



HAMAK GOLD LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 6 MAY 2021 TO 31 DECEMBER

2021 (THE "PERIOD")

HAMAK GOLD LIMITED
GROUP INFORMATION

Directors	Amara Kamara Nicholas Karl Smithson Samuel Julius Baiden Kenneth Niall Young Walter Seward McCarthy Martin Lampshire	Executive Chairman Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Group Secretary	James Seymour Cable	
Registered office	Morgan & Morgan Building Pasea Estate, Road Town PO Box 958, VG1110 Tortola, BVI	
Principal place of business / operations	Carey & Rendall Street Intersection Montserrado County, Monrovia Republic of Liberia	
Independent Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD	
Broker	Peterhouse Capital Limited 80 Cheapside London EC2V 6DZ	
Registrar	Computershare Investor Services (BVI) Limited Woodbourne Hall P.O. Box 3162 Road Town, Tortola British Virgin Islands	
Depository	Computershare Investor Services plc The Pavillions Bridgwater Road Bristol BS99 7NH	
Financial Public Relations	Yellow Jersey PR Limited 15-19 Bloomsbury Way London WC1A 2TH	
Bankers	Arie Finance 5th Floor, Alexandre House, Ebene, Mauritius	
	Ecobank Liberia Limited 11 th Street, Sinkor Monrovia Republic of Liberia	
Website	www.hamakgold.com	
Stock Exchange	London Stock Exchange	
Trading Symbol	HAMA (stock is quoted in Pounds Sterling)	

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HAMAK GOLD LIMITED

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Dear Shareholder,

I am pleased to present the annual report of Hamak Gold Limited (the "Company" or "Hamak") and its subsidiary (collectively referred as the 'Group' or 'Hamak Gold'). The Group undertakes gold exploration with a focus on highly prospective licenses in Liberia, West Africa, for the period ended 31 December 2021

On 1 March 2022, Hamak was admitted to trading on the main market of the London Stock Exchange in its initial public offering ("IPO"), simultaneously raising gross proceeds of £955,000 in new capital from institutional and private investors as well as the Board of Directors.

The Group acquired on 15 February 2022 two mineral exploration licences, Nimba and Gozohn in Liberia, covering 1,752 square kilometres and also has an option over a further five exploration licences covering an area of 3,213 square kilometres. Exploration has initially focused on detailed geochemical soil sampling in the Gozohn and Nimba licences and further details are provided in the Directors Report.

Strategy

The Group's main mineral exploration focus is on the discovery of orogenic gold, Archaean and Paleoproterozoic greenstone hosted gold and shear zone hosted gold type mineralization in underexplored, yet highly prospective, areas of Liberia. The Group is also applying exploration techniques for the discovery of base metals within its exploration licences. The Group's strategy is built on three main pillars:

- Identify highly prospective exploration ground and brownfield projects in known mineral districts with demonstrated historical exploration results and limited application of modern exploration techniques.
- Develop proven and out-of-the-box concepts for potential mineral targets and efficiently conduct exploration by application of state-of-the-art methods and equipment.
- Partner with other companies via joint ventures or farm-in agreements.

Liberia

There has been a long history of artisanal gold mining in Liberia from alluvial deposits. Following the end of hostilities (2003) and democratic national elections (2005), a number of private and public junior companies have undertaken systematic gold exploration in Liberia and within the last decade, the gold sector of Liberia has seen considerable expansion.

Liberia is an emerging gold producing country having attracted significant exploration interest and expenditure over the last decade. This transformation of the country's gold sector is evidenced by annual production increasing significantly since 2007 from a little over 300 kg (10,500 oz) to 7,096 kg (250,300 oz) in 2018.

Liberia did not experience the gold exploration boom during the 1980s and 1990s that took place in neighboring West African countries mostly due to political instability and therefore has remained relatively under-explored and therefore can be considered highly prospective for gold and base metals.

HAMAK GOLD LIMITED
CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Summary

The Board believes that the Group has acquired excellent prospective licences that have proven occurrences of gold supported by excellent geological formations and is encouraged by the initial geological work and sampling results achieved in the Gozohn and Nimba licences. We expect that during the coming year our dedicated exploration teams will identify key areas within these two licences which can be drilled to intersect the bedrock source(s) of the gold anomalies generated.

Hamak was admitted to the London Stock Exchange and should our exploration and drilling lead to positive gold discoveries we believe that significant value can be created for all shareholders.

I would like to thank all our employees, advisors, my fellow Board members and our shareholders for their continued support to the Group as we transformed from a private to a public Group and now as we look to grow our Group through successful exploration of our own licences, as well as considering other value accretive opportunities in the wider West African region.

Financial Overview

Funding

The Group is funded through investment from its shareholders. In the pre-IPO period funding of £50,000 was secured through a zero-coupon convertible loan note, which converted into ordinary shares at the admission ("Admission") to the London Stock Exchange trading at a 25% discount to the IPO price. The Group also raised gross proceeds of £955,000 as part of the initial listing on the London Stock Exchange ("LSE") on 1 March 2022, subsequent to the period end.

Revenue

Being an early-stage exploration Group, the Group generated no revenue during the period, but is focusing on its exploration licences in Liberia with a strategy of making significant gold discoveries in the shortest possible time frame.

Expenditure

During the period, the Group progressed all legal, accounting and due diligence work related to IPO which was achieved on the 1 March 2022 (post period). Expenditure during the period was focused on the Admission process and, following Admission, the Group has focused its efforts and expenditure on progressing its exploration programmes in line with our stated strategy.

Liquidity, cash and cash equivalents

On 31 December 2021, the Group held \$501 in funds and a receivable of \$1,400 from the balance of the pre-IPO funding of £50,000, and added gross proceeds of £955,000, subsequent to the period end following its successful listing on the London Stock Exchange.

Dividend

The Directors do not intend to declare a dividend in respect of the period under review.



Amara Kamara
Executive Chairman

8 June 2022

HAMAK GOLD LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Fair Business Review

The Company was incorporated on 6 May 2021 under the BVI Business Companies Act. As at the date of this report, the Group comprises the Company and its sole wholly owned subsidiary, Hamak Gold Limited Liberia, which was incorporated in Liberia on 27 May 2021.

To enable the Group to pursue its principal activities, it sought an IPO of the Company's securities on the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of its business strategy. The IPO was successfully completed after the period end, and the Company's shares were admitted for trading on 1 March 2022.

The Group's main mineral exploration focus is the discovery of orogenic gold, Archaean and Paleoproterozoic greenstone hosted gold, and shear zone hosted gold type mineralization in underexplored yet highly prospective areas of Liberia. The Group is also applying modern exploration techniques for the discovery of base metals within its exploration licences. Being an exploration business without producing mines, the Group will have no revenue and will have to rely on debt and/or equity as its major source of funding. If the Group is successful in its exploration activities, it will seek to transition into an exploration and development business.

The Group acquired on 15 February 2022 two mineral exploration licences in Liberia, Nimba and Gozohn, covering 1,752 square kilometres and also has an option over a further five exploration licences covering an area of 3,213 square kilometres. Exploration has initially focused on detailed geochemical soil sampling in the Gozohn and Nimba licences, with further details provided in the Directors Report.

