, Singida and West Kenya Project, totalled 953 people at the end of 2021 (2020: 764 people) and our Tanzanian staff span every discipline. The Executive Committee and Board of Directors of SMCL are led almost entirely by Tanzanian nationals.

At the end of 2021, 99% of the Group's workforce were from our host countries Tanzania or Kenya (2020: 99%) and a significant amount of SMCL's employees are from local communities around New Luika and Singida. This demonstrates the importance of our operations as a major employer for nearby villages and towns, driving the local economy in an area that continues to suffer from high unemployment and economic difficulties.

Community Investment
For many years Shanta has been a supporter of the social and economic development of the communities located near its operations, and this remained the case in 2021.

During the year, the Group continued to support local business with more than 80% of Shanta's procurement being sourced from local suppliers for the New Luika and Singida operations in Tanzania. Similarly, over 60% of procurement for the Company's Kenyan exploration activities are from local suppliers.

Shanta has a well-established CSR programme which has been developed through the implementation of community initiatives that are devised with the direct engagement of key community and regional stakeholders. Water, Education, Livelihood and Health represent the core pillars to Shanta's community investment projects. The projects are focused on the local communities surrounding the New Luika, Singida and West Kenya operations.

Some of the projects the Group carried out in 2021 are mentioned below:

Education
Over the years, Shanta has believed that quality education is critical in developing local communities and bringing about long-term change.

Shanta has been offering a sponsorship programme for underprivileged students since 2014, and in 2021 a further 55 Secondary School and 120 Primary School students from underprivileged families were provided with uniforms, shoes and stationary. This support by Shanta will allow these students to attend school.

The Company continued its work on making ICT equipment and learning available during the year by commencing work on a computer lab at Saza Secondary School following the construction of their computer lab in 2020.

Also, as part of the Group's initiative to improve educational infrastructure in the area, in 2021, Shanta invested in an ablution block and three classrooms at Saza Primary School, and two classrooms at Patamela Primary School. Upgrading these facilities allows the school to attract the best teachers who are typically put off by the difficulty of teaching with poor infrastructure and accommodation.

Water
Access to clean drinking water is a challenge for the residents in the Songwe region which has unpredictable rainfall and poor water infrastructure.

In 2021, Shanta invested in connecting the Luika River Dam to Mbangala village via a 4km pipeline. This will provide approximately 7,600 people with reliable, clean, running water. This project was achieved with the help of the community who were encouraged through the advertisement of temporary work for residents in helping trench the pipeline. 200 villagers took up the opportunity and constructed the pipeline under supervision from Shanta's Community and Engineering department.

Livelihood
Farming or artisanal mining are key income generating activities near Shanta's New Luika, Singida and West Kenya operations. The Group supports a range of livelihood programmes to encourage and grow the economic prospects of the local communities and provide an alternate income generating opportunity to the often illegal or dangerous artisanal mining operations.

At West Kenya, in partnership with KK Security Kenya Ltd, Shanta has supported security guard training costs for 100 unemployed local youths from the project area. All trained individuals have subsequently been offered formal employment as a security guard in what was undoubtedly one of Shanta's most successful projects of the year.

In 2021, Shanta continued to support the Saza Village Beekeepers group and funded the construction of a honey processing plant which allows the group to increase the volumes of raw honey they are able to process and thus use or sell. The Group also invested in equipment (harvesting gear and replacing worn out hives) and organized training on beehive inspection, honey harvesting and marketing for 50 beekeepers to further the industry in the area.

Lastly, since 2016 Shanta commenced working with local farmers near New Luika to develop modern farming methods. This initiative aimed to introduce modern farming methods to mitigate hunger, introduce commercial crops which grow well in the community areas and find markets for the crop, in addition to the formation of an Agriculture Market Cooperative Society (AMCOS) that unites farmers and creates a one stop centre for all activities related to improving commercial farming and improving farmers livelihood. The number of farmers now enrolled in the programme has risen to more than 2,000 in 2021. During the year, Shanta continued to support members of the programme, providing training and donating fertilizer and pesticides. The Group is proud to announce that in the year, the sesame harvest which was the result of a number of years' work with the community yielded 1,500,000 kg, which at a price of $1 per kilogram meant $1.5 million was distributed directly back into the scheme to support the other needs of the farmers and their communities, including schooling, general wellbeing, and family and medical needs.

Health
The availability of heath infrastructure and services in rural Tanzania and Kenya continues to be a social challenge and the main cause of long-term health issues in the communities.

Shanta partnered with the PharmAccess Foundation and AMREF to support the Innovative Partnership for Universal Sustainable Healthcare (i-PUSH) project in West Kenya which looks to connect at least half a million Kenyans to the National Hospital Insurance Fund. This drive particularly targets women of childbearing age, and once enrolled in i-PUSH they will have access to subsidised health cover for a year.

During the year, the Group also made a contribution to the project donating 25% of the first year's annual premium for 300 low-income women in the Group's project areas which triggers the remaining 75% contribution from i-PUSH. This allows the enrolled women and their families to have healthcare cover.

Outlook
Annual production guidance has been set to approximately 68,000 – 76,000 oz at AISC of US$1,050 – 1,250 /oz including development costs, in line with the World Gold Council ("WGC") definition. 2022 gold production is weighted approximately 65% towards the second half of the year reflecting mining of the high-grade Bauhinia Creek crown pillar beginning in May 2022. The crown pillar consists of approximately 83,000 tonnes grading 8.4 g/t, equating to around 22,500 ounces. Quarter 1 2022 gold production is forecast at a similar level to Quarter 4 2021, with quarterly production increasing in Quarter 2 2022 upon commencement of the crown pillar mining. As of January 2022, 82% of planned 2022 ounces have grade control information.

I would like to take this opportunity to thank our shareholders, employees, members of the Board and our partners for their continued commitment to the Company and ongoing support throughout the period. With the near-term introduction of the Singida mine to the Shanta portfolio, in addition to the reserves replacement at New Luika, we are excited in the near and long-term prospects of the Company and our journey towards becoming a diversified +100,000 oz/p.a. producer.

Eric Zurrin
Chief Executive Officer

9 May 2022


KIBOKO
WATER TANK
10000L


10000L
WATER TREATMENT PLANT
SAND FILTRATION UNIT

Directors' Report

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 December 2021.

General
The Company was established in 2005. On 11 July 2005, its shares were listed on the London Stock Exchange's AIM market. The Company is a non-cellular Company limited by shares incorporated in Guernsey.

Principal activity
The Group's principal activity is that of gold production and exploration in East Africa.

Business review
A review of the business during the year is contained in the Chairman's Statement on page 5 and in the Chief Executive Officer's Review on pages 7 to 14. The Group's business and operations and the results thereof are reflected in the attached financial statements. It is the business of the Group and its subsidiaries to explore for value-adding resources, and to turn commercially viable findings into a mineral production asset.

Financial results
The results for the year are set out in the consolidated statement of comprehensive income on page 53. The activities for the year have resulted in the Group's profit before tax of US$1.0 million (2020: US$39.0 million).

Dividends
The final 2020 dividend of 0.10 pence per ordinary share was paid on 30 April 2021 and a 2021 interim dividend of 0.10 pence per share was paid on 29 October 2021.

Following the year-end, the Directors have proposed a final dividend of 0.10 pence per share, subject to the approval of shareholders on 15 June 2022.

Subsequent events
Except as disclosed in Note 33 to the financial statements, no other material fact or circumstance has occurred between the reporting date and the date of this report.

Nominated advisor
The Company's nominated advisor is Liberum Capital Limited.

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

Non-Executive
- Anthony Durrant (Chairman)
- Robin Fryer (retired 24 March 2021)
- Michelle Jenkins (appointed 13 May 2021)
- Ketan Patel
- Keith Marshall

Executive
- Eric Zurrin
- Luke Leslie

No Director shall be requested to vacate his office at any time by reason of the fact that he has attained any specific age. The Board considers that there is a balance of skills within the Board and that each of the Directors contributes effectively.

Directors' responsibilities statement
The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Group for that period and of the profit or loss of the Group for that period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the UK and applicable law. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as each of the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware; having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Website publication
The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with applicable legislation in Guernsey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern
The Directors have reviewed the Group's cash flow forecasts for the period to June 2023 and after taking into account existing financing facilities, available cash and cash flow projections from operations, the Directors consider that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details have been provided within note 2.2.

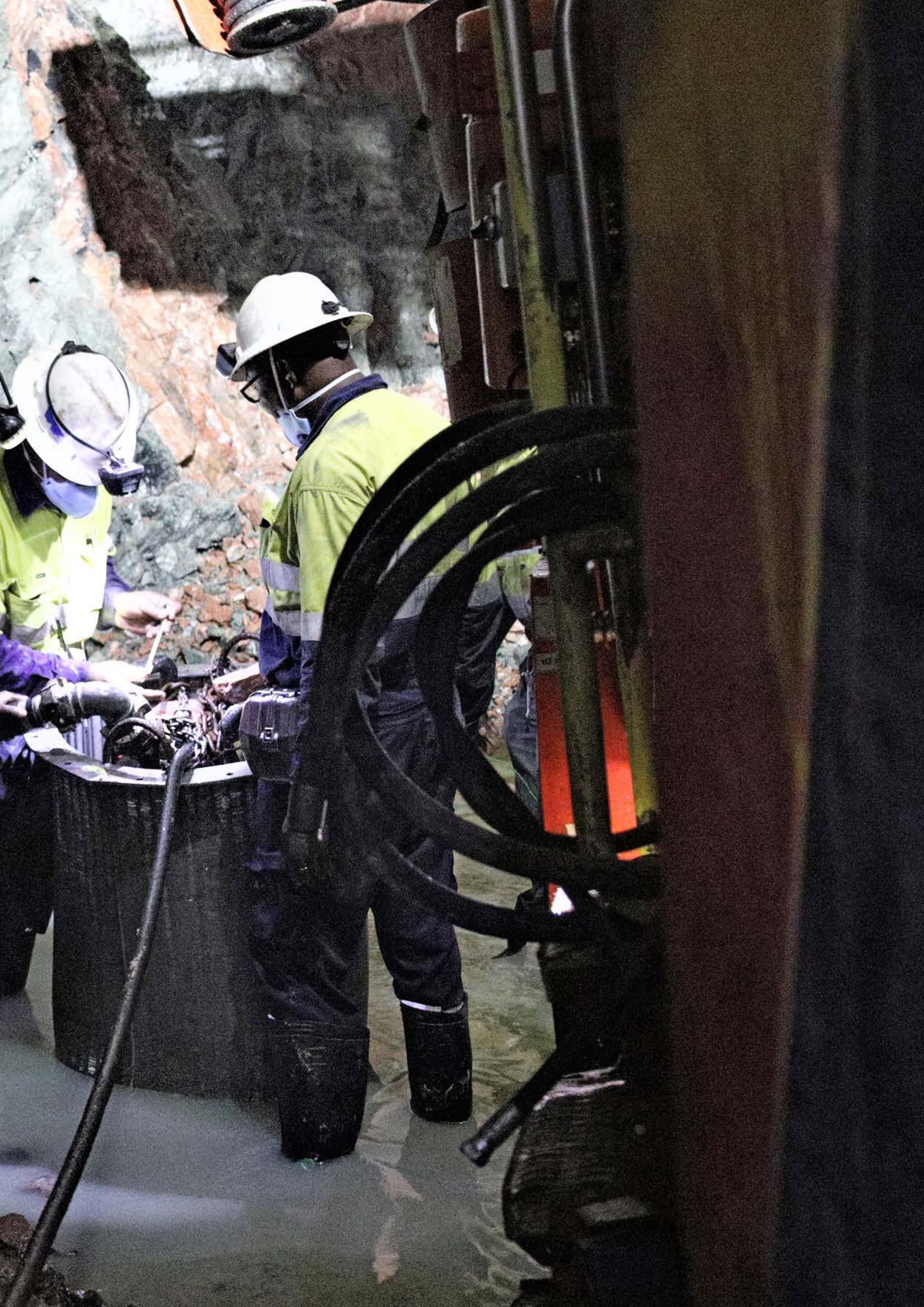
Auditor
BDO LLP has expressed their willingness to continue in office as auditor and a resolution to re-appoint BDO LLP will be proposed at the forthcoming Annual General Meeting.

Share options
Further details, including share options provided to employees of the Group, are contained in the Remuneration Committee Report on pages 29 to 31 and in note 24 to the financial statements.

Signed on behalf of the Board of Directors on 9 May 2022.

Eric Zurrin
Chief Executive Officer

Anthony Durrant
Chairman



Corporate Governance Statement

Board of Directors
The Company had two Executive Directors and four Non-Executive Directors at the year end. All major decisions relating to the Group are made by the Board as a whole. The Board has established sub-committees to discharge some of its key functions and details are set out within this report. Operations are conducted by the subsidiaries of the Company (principally Shanta Mining Company Limited) under the direction of the Chairman of each of the subsidiary companies. The Company is represented on the board of Shanta Mining Company Limited. The Board reviews key business risks regularly, including the financial risks facing the Group in the operation of its business.

The individual directors of the Board have a wealth of experience from diverse professional and personal backgrounds. The Chairman is responsible for leading the Board, including ensuring that an appropriate level of diversity is maintained to promote distinct perspectives on Group and Company matters, and for implementing a robust governance framework. The Chief Executive Officer is responsible for leading the Company in its strategic pursuits and for ensuring that the Company's business model is implemented effectively and in line with the Company's values.

The Directors of the Company have elected to follow the main principles of the QCA Corporate Governance Code. The QCA Corporate Governance Code identifies ten principles that focus on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which the Company was created. The principles of the code are embedded into the Company's internal reporting and governance structures, ensuring effective application and details of compliance with each of the ten principles are set out below. In addition to the details provided below, governance disclosures can be found on the Company's website.

1. Strategy and business model
The Board seeks to deliver sustainable returns for all our shareholders whilst creating long-term benefits for wider stakeholders through sustainable and responsible mining.

The Company's primary asset ("New Luika") transitioned to a predominantly underground operation and entered commercial production in June 2017. Since 2017, New Luika's underground mining activities have delivered a consistent plant feed and key developments to the business model made during the year included investing more heavily in on-mine exploration activities. The objective is to generate returns for shareholders using the cash generated from this and other projects in the Company's portfolio.

The Company is currently constructing the Singida Gold Mine which will be the Company's second producing asset when completed. The West Kenya Project is a major exploration project which the Company is investing in to determine the feasibility of developing a mine in this highly prospective licensing area. These assets diversify the Company's risk and are expected to bring additional economic benefit to shareholders in the future as they progress.

The Company implements a disciplined and modern approach to driving operational efficiencies across the organisation, a philosophy embraced by the entire Shanta team. This ensures that Shanta runs an efficient operation without compromising on growth opportunities as it continues to build on strong foundations to take the Company forward.

With the underground mine at New Luika fully established, exploration activities are currently being conducted in three distinct areas:

- Targeted locations within existing mining licences adjacent to the underground reserves at our Bauhinia Creek, Luika and Ilunga deposits;
- Within the economic circle of New Luika; and,
- Regionally, utilizing prospective exploration ground held by the Company within the Lupa Goldfield.

This exploration programme is designed to ensure longevity for the Company's existing operations.

2. Understanding and meeting shareholder needs and expectations
The Board is aware of the needs and expectations of shareholders. The Company engages with its shareholders through quarterly conference calls, one-on-one meetings and at its Annual General Meeting ("AGM").

The Board supports the use of the AGM to communicate with both institutional and private investors. All shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or informally with the directors afterwards.

At the AGM, separate resolutions are proposed on each substantially separate issue. For each resolution, proxy appointment forms are issued alongside the release of the Annual Report, which provide voting shareholders with the option to vote in advance of the AGM if they are unable to attend in person. All valid proxy votes received for the AGM are properly recorded and counted by Computershare, the Company's registrars.

As soon as practicable after the AGM has finished, the results of the meeting are released via RNS and a copy of the announcement is uploaded to the Company website. At last year's AGM, all resolutions were duly passed.

The Executive Directors, Eric Zurrin and Luke Leslie, have a regular programme of individual meetings with institutional shareholders and analysts following the release of each set of quarterly, half-yearly and annual results. These meetings provide a platform for detailed updates on the performance of the business. Feedback from these meetings is shared with the Board to ensure that shareholder opinion is central to ongoing strategic decision-making.