In the Group's Prospectus dated 24 February 2022, the Competent Person ranked the seven mineral exploration licences (MELs) individually and in accordance with their geological and spatial relationship with specific geological structures as well as on the scale of gold mining activity in or near those licences. Often licences can be grouped according to their prospectivity and relative proximity to each other. Thus, the following ranking of the licences is advised by the Competent Person:

Rank No. 1: Cestos shear zone and greenstone belts

- Nimba Licence
- Gozohn Licence

Rank No. 2: Dube shear zone and Birimian greenstones

- River Gee Licence

Rank No. 3: Lofa and Yambesei shear zones and greenstones

- Fasama
- Lofa

Rank No. 4: Juazohn shear zone and amphibolites

- Cestos Licence
- Sinoe Licence

Initially two MELs, Nimba and Gozohn, have been transferred on 15 February 2022 to the Group following approval of such licence transfer from the Minister of Mines and Energy of Liberia on 3 August 2021.. The Group retains an option with respect to the other five MELs, which if exercised will result in the transfer of these licences into its portfolio.

HAMAK GOLD LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Business plan and strategic objectives

The Group's long-term strategic objectives are to be a best-in-class, regionally competitive gold exploration and mining business and an industry leader in terms of health and safety, Environmental, Social, and Governance ("ESG"), operational efficiency and asset quality. The Group will seek to achieve these aims through managing its operations safely and sustainably, with a view to ensuring that, subject to successfully discovering commercially viable and extractable mineral deposits, the Group will be in an optimal position to create value and generate returns for Shareholders and significant benefits for all stakeholders including local communities.

There are a number of risks associated with newly listed entities in the natural resources sector, especially in West Africa. The Board regularly reviews the risks to which the Group is exposed and also endeavors to mitigate them as far as possible.

The following summary, which is not exhaustive, outlines some of the risks and uncertainties the Group may be exposed to:

Geopolitical

The Group will be subject to risks associated with operating in Liberia which include economic, social or political instability. The legal system is less developed than in more established countries and there is a risk of crime and corruption from operating in Liberia

No operating history

The Group is a newly formed entity with no operating history other than the successful Admission which was completed after the period on 1 March 2022. However, the Board and Management of the Group have considerable exploration, development and mining experience in the West Africa region, in particular in Liberia, Sierra Leone and Guinea.

Exploration and development risks

Following the Group's acquisition of its target licences in the natural resources sector subsequent to period end, they are likely to be subject to a high degree of risk as mineral exploration and development can be highly speculative. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the Group's investments will result in profitable commercial operations.

Industry-specific risks

The natural resources sector is inherently tied to the performance of the global economy and fluctuations in the price of global commodities. As a result, segments of the natural resources sectors (or even the sector as a whole) could be affected by changes in general economic activity levels and other changes which are beyond the Group's control. The revenues and earnings from developing its assets will rely on commodity prices, and the Group will be unable to control the prices for commodities, which may adversely affect the Group's business, results of operations, financial condition or prospects.

Liquidity risk

Whilst the directors are confident that the Group will be able to raise additional funds as and when required and will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the consolidated financial statements, there can be no assurance that such funds as may be required will be raised.

HAMAK GOLD LIMITED
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented.

Gender analysis

A split of directors by gender during the year is shown below:

Male	Female
2	nil

Directors and employees

The Group currently has only male directors and is committed to promoting gender equality based on relevant skills and experience as it progresses through its life cycle.

Environment, Social and Corporate Governance (ESG)

As a new Group focused on early-stage exploration, we aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders, employees and local community stakeholders. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Environment

The Group has in place all necessary environmental permissions for the Nimba and Gozohn licences which are the focus of our exploration activity. These permits are issued by the Environmental Protection Agency (EPA) of Liberia according to the prevailing laws of the country.

Social

The Group is performing regional exploration work so is not yet focused on any defined areas within its licences. However, the Group adheres to the social requirements within the country of working with local communities at all times, engaging with them so they are aware of our activities and where possible recruiting labour from nearby communities. In addition, the Mineral Law of Liberia requires that 2% of exploration expenditure be invested in education or health facilities in the exploration licences where the work is conducted. The Group will adhere to this requirement and make such provision at the end of each financial year once the expenditure has been calculated for the period.

Corporate Governance

Being a public Group listed on the LSE Standard Exchange, the Group will adopt all required Governance rules and has in place the necessary structure of Board committees to oversee the business of the Group to ensure adherence to best practice procedures.

HAMAK GOLD LIMITED
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Health and Safety

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group. We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realize the objectives of the Group and their own potential.



Amara Kamara
Executive Chairman

8 June 2022

HAMAK GOLD LIMITED

KEY PERSONNEL

FOR THE PERIOD ENDED 31 DECEMBER 2021

The Directors and other key management personnel are as follows. At the end of the reporting period Mr. Kamara and Mr. Smithson were the sole directors, with the other directors and key employees appointed (except as stated) on 15 February 2022 prior to the listing on the LSE.

Amara Kamara, Age 49 - Executive Chairman

Mr. Kamara is a business entrepreneur in Liberia. He is founder and CEO of both Hamak Mining Group, which holds a number of gold and diamond MELs in Liberia, and Hamak Gems Group, which is a diamond buying and exporting Group and also based in Liberia. He holds a Diploma in IT and has been a certified rough diamond expert for over 15 years. Mr. Kamara is the President of the Liberia Chamber of Mines.

Nicholas Karl Smithson, Age 55 - Executive Director

With over 30 years' experience in the resources sector in Africa, Mr. Smithson has held senior management positions at De Beers, SouthernEra Resources, Mano River Resources, Stellar Diamonds and Newfield Resources. He was formerly CEO of Stellar Diamonds and drove the acquisition in 2018 of Stellar by ASX listed Newfield Resources. He currently is executive director of Newfield Resources and CEO of subsidiary Group Sierra Diamonds and is leading the construction and development of the underground Tongo Diamond Mine in Sierra Leone. Throughout Karl's career, he has established strong government and local stakeholder relationships in numerous African countries and has successfully secured several joint venture agreements with both major and junior resource companies.

Karl holds a Bachelor of Science in Geology (Honours) from Kingston University, London, and a Master of Business Administration from the University of Cape Town and is a Fellow of the Institute of Materials, Minerals and Mining.

Board Composition Subsequent to Period End

The following new directors and key employees were appointed (except as stated) on 15 February 2022 prior to the listing on the LSE.

Samuel Julius Baiden, Age 38 – Non-Executive Director

Mr. Baiden is currently group finance manager with Newfields Resources Limited, having joined in April 2015, prior to which he was a management accountant with Endeavour Mining Corporation in Ghana from March 2010. He has 12 years financial accounting experience on both exploration projects and establish mines, reporting to chief executive officers and boards. Samuel holds a B.com in Accounting (Honours) from University of Cape Coast, Ghana, a master's in business administration from Cardiff Metropolitan University and is a member of the Chartered Institute of Management Accountants (United Kingdom) and Institute of Chartered Accountants (Ghana).

Kenneth Niall Young, Age 61 – Non-Executive Director

Mr. Young is a mining executive with over 35 years in exploration, evaluation, R&D and mining. He spent 25 years with the Anglo American, Minorco and De Beers Group of companies in a range of commodities. He has worked on projects in Southern Africa, Canada, Russia, Eastern Europe, the Middle East and India. During this time, he held several senior management posts and in 2006 he took up the role of Global Head of Mineral Resource Management for the De Beers Group of companies. Niall is a former non-executive director of Firestone Diamonds plc, a London AIM listed diamond mining Group, He is a founding director of Windmill Hill Capital Partners Limited, an Afrocentric corporate and financial advisory group and a director of GemRock Company Limited, a private, coloured gemstone explorer and miner. Niall holds a B.Sc. (Hons) degree in Mining Exploitation from University College Cardiff and is a Fellow of the Geological Society of London.

HAMAK GOLD LIMITED

KEY PERSONNEL

FOR THE PERIOD ENDED 31 DECEMBER 2021

Walter Seward McCarthy, Age 50 – Non-Executive Director

Walter is a Mining Engineer with over 20 years of experience in the Energy and Natural Resource sectors. He has facilitated the development of several projects in the fields of Mineral Exploration, Environmental Impact Assessment, Geotechnical Investigation, Resource Appraisal, Mine Development and served as competent technical resource adviser other projects. Walter was Liberia country manager for Hummingbird Resources which discovered the multi-million-ounce Dugbe gold deposit. Walter has held number of roles in Liberia's government where he has gained extensive experience, most prominently as Assistant Minister for Mines, Ministry of Lands, Mines and Energy, Liberia and Deputy Minister for Administration at the Ministry of Lands, Mines and Energy, Liberia. He is a Master of Business Administration (Economics) from Cuttington University Graduate School, Bong County, Liberia and holds a Diploma (Data processing) from Vision Computer College Nigeria, and a B.Eng. (Honours) in Mining Engineering from the Federal University of Technology Akure, Ondo State, Nigeria.

Marin Lampshire, Age 61 – Non-Executive Director (appointed 19 April 2022)

Mr Lampshire has over 30 years' experience in Corporate Broking, assisting in a variety of equity raises including IPOs, secondary fundraisings, vendor and private placings across a variety of sectors. He has worked in various overseas financial centres including Hong Kong, Singapore, Kuala Lumpur and Dubai. Mr Lampshire is currently a Non-Executive Director of Boston International Holdings Plc, a Non-Executive Director of ValiRx Plc and an Executive Director of GRIT Investment Trust Plc. On 21 December 2020 GRIT Investment Trust Plc announced a Creditors Voluntary Arrangement at a meeting of creditors and approved at the Group's General Meeting. Mr Lampshire was previously a Non-Executive Director of Bould Opportunities Plc, resigning after the Group's admission to the Main Market of the London Stock Exchange on 14 May 2021 and change of name to Cizzle Biotechnology Holdings Plc.

Rowan Carr, Age 60 - Chief Operations Officer (appointed 19 April 2022)

Rowan Carr is a mineral exploration geologist with 35 years in exploration, evaluation and mining. He spent 21 years with De Beers Group of companies prior to joining Stellar Diamonds in 2007 and more recently Newfield Resources. He has worked in 8 African countries and for the last 15 years has been based in West Africa with a particular focus on the Archaean and Birimian geology of Guinea, Sierra Leona and Liberia. Rowan started his career in gold exploration in Northern Ireland in 1983 with the then Ennex International on its Curraghinalt Project near Omagh (which ultimately proved a 5-million-ounce gold resource). Relocating to Southern Africa in 1986, Rowan continued with exploration holding increasingly senior management positions, exploring in eight African countries across the continent including tough jurisdictions such as Angola, DRC and the Central African Republic. Rowan holds a B.Sc (Hons) degree and a M.Sc in Mineral Exploration from the Royal School Mines, Imperial Collage, London and is a Fellow of the Geological Society of London as well as a Chartered Geologist from the same institution.

HAMAK GOLD LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report and financial statements for the period ended 31 December 2021.

Principal activities

The principal activity of the Group is that of gold and base metals exploration and development through its subsidiary company in Liberia which if successful may lead to production.

As stated in the strategic report above, in pursuing its principal activities, the Group successfully completed the Standard listing of the Company on the LSE on 1 March 2022.

Results

The Group recorded a loss for the period ended 31 December 2021 before taxation of \$355,378.

Directors

The following directors have held office during the period and to the date of approval of these financial statements:

Amara Kamara	(appointed 6 May 2021)
Nicholas Karl Smithson	(appointed 6 May 2021)
Samuel Julius Baiden	(appointed 15 February 2022)
Kenneth Niall Young	(appointed 15 February 2022)
Walter McCarthy	(appointed 15 February 2022)
Martin Lampshire	(appointed 19 April 2022)

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Director's Remuneration Report from page 24.

Financial Risk & Management

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies can be referenced in Note 14.

Share Capital

Details of the Group's issued share capital, together with details of the movements since incorporation, are shown in Note 12. The Group has one class of Ordinary Share, and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Group is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on pages 13 and 25

HAMAK GOLD LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Substantial Shareholdings

At 7 June 2022, the Group had been informed of the following substantial interests over 3% of the issued share capital of the Group:

Name	On and since Admission	Percentage of Ordinary Shares	On Secondary Admission**	
	Number of Ordinary Shares		Number of Ordinary Shares	Percentage of Ordinary Shares
Amara Kamara	8,623,333	41.39%	25,843,333	62.59%
Flare Capital Ltd	2,215,000	10.63%	2,215,000	5.36%
2Invest AG	2,000,000	9.60%	2,000,000	4.84%
Nicholas Karl Smithson *	1,393,333	6.69%	3,733,333	9.04%
Peterhouse Capital Ltd	983,000	4.72%	983,000	2.38%
Gledhow Investments Ltd	966,667	4.64%	966,667	2.34%

* Includes 400,000 shares held by his spouse

** Secondary Admission assumes all Vesting Shares and Fee Shares and no other additional Ordinary Shares are issued by the Company between the date of Admission and the date of Secondary Admission.

Corporate Governance Statement

As a Company being admitted to the Standard Segment of the Official List, the Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Group's current stage of development, the size and composition of the Main Board and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines").

The Group complies with the QCA guidelines in all areas apart from a slight deviation relating to Principle 7 (evaluate board performance based on clear objectives). Given the size and nature of the Group the Board does not consider it appropriate to have a formal performance evaluation procedure in place for Non-Executive Directors. The Board will closely monitor the need for formal performance evaluation, in light of Principle 7 of the QCA Code, as the Group develops.

The Board holds regular scheduled and other timely board meetings as needs arise which require the attention of the Directors. Since the Company's IPO, the Board have been responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Board's responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group, on behalf of the Shareholders to whom they are accountable.

The primary duty of the Board is to act in the best interests of the Group at all times. The Board will also address issues relating to internal control and the enlarged Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Board of Directors is accountable to the Group's shareholders for ensuring good corporate governance and the Directors have agreed to report against the Quoted Companies Alliance ("QCA") Corporate Governance Code.