The Executive Directors also engage with retail shareholders following the release of each set of quarterly, half-yearly and annual results via the Investor Meet Company platform where questions can be put forward and directly answered, facilitating direct engagement between shareholders and the Company.

The Company Secretary can be contacted by shareholders on matters of governance, as can Eric Zurrin and Luke Leslie. Contact details are provided within every Company announcement.

The Board is mindful of the need to protect the interests of minority shareholders. The Board does not consider there to be a dominant shareholder whereby it would be necessary for any specific contractual arrangement to be put in place to protect the interests of minority shareholders.

3. Wider stakeholder needs and social responsibilities

The Company's long-term success relies upon good relations with all its stakeholder groups, both internal and external. The Board affords highest priority to ensuring that it maintains a strong understanding of the needs and expectations of all stakeholders. Feedback is sought regularly across several platforms.

The Group's stakeholders include shareholders, employees, suppliers, customers, regulators, industry bodies, government bodies, local community groups, and creditors (including the Group's lending banks). The principal ways in which their feedback on the Group is gathered are via meetings and conversations. Feedback received from stakeholders based in Tanzania and Kenya are tabled internally during regular meetings held by Shanta Mining Company Limited and Shanta Gold Kenya Limited Executive Committees.

Views of the Group held by its stakeholders often represent the Group's wider reputation and as such are considered vitally important. By holding regular meetings with stakeholders, the Group can identify these views and ensure that there is a platform for dialogue on any relevant matters. These meetings also enable bilateral discussions on any topics relevant to respective stakeholders and ensure that the Company's presence in Tanzania and Kenya is positive for all parties.

The Company's responsibilities to its stakeholders are considered crucial to the Company's business plan. Throughout the year regular dialogue has been maintained with District and Regional Commissioners in Songwe and Singida in Tanzania, and with National and County Government officials across the West Kenya Project in Kenya, to ensure that the Group's operations are compliant with local laws and that social responsibilities are being directed in line with the needs of local communities. The Company has strong positive relationships with many senior government officials in Tanzania and Kenya and places great value on these close working relationships. The management team of SMCL and Shanta Gold Kenya Limited ("SGKL") regularly attend government-run conferences to promote the mining industry and SMCL also regularly sponsors events in Tanzania.

The Company also engages with its shareholders through quarterly calls and at its AGM, both of which provide an effective platform for two-way communication and feedback.

4. Effective risk management throughout the organisation

The Board has put in place mechanisms by which risks facing the Company are managed and reported internally. The Board reviews this internal reporting on a regular basis. The Board considers key business risks, including the financial risks facing the Company in the operation of its business. Control procedures have been put in place to appropriately monitor and mitigate these risks.

The key financial risks faced by the Group are detailed on pages 33 and 34. The Company has an established framework of internal financial controls to address these risks, the effectiveness of which is regularly reviewed by the Executive Directors, the Audit Committee and the Board.

The Board is responsible for reviewing and approving overall Company strategy, approving capital budgets and plans, and for determining the financial structure of the Company including treasury and tax affairs. Monthly results and variances from plans are reported to the Board.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These procedures cover costs, cash flows, capital expenditure and balance sheet accounts.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. This applies to mitigating both financial and non-financial risks faced by the Group. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors;
- An organisational structure with defined levels of responsibility;
- A comprehensive annual budgeting process producing a detailed integrated profit and loss and cash flow, which is approved by the Board;
- Detailed monthly reporting of performance against budget; and,
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available.

Non-financial controls covering areas such as health and safety, regulatory compliance, business integrity, risk management, business continuity and sustainability are continually assessed.

The Board is committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies. A key example is the Company's 'Anti Bribery Policy'.

The Board has three Sub-Committees which aim to meet a minimum of three times per year and are chaired by a non-executive Director:

- The Audit Committee is responsible for ensuring that appropriate financial reporting procedures are properly maintained and disclosed in accordance with governing regulations.
- The Sustainability Committee ensures the Company is considerate of all stakeholders and operates in accordance with the laws of the country in which the Company operates.
- The Remuneration Committee ensures that the Company has a remuneration strategy that attracts and retains necessary skills. It is also responsible in conjunction with the Chairman for ensuring that the Board is correctly structured in terms of good corporate governance.

As of December 2021, the structure and membership of Board Committees was as follows:

Audit Committee
The Group's Audit Committee comprised of three Non-Executive Directors being Michelle Jenkins (Chairman), Anthony Durrant and Ketan Patel. The Audit Committee is responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on, and for meeting with the Group's auditor, reviewing their reports, reviewing the Group accounts and reviewing the Group's internal controls. The Audit Committee met four times in 2021.

Remuneration Committee
The Group's Remuneration Committee comprised of three Non-Executive Directors being Keith Marshall (Chairman), Anthony Durrant and Michelle Jenkins. Details of the Remuneration Committee's responsibilities are provided within the Remuneration Committee Report on page 29. The Remuneration Committee met four times in 2021.

Sustainability Committee
The Group's Sustainability Committee comprised of three Non-Executive Directors being Ketan Patel (Chairman), Anthony Durrant and Keith Marshall. The Sustainability Committee is responsible for setting the sustainability strategy for the Group and monitors and reviews performance in areas of community development, safety, environmental management, business ethics and other sustainability issues. The Sustainability Committee met four times in 2021.

5. A balanced and well-functioning Board led by the Chair

The Board and the committees regularly receive detailed and high-quality information to facilitate proper assessment of any matters requiring a decision or insight.

The Board comprises the Chief Executive Officer, the Chief Financial Officer and four Non-Executive Directors including the Chairman. Three non-executive directors are independent, which the Board believes to be an appropriate composition to maintain effective corporate governance. The average tenure of the directors on our board is seven years, and ensuring the appropriate plans for the refreshment of the board and management are in place is part of the Remuneration Committee's responsibilities.

A biography of each of the Directors is included on pages 3 and 4.

Director		Board meeting	Audit Committee	Remuneration Committee	Sustainability Committee
Eric Zurrin	Executive	5	-	-	-
Luke Leslie	Executive	5	-	-	-
Anthony Durrant	Non-Executive	5	4	4	4
Ketan Patel	Non-Executive	3	4	-	4
Robin Fryer	Non-Executive	1	1	1	-
Michelle Jenkins	Non-Executive	3	3	3	-
Keith Marshall	Non-Executive	4	-	4	4
Number of meetings held in the year		**5**	**4**	**4**	**4**

Executive Directors are employed by the Group on a full-time basis whereas the Non-Executive Directors are remunerated on a fixed-fee part-time basis. All Directors devote a significant portion of their time in order to discharge their duties both at and outside of Board meetings. The Board aims to meet at least quarterly and as required from time to time to consider specific issues required for decision by the Board.

The table above shows the attendance at board meetings during the year to 31 December 2021.

6. Experience, skills and capabilities of the Board

Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. The Board of Directors has strong, relevant experience across the areas of mining, accounting and banking.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of gold mining and exploration. The Remuneration Committee regularly assesses the balance of skills and experiences on the board, to ensure that the board is equipped with the necessary skills to support management in the ever-changing environment in which Shanta operates in. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

Skills and knowledge have been gained through aggregated experience in gold mining and the wider sector and these are maintained through ongoing involvement and participation within the industry. The board is also of the opinion that along with the diversity of skills, the variety of perspectives that is brought by the diversity of gender and ethnic background is very enriching to a business. The Remuneration Committee takes into consideration the levels of diversity on the board, when making recommendations for nominees and as part of its succession planning on the board. On May 13, last year, we welcomed Michelle to the board, who has complemented board deliberations with her expertise on topics related to exploration and mining finance in Africa, whilst also enhancing the diversity of our board.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association and with a view of ensuring the appropriate balance of skills, backgrounds and experiences are represented on the board

The Company Secretary, Vistra Fund Services (Guernsey) Limited, ensures that the Group is compliant with relevant legislation and regulatory requirements, and keeps the Board informed of its legal responsibilities.

7. Board evaluation

Employee and Director performance is monitored annually via a formal assessment process. The Chairman of the Remuneration Committee is responsible for the assessment and monitoring of the performance of the Executive Directors.

Agreed personal objectives and targets, including both financial and non-financial metrics, are set each year for the Executive Directors and performance is measured against these metrics. Further details regarding the results of this assessment have been set out in the Remuneration Committee Report on page 29.

Since the appointment of Anthony Durrant as Chairman, he has been responsible for assessing the individual contributions of each Director of the Board to ensure that:

- Their contribution is relevant and effective;
- They are committed; and,
- Where relevant, they have maintained their independence.

Succession planning is considered by the Board to be a crucial element of ensuring continued success and long-term prosperity for the Group. Regular reviews are conducted at Board and Executive Management level to ensure that high-potential individuals are identified and supported appropriately.

The Board comprises two Executive Directors and four Non-Executive Directors, which it believes to be an appropriate composition to maintain effective corporate governance. Each Director brings a wealth of expertise from their respective professional backgrounds and the Board considered itself able to perform effectively during the year under its current structure.

8. A corporate culture that is based on ethical values and behaviours

Corporate responsibility begins with our own people, employment practices and maintaining equitable treatment across all levels of our organisation.

The Company seeks to implement appropriate business policies and practices that apply ethical behaviour to the values and norms governing the conduct of our team and interaction with parties throughout our supply chain. We expect all our team to always act honestly, ethically, and in the best interests of Shanta Gold and its stakeholders.

We have a zero-tolerance approach to bribery and corruption in all its forms and have in place an Anti-Bribery Policy which sets out the framework applicable to all Shanta personnel. Inappropriate conduct, or that which is expected of being inappropriate, is communicated to our Anti-Bribery Officer, and we encourage a corporate culture of transparency among our team.

In line with our disciplined approach to driving operational efficiencies, and as a reflection of our absolutely commitment to preventing slavery and human trafficking in its operations and supply chains, we have in place a Modern Slavery and a Human Trafficking policy. In these policies, we take to address the risk of slavery or human trafficking in our operations and supply chains

To support our approach to business ethics we have strong processes and controls which we expect our team and third parties to follow. These are supported by additional frameworks, such as our Procurement Policy and Code of Conduct, which contribute to a strong corporate culture that embeds ethical behaviour in day-to-day operations.

9. Governance structures and processes that support good decision-making

Details of the Company's corporate governance arrangements are provided within this Statement. There are no matters expressly reserved for the Board. The Board considers the Group's governance framework is appropriate and in line with its plans for growth.

10. Strong communication with shareholders and other relevant stakeholders

The Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position.

The Board typically meets with its major shareholders following the release of financial results and regards the AGM as a good opportunity to communicate directly with shareholders via an open question and answer session.

The Company regularly holds public question and answer calls in support of announcements, providing smaller and private investors with direct access to management. The Board receives regular updates on the views of shareholders through briefings and reports from the Chief Executive Officer, Chief Financial Officer and the Company's brokers. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

The Remuneration Committee Report on page 29, the Audit Committee Report on page 41, and the Sustainability Committee Report on page 35 provide details as to key work carried out over the year by these committees.

The Company discloses contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board. Details of all shareholder communications are provided on the Group's website.

Historical Annual Reports, notices of all general meetings from the last five years and the resolutions put to a vote at AGMs can be found on the Company's website. Over the last five years all resolutions put to a vote at AGMs have been duly passed. Where a significant proportion of votes are cast against a resolution at any general meeting the Board seeks to understand the rationale for this through its engagement with shareholders. The Board also analyses the best means by which to adapt the governing frameworks of the Company in order to appease shareholder concerns where appropriate.

Anti-bribery and corruption

Shanta Gold is committed to acting fairly, ethically and with integrity in all territories in which it operates. A policy of the Company is not to engage in or tolerate bribery in any form within Shanta Gold, its subsidiaries, or within organisations with which it does business.

As part of the Company's compliance procedures in maintaining the highest standards of corporate governance, it adheres to the standards of the UK Bribery Act 2010.

All officers and staff of Shanta Gold are required to comply with the Anti-Bribery Policy and, so far as is practicable, will third parties with whom the Company does business. The Board of Directors of Shanta Gold has overall responsibility for bribery prevention within the Company and closely monitor the effectiveness of the Anti-Bribery Policy.

The Group operates a share dealing code for Directors on the basis set out in the AIM Rules.

Signed on behalf of the Board of Directors on 9 May 2022.

Eric Zurrin
Chief Executive Officer

Anthony Durrant
Chairman

Remuneration Committee Report

Dear Shareholders,

It is my pleasure to again report to you on behalf of the Remuneration Committee. Throughout 2021 the Committee has continued to focus on aligning reward with performance and optimising incentives, such that the Company's remuneration framework best facilitates an environment that will deliver ongoing maximum shareholder returns.

Remuneration policy and aims of the Remuneration Committee
Our overall aim is to align employee remuneration with the successful delivery of long-term shareholder value. Our core principles enable us to achieve this goal:

1. To offer competitive salaries that attract, retain and motivate 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 such as paid holiday;
- Discretionary bonuses that are granted following the Committee's assessment of performance against certain key business indicators.

The Remuneration Committee consists of myself as the Chairman together with two other independent Non-Executive Directors; Anthony Durrant and Michelle Jenkins. The Committee aims to meet at least three times each year and its key responsibilities include reviewing the performance of senior staff, setting their remuneration and determining the payment of bonuses. The Remuneration Committee met four times in 2021.

The Chief Executive Officer and Chief Financial Officer are invited to attend meetings of the Committee, but no Director is involved in any decisions relating to their own remuneration. None of the Committee has any personal financial interest (other than as shareholders), 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 are set out below.

- Determine and agree with the Board the Company's overall remuneration policy and monitor the efficacy of the policy on an ongoing basis;
- Determine and agree with 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.

Performance for the year
Basic salary and benefits for Executive Directors are reviewed on an annual basis and any changes made to the structure of these are based on a combination of individual performance, additional responsibilities and market conditions. Executive Directors are provided with life assurance cover of two times annual salary.

Bonus awards are assessed on overall business and individual performance. Executive Director and senior management remuneration packages are heavily linked to performance criteria, to incentivise daily conduct in alignment with the best interests of our shareholders. The performance, criteria and applicable weightings for 2021 assessment are detailed below. The performance for the year is rated in five categories being 'Below Target', 'On Target', 'Above Target', 'Outstanding', and 'Exceptional', with the bonus award adjusted accordingly.

The following table details notable performance indicators that were set in December 2020 and considered by the Committee in its assessment of the Group's performance during 2021.

Performance indicator	Weighting	2021 Rating	Key achievements in 2021
Safety record	20%	Exceptional	■ Zero LTIs in 2021 (over 48 months since last LTI) ■ TRIFR of 0.67, the lowest level in the last 6 years ■ Sixth successive annual decline in injuries and a 31% reduction from 2020
Operating performance	20%	Below Target	■ Total gold production of 55,280 ounces, in line with revised guidance ■ Record annual throughput of 834,607 tonnes milled, 7% greater than budget, following the installation of a third milll
Financial position and profitability	15%	On Target	■ Total VAT refunds of US$7.2 million received during the year with another US$4.3 million verified for refund by the TRA in January 2022 ■ Gross debt reduced to US$2.4 m, following repayment of the US$10 million convertible loan note in April 2021 ■ Total liquidity of US$15.9 million at the end of 2021
Business prospects	30%	On Target	■ All ounces mined in 2021 replaced with new reserves ■ Singida' s construction remains on track for first production in Q1 2023, adding a second revenue stream across the portfolio ■ Drilling campaigns at West Kenya in the period have resulted in the conversion of more than 100% of Inferred Resources to Indicated Resources of 117,600 oz grading 7.04 g/t ■ Extension of current reserve life at New Luika Gold Mine to the end of 2026 and new discoveries at the Porcupine South deposit
Business sustainability	15%	On Target	■ Relationships strengthened in Tanzania and Kenya with national government ■ All three of Singida's Mining Licences have been extended for a further 10 years to 2032 ■ Robust social license to operate, with strong community and council relationships ■ Various successful initiatives delivering long-term benefits to the communities neighbouring the New Luika, Singida and West Kenya operations

Taking note of the Group's performance in the year in respect of the above indicators, the Committee concluded that annual bonus criteria for the year were partially met and approved bonus awards to Executive Directors of 54.4% of respective eligible amounts. Zero remuneration was awarded in respect of the above Performance Indicator "Operating Performance". As of 1 May 2022, Luke Leslie is paid 75% of his full-time equivalent salary allowing him to pursue external director and officer duties aside from Shanta Gold Limited.