HAMAK GOLD LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

QCA Code Recommendation	Application by the Group
<p>Principle 1</p> <p>Establish a strategy and business model which promote long-term value for shareholders</p> <ul style="list-style-type: none"> • The board must be able to express a shared view of the Group's purpose, business model and strategy. • It should go beyond the simple description of products and corporate structures and set out how the Group intends to deliver shareholder value in the medium to long-term. • It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Group from unnecessary risk and securing its long-term future. 	<p>The Group intends to provide regular updates to shareholders regarding the exploration on its licences areas as well as in respect of potential new licences which it believes will create shareholder value and will include content on its website and will interact with the Group's ambassadors.</p> <p>Initially the Group aims to deliver shareholder value by sampling its prime licence areas. The Directors believe further value can be created by seeking additional prospective licences and entering into joint venture and farm-in agreements with strategic partners.</p> <p>The Board of Directors meets to discuss strategy and its monitoring and is focused on measuring the Group's activities to ensure that they promote long term value and that these activities are aligned with the plan as communicated to shareholders.</p>

<p>Principle 2</p> <p>Seek to understand and meet shareholder needs and expectations</p> <ul style="list-style-type: none"> • Directors must develop a good understanding of the needs and expectations of all elements of the Group's shareholder base. • The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions. 	<p>The Group understands the importance of communication with its shareholders which it does through its annual report and accounts, interim accounts, and regulatory announcements.</p> <p>The Group maintains a dedicated email address which investors can use to contact the Group which is prominently displayed on its website together with the Group's address.</p> <p>As the Group is too small to have a dedicated investor relations department, the Group retains a PR firm along with its broker who will both advise the Group in its review of all communications received from shareholders and determine the most appropriate response following a discussion with the wider Board where appropriate.</p> <p>In addition to these passive measures, Group intends to engage with shareholders through periodic roadshows and its broker will engage with shareholders and feedback provided to management to be shared with the wider Board.</p>
<p>Principle 3</p> <p>Take into account wider stakeholder and social responsibilities and their implications for long-term success</p> <ul style="list-style-type: none"> • Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the Group's stakeholders and understand their needs, interests and expectations. • Where matters that relate to the Group's impact on society, the communities within which it operates or the environment have the potential to affect the Group's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the Group's strategy and business model. 	<p>The Group regards its teams and employees; advisors; shareholders and local relevant parties in Liberia to be its wider stakeholder group.</p> <p>The Group needs to ensure that it:</p> <ul style="list-style-type: none"> • is fully compliant with all regulatory requirements; • is fully compliant with local authorities with regards performance licenses; • takes into account its wider stakeholders' needs including environmental concerns; • maintains a good reputation as an operator of its assets; and • takes into account its social responsibilities and their implications for long-term success. <p>The Chairman maintains a close relationship with the Group's local stakeholders in Liberia and the Group takes account of feedback from interested parties.</p>

HAMAK GOLD LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

<ul style="list-style-type: none"> • Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups. 	<p>The Broker will organise shareholder update meetings and investor meetings and feedback provided to management to be shared with the wider Board.</p>
<p>Principle 4</p> <p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p> <ul style="list-style-type: none"> • The board needs to ensure that the Group's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the Group's supply chain, from key suppliers to end-customer. • Setting strategy includes determining the extent of exposure to the identified risks that the Group is able to bear and willing to take (risk tolerance and risk appetite). 	<p>The Board has taken into account the QCA Code and associated guidance in formulating the systems and procedures which it has put in place. Each year the Board will review all controls, including financial, operational and compliance controls and risk management procedures.</p> <p>The Group will maintain a register of risks and for each risk we will estimate the impact, likelihood as well as identify mitigating strategies. This register will be reviewed periodically as the Group's situation changes and as a minimum annually. During such reviews, each risk category is considered by the Directors with a view to understanding (i) whether the nature, impact or likelihood of any risks has changed, (ii) whether the mitigating actions taken by the Group should change as a result and (iii) whether any new risks or categories of risk have arisen since the last review. The Group's risk register will be provided to its auditor as part of its annual audit process.</p>

HAMAK GOLD LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

<p>Principle 5</p> <p>Maintain the board as a well-functioning, balanced team led by the chair</p> <ul style="list-style-type: none"> • The board members have a collective responsibility and legal obligation to promote the interests of the Group, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. • The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. • The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. • The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. • Directors must commit the time necessary to fulfil their roles. 	<p>The Group notes that best practice under the QCA Code is to have an appropriate balance between executive and non-executive directors and should have at least two independent nonexecutive directors.</p> <p>The Board of the Group currently comprises two executive directors, and four independent nonexecutive directors. The Board will meet at least 4 times a year and a record will be kept of each Board member's attendance of board meetings.</p> <p>In terms of the executive directors, they will commit such significant of their time to the Group as may be required, and they are assisted by committees formed by the Board. They are required to spend such of his time as is necessary to fulfil his duties to the Group.</p> <p>Non-executive contracts require that they be able to allocate sufficient time to meet the expectations of their role. This is anticipated to be approximately two days per month. The time commitments will be monitored on an ongoing basis and if more is needed time wise from then this will be addressed.</p>
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<p>Principle 6</p> <p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p> <ul style="list-style-type: none"> • The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. • The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. • As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change. 	<p>Biographies and expertise of the Directors are available on both the Group's website (in the Board of Directors section) and the Annual Report.</p> <p>In matters related to Group law, the Group depends upon the legal expertise of its legal advisers.</p> <p>Where there are issues that exceed the expertise of the Directors, the Group utilises external advisors.</p> <p>The Group has as at date not sought external advice on keeping directors' skills up to date but believes that their blend of past and ongoing experience provides them with the relevant up to date skills needed to act as Board members for a small Group. The Board will keep a watch on its collective skills base and annually assess what gaps there may be in skills needed to continue to drive shareholder value.</p>
<p>Principle 7</p> <p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p> <ul style="list-style-type: none"> • The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. • The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. 	<p>Evaluation of the performance of the Group's Board will be done initially internally in an informal manner. The Group is considering how and when it would be appropriate to evaluate Directors' performance in a more formal manner and will make a further announcement on this when appropriate.</p> <p>On an ongoing basis, Board members will opportunistically monitor the market for candidates who may be suitable additions to or backup for current Board members.</p>

<p>Principle 7 (continued)</p> <ul style="list-style-type: none"> • It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable. 	
<p>Principle 8</p> <p>Promote a corporate culture that is based on ethical values and behaviours</p> <ul style="list-style-type: none"> • The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. • The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Group. • The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Group. • The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the Group. 	<p>The Board works towards ensuring that strong values are set and carried out by the Directors across the business. The Board ensures that sound ethical practices and behaviours are deployed at Group Board meetings and are promoted throughout the Group as part of its culture as it is seen as essential to maximise shareholder value and it has relevant policies in place. Adherence to these values is a key factor in the evaluation of performance within the Group, including during annual performance reviews. In addition, staff and team matters are a standing topic at every board meeting and the Executive Director reports on any notable examples of behaviours that either align with or are at odds with the Group's stated values.</p>

<p>Principle 9</p> <p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p> <ul style="list-style-type: none"> • The Group should maintain governance structures and processes in line with its corporate culture and appropriate to its: <ul style="list-style-type: none"> o size and complexity; and o capacity, appetite and tolerance for risk. • The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Group. 	<p>The Board of Directors of the Group meets at least four times per year, or more often if required. The matters reserved for the attention of the Board include inter alia:</p> <ul style="list-style-type: none"> • The preparation and approval of the financial statements and interim reports, together with the approval of dividends, significant changes in accounting policies and other accounting issues; • Board membership and powers, including the appointment and removal of board members, and determining the terms of reference of the Board and establishing and maintaining the Group's overall control framework; • Approval of major communications with shareholders; • Senior management and board appointments and remuneration, contracts, approval of bonus plans, and grant of Performance Shares; • Financial matters including the approval of the budget and financial plans, and changes to the Group's capital structure, and business strategy; and • Other matters including regulatory and legal compliance. <p>The Board is supported by the Audit Committee, and the Remuneration Committee.</p> <p>The Audit Committee meets at least twice a year. The committee is responsible for the functions recommended by the QCA Code including the following:</p> <ul style="list-style-type: none"> • Review of the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards and legal requirements; • Receive and consider reports on internal financial controls, including reports from the auditors and report their findings to the Board;
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HAMAK GOLD LIMITED
 DIRECTORS' REPORT
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	<p>Consider the appointment of the auditors and their remuneration including the review and monitoring of independence and objectivity;</p> <ul style="list-style-type: none"> • Meet with the auditors to discuss the scope of their audit, issues arising from their work and any matters the auditors may wish to raise; • Monitor the amount of non-audit services provided by the auditor in order to satisfy itself that this will not compromise their independence; and • Review the Group's corporate review procedures and any statement on internal control prior to endorsement by the Board. <p>The Audit Committee currently comprises K Niall Young, Julius Baiden, Walter McCarthy and Martin Lampshire</p> <p>The Remuneration Committee has been established primarily to determine the remuneration, terms, and conditions of employment of the executive directors of the Group. Any remuneration issues concerning non-executive directors are resolved by this Committee and no director participates in decisions that concern his own remuneration.</p> <p>The Group will give regular consideration as to how best to evolve its governance framework as it grows. Such evolution could include, for example, increase in the size of the Board and external review of Board members performance. The Remuneration committee will act as the Nominations committee in discussing matters such as director appointments and succession planning.</p>
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HAMAK GOLD LIMITED
 DIRECTORS' REPORT
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<p>Principle 10</p> <p>Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p> <ul style="list-style-type: none"> A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Group. In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: <ul style="list-style-type: none"> the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the Group. It should be clear where these communication practices are described (annual report or website). 	<p>The Group communicates with shareholders through the annual report and accounts, regulatory announcements, and the annual general meeting. A range of corporate information (including all Group announcements and presentations) is also available on the Group's website.</p> <p>In addition, the Group will seek to maintain dialogue with shareholders through the organisation of periodic roadshows with the Executive Director and other members of the senior management team.</p> <p>The Broker will organise shareholder update meetings and investor meetings and feedback provided to management to be shared with the wider Board.</p>
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Board of Directors

For the period from incorporation to 31 December 2021 the Board consisted of an Executive Chairman and an Executive Director. The Directors met regularly throughout the year to discuss key issues and to monitor the overall performance of the Group.

The Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee and a Disclosure Committee effective from Admission, with such committees having formally delegated duties and responsibilities.

The Directors expanded the Board prior to listing and will actively seek to expand Board membership as may be required from time to time to provide additional levels of corporate governance procedures at the relevant opportunity. Messrs, Baiden, Young and McCarthy were appointed on the 15 February 2022 to strengthen the board. Mr. Lampshire joined the Board on the 19 April 2022.

There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Group is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on pages 13 and 25.

Audit Committee

The Audit Committee will be responsible for making recommendations to the Board on the appointment of auditors and the auditor's fee, for ensuring that the financial performance of the Group is properly monitored and reported, and for meeting with the auditors. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group and will be responsible for the Group's internal controls and risk management systems, whistleblowing and employee fraud, internal and external audits.

The Audit Committee must comprise of at least two members. Members of the Audit Committee will be appointed by the Board.

The Audit Committee comprises of Kenneth Niall Young (as chair), Samuel Julius Baiden, Walter Seward McCarthy and Martin Lampshire, and will meet at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Remuneration Committee

For the period to 31 December 2021 there was no Remuneration Committee in place. From Admission the Group has implemented a Remuneration Committee comprising Kenneth Niall Young (as chair), Walter Seward McCarthy and Samuel Julius Baiden, and will meet at least once a year, being responsible for both the review and recommendation of the scale and structure of remuneration for senior management. In reviewing the remuneration policy of the Group, this will include any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

The members of the committee shall serve for an initial term of three years from Admission, which will be extendable for a maximum of two terms no longer than 3 years.

Nominations Committee

The Nomination Committee will lead the process for board appointments and make recommendations to the Board. The Nomination Committee shall evaluate the balance of skills, experience, independence and knowledge on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Nomination Committee must have at least two members. Members of the Nomination Committee are appointed by the Board. The Nomination Committee comprises of Walter Seward McCarthy (as chair), Kenneth Niall Young and Samuel Julius Baiden, and will meet as and when necessary, but at least once each year.

Disclosure Committee

The Disclosure Committee will be responsible for ensuring timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the Standard Listing and Admission including the Listing Rules, the Disclosure Guidance and Transparency Rules and UK Market Abuse Regulations. The Disclosure Committee must have at least two members. Members of the Disclosure Committee are appointed by the Board. The Disclosure Committee comprises of Karl Smithson (as chair), and Amara Kamara. The Disclosure Committee will meet as often as necessary to fulfil its responsibilities.

HAMAK GOLD LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

External Auditor

PKF Littlejohn LLP were appointed auditors to the Group and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

Internal financial control

Financial controls have been established as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board excluding the major shareholder;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Group.

Shareholder Communications

The Group uses a regulatory news service and its corporate website (www.hamakgold.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Group counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Remuneration Policies

The remuneration policy of the Group was that prior to Admission, there was nil remuneration for each Director. From the date of Admission, each Director agreed to accept ordinary shares in the Group in lieu of Director Fees for the first 18 months after Admission.

Since Admission subsequent to period end, a Remuneration Committee has been appointed to assess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy will assist to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Group and for long term enhancement of shareholder value. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises fee shares and at present, there is no bonus or long-term incentive plan in operation for the Directors, though a performance share rights programme will be implemented during the next financial year.

HAMAK GOLD LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Service contracts

The Executive Directors entered into Service Agreements with the Group and continue to be employed until terminated by the Group. In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is remunerated by the award of ordinary shares in Hamak Gold Limited, in lieu of cash fees, to be issued quarterly in arrears, with the following shares to be issued over 18 months in equal quarterly installments:

	Shares
Amara Kamara	870,000
Nicholas Karl Smithson	750,000
Samuel Julius Baiden	300,000
Kenneth Niall Young	300,000
Walter McCarthy	300,000
Martin Lampshire	272,833

Approval by members

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

Political Donations

The Group did not make any donations to political parties in the period.