Directors' remuneration

	31 December 2021					31 December 2020			
(US$000)	Fees/ salary	Performance bonus	Benefits in kind[3]	Other	Total	Fees/ salary	Performance bonus	Other	Total
Fees, salary, bonuses and related benefits									
Eric Zurrin[1]	440	372	115	-	927	408	346	-	754
Anthony Durrant[2]	150	-	-	-	150	150	-	-	150
Luke Leslie[1]	372	313	113	-	798	340	288	-	628
Robin Fryer[2]	21	-	-	-	21	85	-	-	85
Ketan Patel[2]	95	-	-	-	95	95	-	-	95
Keith Marshall[2]	85	-	-	-	85	85	-	-	85
Michelle Jenkins[2]	54	-	-	-	54	-	-	-	-
Sub-total	**1,217**	**685**	**228**	**-**	**2,130**	**1,163**	**634**	**-**	**1,797**
Share based payments									
Eric Zurrin[1]	-	0	-	-	0	-	430	-	430
Luke Leslie[1]	-	0	-	-	0	-	358	-	358
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**788**	**-**	**788**
Base remuneration to Directors	**1,217**	**685**	**228**	**-**	**2,130**	**1,163**	**1,422**	**-**	**2,585**
Retention award									
Eric Zurrin [1]	-	-	-	-	-	-	-	270	270
Luke Leslie [1]	-	-	-	-	-	-	-	270	270
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**540**	**540**
Total remuneration to Directors	**1,217**	**685**	**228**	**-**	**2,130**	**1,163**	**1,422**	**540**	**3,125**

1 Executive
2 Non-executive
3 Relates to relocation costs of Executive Directors to East Afria in response to travel restrictions imposed from the UK due to the Covid-19 pandemic

The year ahead

The Committee views the Company's wider remuneration structure as appropriately balanced to incentivise high performance and considers it to be aligned with current market conditions. This will undergo ongoing review throughout the coming year to ensure that our employees and executives are remunerated appropriately in the best interests of the Company, which includes exploring the expansion of sustainability-linked KPI's.

The Committee and I remain focused on ensuring that employees and executives continue to be rewarded in line with the delivery of long-term shareholder value and will continue ensuring that the remuneration structure in place reflects and incentivises the Company's culture of employee-shareholder alignment.

Keith Marshall
Chair of the Remuneration Committee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Risk report

Risk management

The Board and Senior Management maintain an Enterprise Risk Assessment, updated on a regular basis, which analyses the Company's most material risks and mitigation measures that have been put in place or are being considered. Additional reports are provided monthly to the Board, including operations reports, sustainability reports, community reports, cost analysis and compliance reports to facilitate ongoing comprehensive assessment of Shanta's primary and emerging risks.

The below outlines the risk reporting structure in place and summarises the nature of information presented to the Board:

Principal risks and uncertainties

Risk	Background	Risk mitigation	Key performance indicator
1. **Political and social license to operate**	Evaluating Shanta's contribution to society and economy in host countries	■ Implementation of community projects ■ Community department within Company to manage programmes and relationships ■ Proportion of Annual Budget allocated to fund CSR programmes ■ Regular dialogue maintained with regional and government officials and Company contribution to the economy communicated	Business Sustainability
2. **ESG and Sustainability**	Increasingly rigorous expectations placed on gold producers to mine responsibly and report on ESG	■ Investment in engaging an ESG consultant to support Sustainability reporting and strategy ■ Inaugural Sustainability Report published in Q1 2022 ■ Scope 1 and 2 Greenhouse Gas emissions calculated and reported on for the first time to benchmark current position	Business Sustainability
3. **Resource Protection**	Risk of losing mining title at New Luika Mine, Singida, or West Kenya Project	■ Regular dialogue maintained with mining licensing authorities in Kenya and Tanzania ■ Investment in drilling activities and Mine Life extension ■ Exploration budget for 2022 increased from 2021 expenditure ■ Investment at the Singida Project to fund construction ■ Shanta is progressing the West Kenya Project to reach feasibility decision	Business Sustainability
4. **Illegal Mining/ Theft/Terrorism**	Risk of loss or theft of mineral, loss of access to areas of license, risk of crime and violence, reputational risk	■ Community programmes to support alternative livelihoods ■ Professional security forces at NLGM, Singida and West Kenya Project ■ Increased security management presence ■ Security infrastructure at all offices	Operating Performance Business Sustainability
5. **Taxation Regime**	Risk of change in Economic Regime impacting Shanta's business	■ Engagement with tax specialists to support management approach ■ Regular communication between Board and Tax and Finance Management team in country ■ Regular dialogue between CEO, CFO, in-country senior management, and relevant government authorities	Profitability Financial Position
6. **Operational**	Risk of internal and external factors negatively impacting operations and production	■ Uninterrupted access to water ■ Ore stockpile levels are carefully managed ■ Alternative power sources ■ Increased flexibility in underground mining access ■ Emulsion product quality restored and underground production charging units fixed, new unit procured	Operating Performance Profitability
7. **Environmental/ Safety**	Risk of major environmental incident or catastrophic impact to communities	■ Review and audit of safety management systems are regularly conducted internally and on a periodic basis by external auditors ■ All EIA's and EMP's are reviewed to ensure full compliance ■ Independent audits are undertaken to review environmental management practices ■ Shanta is audited and accredited to ensure compliance with Cyanide Code	Safety Record Operating Performance
8. **Cash Flow & Profitability**	Risk of adverse financial liquidity, reduced access to capital, negative impacts of gold price movement	■ Liquidity monitored daily ■ Costs are carefully monitored and reviewed against budget monthly ■ Annual budgets are set during a robust 3-day workshop to target efficiencies ■ Working capital limits maintained ■ Diversified banking relationships across multiple jurisdictions	Profitability Financial Position Share Price Performance
9. **Employees**	Risk of losing key employees, skills, access to expatriate workers	■ Policy in place to give preferential treatment to hires from host countries in recruitment of skilled positions that are available in the country ■ Succession plans in place for expatriate positions to enable replacement with those from host countries ■ Company has a local skills development programme focussed on the villages surrounding NLGM, and Singida	Business Prospects Business Sustainability

Sustainability Committee Report

Dear Shareholders,

I am delighted to share with you our Sustainability Committee Report for 2021. The year has been an important one for the Company with some key milestones achieved across sustainability and Environmental, Social and Governance ("ESG").

We are proud to announce that our first standalone annual Sustainability Report was recently published which reports on the sustainability issues that are most material to our stakeholders. We have also begun reporting our Scope 1 and 2 greenhouse emissions to benchmark our current position and map a path forward towards decarbonising our operations.

Along with these, we have continued to operate safely and look after our team, develop local communities, manage our resources and environmental impact, and act responsibility and accountably in all that we do.

The role of our Sustainability Committee
Sustainability is core to our business strategy and is led by our Board which has ultimate responsibility. The Sustainability Committee consists of myself as the Chairman together with two other Directors: Anthony Durrant and Keith Marshall. The Committee aims to meet at least three times each year and is responsible for setting the sustainability strategy for the Group.

The Committee met four times during 2021. At each meeting, reports for the Group in relation to health and safety, environment, and social matters are reviewed and evaluated. The aim of the Committee is to support the Board by identifying the sustainability issues that are most material to our stakeholders and monitor the Group's effectiveness in addressing these. The Committee formally reviews and approves the annual Sustainability Report and ensures all material topics are covered.

During 2021 the Committee worked with an independent expert ESG consultant to review the Company's sustainability strategy. From this, and the results of the materiality assessment, four priority areas were highlighted which will form the foundation of our sustainability strategy and ESG priorities moving forward. These pillars encompass our team, our communities, management of resources and environmental impacts, and being an ethical and accountable business. More detail can be found in our 2021 Sustainability Report.

Stakeholder engagement
Our approach to sustainability is driven by engaging with key stakeholders from local communities, national bodies, and our investors. We recognise that Shanta's long-term success relies upon good relations with all its stakeholder groups, both internal and external, and in maintaining a strong understanding of their needs and expectations.

During 2021, we undertook a materiality assessment to better understand the issues that are most important to our stakeholders and have used this to understand which sustainability issues to focus on.

Views of Shanta held by its stakeholders often represent the Group's wider reputation, so are considered vitally important. Feedback is regularly sought across several platforms to ensure that Shanta can identify these views and enable dialogue on any relevant matters. This engagement is outlined in further in our Corporate Governance Statement on pages 23 to 28 and in our Sustainability Report.

Putting our people first
Protecting the health and wellbeing of our employees is a priority and the Company has a zero-tolerance policy towards any negligence in respect of health and safety best practices.

Education, training, and ongoing communication are key to ensuring an injury-free workplace and promoting safety. These are principles which are embedded in our management systems, and employees are incentivised to achieve high safety standards through financial recognition for collective safety-related performance. Where possible, the Company seeks to minimize occupational health risks through, for example, the provision of appropriate personal protective equipment and regular monitoring of air quality.

Our team's commitment to operating safely resulted in another excellent year for safety performance, with a landmark 8.0 million man-hours passed without an LTI. The Group also achieved a TRIFR per 1 million hours worked of 0.67, a sixth successive annual decline in injuries and significantly below the industry average.

We're committed to treating our employees fairly and creating an inclusive culture. We recognise core human rights and labour principles, support fair wages, and the right to freedom of association. We also do not tolerate harassment or intimidation of any kind in the workplace. We support continuous professional development and sponsor training for our team, particularly when staying ahead of changing regulations or new developments are key.

Group performance for the year

Core priority	Metric	2021	2020	Year on year	Change (%)
Our people	Total recordable injury frequency rate ("TRIFR")	0.67	0.97	-0.3	-31%
	Long term injury frequency rate	-	-	-	-
	Group female employees	9%	8%	+1	+13%
	Board female representation	17%	0%	+17	+100%
Managing our environment	Waste recycled (%)	92%	96%	+4	-4%
	Carbon emission intensity (tCO_2-e / oz Au sold)	0.73	0.46	+0.27	+59%
Creating opportunities for our communities	Social project expenditure (US$ million)	0.4	0.4	-	-
	Taxes, royalties and levies paid in Tanzania + Kenya (US$ million)	27.5	26.2	+1.3	+5%
Being a responsible accountable business	Release of inaugural Sustainability Report to enhance ESG reporting				
	Alignment with 6 UN Sustainable Development Goals				
	Materiality Assessment conducted with internal and external stakeholders to determine ESG and sustainability priorities				

The benefits of a diverse workforce are clear, and we strive to ensure ours is reflective of the societies we operate in. In 2021, 9% of our team were female, with 17% representation on the Board. We are committed to identifying and resolving barriers to the advancement and fair treatment of women in our workplaces, and we will continue to work for greater gender diversity and equality of opportunity. In both 2020 and 2021, 99% of our employees are Tanzanian or Kenyan and over 40% of local teams are permanent residents of villages near our assets.

Managing resources and environmental impacts

Responsible management of resources and mitigating our impact on the environment are core to our business strategy. We strive to surpass the minimum regulatory standards and expectations for our industry and set higher and stricter standards to work towards.

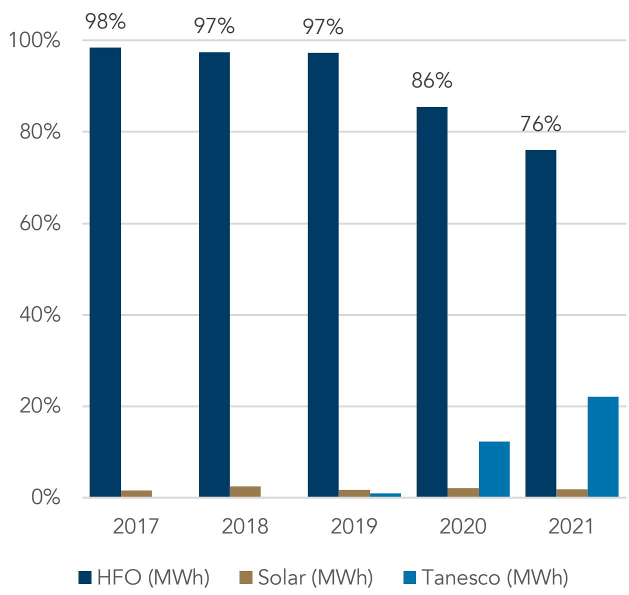
Climate risks and opportunities form part of our business strategy, and with the increasing threat of climate change and urgent need to support a low-carbon energy transition we are actively assessing our climate-related risks and opportunities. In 2021, we calculated our Scope 1 and 2 GHG emissions according to the GHG Protocol Corporate Accounting Reporting Standard for the first time to benchmark our current position.

Group GHG Scope 1 and 2 absolute emissions in 2021 were 41,764 tCO2e, with an emissions intensity of 0.73 tCO2e / oz Au sold, an increase from the 0.46 tCO2e oz sold in 2020, primarily due to the reduction in ounces sold in 2021. This increase was partly reduced by a growing proportion of NLGM's power being drawn from TANESCO at 22% versus 12% in 2020, and we were pleased to have reduced the proportion of NLGM's power coming from HFO for a third year in a row down from 86% in 2020 to 76% in 2021.

We're committed to reducing our GHG emissions from the energy consumption on-site and enhanced transparency, and in 2022 are aiming to measure and report our Scope 3 GHG emissions.

Mining activities require a consistent and large volume of water supply, which is a particular challenge in the Songwe region where the year divides into extreme wet and dry seasons. We aim to be efficient with our water usage to meet our needs without compromising water availability for local communities.

Power by source



New Luika has a focused water recovery program which targets recovery of water used in tailings via a Return Water Dam. The team at New Luika also work closely with the Lake Rukwa Basin Water Board to communicate water conservation strategies in place, and Annual Water Reports are prepared for the Board to monitor the status of water resources and consumption.

We carefully monitor discharge water quality to ensure water supplies are not contaminated and take the disposal of our hazardous waste very seriously, taking efforts to minimise the risk of chemicals leaching into the landscape and water table. Our Tailings Storage Facility 2 (“TSF 2”) has been constructed to the highest technical standards to ensure waste from mining activities is contained safely. This undergoes continual monitoring and is inspected annually by an Independent Competent Person. In 2021 there were no material issues noted from the inspection.

Waste rock from our underground mines is deposited on waste rock dumps. During the year the New Luika Environment Team made progress in rehabilitating the Luika Waste Rock Dump by adding topsoil and planting vegetation which will eventually rehabilitate these waste rock dumps naturally.

We work to protect biodiversity and mitigate our impact on the surrounding landscape. We have a formal and externally approved plan in place for the long-term remediation of the New Luika site and are implementing one for Singida to ensure we restore the environment around our operations to a state that is as close as possible to the original condition and that our local communities will benefit for generations to come.

Creating new opportunities for our communities
Shanta puts shared success at the heart of our business model and has a long track-record of training and employing local residents, supporting community projects that are driven by stakeholder engagement, and investing in our host communities through local procurement and contributions to government.

The high proportion of nationals in our workforce in 2021 is evidence of this, and 100% of our recruitment at the Singida Project during the year was from talent sourced in Tanzania. We aim to support economic development in our host countries and prioritise local procurement as governed by our Procurement Policy. Our contribution to government revenues through tax, royalties and duties is significant, and we seek to follow both the letter and spirit of the law in all applicable jurisdictions.

We directly invest in programmes that drive long-term sustainable development in our communities and these are determined each year based on direct engagement with local stakeholders. In 2021 the Company invested US$0.4 million across Tanzania and Kenya in such projects, and among other achievements, improved water access through a pipeline construction, enhanced health coverage for vulnerable women in Kenya, expanded access to education in Songwe for underprivileged students, and increased uptake in our longstanding farming groups. More details on Shanta’s sustainability projects can be found in our 2021 Sustainability Report.

Several new initiatives are planned for 2022 with Education, Water, Livelihood and Health continuing as the cornerstones of Shanta’s community priorities.

The year ahead
We are proud of our achievements to date and are pleased to have expanded our reporting on ESG and Sustainability matters during 2021.

Looking to the future, the Committee is aiming to keep the Company ahead of the curve on sustainability matters and to align its sustainability reporting with industry best practice. Shanta is also working to increase the scope of reporting around GHG emissions, maintain high safety standards and protect our team, and build value for our local communities.

I’d like to recognise all our team who support the Company in realising our sustainability strategy in daily operations and take this opportunity to thank them on behalf of the Committee for their efforts during the year.