Directors' interests in shares

The Group has no Director shareholder requirements.

The beneficial interests of the Directors in the Ordinary Share Capital of the Group at 7 June 2022 were

Name	On and since Admission		On Secondary Admission ¹	
	Number of Ordinary Shares	Percentage of Ordinary Shares	Number of Ordinary Shares	Percentage of Ordinary Shares
Amara Kamara	8,623,333	41.39%	25,843,333	62.59%
Nicholas Karl Smithson*	1,393,333	6.69%	3,733,333	9.04%
Samuel Julius Baiden	250,000	1.20%	550,000	1.33%
Walter Seward McCarthy	250,000	1.20%	550,000	1.33%
Kenneth Niall Young	100,000	0.48%	400,000	0.97%
Martin Lampshire	400,000	1.92%	672,833	1.63%

*includes 400,000 shares held by his spouse

¹ Secondary Admission assumes all Vesting Shares and Fee Shares and no additional Ordinary Shares are issued by the Company between the date of Admission and the date of Secondary Admission.

HAMAK GOLD LIMITED
 DIRECTORS' REPORT
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Vesting Shares

The following Directors are entitled to the award on new "Vesting" shares on the achievement of certain milestones upon Secondary Admission:

	Granted during the period	On Secondary Admission
Amara Kamara	nil	16,350,000
Nicholas Karl Smithson	nil	1,590,000
	nil	<u>17,940,000</u>

Project milestones	Amara Kamara	Nicholas Karl Smithson
	Number of Vesting Shares to vest	Number of Vesting Shares to vest
Collection and assay results of at least 2,000 samples from the Gozohn MEL:	5,450,000	530,000
Collection and assay results of at least 2,000 samples from the Nimba MEL:	5,450,000	530,000
Positive results from trenching of either the Nimba and Gozohn MELs positive geochem targets, which create identifiable drill targets:	5,450,000	530,000

Performance Shares (unaudited)

The Group has an unapproved Performance Rights Plan whereby the Remuneration Committee will consider and propose the award of shares subject to achieving certain milestones. The Performance shares are yet to be issued, however, in the Group's Prospectus the first Performance Rights milestones were identified subject to approval by the Remuneration Committee and the Board of Directors.

The first Performance Rights to be issued post Admission are proposed to vest as follows:

- (a) 50 per cent. (50%) of the Shares shall vest on the Group's first drill intersection showing significant gold mineralisation (as determined by the senior technical consultant appointed to the Board from time to time); and
- (b) the remaining 50 per cent. (50%) of the Shares shall vest on the first date on which the price of the Shares is double that of the price at which Shares are issued in the placing of Shares with certain institutional and retail investors at the time of the Group's IPO.

Interests of Employees

The Group's Corporate Governance Statement at pages 13 to 22 of this Annual Report sets out (under board responsibilities) the processes in place to safeguard the interests of employees.

Foster business relationships with suppliers, joint venture partners and others

Potential suppliers and joint venture partners are considered in the light of their suitability to comply with the Group's policies.

Impact of operations on the community and environment

The Group has no current operations that impact upon the community or environment. The Group always ensures that it reviews its Health, Safety & Environment ('HSE') and other policies at regular intervals and strives to ensure that its ESG principals are always adhered to and are monitored on an on-going basis.

Maintain a reputation for high standards of business conduct

The Corporate Governance section of this Annual Report at pages 13 to 22 sets out the Board and Committee structures and extensive Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Group's policies and procedures.

Act fairly as between members of the Group

The Board takes feedback from a wide range of shareholders (large and small) and endeavors at every opportunity to pro-actively engage with all shareholders (via regular news reporting RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Group.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in conformity with EU-adopted International Financial Reporting Standards. Under Company Law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements are in conformity with EU-adopted International Financial Reporting Standards; 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 adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with EU-adopted International Financial Reporting Standards. 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 Financial Statements are published on the Group's website www.hamakgold.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

HAMAK GOLD LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Auditor Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information

Post Balance Sheet Events

On 15 February the Group appointed Mr. Samuel Julius Baiden, Mr. Kenneth Niall Young and Mr. Walter McCarthy and on 19 April 2022 Mr. Martin Lampshire as Non-Executive Directors.

On 1 March 2022 the Group obtained a Standard Listing on the LSE raising gross £955,000 at £0.10 per share and concurrently acquired two exploration licences, which increased its share capital to 20,833,000 shares, and an option over a further five exploration licences in the Republic of Liberia. The net proceeds received by the Group post transaction will be used primarily to continue and advance the exploration activities on licenses as detailed in the work program of the prospectus.

On 21 April 2022 the Group reported the following soil sampling results from samples taken from its Gozhon licence:

- Analysis of 853 soil samples from Gozohn Block-1 return positive gold results over the western limb of Mt Koklun Greenstone belt
- Anomalous gold values in soil extend over 1.5km in length and are supported by a rock chip sample of 2.56g/t centred on known artisanal gold mining area
- Detailed trenching and channel sampling is now planned to test the anomalous gold results
- Further 701 soil samples from Gozohn Block-2 currently being analysed in the laboratory

There are no other significant events of the Group subsequent to year end.

Directors' Indemnity Provisions

The Group has implemented Directors and Officers Liability Indemnity insurance.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board



Nicholas Karl Smithson
Executive Director

8 June 2022

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMAK GOLD LIMITED

Opinion

We have audited the consolidated financial statements of Hamak Gold Limited and its subsidiary (the 'group') for the period 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by European Union.

In our opinion:

- the consolidated financial statements give a true and fair view of the state of the group's affairs as at 31 December 2021 and of the group's loss for the period then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by European Union.

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 consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the consolidated financial statements, which indicates that the Group is reliant on securing further financing to meet committed expenditure requirements and working capital needs as they fall due. As stated in Note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the consolidated financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the consolidated 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

- a review of cash flow projections for a period up to 30 June 2023, providing challenge to key assumptions used; and
- a review of the adequacy and completeness of disclosures in the consolidated financial statements.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the group consolidated financial statements was set at \$7,650. This was calculated based on 5% of net assets. The benchmark used is the one which we determined, in our professional judgment, to be the principal benchmark within the consolidated financial statements relevant to shareholders of the group in assessing financial performance of the group. This is because the group is its first year of operations with limited activity. Performance materiality has been set at \$4,970 being 65% of headline materiality.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMAK GOLD LIMITED