Ketan Patel
Chair of the Sustainability Committee


SHANTA GOLD

Audit Committee Report

Dear Shareholders,

I am pleased to report to you on behalf of the Audit Committee. The Company'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 in order to ensure the integrity of the Company's Annual Report. 2021 was another year in which the Company's robust framework of internal controls facilitated a smooth external audit process.

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.

The Audit Committee consists of myself as the Chair together with two other Non-Executive Directors, Anthony Durrant and Ketan Patel. The Committee aims to meet at least three times each year and its key responsibilities include monitoring the integrity of the Group's financial reporting. The Chief Executive Officer and Chief Financial Officer are invited to attend meetings of the Committee.

Key responsibilities
The terms of reference of the Audit Committee are set out below.

- Maintain the integrity of the financial statements of the Company and review any significant reporting matters they contain;
- Review the Annual Report and Accounts and other financial reports and 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; and,
- Oversee the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met four times in 2021 and the external auditors were present during three meetings.

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, BDO LLP ("BDO"), which included control findings relevant to their audit.

Significant reporting matters
The Audit Committee has reviewed the recommendations of management and the judgements disclosed in note 3 on page 66, including what it has considered to be the most significant reporting matter(s) and judgement(s) as set out below.

The recoverability of the Group's VAT receivable. The Committee reviewed the assessment made by management that the Group's VAT receivable is recoverable, and is satisfied with the portions of the receivable recognised as current and non-current assets. The Committee is satisfied that management have considered this appropriately and that a reasonable conclusion has been reached based on the information available to the Group. Appropriate disclosure has been made within note 3 on page 66.

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.

BDO have been appointed as external auditor since 2012. The Audit Committee has confirmed it is satisfied with BDO's knowledge of the Company and its effectiveness as external auditor as well as the provision of non-audit services. As such the Audit Committee has recommended the reappointment of BDO to the Board. There will be a resolution to this effect at the forthcoming Annual General Meeting.

The year ahead

The Committee remain focused on ensuring that the robust framework of internal controls currently in place at Shanta is maintained. We will continue to closely monitor the financial risks faced by the business, whilst also ensuring that measures are in place to mitigate these where appropriate.

The Committee will also continue the close ongoing 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.

Michelle Jenkins
Chair of the Audit Committee

Independent auditor's report to the members of Shanta Gold Limited

Opinion on the financial statements
In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's affairs as at 31 December 2021 and of its loss for the year ended;
- Have been properly prepared in accordance with UK adopted international accounting standards; and
- Have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of Shanta Gold Limited and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included.

- Critical assessment of management's financial forecasts for the period to May 2023 and the key underlying assumptions, including:
  - gold pricing used in the forecast was compared to forecasted future gold prices from independent third party sources;
  - forecast production statistics assessed in comparison to the Life of Mine Plan and against current year performance;
  - operating and capital expenditures have been compared to the board approved budgets.
  - debt repayments were confirmed to third party loan agreements to check completeness and timing; and
  - we confirmed that the forecast period excluded receipts associated with VAT receivables due to the uncertainty of the timing.
- We have reviewed the scenarios prepared by Management, which took into account potential adverse developments in certain key assumptions and ran related sensitivity and stress tests. These procedures included sensitising key assumptions underpinning the forecasts, including gold pricing, production and operational costs and assessment of the resulting level of cash at the end of going concern assessment period under such scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Coverage	100% (2020: 100%) of Group revenue		
	95% (2020: 97%) of Group total assets		
	81% (2020: 94%) of Group profit before tax		
		2021	**2020**
Key audit matters	Going concern		●
	Recoverability of VAT	●	●
	Carrying value of mining assets	●	●
Materiality	Group financial statements as a whole		
	US$1.0 million (2020: US$1.8 million) based on 5% of 2-year average profit before tax (2020: on 4.5% of 2020 profit before tax).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We identified three significant components, being the three entities in the Group comprising the Parent Company (Shanta Gold Limited) and its two subsidiaries in Tanzania (Shanta Mining Company Limited) and Kenya (Shanta Gold Kenya Limited). The Group audit team performed a full scope audit on the Parent Company. The Tanzanian component was subject to a full scope audit by a BDO member firm, and the Kenyan component was subject to a full scope audit by a non-BDO firm in Kenya. The Kenyan component was scoped in for the first time as a significant component as part of 2021 year-end Group audit.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Detailed Group reporting instructions were sent to the component auditors, which included the significant areas to be covered by the audits (including areas that were considered to be key audit matters as detailed above), and set out the information to be reported to the Group audit team.
- We performed a remote review of the component audit file in Tanzania using our online audit software platform, held regular calls and video conferences with the Tanzanian component audit team during the audit. We performed a review of the Kenya audit file remotely and held regular calls and video conferences with the Kenya component audit team. We attended the closing meeting virtually.
- The Group audit team was actively involved in the direction of the audits performed by the component auditor for Group reporting purposes, along with the consideration of findings and determination of conclusions drawn. We performed our own additional procedures in respect of the significant risk areas that represented Key Audit Matters in addition to the procedures performed by the component auditor.

The financial information of the remaining non-significant components was subjected to analytical review procedures by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that recoverability of VAT and Carrying value of mining assets are key audit matters in our audit of the financial statements of the current period. Going concern, which was a key audit matter as part of 2020 year-end audit is not considered to be a key audit matter as part of 2021 year-end audit based on the criteria noted above for our audit of the financial statements of the current period.

Key audit matter	How the scope of our audit addressed the key audit matter
Recoverability of VAT (see notes 2 and 17) The Group has significant VAT receivables of US$26.9 million as at 31 December 2021, of which US$4.2 million which is recognised as a current receivable and US$22.7 is classified as non-current. As disclosed in note 17, judgement is required as to its validity, the timing of recovery of the VAT and consideration of the Tanzanian legislation and definition of Raw Minerals. As such, the recoverability, carrying value and presentation of VAT represent a significant focus for our audit and a key audit matter.	We considered and challenged management's assessment of the carrying value, timing of recovery and presentation of the receivables. Our specific audit procedures in this regard included: ■ We considered and challenged management's assessment of the recovery of the VAT. In particular, this included consideration of the history of repayments, including the repayments made in the year, the ability to offset the receivable against corporate tax payments, the current regulatory environment, the nature of correspondence with the relevant authorities, publicly available information and inquiries made with management and its VAT advisors. ■ We have obtained written confirmation from the Group's external legal adviser, which supports the Board's assessment that the VAT is legally valid and remains recoverable. In relying upon the assessments made by such expert, we evaluated the competence, independence and objectivity of the professional adviser relied upon by management. ■ We reviewed correspondence between the Group and the Tanzanian Revenue Authority ("TRA") and made inquiries of management regarding the nature of its ongoing discussions with the TRA to evaluate the reasonableness of Management's judgement in respect of the recoverability of VAT. ■ We considered and challenged management's assessment of the classification between current and non-current including consideration of the payment history, ability to offset, nature of ongoing correspondence and legislative changes. ■ We reviewed the disclosures in the Financial Statements to satisfy ourselves that the judgements and estimates have been appropriately disclosed.

Key observations
Based on the procedures performed, we found the judgements made by management in their assessment of the carrying value and recoverability of the VAT receivable to be acceptable and we consider the disclosures to be appropriate.

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of mining assets (see notes 2 and 12) The mining assets comprise 2 cash generating units ("CGUs") – the New Luika mine and the Singida mine. Mining assets are the most significant class of assets to the statement of financial position. Management and the Directors are required to assess whether there are potential indicators of impairment of the Group's mining assets at each reporting date and, if potential indicators of impairment are identified, management are required to perform a full assessment of the recoverable value of the mining assets in accordance with the requirements of the relevant accounting standard. The assessment of the recoverable value of the mining assets requires judgements and estimates by management and the Directors regarding the inputs applied in the models including future gold and silver prices, production and reserves, operating and development costs and discount rates and therefore a key audit matter.	We considered and challenged management's assessment of the carrying value of mining assets. Our specific audit procedures in this regard included: ■ We assessed the Group's accounting policy with respect to mining assets and the appropriateness of the cash generating unit allocation for impairment indicator assessment purposes against IAS 36 - "Impairment of assets" ("IAS 36), the Group's development strategy and licence structure. ■ We inspected the licences to confirm valid title and reviewed government correspondence and assessed whether commitments and terms under the licences have been adhered to. ■ We inspected the Group's budget and strategic plans for future development to check that expenditure has been planned for further development of the Singida mine. ■ We have examined Management's impairment indicator assessments for both New Luika and Singida CGUs as of 31 December 2021 under the requirements of IAS 36 and considered the indicator of impairment of lower than expected production rates identified by management with respect to New Luika CGU to be in line with criteria set out under IAS 36 for mining assets. As a result Management prepared a value in use model to support their impairment assessment on the New Luika Gold Mine. ■ We obtained management's discounted cash flow models and performed data integrity and mathematical accuracy of the models. ■ We involved our internal valuation specialists to assess the reasonableness of the discount rate applied in the impairment model for the New Luika CGU. ■ We compared the actual performance of the New Luika CGU during 2021 to budgets for the period in order to assess the accuracy of management's forecasting. ■ We critically challenged the NPV model, focusing on the appropriateness of estimates with reference to empirical data and external evidence with specific emphasis on the following assumptions: gold and silver prices, reserves and production levels, operating and development costs and discount rates. ■ We compared the gold price forecast to published market data, including market consensus research, which confirmed the price forecasts used in the model to be in an acceptable range versus market forecasts. ■ We assessed the consistency of production profiles and capital expenditure forecasts against the Group's life-of-mine plans, approved budgets and discussed with operational management and geologists to inform our assessment and understanding of these plant and budgets. ■ We reviewed management's sensitivity analysis and performed our own additional sensitivity analysis on a combination of key inputs to assess the impact of changes in assumptions. ■ We reviewed the disclosures in the financial statements to ensure that they were prepared in accordance with the requirements of the accounting standards.

Key observations
Based on procedures performed we found the judgements and estimates applied by Management in arriving at the carrying value of mining asset to be supportable and appropriate.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	
	31 Dec 21	**31 Dec 20**
Materiality	US$ 1.0 million	US$ 1.8 million
Basis for determining materiality	5% of the 2-year average profit before tax	4.5% profit before tax
Rationale for the benchmark applied	We consider that users of the financial statements of profit-orientated entities will generally be concerned with reported earnings. Average profit before tax for 2 years was considered to be an appropriate benchmark reflecting the Company's scale of operations in the year.	We consider that users of the financial statements of profit-orientated entities will generally be concerned with reported earnings. As the Group has become profit making, profit before tax is considered the most appropriate benchmark measure.
Performance materiality	US$0.75 million	US$1.3 million
Basis for determining performance materiality	Performance materiality was set at 75% of the group materiality based on consideration of factors including the level of historical errors and nature of activities.	

Component materiality
We set materiality for each component of the Group based on a percentage of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was set at US$0.9 million. In the audit of the components, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of US$20,000 (2020:US$37,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting
We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- Proper accounting records have not been kept by the Parent Company; or
- The Parent Company financial statements are not in agreement with the accounting records; or
- We have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the Group's activities and considered the laws and regulations of significant components' jurisdictions to be of significance in the context of the Group audit. In doing so, we made inquiries of management and the Audit Committee, considered the Group's control environment as it pertains to compliance with laws and regulations and considered the activities of the Group.
- We made inquiries of management and the Board and reviewed Board and Committee minutes to identify any instances of irregularities or non-compliance.
- We agreed the financial statement disclosures to underlying supporting documentation, performed detailed testing on accounts balances, which were considered to be at a greater risk of susceptibility to fraud including revenue. Our procedures on revenue included:
  a) We have reviewed the revenue recognition policy adopted by the Group to check it is compliant with the IFRS 15 revenue recognition criteria;
  b) We have traced a sample of sales in the year to supporting documentation and verified that revenue had been recognised in the appropriate period by selecting and testing a sample of invoices raised in December 2021 and January 2022;
  c) We reviewed the related disclosures in the financial statements.
- In addressing risk of management override of control, we performed testing of a sample of general ledger journal entries to the financial statements, including verification of journals which we consider exhibit higher fraud risk characteristics based on our understanding of the Group. As part of our testing of management override of controls we performed procedures on accounts subject to greater management estimate including assessment of provisions related to legal claims;
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and the component auditors as part of meetings at the planning stage and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jack Draycott
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

9 May 2022

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


NTA MINING CO. LTD
NEW LUIKA GOLD MINE
SLV 20
AMBULANCE

Consolidated statement of comprehensive income

(US$000)	Notes	31 Dec 2021	31 Dec 2020
Revenue	4	**103,571**	**147,431**
Loss on non-hedge derivatives and other commodity contracts	5	–	(11,688)
Depreciation		(16,533)	(19,361)
Other cost of sales		(61,078)	(59,664)
Cost of sales		**(77,611)**	**(79,025)**
Gross profit		**25,960**	**56,718**
Administration expenses		(10,160)	(8,156)
Exploration and evaluation costs		(11,133)	(4,809)
Operating profit	8	**4,667**	**43,753**
Finance income	6	3,012	1,870
Finance expense	7, 17	(6,679)	(6,622)
Profit before taxation		**1,000**	**39,001**
Taxation	9	(7,168)	(21,798)
(Loss) / profit for the year attributable to the equity holders of the parent Company		**(6,168)**	**17,203**
(Loss) / profit after taxation		**(6,168)**	**17,203**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign entities which can subsequently be reclassified to profit or loss		–	1
Total com prehensive (expense) / income attributable to the equity holders of the parent Company		**(6,168)**	**17,203**
(Loss) / earnings per share attributable to the equity holders of the parent Company			
Basic (loss) / earnings per share (US$ cents)	10	**(0.589)**	**2.023**
Diluted (loss) / earnings per share (US$ cents)	10	**(0.589)**	**2.018**

The accompanying notes on pages 59 to 83 form an integral part of these financial statements.

The loss / (profit) for the year and the total comprehensive (expense)/income for the year are attributable to the equity holders of the parent Company. There are no non-controlling interests. The items in the above statement are derived from continuing operations.

Consolidated statement of financial position

(US$000)	Notes	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	11	43,343	43,343
Property, plant and equipment	12	89,656	77,449
Right of use assets	13	2,313	3,260
Other receivables	17	22,698	27,560
Total non-current assets		**158,010**	**151,612**
Current assets			
Inventories	16	27,234	30,040
Trade and other receivables	17	7,046	4,649
Restricted cash	18	-	2,500
Cash and cash equivalents		13,214	41,582
Total current assets		**47,494**	**78,771**
TOTAL ASSETS		**205,504**	**230,383**
CAPITAL AND RESERVES			
Equity			
Share capital and premium	23	211,540	210,493
Share option reserve	24	148	338
Convertible loan notes reserve		-	5,374
Translation reserve		450	450
Shares to be issued		-	1,043
Retained deficit		(55,356)	(51,776)
TOTAL EQUITY		**156,782**	**165,922**
LIABILITIES			
Non-current liabilities			
Loans and other borrowings	20	3,454	4,270
Provision for decommissioning	22	7,500	6,346
Provision for deferred taxation	9	12,381	10,451
Total non-current liabilities		**23,335**	**21,067**
Current liabilities			
Trade and other payables	19	17,169	12,208
Loans and other borrowings	20	2,823	5,713
Convertible loan notes	21	-	9,999
Income tax payable		5,395	15,474
Total current liabilities		**25,387**	**43,394**
TOTAL LIABILITIES		**48,722**	**64,461**
TOTAL EQUITY AND LIABILITIES		**205,504**	**230,383**

The accompanying notes on pages 59 to 83 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 9 May 2022 and signed on its behalf by:

Eric Zurrin
Chief Executive Officer

Anthony Durrant
Chairman

Consolidated statement of changes in equity

US$000	Share capital	Share premium	Share option reserve	Convertible loan notes reserve	Translation reserve	Shares to be issued	Retained deficit	Total equity
Total equity 31 December 2020	118	158,322	473	5,374	450	627	(69,114)	96,250
Profit and total comprehensive income for the year	-	-	-	-	-	-	17,203	17,203
Total comprehensive income for year	**-**	**-**	**-**	**-**	**-**	**-**	**17,203**	**17,203**
Share based payments	-	627	-	-	-	416	-	1,043
Lapsed options	-	-	(135)	-	-	-	135	-
Shares issues (net of expenses)	31	51,395	-	-	-	-	-	51,426
Total equity 31 December 2020	**149**	**210,344**	**338**	**5,374**	**450**	**1,043**	**(51,776)**	**165,922**
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(6,168)	(6,168)
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(6,168)**	**(6,168)**
Share based payments	1	1,012	-	-	-	(1,043)	30	-
Lapsed options	-	-	(156)	-	-	-	156	-
Exercised options	-	34	(34)	-	-	-	-	-
Repayment of convertible loan notes	-	-	-	(5,374)	-	-	5,374	-
Dividend payments	-	-	-	-	-	-	(2,972)	(2,972)
Total equity 31 December 2021	**150**	**211,390**	**148**	**-**	**450**	**-**	**(55,356)**	**156,782**

The accompanying notes on pages 59 to 83 form an integral part of these financial statements.

The nature and purpose of each reserve within Shareholders' equity is described as follows:

Reserve	**Description and purpose**
Share capital	Amount subscribed for share capital at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value
Share option reserve	Cumulative fair value of options charged to the statement of comprehensive income net of transfers to the retained deficit on exercised and cancelled/lapsed options
Convertible loan notes reserve	Equity element of convertible loan notes
Translation reserve	Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency
Shares to be issued	Nominal value of share capital and premium on shares to be issued
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income

Consolidated statement of cash flows

(US$000)	Notes	31 Dec 2021	31 Dec 2020
Net cash flows generated from operating activities	25	**12,586**	**34,608**
Investing activities			
Purchase of intangible assets		-	(8,549)
Purchase of plant and equipment		(206)	(142)
Purchase of right of use assets		(14)	(260)
Purchase of assets under construction		(18,002)	(4,654)
Capitalised mine development expenditure		(8,494)	(8,543)
Net cash flows used in investing activities		**(26,716)**	**(22,148)**
Financing activities			
Ordinary shares issued (net of expenses)		-	39,996
Loans repaid	13	(2,655)	(10,987)
Principal paid on lease liabilities		(1,134)	(1,087)
Interest paid		(816)	(1,975)
Purchase of silver to fulfil Silver Stream obligation		(354)	(331)
Buy-back of convertible loan notes	21	(9,807)	-
Equity dividend paid	31	(2,972)	-
Loans received (net of loan arrangement fees)	20	1,000	-
Movement in restricted cash	18	2,500	
Net cash flows (used in) / received from financing activities		**(14,238)**	**25,616**
Net (decrease) / increase in cash and cash equivalents		**(28,368)**	**38,076**
Cash and cash equivalents at beginning of year		**41,582**	**3,506**
Cash and cash equivalents at end of year		**13,214**	**41,582**

The accompanying notes on pages 59 to 83 form an integral part of these financial statements.

Notes to the financial statements

1. General information
Shanta Gold Limited (the Company) is a limited Company incorporated in Guernsey. The address of its registered office is 11 New Street, St Peter Port, Guernsey, GY1 2PF. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement, the Chief Executive Officer's Review and the Directors' Report on pages 7 to 20.

These financial statements were approved and authorised for issue by the Board of Directors on 9 May 2022 and signed on its behalf by Eric Zurrin and Anthony Durrant.

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

2.1 Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments which are carried at fair value, as explained in the accounting policies below. They are presented in US Dollars, which is also the Company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB"), as adopted by the United Kingdom ("IFRS").

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group's management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

2.2 Going concern
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 for the foreseeable future.

At 31 December 2021 the Group had an unrestricted cash balance of US$13.2 million. Despite delays in recovering VAT, the Group has sufficient operating cashflows to continue to operate for the foreseeable future, including meeting contractual debt repayments in the forecast period.

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 Annual Report and Accounts.

2.3 New standards, amendments and interpretations effective in 2020
A number of new and amended standards and interpretations issued by IASB have become effective for the first time for financial periods beginning on (or after) 1 January 2021 and have been applied by the Group in these financial statements. None of these new and amended standards and interpretations had a significant effect on the Group because they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

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

The principal accounting policies adopted are set out below.

2.5 Basis of consolidation
2.5.1 Subsidiaries
SSubsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where necessary, adjustments are made to the financial statements

of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The consolidated financial statements comprise the financial statements of the subsidiaries listed in note 14.

2.5.2 Business combinations

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date.

A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs If the integrated set of activities and assets is in the exploration and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business. Those factors include, but are not limited to, whether the set of activities and assets:

- Has begun planned principal activities;
- Has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- Is pursuing a plan to produce outputs; and
- Will be able to obtain access to customers that will purchase the outputs.

2.6 Foreign currencies

2.6.1 Functional and Presentation Currencies

The individual financial statements of each Company within the Group are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Company are expressed in US Dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Assets and liabilities of foreign entities (i.e. those with a functional currency other than US Dollar) are translated at rates of exchange ruling at the financial year end and the results at rates approximating to those ruling when the transactions took place. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the translation reserve.

2.6.2 Transactions and balances

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2.7 Revenue recognition

The Group enters into spot agreements for the sale of refined gold. The Group recognises the sale upon delivery at which point control of the product has been transferred to the customer. Transfer of control generally takes place when refined gold is credited to the customer's account at the refinery. The Group also enters into forward contracts for the sale of refined gold. Revenue arising from sales under these contracts is recognised when the product has been delivered under the terms of the contract at which point control of the product has been transferred to the customer.

Revenue is measured based on the consideration to which the Group expects to be entitled under the terms of a contract with a customer. In most cases the consideration is determined by reference to the gold market price at the point of delivery, except for instances where the arrangement falls under a forward sales contract. Consideration typically falls due upon delivery.

The Group enters into forward sales contracts for the sale and delivery of gold at a pre-determined and agreed price. These forward sales contracts meet the own use exemption under IFRS 9 and as such are recognised as revenue.

2.8 Inventory

Stores and consumables are stated at the lower of cost and net realisable value. The cost of stores and consumables includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Gold ore stockpiles are valued at the lower of weighted average cost, including related overheads and depreciation of relevant mining assets, and net realisable value, using assay data to determine the amount of gold contained in the stockpiles, adjusted for expected gold recovery rates.

Gold bullion and gold in process are stated at the lower of weighted average cost and net realisable value. Cost includes direct materials, direct labour costs and production overheads, including depreciation of relevant mining properties.

Net realisable value is the estimated selling price less all expected costs to completion and costs to be incurred in selling.

2.9 Intangible assets and exploration and evaluation expenditure

2.9.1 Exploration expenditure

Exploration expenditure is defined as expenses incurred on the initial search for mineral deposits with economic potential as well as expenditure incurred for the purposes of obtaining more information about existing mineral deposits.

Exploration expenditure, with the exception of costs of acquiring tenement rights, is typically expensed as incurred, until an ore body is considered commercially recoverable.

2.9.2 Evaluation expenditure

Evaluation expenditure arises from a detailed assessment of deposits or other projects that have been identified as having economic potential in order to determine their technical feasibility and commercial viability. Evaluation expenditure is expensed as incurred unless it can be demonstrated that the related evaluation expenditure will generate future economic benefit.

Once an ore body is considered commercially recoverable the project is classified as a “development project”. Evaluation expenditure incurred on development projects is capitalised within the “assets under construction” category of property, plant and equipment.

2.9.3 Acquired exploration and evaluation properties

Exploration and evaluation stage properties acquired either as an acquisition of individual assets or as part of a business combination are capitalised as an intangible asset. The Group capitalises costs only when it has the direct or indirect right to explore or evaluate the associated acquired properties. Subsequent exploration and evaluation expenditure incurred on such properties is expensed as incurred until the technical and commercial viability of developing the property has been demonstrated under the same criteria described above.

Once the commercial viability is determined the acquired exploration and evaluation properties are transferred to assets under construction within property, plant and equipment.

2.9.4 Licencing costs

The costs of acquiring mining and prospecting licences, which are reflected in the financial statements as intangible assets, are capitalised and are amortised on a straight-line basis when mining operations commence.

Costs of entering into option agreements to explore and evaluate other licence holders’ rights, with the option of converting these licences are also capitalised and treated on the same basis. Subsequent to initial recognition, tenement rights are assessed for impairment annually and when facts and circumstances indicate they may be no longer viable, or where licences have expired with no intention of renewal, an impairment loss is recognised as exploration costs in the statement of comprehensive income. Where expiring licences are in the renewal process they are not considered impaired until a decision is reached by the Licencing Authority, unless there are circumstances which suggest that the renewal will not be granted.

2.10 Property, plant and equipment

Items of property, plant and equipment are recorded at purchase cost less accumulated depreciation and impairment losses. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and estimated useful life. Depreciation is charged on a straight-line basis at rates calculated to write down the cost of each asset to its residual value over its expected useful life. The applicable rates are as follows:

Description within Mining and Other equipment	Rates (%)
Mine equipment and vehicles	25.0
Power generation and office equipment	12.5
Computer equipment	33.3
Motor vehicles	25.0
Furniture and fittings	16.7

The useful lives and residual values are re-assessed annually.

2.10.1 Mining assets
Once a project reaches the stage of commercial production, the capitalised development project is transferred from assets under construction to the "mining assets" category. Mining assets are depreciated using the unit of production method based on proven and probable reserves.

Subsequent development expenditure is capitalised only if it is expected to give rise to a future economic benefit. Costs associated with underground development are capitalised when the works provide access to the ore body, whereas costs associated with ore extraction from operating ore body sections are treated as operating costs.

2.10.2 Assets under construction
Assets under construction comprise development projects and assets in the course of construction at both the mine development and production phases.

Development projects comprise interests in mining projects where ore body is considered commercially recoverable and the development activities are ongoing. Expenditure incurred on a development project is recorded at cost, less applicable accumulated impairment losses. Any net income earned before the commencement of commercial production is credited against the capitalised development expenditure. Interest on borrowings, incurred for the purpose of the establishment of mining assets, is capitalised during the construction phase.

The cost of an asset in the course of construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, at which point it is transferred from assets under construction to other relevant categories and depreciation commences.

Assets under construction are not depreciated.

2.10.3 Deferred stripping asset
Production stripping costs in the open pit mines are capitalised as a "deferred stripping asset" within property, plant and equipment if all of the following criteria are met:

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

If the above criteria are not met, stripping costs are recognised directly in profit or loss.

The Group initially measures the stripping activity asset at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component ore.

After initial recognition, the stripping activity asset is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated on the basis of units of production.

2.11 Impairment of non-current assets
The carrying amount of the Group's non-current assets is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and the fair value less costs to sell.

Value in use is estimated by reference to the net present value of expected future cash flows of the relevant cash generating unit. Individual mining properties are considered to be separate income generating units for this purpose, except where they would be operated together as a single mining business.

If the recoverable amount is less than the carrying amount of an asset, an impairment loss is recognised. The revised carrying amount is amortised in line with the Group's accounting policy.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. The reversal is recognised in the statement of comprehensive income and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the previous reporting period.

2.12 Taxation
The Company is taxed at the standard rate of income tax for Guernsey companies, which is 0%. The Group is liable for Tanzanian tax arising on activities in the Tanzanian subsidiaries, which are liable for Tanzanian Corporation Tax at 30%, and for Kenyan tax arising on activities in the Kenyan subsidiaries, which are liable for Kenyan Corporation Tax at 30%. In addition, the Group may be liable for withholding taxes on the repatriation of assets and income from the Tanzanian and Kenyan subsidiaries to the Company as there is no double tax treaty between Guernsey and Tanzania or Kenya.

Taxation on the profit or loss for the year comprises both current and deferred taxes. Current taxation is provided for on the basis of the results for the year computed in accordance with tax legislation and any adjustment of the tax payable for the previous year.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

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

2.13 Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

2.14 Decommissioning, site rehabilitation and environmental costs

The Group is required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. The capitalised cost is amortised on a unit of production basis. Unwinding of the discount is recognised as finance cost in the statement of comprehensive income as it occurs. Changes in estimates are dealt with on a prospective basis as they arise. The costs of on-going programmes to prevent and control pollution and to rehabilitate the environment are charged to profit or loss as incurred.

2.15 Share-based payment/incentive programmes

The Group grants incentive share awards to executive directors and certain employees. Share options and incentive share awards are measured at fair value (excludes the effect of non-market based vesting conditions) at the date of grant. The fair value is measured using an option pricing model at the grant date and is expensed on a straight-line basis over the vesting period. Share based payments are expensed in the statement of comprehensive income over the vesting period.

Where the Group issues equity instruments to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

2.16 Segmental information

An operating segment is a distinguishable component of the Group that is involved in gold mining, processing, exploration or related activities, within a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

The Group operates in two geographical locations; Tanzania and Kenya. For management purposes, the Group is organised into two main operating segments, this being mining, processing, exploration and related activities in Tanzania, and exploration activities at the West Kenya Project.

All of the Group's activities within each geographical location are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Group as two segments.

2.17 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and,
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset. In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and,
- Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and,
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Group statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and statement of comprehensive income when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a) Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost using effective interest rate method:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income ("FVTOCI").

b) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

c) Cash and cash equivalents

Cash and cash equivalents are carried at cost and include all highly liquid investments with a maturity of three months or less.

Restricted cash are those amounts held by third parties on behalf of the Group and are not available for the Group's use; these are accounted for separately from cash and cash equivalents.

2.18.2 Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

a) Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The Group's financial liabilities measured at amortised cost comprise loans and other borrowings, equipment loans, lease obligations, silver stream obligation, convertible loan notes and other payables and accruals.

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

b) Silver Stream arrangement

If estimates of future payments are revised, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows. The liability is settled through the silver produced by the Group throughout the year. In the event of a shortfall in silver production versus the Company's minimum delivery obligations, the Company may have to procure silver externally and, if so, any additional associated cost is recognised as a finance expense. The revised carrying amount is adjusted by computing the present value of estimated future cash flows at the financial liability's original effective interest rate. The adjustment is recognised in profit or loss as income or expense. Bi-product credits from the silver stream arrangement are recognised within cost of sales.

c) Convertible Loan Notes

Convertible loan notes are assessed in accordance with IAS 32 "Financial Instruments: Presentation" to determine whether the conversion element meets the fixed-for-fixed criterion. Where this is met, the instrument is accounted for as a compound financial instrument with appropriate presentation of the liability and equity components. Where the fixed-for-fixed criterion is not met, the conversion element is accounted for separately as an embedded derivative which is measured at fair value through profit or loss.

On issue of a convertible loan, the fair value of the liability component is determined by discounting the contractual future cash flows using a market rate for a non-convertible instrument with similar terms. This value is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated, net of issue costs, to a separate component of equity or a separate liability. Issue costs are apportioned between the components based on their respective carrying amounts when the instrument was issued.

On conversion, the liability is reclassified to equity and no gain or loss is recognised in the profit or loss. Where the convertible loan is redeemed early or repurchased in a way that does not alter the original conversion privileges, the consideration paid is allocated to the respective components and the amount of gain or loss relating to the liability element is recognised in interest received or paid. The finance costs recognised in respect of the convertible borrowings includes the accretion of the liability.

The convertible loan notes are not secured against any assets of any Group Company. The Group has determined them to be a compound financial instrument requiring a proportion of the loan to be classified as equity. The equity element represents the difference between the fair value of a similar liability with no equity conversion option and the fair value of the existing convertible notes in issue. Conversion of the convertible loan notes is at the discretion of the beneficiary holders. Accreted interest is charged to the statement of comprehensive income over the life of the notes.

d) Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of comprehensive income.

e) Fair Value measurement hierarchy

IFRS 13 "Fair Value Measurement" requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the input used in making the fair value measurement.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived prices) (level 2); and,
- Inputs for the asset or liability that are not based on observable market data (unobservable input) (level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

2.18.3 Capital
Financial instruments issued by the Group are treated as equity if the holder has only a residual interest in the assets of the Group after the deduction of all liabilities. The Company's ordinary shares are classified as equity instruments.

For the purpose of disclosure given in note 23 the Group considers its capital to comprise its ordinary share capital, share premium and retained losses. There has been no change in what the Group considers to be capital since the previous period. The Group is not subject to any externally imposed capital requirements.

3. Critical accounting estimates, assumptions and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The estimates, assumptions and judgements that have a risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment
Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. Where potential triggers for impairment are identified which may indicate that the carrying value of items of property, plant and equipment may have been impaired, a review is undertaken of the recoverable amount of that asset based on value in use calculations which involve management's estimates and assumptions including a range of discount rates, gold prices, cash costs and also the impact of any legislative changes in Tanzania. Refer to note 12 for further details.