The performance materiality determination is based on our assessment of the relevant risk factors e.g. management's attitude towards proposed adjustments, our knowledge of internal control and the level of estimation inherent within the group. We agreed to report to audit committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of \$380. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the consolidated financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group. We looked at areas requiring the directors to make subjective judgements, for example in respect of treatment of convertible loan notes (identified as a key audit matter) and selection of accounting policies, compliance with accounting policies and disclosure in accordance with IFRS, applicable laws and regulations and the Listing rules, and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The Group's key accounting function is based in Liberia and our audit was performed by our team in London with regular contact maintained with the Group throughout.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Convertible Loan Notes	
<ul style="list-style-type: none">During the period Hamak Gold Limited has issued convertible loan notes (CLN's) worth USD 70,000. This transaction is material in nature involving complex classification assessment of CLN into liability or equity. There is a risk that this transaction is not correctly assessed in line with IFRS 9- Financial Instruments, resulting in incorrect classification and accounting.Refer to note 2.9 (significant accounting judgments and estimates) in the consolidated financial statements.	<p>Our work in this area included:</p> <ul style="list-style-type: none">Obtaining details of the agreements and supporting documentation in respect of the CLN's.Critically reviewing and challenging the accounting treatment against the terms of the agreement.Confirming the accounting treatment is in accordance with IFRS.Verifying movements in the balances (drawdowns, repayments, interest) against the underlying agreements, supporting calculations and bank statements.Reviewing disclosures made in the consolidated financial statements and checked that these were accurate and complete.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMAK GOLD LIMITED

Other information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

The directors are responsible for the other information contained within the annual report. Our opinion on the consolidated 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 consolidated 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 consolidated 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement in the Directors' Report, the directors are responsible for the preparation of the group's consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the consolidated financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMAK GOLD LIMITED

- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
 - London Stock Exchange Listing Rules
 - Local tax laws and regulations
 - Disclosure and Transparency Rules,
 - Anti-Bribery Act and
 - Anti Money Laundering Regulations.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
 - Enquiries of management
 - Review of board minutes and other correspondence
 - Review of the related party transactions and disclosures
 - Review of legal ledger accounts
 - Review of RNS announcements

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the consolidated financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the consolidated financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by to the company's directors on 27 April 2022 to audit the consolidated financial statements for the period ending 31 December 2021 and subsequent financial periods. This is our first year as auditor.

We provided listing services to the company for facilitating its listing on the LSE. This service was provided by a different team and completed prior to our appointment to audit these consolidated financial statements. We have not relied upon or used the work performed during listing services during our audit of the consolidated financial statements.

Based on the above, our independence under the FRC's Ethical Standard has not been breached.

No other non-audit services were provided to the group and we remain independent of the group in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMAK GOLD LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with our letter of engagement dated 27 April 2022. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Eric Hindson (Engagement Partner)
For and on behalf of PKF Littlejohn LLP

Registered Auditor
08 June 2022

15 Westferry Circus
Canary Wharf
London E14 4HD

HAMAK GOLD LIMITED
CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Period Ending 31 December 2021
		\$
Administrative expenses	4	355,378
Operating loss		355,378
Loss before taxation		355,378
Income Tax		-
Loss after taxation		355,378
Total loss for the period		355,378
Total comprehensive loss for the year attributable to shareholders from continuing operations		355,378
Basic & dilutive earnings per share - USD	7	(7.11)

The consolidated statement of income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 38 to 46 form part of these consolidated financial statements

HAMAK GOLD LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	As at 31 December 2021 \$
Assets		
Current assets		
Cash and cash equivalents	8	500
Trade and other receivables	9	1,400
Total current assets		1,900
Total assets		1,900
Equity and liabilities		
Equity		
Share capital		-
Retained earnings		(355,378)
Total equity		(355,378)
Liabilities		
Current liabilities		
Trade and other payables	11	285,207
Unsecured convertible loan	10	70,000
Overdraft	13	2,071
Total current liabilities		357,278
Total Equity & Liabilities		1,900

The accompanying notes on pages 38 to 46 form part of these consolidated financial statements.

The Financial statements were approved by the Board on 8 June by:



.....
Nicholas Karl Smithson

HAMAK GOLD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 DECEMBER 2021

	Share Capital \$	Retained Earnings \$	Total Equity \$
(Loss) for the period	-	(355,378)	(355,378)
<hr/>			
Total comprehensive (loss) for year	-	(355,378)	(355,378)
<hr/>			
Balance at 31 December 2021	-	(355,378)	(355,378)
<hr/>			

The accompanying notes on pages 38 to 46 form part of these consolidated financial statements

HAMAK GOLD LIMITED

CONSOLIDATED STATEMENT OF CASHFLOW

Period ended
31 December
2021
\$

Cash flows from operating activities

Net Loss (355,378)

Adjusted for:

Trade and other payables 285,207

Trade and other receivables (1,400)

Net Cash flow (used in) operating activities (71,570)

Cash flow from financing activities

Cash flows from Unsecured convertible loans 70,000

Net Cash flow from financing activities 70,000

Net (decrease) in cash and cash equivalent (1,570)

Cash and cash equivalents at beginning of period -

Cash and cash equivalents at end of period (1,570)

Cash and cash equivalents in the cashflow statement includes overdraft and cash at bank.

The accompanying notes on pages 38 to 46 form part of these consolidated financial statements

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company was incorporated on 6 May 2021 and its sole wholly owned subsidiary, Hamak Gold Limited Liberia ("Hamak Gold Limited Liberia") was incorporated on 27 May 2021 and since their respective dates of incorporation, neither the Company nor Hamak Gold Limited Liberia has commenced operations or any trading activity.

The Company was incorporated under the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands with Company number 2062435. The Company is limited by shares. The Company's registered office is Pasea Estate, P.O. Box 958, Road Town, Tortola, VG1110, BVI.

Hamak Gold Limited Liberia was incorporated on the 27 May 2021 as a business corporation under Business Corporation Act of Liberia with business registration number 052672058. Hamak Gold Company Liberia is limited by its common stock. Hamak Gold Limited Liberia's registered office is at Carey & Randall Streets Intersection, Monrovia, Montserrado County, Liberia, West Africa.

No dividends have been declared or paid by either the Company or Hamak Gold Limited Liberia since their respective dates of incorporation.

The consolidated financial statements have been prepared in accordance with EU-adopted IFRS.

The consolidated financial statement are presented in United States Dollars, which is the Group's functional and presentation currency.

2. Accounting policies

The consolidated financial statements are prepared using the following policies which have been consistently applied:

2.1 Basis of preparation

The consolidated financial statements for the period ended 31 December 2021 have been prepared in accordance with EU-adopted IFRS.

2.2 Going concern

The consolidated financial statement have been prepared on a going concern basis notwithstanding operating losses and net current liabilities. The directors have prepared a liquidity forecast for a period of at least 12 months from the date of approval of these consolidated financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. These forecasts are primarily dependent on the ability of the Group to raise additional funds during the going concern period which indicates that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

On 1 March 2022 the Group obtained a Standard Listing on the LSE raising gross proceeds of £955,000 at £0.10 per share and concurrently acquired options over 7 licences in the Republic of Liberia. The net proceeds received by the Group post transaction costs will be used primarily to continue and advance the exploration activities on licenses as detailed in the work program of the prospectus during the going concern period.

Consequently, the directors are confident that the Group will be able to raise additional funds as and when required and will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the consolidated financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the Group financial information.

It is on these considerations that the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.4 Equity

The Group presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

Retained losses includes all current and prior period results as disclosed in the Consolidated statement of income

2.5 Foreign currency translation

The consolidated financial statements are presented in USD which is the Group's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.6 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Consolidated Statement of income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.7 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received net of any direct issue costs.