Impairment of intangible exploration and evaluation assets
The Group tests whether acquired exploration and evaluation assets, mining options and licence acquisition costs have suffered any impairment under IFRS 6 when facts and circumstances suggest that the carrying amount may not be recoverable. The recoverable amounts are determined based on an assessment of the economically recoverable mineral reserves, and future profitable production or proceeds from the disposition of recoverable reserves. Actual outcomes may vary. This assessment is highlighted in note 11.

Recoverability, classification and measurement of VAT receivable
In July 2017, the Mining Act 2010 (the "Mining Act") was amended to restrict exportation of raw minerals (the "export ban"). An amendment to the VAT Act 2014 also came into effect, treating any exportation of raw minerals as an exempt supply for which no input tax is deductible. The term 'raw minerals' however remained undefined across the statutes. The Group exports doré bars which it does not consider to be a raw mineral.

On 25 January 2019, Government Notice 60 was published which clarified that the 'export ban' seeks to prohibit the export of mineral and mineral concentrates without mineral value addition ("the Guidelines"). The Guidelines introduce the new concept of 'mineral value addition' and, per the Guidelines, gold doré is considered to have undergone sufficient value addition in Tanzania to qualify for export. On 22 February 2019, The Written Laws (Miscellaneous Amendments) (No.2) Act amended the Mining Act to provide a definition of 'raw minerals'. Accordingly, when read together with the Guidelines that establish that doré has sufficient value added to qualify for export, 'raw minerals' does not include doré and input VAT on gold exported by the Group in the form of doré is claimable under the legislation passed in 2017.

On 19 June 2020 the Finance Act, 2020 was published, in which section 68 of the VAT Act, 2014 was amended such that exportation of raw minerals is no longer treated as an exempt supply for which no input tax is deductible.

There is an express legislative framework in Tanzania to apply VAT due to a taxpayer by way of setoff against tax due to the Tanzania Revenue Authority ("TRA"). Based on confirmations from TRA, approved VAT Refunds have been assessed as being immediately available for repayment or setoff.

The Company's input VAT refund application for the period from July 2017 to June 2020 has been initially rejected on the grounds that gold doré exported during that period was deemed a raw mineral under the legislation prevailing at the time. The Company has obtained an independent legal opinion confirming that under a proper construction of the law, Shanta is eligible for input VAT refunds under section 28 of the VAT Act, 2014, which prevailed during that period.

Recoverability of the VAT receivable in Tanzania is assessed based on a judgement by management and following review of all relevant considerations, including precedent set within the financial year in the form of reimbursements and setoffs, refer to note 17 for further information.

Key sources of estimation uncertainty are set out as follows:

Depreciation of mining assets
Mining assets are depreciated using the unit of production method based on proven and probable reserves. Units of production are significantly affected by resources, exploration potential and production estimates together

with economic factors, commodity prices, foreign currency, exchange rates, estimates of costs to produce reserves and future capital expenditure. The depreciation charge for the year is disclosed within note 12.

Depreciation of plant and equipment
Depreciation is provided in the consolidated financial statements so as to write down the respective assets to their residual values over their estimated useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets require the use of estimates and judgements. The depreciation charge for the year is disclosed within note 12.

Inventories
Stock is valued at the lower of cost or net realisable value. Costs that are incurred in or benefit the production process are accumulated as ore stockpiles, gold in process and gold bullion. Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of gold and silver actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. Net realisable value tests are performed at least annually and represent the estimated future sales value less estimated costs to complete production and bring the product to sale. These net realisable tests take into account management's estimate of the maximum values to be realised from ore stockpiles, in some instances through blending of different ore stockpile grades, prior to these being added to future processing plant feeds. The carrying value of stock is disclosed within note 16.

Mineral Resources and Ore Reserves
Quantification and classification of Ore Reserves requires a judgement on whether Mineral Resources are economically mineable and whether they meet the criteria of 'proven' or 'probable' respectively. These judgements are based on an assessment of relevant mining, geological, economic and environmental factors amongst others. These factors are a source of uncertainty and changes could result in an increase or decrease in Mineral Resources and Ore Reserves.

Decommissioning, site rehabilitation and environmental costs
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate of the rehabilitation costs in the period in which they are incurred. This estimate includes judgements from management in respect of which costs are expected to be incurred in the future, the timing of these costs and their present value. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine. A 1% change in the discount rate on the Group's rehabilitation estimates would result in an impact of US$0.5 million (2020: US$0.4 million) on the provision for environmental and site restoration. The value of the year-end decommissioning provision is disclosed within note 22.

Silver Stream obligation
Under the silver streaming agreement (note 20) to which the Group is party there is an obligation to deliver silver by-product to the sole customer in return for proceeds remitted in the 2016 financial year. The value of obligation arising through this agreement is established by computing the present value of estimated future cash flows at the financial liability's original effective interest rate. This exercise incorporates the impact of judgements made within the mine plan in respect of future silver production and includes estimates in respect of the anticipated price of silver in future periods. The year-end silver stream obligation uses forward curve information based on the year-end silver spot price, which was US$23.8 /oz at the end of 2021 (2020: US$24.9 /oz). A 1% change in silver production estimates would result in an impact of less than US$0.1 million (2020: less than US$0.1 million) on the silver stream liability.

4. Revenue

The Group has recognised the following amounts relating to revenue in the statement of comprehensive income:

US$000	31-Dec-21	31-Dec-20
Revenue from contracts with customers	103,571	147,431

All revenue is derived from sales of gold from one geographic location and to one customer.

5. Loss on non-hedge derivatives and other commodity contracts

US$000	31-Dec-21	31-Dec-20
Loss on commodity swaps delivered into / settled	-	(11,688)

There were no open non-hedge derivatives and other commodity contracts at 31 December 2021 (2020: none).

6. Finance income

US$000	31-Dec-21	31-Dec-20
Bank interest	1	20
Change in estimate of decommissioning liability (note 22)	547	1,850
Fair value adjustment on Silver Stream advance (note 20)	2,464	-
	3,012	1,870

7. Finance expense

US$000	31-Dec-21	31-Dec-20
Interest on loans and other borrowings	532	2,032
Interest on lease liabilities (note 13)	87	95
Interest on Silver Stream advance (note 20)	1,341	1,443
Fair value adjustment on Silver Stream advance (note 20)	-	940
Change in estimate on Silver Stream advance (note 20)	617	1,178
Convertible Loan Note accretion (note 21)	22	228
Loan modification adjustment on Convertible Loan note (note 21)	-	(216)
Finance expense at amortised cost	**2,599**	**5,700**
Unwinding of discount on decommissioning liability (note 22)	1,026	591
Purchase of silver to fulfil silver stream obligation	354	331
VAT receivable credit adjustment (note 17)	2,700	-
Total finance expense	**6,679**	**6,622**

Interest on loans and other borrowings includes interest on borrowings of US$62,000 (2020: US$711,000) (note 20) and coupon interest on Convertible Loan Notes of US$470,000 (2020: US$1,321,000) (note 21).

The finance expense arising on financial liabilities measured at amortised cost has been calculated using the effective interest rate method.

8. (Loss) / profit before taxation

(Loss) / profit before tax is arrived at after charging:

US$000	31-Dec-21	31-Dec-20
Depreciation of tangible assets (note 12)	16,039	18,956
Amortisation of right of use assets (note 13)	961	1,163
Amortisation of intangible assets (note 11)	-	14
Directors' remuneration	1,888	3,125
Staff costs	16,556	17,623
Auditors' remuneration		
Audit fees of the Company and Group	175	162
Audit fees of subsidiaries by associates of Group auditor	56	57
Audit fees of subsidiaries by other auditors	36	26
Fees for review of interim information	21	19

9. Taxation

Effective 1 January 2008, 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.

Tax charge for the year relates to:

US$000	31-Dec-21	31-Dec-20
Current tax charge (corporate and turnover tax charge)	5,238	21,866
Deferred tax charge / (income)	1,930	(68)
Net charge	**7,168**	**21,798**

The tax charge for the year can be reconciled to the profit before taxation per the statement of comprehensive income as follows:

Profit / (Loss) before taxation (US$000)	**1,000**	**39,001**
Tax at the standard tax rate		
Tanzanian Corporation tax at 30%	300	11,700
Different tax rates applied in overseas jurisdictions	1,180	1,376
Permanent adjustments	2,905	3,718
Unrecognised taxable losses in subsidiaries	2,395	880
Adjustments in respect of prior periods	388	4,124
Tax charge	**7,168**	**21,798**

Deferred tax
Analysis of deferred tax assets and deferred tax liabilities is as follows:

US$000	31-Dec-21	31-Dec-20
Deferred tax asset	-	-
Deferred tax liability	(12,381)	(10,451)
Net deferred tax liability	**(12,381)**	**(10,451)**

At the end of the year, the Group had tax losses available in Tanzania amounting to US$47,970,000 (2020: US$42,604,000). Of these losses, US$23,579,000 (2020: US$18,213,000) have arisen within non-producing licence areas, for which no deferred tax asset has been recognised as it is not yet probable that future taxable profits will be available against which these tax losses can be utilised. The remaining US$24,391,000 (2020: US$24,391,000) of these losses have arisen as a result of realised losses on speculative transactions, for which no deferred tax asset has been recognised as it is not yet probable that future tax gains on speculative transactions will be available against which these tax losses can be utilised.

The deferred tax liability has arisen on the temporary differences between the carrying value of assets and tax written down value of assets. Included within the Group's deferred tax liability is an amount of US$5.2 million (2020: US$5.2 million) relating to deferred tax liability on the acquisition of Shield Resources Limited and Boulder Investments Limited.

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

(US$000)	Deferred tax asset	Deferred tax liability	Net deferred tax liability
At 1 January 2020	-	(10,519)	(10,519)
Accelerated tax depreciation	-	710	710
Other movements	-	(642)	(642)
At 31 December 2020	-	**(10,451)**	**(10,451)**
Accelerated tax depreciation	-	(2,050)	(2,050)
Other movements	-	120	120
At 31 December 2021	-	**(12,381)**	**(12,381)**

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

	31-Dec-21	31-Dec-20
(Loss) / profit for the year attributable to equity holders of Company	(6,168)	17,203
(Loss) / profit used in calculation of basic earnings per share (see below)	(6,168)	17,203
Basic (loss) / earnings per share (US cents)	(0.589)	2.023
Weighted average number of shares in issue	1,047,885,766	850,274,078

There were no share incentives outstanding at the end of the year that could potentially dilute basic earnings per share.

In 2020, there were share incentives outstanding at the end of the year that could potentially dilute basic earnings per share in the future as shown in the table below:

		31-Dec-20
The Group had the following instruments which could potentially dilute basic earnings per share in the future:		
Shares to be issued		4,543,126

Shares to be issued related to performance bonuses payable to management and senior employees in respect of 2020.

As the Group was in a profit-making position, the potential ordinary shares were dilutive and therefore diluted earnings per share were calculated as follows:

	31-Dec-20
Profit for the year attributable to equity holders of Company	17,203
Profit used in calculation of diluted earnings per share	17,203
Diluted earnings per share (US cents)	2.018
Weighted average number of shares in issue and potential ordinary shares	852,665,906

11. Intangible assets

US$000	Owned prospecting licences	Third party primary mining licences	Owned mining licence	Third party mining licence	Acquired exploration and evaluation assets	Total
At 1 January 2020	**24**	**387**	**197**	**251**	**22,519**	**23,378**
Additions (note 11(1))	-	-	-	-	19,979	19,979
Amortisation	-	-	(14)	-	-	(14)
At 31 December 2020	**24**	**387**	**183**	**251**	**42,498**	**43,343**
Additions (note 11)	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-
At 31 December 2021	**24**	**387**	**183**	**251**	**42,498**	**43,343**

Acquired exploration and evaluation assets relate to the Group's Lupa Goldfields licences which were acquired in April 2013 and the West Kenya Project which was acquired in August 2020. The Lupa licences cover a significant land package of prospective exploration ground surrounding the Company's New Luika Gold Mine.

Impairment of licences
In Tanzania, the Mining Act 2010, (which replaced the previous Mining Act 1998), introduced new procedures on renewal of Prospecting Licences (PL's) that involves a tender process. As disclosed in the accounting policies, licences which are viable and within the licence renewal processes are not considered impaired.

Impairments relate to projects which have been assessed for impairment and found to be no longer viable or where licences have expired with no intention of renewal.

At the year-end there were 4 active licences relating to the West Kenya project. The licences are considered to be a single CGU and are assessed collectively. Management have concluded that whilst some of the licences acquired in 2020 are no longer in the portfolio, exploration work on the remaining licenses has already yielded successful results, and further work is scheduled for 2022. Where licences have expired without renewal, this is generally a part of the natural process of condensing the portfolio down to the most valuable licences and follows a management decision not to pursue renewal, as such no impairment has been identified.

11.1 Acquisition of West Kenya Project in 2020

On 10th February 2020, the Company (through its wholly owned subsidiary, Shanta Gold Kenya (Guernsey) Limited) agreed to purchase 100% of the shares of Shanta Gold Kenya Limited (formerly Acacia Exploration (Kenya) Limited) from three subsidiaries of Barrick Gold Corporation ("Barrick"). On 19th August 2020, the Company completed the acquisition. US$20.0 million was capitalised in respect of US$7.8 million cash consideration paid, 54.6 million Shanta Gold ordinary shares issued to Barrick, and transaction costs of US$0.7 million.

The consideration for this transaction also included a 2% net smelter royalty chargeable on future gold production at the West Kenya Project. Consideration also included an additional cash payment of US$0.5 million (see note 32), which may become payable within four years of the acquisition date, subject to satisfaction of a condition subsequent to the acquisition agreement.

The West Kenya Project did not meet the definition of a business outlined by IFRS 3 or as detailed within the Company's accounting policies (see note 2.5.2). Assets and liabilities acquired as part of the transaction were accounted for at cost, with the excess of the purchase price over the cost of the assets and liabilities acquired being allocated to acquired exploration and evaluation assets within intangible assets.

12. Property, plant and equipment

US$000	Gold processing plant	Mining assets	Assets under construction[1]	Mining and other equipment	Decom-missioning asset	Deferred stripping asset	Total
Cost							
At 1 January 2020	**42,732**	**123,811**	**16,205**	**32,751**	**4,727**	**36,219**	**256,445**
Additions	-	8,543	5,793	142	-	-	14,478
Change in estimate	-	-	-	-	(821)	-	(821)
At 31 December 2020	**42,732**	**132,354**	**21,998**	**32,893**	**3,906**	**36,219**	**270,102**
Accumulated Depreciation							
At 1 January 2020	**28,797**	**86,763**	**-**	**18,972**	**3,906**	**35,259**	**173,697**
Charge for the year	2,968	12,150	-	3,582	-	256	18,956
At 31 December 2020	**31,765**	**98,913**	**-**	**22,554**	**3,906**	**35,515**	**192,653**
Net book value							
At 31 December 2020	**10,967**	**33,441**	**21,998**	**10,339**	**-**	**704**	**77,449**
Cost							
At 1 January 2021	**42,732**	**132,354**	**21,998**	**32,893**	**3,906**	**36,219**	**270,102**
Additions	-	8,494	18,871	206	675	-	28,246
Asset transfers	2,264	3,794	(11,895)	5,837	-	-	-
At 31 December 2021	**44,996**	**144,642**	**28,974**	**38,936**	**4,581**	**36,219**	**298,348**
Accumulated Depreciation							
At 1 January 2021	**31,765**	**98,913**	**-**	**22,554**	**3,906**	**35,515**	**192,653**
Charge for the year	2,350	9,877	-	3,724	-	88	16,039
At 31 December 2021	**34,115**	**108,790**	**-**	**26,278**	**3,906**	**35,603**	**208,692**
Net book value							
At 31 December 2021	**10,881**	**35,852**	**28,974**	**12,658**	**675**	**616**	**89,656**

1. Assets under construction primarily relate to capitalised costs at the Singida Project and ongoing phases of underground development at New Luika.

Impairment of property, plant and equipment
Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. During the year production levels declined when compared to the mine plan due to lower than anticipated grades recovered. This had an adverse effect on the Group's performance for the year triggering an impairment review under IAS 36 'Impairment of assets'.

Management measured the recoverable amount by comparing the assets' carrying amount to the higher of their fair value less costs of disposal ("FVLCD") or value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows (cash generating units or "CGU"). The Group has two CGUs being New Luika Gold Mine and Singida within property, plant and equipment.

The impairment indicator relates only to the Group's producing asset, New Luika. Management determined VIU for this CGU by calculating the net present value of the future cash flows expected to be generated by New Luika. The estimates of future cash flows were derived from the most recent Life of Mine plans and approved budgets. Gold price assumptions used to estimate future revenues are based on observable market or publicly available data, including forward prices and analyst forecasts. The future cash flows are discounted using a weighted average cost of capital ("WACC"), which reflects specific market risk factors and country risk affecting each CGU.

The following are the key assumptions used in the impairment review:

	New Luika
Pre-tax discount rate	13.2%
Gold price (2022)	US$ 1,842/oz
Gold price (2023)	US$ 1,855/oz
Gold price (2024+)	US$ 1,875/oz
Life of mine (years)	9

The VIU calculations have demonstrated headroom over the assets' carrying amounts indicating no impairment. Gold price and discount rate are considered the most significant assumptions impacting the impairment calculations and these have been sensitised as follows:

- +/- $100 per ounce change in the projected future gold prices per ounce noted in the assumptions table above, while holding all other assumptions constant.
- +/- 2 change in discount rate, independent from the change in gold price, while holding all other assumptions constant.

None of the above sensitivities resulted in an impairment loss.

The breakeven price per ounce of gold, if assumed to be constant in future years, is US$1,514. The breakeven pre-tax discount rate is 39.58%.

Management is satisfied that the Group's property, plant and equipment were not impaired at the reporting date.

13. Leases

US$000	Mining and other equipment
Right of use assets	
At 1 January 2020	2,947
Additions	1,476
Amortisation	(1,163)
At 31 December 2020	**3,260**
Additions	14
Amortisation	(961)
31 December 2021	**2,313**
Lease liabilities	
At 1 January 2020 (note 20)	**1,198**
Additions	1,216
Interest expense (note 7)	95
Lease payments	(846)
Foreign exchange movements	94
At 31 December 2020 (note 20)	**1,757**
Additions	868
Interest expense (note 7)	87
Interest paid	90
Lease payments	(1,134)
Foreign exchange movements	(64)
At 31 December 2021 (note 20)	**1,424**

	31-Dec-21	31-Dec-20
Current lease liabilities		
Mobile equipment [1]	-	146
Mobile equipment [2]	-	266
Solar power units [3]	44	125
Mobile equipment [5]	324	546
Mobile equipment [4]	281	-
Office space [6]	16	44
Office space [7]	-	33
Office space [8]	-	5
Leased land [9]	-	13
	665	**1,178**
Non-current lease liabilities		
Solar power units [3]	-	43
Mobile equipment [5]	162	515
Mobile equipment [4]	597	-
Office space [6]	-	16
Leased land [9]	-	5
	759	**579**
Total lease liabilities	**1,424**	**1,757**

(1) **Mobile equipment:** A lease for mobile equipment from Sandvik for a capital amount of €712,000 (US$832,000) repayable monthly over thirty-six months commencing on 29 November 2018. The lease was fully repaid in 2021.

(2) **Mobile equipment:** A lease for mobile equipment from Sandvik for a capital amount of €635,000 (US$718,000) repayable monthly over thirty-six months commencing on 28 February 2019. The lease was fully repaid in 2021.

(3) **Solar power units:** A lease for solar power units from Redavia Tanzania Asset Limited for a five-year period commencing in May 2017 for variable lease payments payable monthly.

(4) **Office space:** A lease for mobile equipment from Sandvik for a capital amount of $870,000 repayable quarterly over thirty-six months commencing on 15 November 2021.

(5) **Mobile equipment:** A lease for mobile equipment from Sandvik for a capital amount of €987,000 ($1,200,000) repayable quarterly over thirty-six months commencing on 25 February 2020.

(6) **Office space:** A lease for office space from Nevada Golden Coins Limited for an eighteen-month period commencing November 2020.

(7) **Office space:** A lease for office space from Innovative Management Services Limited for an eight-year period commencing 1 January 2013.

(8) **Office space:** A lease for office space for a five year and eight-month period commencing 27 April 2016.

(9) **Leased land:** A lease of land for a five-year period commencing 1 April 2017.

14. Subsidiary companies

At 31 December 2021, the Group had the following subsidiary undertakings:

Name of company	Holding	Country of Incorporation and principal place of business	Principal activity
Shanta Gold Holdings Limited	100%	Guernsey	Holding Company
Chunya Gold Holdings Limited	100%	Guernsey	Holding Company
Shamba Limited	100%	Guernsey	Holding Company
Shanta Gold Kenya (Guernsey) Limited	100%	Guernsey	Holding Company
Rukwa Limited	100%	Guernsey	Investment Company
Boulder Investments Limited	100%	Cyprus	Investment Company
Shanta Gold Mauritius Limited	100%	Mauritius	Investment Company
Shanta Mining Company Limited	100%	Tanzania	Exploration and mining
Singida Resources Public Limited Company	100%	Tanzania	Exploration and mining
Shield Resources Limited	100%	Tanzania	Exploration and mining
Mgusu Mining Limited	100%	Tanzania	Exploration and mining
Nsimbanguru Mining Limited	100%	Tanzania	Exploration and mining
Shanta Gold Kenya Limited (formerly Acacia Exploration (Kenya) Limited)	100%	Kenya	Exploration and mining
Chunya Resources Limited	100%	Tanzania	Dormant
Songea Resources Limited	100%	Tanzania	Dormant
Kakapo Resources Limited	100%	Tanzania	Dormant
Dondoro Resources Limited	100%	Tanzania	Dormant
Shanta Gold UK Limited	100%	United Kingdom	Dormant

15. Categories of financial assets and liabilities

US$000	31-Dec-21	31-Dec-20
Current assets measured at amortised cost		
Trade and other receivables excluding tax and prepayments	230	149
Restricted cash (note 18)	-	2,500
Cash and cash equivalents	13,214	41,582
Total financial assets at amortised cost	**13,444**	**44,231**
Financial liabilities measured at amortised cost		
Current financial liabilities		
Loans and other borrowings (note 20)	(2,823)	(5,713)
Convertible loan notes (note 21)	-	(9,999)
Trade and other payables excluding tax	(17,169)	(12,208)
	(19,992)	**(27,920)**
Non-current financial liabilities		
Loans and other borrowings (note 20)	(3,454)	(4,270)
Total financial liabilities measured at amortised cost	**(23,446)**	**(32,240)**

There are no financial liabilities at fair value through profit or loss held by the Group as at 31 December 2021 (2020: US$ nil)

Fair values

The fair values of the Group's cash, trade and other receivables and trade and other payables are considered equal to the book value as they are all short term.

Loans and other borrowings and convertible loans are initially measured at fair value and subsequently at amortised costs. The fair values of the Group's loans and other borrowings are considered equal to the book value as the effect of discounting on these financial instruments is not considered to be material.

16. Inventories

US$000	31-Dec-21	31-Dec-20
Plant spares and consumables	12,862	13,961
Gold in ore stockpile	10,632	11,385
Gold in gold room and CIL	3,740	4,694
	27,234	30,040

The cost of consumable inventories consumed during the year amounted to US$27.3 (2020: US$24.2 million). Plant spares and consumables decreased in the year as a result of additional procurement measures taken in 2020 to mitigate potential supply chain risks associated with COVID-19 which were deemed not necessary in 2021.

17. Trade and other receivables

US$000	31-Dec-21	31-Dec-20
Non-current assets		
VAT receivable [1]	22,698	27,560
Current assets		
Prepayments [2]	1,363	2,218
VAT receivable [1]	4,171	-
Other receivables [3]	1,512	1,431
	7,046	4,649

1. **VAT receivable:** There is an express legislative framework in Tanzania to apply VAT due to a taxpayer by way of repayment or setoff against tax due to the Tanzania Revenue Authority ("TRA"). Based on confirmations received from the TRA in 2021, refund applications for the periods January 2021 to May 2021 have been approved for repayment in 2022, totalling US$4.1 million which is recognised as a current receivable.

   In 2021, US$7.2 million of the brought forward VAT receivable was received as a cash refund/ offset in the year.

   Refund applications for the period from November 2021 to December 2021, which amount to US$2.2 million, require further audit by the TRA before being formally approved. Refund applications for the period from July 2017 to June 2020, which amount to US$23.2 million, have been initially rejected by the TRA and the Company intends to appeal this decision. The legislation relevant to the Company's refund applications for the period from July 2017 to June 2020 (summarised in Note 3) is clear and the Company expects its appeal to be successful. The receivable balances which still need to be audited by the TRA and the disputed balance have been classified as a non-current asset for the purposes of these financial statements.

   Included in the non-current portion of the VAT receivable is an adjustment for the expected phasing of the VAT receipts. A US$2.7 million credit adjustment against the non-current VAT receivable balance was recognised in the year and taken to the statement of comprehensive income, representing the effect of time value of money on the refunds or offsets expected in the future. The credit adjustment was calculated by discounting the expected refunds/ offsets to be received over the next three years at a risk adjusted Tanzanian forecast inflation rate of 6%.

2. **Prepayments:** Prepayments at the year-end comprise advance payments made to suppliers in accordance with the ordinary course of business and other administrative expenses paid in advance.

3. **Other receivables:** Other receivables include an amount of US$1,282,000 (2020: US$1,282,000) paid to appeal certain findings of historic tax assessments carried out during the year, for the which the Company has concluded there is a high chance of its appeal being successful. In the event of a successful appeal, amounts paid to file the appeal are refundable to the Company.

18. Restricted cash

An amount of US$2,500,000 was shown separately from cash in 2020 as it had an external restriction placed upon it in accordance with the Exim Bank loan facility agreement (note 20). There was no restricted cash balance at 31 December 2021 following the repayment of the Exim Bank loan facility.

19. Trade and other payables

US$000	31-Dec-21	31-Dec-20
Trade payables	11,090	6,818
Accruals	6,079	5,390
	17,169	12,208

The Group has financial risk management policies in place to ensure that the payables are paid within the credit time frame. The Directors consider that the carrying amounts of trade and other payables approximate their fair value.

20. Loans and other borrowings

US$000	31-Dec-21	31-Dec-20
Current liabilities		
Silver stream[1]	1,158	1,899
Loans payable to Exim Bank less than 1 year[2]	-	2,636
Stanbic overdraft payable[3]	1,000	-
Lease liabilities (note 13)	665	1,178
	2,823	5,713
Non-current liabilities		
Silver Stream[1]	2,695	3,691
Lease liabilities (note 13)	759	579
	3,454	4,270
Total loans and other borrowings	6,277	9,983

The finance expense recognised in respect of loans and borrowings in the year amounted to US$62,000 (2020: US$ 711,000).

(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 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 has been accounted for as an adjustment for the value in future estimates. The Silver Stream liability was re-estimated in 2021 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.

US$000	31-Dec-21	31-Dec-20
Balance at 1 January	(5,590)	(4,236)
Value of silver transferred	1,231	2,207
Interest at the effective interest rate (note 7)	(1,341)	(1,443)
Adjustment for the value in future estimates (note 7)	2,464	(940)
Change in estimate	(617)	(1,178)
At 31 December	**(3,853)**	**(5,590)**

(2) **Loans payable to Exim Bank:** In 2020 the Company had an outstanding term loan from Exim Bank (Tanzania) Limited ("EXIM") repayable at the end of 2021. The loan had a variable interest at 7.25% per annum and was secured against the New Luika Power Station. US$2,500,000 of the originally drawn down balance was held as restricted cash in accordance with the conditions of the agreement (note 18). During 2021, the loan was repaid in full.

(3) **Stanbic overdraft payable:** The Company entered into a revolving loan facility with Stanbic Bank in Tanzania to fund short term working capital. The facility is for US$ 5 million of which US$ 1 million has been drawn down at year 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.

21. Convertible loan notes

US$000	31-Dec-21	31-Dec-20
At 1 January	9,999	9,987
Repayment	(9,807)	-
Cash paid interest	(662)	(1,321)
Coupon interest (note 7)	448	1,321
Accreted Interested (note 7)	22	228
Loan modification adjustment (note 7)	-	(216)
At 31 December	**-**	**9,999**

In 2020 the principal value of the remaining outstanding notes not held directly or indirectly by Shanta Gold Limited was US$9,807,000. During 2021, the Company repurchased all the outstanding convertible loan notes at their principal value of US$9,807,000.

22. Provision for decommissioning

US$000	31-Dec-21	31-Dec-20
Balance at 1 January	6,346	8,426
Increase in provision (note 12)	675	-
Change in discount rate (note 7)	1,026	591
Change in estimate (note 6)	(547)	(1,850)
Change in estimate capitalised within property, plant and equipment (note 12)	-	(821)
At 31 December	**7,500**	**6,346**

The above provision relates to site restoration at New Luika and nearby open pits, and at the open pit operations at Singida. The fair value of the above provision is measured by unwinding the discount on expected future cash flows using a discount factor that reflects the risk-free rate of interest. The yields of Tanzanian Sovereign Bonds with a maturity profile commensurate with the anticipated rehabilitation schedules have been used to determine discount factors applied to anticipated future rehabilitation costs. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations. The liability was re-estimated in the year to align with the updated mining schedule announced in 2020 and uses the latest Tanzanian Sovereign Bond yields.

23. Share capital

Authorised	31-Dec-21	31-Dec-20
1,048,258,658 ordinary shares of 0.01 pence each	£104,347	£104,347

Issued and fully paid	Number	£	US$000
At 1 January 2020	**787,375,086**	**78,738**	**118**
Issued in year	256,090,446	25,609	31
As at 31 December 2020	**1,043,465,532**	**104,347**	**149**
Issued in year	4,793,126	479	1
As at 31 December 2021	**1,048,258,658**	**104,826**	**150**

4,793,126 ordinary shares were issued to Executive Directors and Senior Management in the year in respect of 2020 performance bonuses. All shares issued rank pari passu in all respects with the existing shares in issue. The Company has one class of ordinary shares which carry no right to fixed income.

24. Share-based payments

Equity-settled share option scheme

Options in issue are as follows:

Grant date	Exercise price	Final exercise date	Number of options at 31 December 2021	Number of options at 31 December 2020
26 September 2011	25p	26 September 2021	-	500,000
6 January 2012	23.13p	6 January 2022	1,170,000	1,170,000
			1,170,000	**1,670,000**

There were no market conditions within the terms of the grant of the options. The main vesting condition for all the options awarded was that the employee or Director remained contracted to the Company at the date of exercise. All such options, subject to the remuneration committee discretion, lapse 12 months after an employee or Director leaves the Group before the options vest. All options vest over a three-year period in tranches of 25%, 25% and 50% respectively.