2.8 Convertible loan notes

Convertible loan notes are recognised initially at fair value, net of transaction costs incurred and subsequently carried at amortised cost. Convertible loan notes are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. It is classified as current liabilities unless the Group has an unconditional right to defer settlement of a liability for at least 12 months after the end of the reporting period.

2.9 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Convertible Loan Notes: measured at fair value through the profit or loss on recognition and amortized cost subsequently

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.10 New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- Amendments to IAS 1: Presentation of Financial Statements Disclosure of accounting policies (effective 1 January 2023)*
- Amendments to IAS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current (effective date not yet confirmed)*
- Amendments to IFRS 3: Business Combinations – Reference to Conceptual Framework (effective 1 January 2022)*
- Amendments to IAS 16: Property, Plant and Equipment (effective 1 January 2022)*
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022)*
- Annual Improvements to IFRS Standards 2018-2020 Cycle (effective 1 January 2022)*
- Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors (effective 1 January 2023)*
- Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction (effective 1 January 2023)*

*subject to EU endorsement

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material and the directors are evaluating the impact that these standards may have on the financial statements of Group.

3. Segmental analysis

The Group manages its operations in one segment, being seeking a suitable investment specifically in the natural resources sector. The results of this segment are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess its performance.

4. Expenses by nature

	Period ending 31 December 2021
	\$
Professional Fees (Audit Fees)	49,000
Legal Fees	173,721
Listing expenses	132,657
	<hr/> 355,378 <hr/>

5. Employees

The Group had no employees as at the end of the period and the Directors agreed to work for the Group without remuneration during this period.

Directors did not accrue any salary until the completion of the Admission to the London Stock Exchange which occurred on 1 March 2022.

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Auditor's remuneration

	Period ending 31 December 2021
	\$
Fees payable to the Group's auditor for the audit of the Group	49,000
Fees in respect of listing services	39,200
	<u>88,200</u>

The period covers from incorporation to 31 December 2021 and includes accrued expenses relating to the 2021 audit.

7. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

	31 December 2021
	\$
(Loss) attributable to shareholders	(355,378)
Weighted number of ordinary shares at no par value	50,000
Basic & dilutive earnings per share from continuing operations – USD	(7.11)

There is no difference between the diluted loss per share and the basic loss per share presented.

8. Cash and cash equivalents

	31 December 2021
	\$
Cash at bank	500
	<u>500</u>

9. Trade and other Receivables

	31 December 2021
	\$
Other debtors	1,400
	<u>1,400</u>

10. Unsecured convertible loan

	31 December 2021
	\$
Malcom Burne	28,000
Gledhill Fund	28,000
Nicholas Karl Smithson	14,000
	<u>70,000</u>

The Convertible loan notes were convertible at Admission into equity at a 25% discount to the listing price.

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Trade and other payables	31 December 2021
	\$
Trade payables	88,586
Other payables	196,621
	<u>285,207</u>

Other payable include USD13,400 payable to Karl Smithson a director of the Group.

12. Share capital

	Ordinary Shares	Share Capital	Total
	No.	\$	\$
Issue of ordinary shares on incorporation	50,000	-	-
At 31 December 2021	50,000	-	-

On incorporation on 6 May 2021, the Company issued 50,000 ordinary shares of at no par value.

13. Overdraft	31 December 2021
	\$
Bank overdraft	2,071
	<u>2,071</u>

14. Financial Instruments and Risk Management

Principal financial instruments

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

	31 December 2021
	\$
Financial Assets	
Cash and cash equivalents	500
Trade and other receivables	1,400
	<u>1,900</u>
Financial Liabilities	
Trade payables and other payables	285,207
Unsecured convertible loan	70,000
Overdraft	2,071
	<u>357,278</u>

The financial liabilities are payable within one year.

HAMAK GOLD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group objectives and policies

As alluded to in the Directors report the overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are:

Policy on financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2 – "Accounting Policies".

The Group does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Group does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Group has foreign currency exposure in respect of payments due in currencies other than in United States Dollars. Transactions between the Company and its main subsidiary Hamak Gold Limited Liberia are denominated in United States Dollars. The Directors will continue to assess this risk at regular intervals going forward.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties. The Group applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Group's principal financial assets are cash and cash equivalents and other debtors. Cash equivalents include amounts held with financial institutions. The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit-rating agencies. No financial assets have indicators of impairment.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Liquidity risk management

During the period ended 31 December 2021, the Group was financed by cash raised through unsecured convertible loans and advances from directors and others to meet its obligations. Surplus from funds raised to meet immediate requirements are held as cash deposits in Sterling.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

HAMAK GOLD LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 December 2021 on the basis of their earliest possible contractual maturity.

	Total	Within 2	Within 2-6
	\$	months	months
	\$	\$	\$
At 31 December 2021			
Trade and other payables	285,207	62,486	222,721
Unsecured convertible loan	70,000	70,000	-
Overdraft	2,071	2,071	-

Capital management

The Group considers its capital to be equal to the sum of its total equity. The Group monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Group's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Group funds its capital requirements through the issue of new shares to investors.

15. Financial assets and liabilities

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$
2021			
Trade and other receivables	1,400	-	1,400
Unsecured convertible loan	-	(70,000)	(70,000)
Overdraft	-	(2,071)	(2,071)
Cash and cash equivalents	500	-	500
Trade and other payables	-	(285,207)	(285,207)
	1,900	(357,278)	(355,378)

16. Related Party Transactions

There were no related party transactions other than funds advanced by Karl Smithson amounting to USD13,400 and Convertible loans of USD14,000 to meet obligations during the period.

17. Ultimate Controlling Party

As at 31 December 2021, Amara Kamara was the ultimate controlling party of the Group.

18. Capital Commitments

As at 31 December 2021 there were no capital commitments for the Group. At 15 February 2022, the Group acquired two licenses from Hamak Mining Company Liberia

19. Post Balance Sheet events

On 15 February the Group appointed Mr. Samuel Julius Baiden, Mr. Kenneth Niall Young and Mr. Walter McCarthy and on 19 April 2022 Mr. Martin Lampshire as Non-Executive Directors.

On 1 March 2022 the Group obtained a Standard Listing on the LSE raising gross £955,000 at £0.10 per share and concurrently acquired two exploration licences, which increased its share capital to 20,833,000 shares, and an option over a further five exploration licences in the Republic of Liberia. The net proceeds received by the Group post transaction costs will be used primarily to continue and advance the exploration activities on licenses as detailed in the work program of the prospectus.

On 21 April 2022 the Group reported the following soil sampling results from samples taken from its Gozhon licence:

- Analysis of 853 soil samples from Gozohn Block-1 return positive gold results over the western limb of Mt Koklun Greenstone belt
- Anomalous gold values in soil extend over 1.5km in length and are supported by a rock chip sample of 2.56g/t centred on known artisanal gold mining area
- Detailed trenching and channel sampling is now planned to test the anomalous gold results
- Further 701 soil samples from Gozohn Block-2 currently being analysed in the laboratory

There are no other significant events of the Group subsequent to year end.