	31 December 2021		31 December 2020	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Details of the share options outstanding during the year are:				
Outstanding at 1 January	1,670,000	0.237	2,165,000	0.224
Lapsed share options	(500,000)	0.250	(495,000)	0.182
Outstanding at 31 December	1,170,000	0.231	1,670,000	0.237
Exercisable share options at the end of year	**1,170,000**	**0.231**	**1,670,000**	**0.237**

The Binomial formula is the option pricing model applied to the grant of all options in respect of calculating the fair value of the options. The following inputs to the Binomial formula were used in calculating the fair value of options granted in 2012:

	31 December 2012			
Share price at grant	£0.34	£0.34	£0.34	£0.23
Option exercise price	£0.25	£0.30	£0.35	£0.231
Expected life of options	10 years	10 years	10 years	10 years
Expected volatility	55%	55%	55%	55%
Expected dividend yield	0%	0%	0%	0%
Risk free rate	1.70%	1.70%	1.70%	1.70%
Grant date	23-Aug-12	23-Aug-12	23-Aug-12	6-Jan-12
Fair value per share option	£0.240	£0.229	£0.219	£0.148
Exchange rate used	1.585	1.585	1.585	1.560
Total charge over the vesting period	US$94,989	US$181,336	US$173,645	US$700,984

25. Net cash flows from operating activities

US$000	31-Dec-21	31-Dec-20
Profit before taxation for the year	1,000	39,001
Adjustments for:		
Depreciation/depletion of tangible assets	16,039	18,956
Amortisation of right of use assets	961	1,163
Amortisation of intangible assets	-	14
Share based payment costs	-	1,043
Unrealised exchange (gains) / losses	(63)	75
Non-cash settlement of Silver Stream obligation (note 20)	(1,231)	(2,207)
Finance income – decommissioning provision (note 6)	(3,012)	(1,850)
Finance expense (note 7)	6,679	6,622
Operating cash flow before movement in working capital	**20,373**	**62,817**
Decrease / (increase) in inventories	2,806	(2,950)
Increase in receivables	(4,431)	(7,705)
Increase / (decrease) in payables	4,961	(11,404)
	23,709	**40,758**
Taxation paid	(11,124)	(6,170)
Interest received	1	20
Net cash flow from operating activities	**12,586**	**34,608**

26. Reconciliation of liabilities arising from financing activities

US$000	Non-current loans and other borrowings (Note 20)	Current loans and other borrowings (Note 20)	Convertible loan notes (Note 21)	Restricted cash (Note 18)	Total
At 1 January 2020	5,219	14,026	9,987	(2,500)	26,732
Cash flows	-	(12,728)	(1,321)	-	(14,049)
Non-cash flows					
Silver Stream	-	(2,207)	-	-	(2,207)
Finance lease obligations recognised	1,020	196	-	-	1,216
Interest accruing in the period	1,141	3,226	1,333	-	5,700
Effects of foreign exchange	-	90	-	-	90
Reclassification from non-current to current liabilities	(3,110)	3,110	-	-	-
At 31 December 2020	**4,270**	**5,713**	**9,999**	**(2,500)**	**17,482**
Cash flows	-	(2,946)	(10,469)	2,500	(10,915)
Non-cash flows					
Silver Stream	-	(1,231)	-	-	(1,230)
Finance lease obligations recognised	869	-	-	-	869
Interest accruing in the period	-	(335)	470	-	135
Effects of foreign exchange	-	(63)	-	-	(64)
Reclassification from non-current to current liabilities	(1,685)	1,685	-	-	-
At 31 December 2021	**3,454**	**2,824**	**-**	**-**	**6,278**

27. Financial risk management

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risk nor its objectives, policies and processes for managing those risks or the method used to measure them from the previous period unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings
- Asset loans

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quarterly information from the Group's management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group is exposed to commodity price volatility, interest rate risks, credit risks, liquidity risks and currency risks arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are set out below.

27.1 Interest rate risk

The Group's exposure to interest rate risk relates to the Group's cash and cash equivalents and various loan facilities. Interest rate risk is the risk that the value of financial instruments or future cash flows will fluctuate due to the changes in market interest rates. All cash deposits as well as loans are at floating rates and the Group exposes itself to the fluctuation of the interest rate that is inherent in such a market.

The Group's cash and cash equivalents are carried at an effective interest rate of 1% (2020: 1%).

The revolving loan facility with Stanbic Bank bears interest at 10% per annum. (2020: Nil)

27.2 Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The Group's exposure to credit risk is explained below:

a) Trade and other receivables

The Group generates revenue from the sale of gold. In the event of a default by a debtor of amounts due from trade and other receivables, the Group will be able to meet those costs. Sales are made principally to one customer. There has been no change in customer during the year. However, the Group has no significant credit risk exposure as majority of the sale is paid for on the same day or soon after the delivery. The Group did not recognise any impairment during the year and there were no other receivables that were past due.

b) Cash and cash equivalents

The Group has significant concentration of credit risk arising from its bank holdings of cash and cash equivalents.

To manage this exposure, the Group has a policy of maintaining its cash and cash equivalents with counterparties that have a credit listing of at least A from independent rating agencies. Given this high credit rating, the Directors do not expect any counterparty to fail. The Board has reviewed the maximum exposure on the Group financial assets and has concluded that the carrying values as at reporting date are fully recoverable.

27.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets. Cash and cash equivalents are placed with financial institutions on a short-term basis reflecting the Group's desire to maintain high levels of liquidity in order to enable timely completion of transactions. All financial liabilities have a maturity of less than three years or have no specific repayment dates.

The maturity of financial liabilities is as follows:

	31 December 2021		
US$000	**Less than 3 months**	**3 months to 1 year**	**Later than one year but no later than five years**
Loans and other borrowings	-	(1,000)	-
Lease liabilities	(195)	(470)	(759)
Silver Stream	-	(1,158)	(2,695)
Other payables and accruals	(17,169)	-	-
	(17,364)	**(2,628)**	**3,454**

	31 December 2020		
US$000	**Less than 3 months**	**3 months to 1 year**	**Later than one year but no later than five years**
Loans and other borrowings	(1,306)	(1,344)	-
Lease liabilities	(202)	(867)	(611)
Silver Stream	-	(1,899)	(3,691)
Convertible loan notes	-	(10,447)	-
Other payables and accruals	(12,783)	-	-
	(14,291)	**(14,557)**	**(4,302)**

27.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates.

Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in the currency that is not the Group's presentational currency.

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Tanzanian Shilling, Euro, Kenyan Shilling and Sterling, however most transactions are in USD. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(US$000)	USD	TZS	EUR	GBP	ZAR	KSH	Total
	31 December 2021						
Trade and other receivables	1,485	-	-	-	-	28	1,513
Cash and cash equivalents	12,967	82	-	118	-	46	13,214
Trade and other payables	(10,449)	(5,117)	(81)	(341)	(227)	(954)	(17,169)
Loans and other borrowings	(5,731)	-	(546)	-	-	-	(6,277)
Net exposure	**(1,728)**	**(5,035)**	**(627)**	**(223)**	**(227)**	**(880)**	**(8,721)**

(US$000)	USD	TZS	EUR	GBP	ZAR	KSH	Total
	31 December 2020						
Trade and other receivables	20	1,385	-			26	1,431
Cash and cash equivalents	40,796	82	-	615		89	41,582
Trade and other payables	(9,014)	(2,846)	-	(64)		(284)	(12,208)
Loans and other borrowings	(8,456)	-	(1,472)	-		(55)	(9,983)
Convertible loan notes	(9,999)	-	-	-		-	(9,999)
Net exposure	**13,347**	**(1,379)**	**(1,472)**	**551**		**(224)**	**10,823**

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency. In order to monitor the continuing effectiveness of this policy, the Board reviews quarterly the liabilities, analysed by the major currencies held by the Group of liabilities due for settlement and expected cash reserves.

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	2021	2020
TZS : US$	0.0004	0.0004	0.0004	0.0004
EUR : US$	1.1832	1.1412	1.1395	1.2259
GBP : US$	1.3757	1.2844	1.3499	1.3490
KSH : US$	0.0091	0.0090	0.0092	0.0092

27.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the costs of capital.

In order to maintain or adjust the capital structure the Company may return capital to shareholders and issue new shares, or when profitable, adjust the amount of dividends paid to shareholders.

28. Segment information

The Group had two operating segments during the year:

- Tanzanian Assets – gold mining, processing, exploration, development and related activities in Tanzania
- West Kenya Project – gold exploration activities in Kenya

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. These have been disaggregated as follows:

US$000	Tanzanian Assets	West Kenya Project	Total
	2021		
Revenue	103,571	-	103,571
Segment result	(1,152)	(7,320)	(6,168)
Operating profit / (loss)	11,987	(7,320)	4,667
Non-operating expenses	(2,700)	-	(2,700)
Financial income	548	-	548
Financial expense	(1,515)	-	(1,515)
Taxation	(7,168)	-	(7,168)
(Loss) attributable to equity holders of the parent Company	1,152	(7,320)	(6,168)
Segment assets	184,896	20,609	205,504
Segment liabilities	(47,768)	(954)	(47,722)
Non-current asset additions	19,723	29	19,752

US$000	2020 Tanzanian Assets	West Kenya Project	Total
Revenue	147,431	-	147,431
Segment result	18,150	(947)	17,203
Operating profit / (loss)	44,700	(947)	43,753
Financial income	1,870	-	1,870
Financial expense	(6,622)	-	(6,622)
Taxation	(21,798)	-	(21,798)
Profit / (Loss) attributable to equity holders of the parent Company	18,150	(947)	17,203
Segment assets	209,583	20,800	230,383
Segment liabilities	(64,164)	(297)	(64,461)
Non-current asset additions	14,478	19,979	34,457

29. Related party transactions

Details of the remuneration of the Directors, who are key management personnel, are contained within note 8 and the Remuneration Committee Report on pages 29 to 31. Executive Directors are considered key management.

30. Commitments

The Directors confirm that the Group had capital commitments of US$2.8 million (2020: US$3.6 million) relating to underground mining equipment at New Luika and long-lead capital items on order at Singida.

31. Dividend per share

US$000	31-Dec-21	31-Dec-20
Final dividend for 2020 of £0.001 per ordinary share	1,486	-
Interim dividend for 2021 of £0.001 per ordinary share	1,486	-
	2,972	-

A final dividend in respect of the year ended 31 December 2021 of £0.001 per ordinary share, equivalent to approximately US$ 1.5 million, is to be proposed at the annual general meeting. These financial statements do not reflect this dividend payable.

32. Contingent liabilities

Contingent liabilities identified as at 31 December 2021 have been summarised as follows:

(i) Under the terms of the Share Purchase Agreement for the West Kenya Project acquisition, US$0.5 million of cash consideration is conditional on satisfaction of certain conditions relating to the Company obtaining required approvals in respect of the Gold Rim Project Licences. These conditions had not been met as at 31 December 2021 and no amount has been recognised.

(ii) One of the Company's subsidiaries, Shanta Gold Kenya Limited, received an Income Tax Assessment on 15 November 2021 from the Kenya Revenue Authority (the "KRA") in respect of a review conducted regarding the disposal by three subsidiaries of Barrick of their interests in the West Kenya Project during 2020. The assessment constitutes a formal tax demand. The key finding highlighted within the correspondence being in respect of corporation tax falling due on an assessed net gain arising upon an assessed indirect transfer of interest in the West Kenya Project.

Legal advice has been obtained in respect of the findings. In respect of the assessed net gain arising upon an assessed indirect transfer of interest in the West Kenya Project, the legal advice obtained concludes that such taxes are payable by the seller in the transaction. Furthermore, specific warranties within Shanta's Sale and Purchase Agreement with Barrick provide protections for the Company in respect of this matter.

No liability or provision has been recognised within the 2021 financial statements in respect of the assessment from the KRA and, whilst any future payments by the Group in respect of these matters could be material, the amount of the payments cannot as yet be reliably determined and furthermore the likelihood of such future payments cannot be considered to be probable. Subsequent to year end, Barrick reached a settlement with the KRA, thereby settling all related obligations.

(iii) One of the Company's subsidiaries, Shanta Gold Kenya Limited ("SGKL"), received a Withholding Vat demand on 23 December 2021 from the Kenya Revenue Authority (the "KRA") relating to the alleged failure by Shanta Gold Kenya Limited to withhold a 2% withholding tax on vat on payments to suppliers. The KRA Demand Letter does not indicate whether it is a formal assessment and the manner in which the Company should object to it as required under Kenyan Tax Law.

The Company engaged with its tax and legal advisors to review the grounds of the demand who, together with SGKL, hold the position that the Company was only notified of its appointment as a WHVAT on 24 November 2021 and has been compliant with the provisions of Section 42A of the TPA since then. Based on the legal advice received and the grounds of objection SGKL is of the view that for the period January 2016 to October 2021 the demand is not legally justifiable and therefore no liability exists.

No liability or provision has been recognised within the 2021 financial statements in respect of the Demand from the KRA. Furthermore, in the unlikely event any amount become payable by the Company, per the SPA agreement with Seller, the Company can make a breach of warranty claim for any tax that becomes payable subject to the aggregate financial limits set out under the SPA being USD 2,000,000.

The Directors confirm that they are not aware of any other contingent liabilities as at 31 December 2020 (2019: US$Nil).


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SHANTA GOLD

Notice of the Annual General Meeting

Shanta Gold Limited

(A non-cellular Company limited by shares incorporated under the laws of the Island of Guernsey with registered number 43133) (the "Company").

Notice is hereby given that the Seventeenth Annual General Meeting of the shareholders of the Company will be held at 11 New Street, St Peter Port, Guernsey, GY1 3EG on 15 June 2022 at 12.00pm (the "Meeting") for the purpose of considering and, if thought fit, passing the following resolutions numbered 1–9 below as ordinary resolutions:

Ordinary resolutions

1. To receive and consider the profit and loss account and the balance sheet of the Company for the financial year ended 31 December 2021.
2. To receive and consider the report of the directors of the Company.
3. To receive and consider the report of the auditors of the Company.
4. To approve the Directors' remuneration paid for the year to 31 December 2021 as detailed in the 2021 Annual Report and Accounts.
5. To approve the Non-Executive Directors' aggregate fees for the period between 1 January 2022 to 31 December 2022 inclusive to be US$405,000
6. To authorise the directors to fix the remuneration of the auditors as the directors see fit.
7. To consider and if thought fit re-elect Luke Leslie as director of the Company who retires by rotation and who makes himself available for re-election as a director of the Company
8. To re-appoint BDO LLP as the auditors of the Company.
9. To approve a final dividend proposed by the Directors of 0.10 pence per share.

Dated 9 May 2022

By order of the board

Director

Any member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies, who need not be members of the Company, to attend the Meeting and vote on his behalf.

SHANTA GOLD

Form of proxy

Shanta Gold Limited

(A non-cellular Company limited by shares incorporated under the laws of the Island of Guernsey with registered number 43133) (the "Company").

As a shareholder of the Company you have the right to attend, speak and vote at the Seventeenth Annual General Meeting of the Company (the "Meeting"). If you cannot, or do not want to, attend the Meeting, but still want to vote, you can appoint someone to attend the Meeting and vote on your behalf. That person is known as a 'proxy'.

I/We ______________________________

of ______________________________

being (a) member(s) of the Company entitled to attend and vote at meetings, hereby appoint:

____

failing whom, the chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Meeting to be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF on 15 June 2022 at 12.00pm and at any adjournment thereof and to attend and vote thereat as indicated below. To allow effective constitution of the Meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholders provided that such substitute proxy shall vote on the same basis as the Chairman.

Please indicate with an 'X' in the appropriate space how you wish your votes to be cast (see Note 4).

Ordinary Resolutions—Ordinary Business	For	Against	Vote withheld
1. Ordinary Resolution to receive and consider the profit and loss account and the balance sheet of the Company for the financial year ended 31 December 2021.	☐	☐	☐
2. Ordinary Resolution to receive and consider the report of the directors of the Company.	☐	☐	☐
3. Ordinary Resolution to receive and consider the report of the auditors of the Company.	☐	☐	☐
4. Ordinary Resolution to approve the Directors' remuneration paid for the year to 31 December 2021 as detailed in the 2021 Annual Report and Accounts.	☐	☐	☐
5. Ordinary Resolution to approve the Non-Executive Directors' aggregate fees for the period between 1 January 2022 to 31 December 2022 inclusive to be US$405,000.	☐	☐	☐
6. Ordinary Resolution to authorise the directors to fix the remuneration of the auditors as the directors see fit.	☐	☐	☐
7. Ordinary Resolution to consider and if thought fit re-elect Luke Leslie as director of the Company who retires by rotation and who makes himself available for re-election as a director of the Company.	☐	☐	☐
8. Ordinary Resolution to re-appoint BDO LLP as the auditors of the Company.	☐	☐	☐
9. Ordinary Resolution to approve a final dividend proposed by the Directors of 0.10 pence per share.	☐	☐	☐

______________________________ Date

______________________________ Signature(s) or common seal (see Note 3)

Notes to the proxy form

1. A proxy need not be a member of the Company.

2. If you do not indicate how you wish your proxy to use your vote in a particular manner, the proxy will exercise his/her discretion as to how he/she votes and as to whether or not he/she abstains from voting.

3. The Form of Proxy must be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if the appointer is a corporation under its common seal or under the hand of the officer or attorney duly authorised.

4. If you wish your proxy to cast all of your votes for or against a resolution you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, insert the relevant number of shares in the appropriate box.

5. The "Vote Withheld" option is provided to enable you to instruct your proxy to abstain from voting on a particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" or "Against" a resolution.

6. Forms of Proxy, to be valid, must be lodged, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, at the Company's registered office by fax +44 1481 729200 or email to: corporate.secretarial.gg@vistra.com or posting the original to: PO Box 91, 11 New Street, St Peter Port, Guernsey GY1 3EG not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

7. In the case of joint holders, the signature of any one of them will suffice, but if a holder other than the first-named holder signs, it will help the Registrars if the name of the first-named holder is given.

8. Any alteration to this Form of Proxy must be initialled.

9. Completion and return of this Form of Proxy does not preclude a member subsequently attending and voting at the Meeting.