

FAR EAST GOLD

INTERIM FINANCIAL REPORT

For the reporting period ended 31 December 2022.

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DIRECTORS' REPORT

The Directors' present their report, together with the financial statements, on the consolidated entity consisting of Far East Gold Ltd (the parent entity or Company) and the entities it controlled at the end of, or during the half-year reporting period ended 31 December 2022 ('the Group' or 'Consolidated Entity'). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The following persons were directors of Far East Gold Ltd during the whole of the period and up to the date of this report, unless otherwise stated:

Paul Walker

Shane Menere

Marc Denovan

Justin Werner

Dr Christopher Atkinson

Michael Thirnbeck

Principal activities

During the period, the principal activities of the Group consisted of the commencement and continuation of permitting activities and mineral exploration and evaluation.

There were no significant changes in the Group's nature of activities during the reporting period.

OPERATING AND FINANCIAL REVIEW

The result of the Group for the half-year ended 31 December 2022 was a loss of \$1,737,712 (prior period to December 2021 loss of \$2.458.502).

During the period, the Group commenced and completed the Phase 1 drilling program for its Woyla Project located in Aceh, Indonesia that comprised 33 diamond drillholes totalling 4,640.9m. Preliminary assays for the Phase 1 drilling program at the Woyla Project were released on 13 December 2022 that identified bonanza grade gold and silver in two holes with peak assays returned of 78 g/t gold and 631 g/t silver. During the period, the Company also commenced and completed the Phase 1 drilling program for the Hill 212 Project in Queensland that comprised 11 reverse circulation drillholes totalling 2,061m. The Group also defined a maiden Exploration Target at its Mount Clark West Project in Queensland for a potential bulk tonnage copper gold porphyry system that was announced on 14 November 2022. For more detailed results, refer to the Company's website and the list of ASX Announcements.

Events after the reporting date

On 16 January 2023, 1,200,000 Performance Rights were converted into an equivalent number of fully paid ordinary shares in accordance with the terms of the Company's Incentive Entitlements Plan Rules.

Other than the matter above, subsequent to the half-year peroid ended 31 December 2022, there has not arisen between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to effect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This Directors' report is made in accordance with a resolution of the Board of Directors.

Paul Walker

Chairman

Dated at Brisbane on 16th day of March 2023.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Far East Gold Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Far East Gold Ltd for the half-year ended 31 December 2022, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act* 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

M J Jeffery Partner

Brisbane 16 March 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue 463		NOTES	PERIOD ENDED 31 December 2022	PERIOD ENDED 31 DECEMBER 2021
Interest Income			\$	\$
Expenses Consulting costs (362,639) (298,795) Geology and feasibility expense - (63,800) Share based payments expense 9 (82,439) (679,059) Professional fees (285,424) (64,615) (64,615) (64,615) (64,615) (64,615) (64,615) (64,615) (64,615) (64,616)	Revenue			
Consulting costs (362,639) (298,795) Geology and feasibility expense - (63,800) Share based payments expense 9 (82,439) (679,059) Professional fees (285,424) (64,615) Finance costs (3,996) (6,456) Depreciation (28,117) (19,800) Listing and share registry expenses (5,562) (250,863) Impairment of exploration and evaluation assets - (200,000) (395,713) Reclamassi Refund - (200,000) (69,922) Employee benefits expense (344,026) (180,636) Other Expenses (344,026) (180,636) Other Expenses (1,738,175) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (2,62,596) (2,474,606) Total comprehensive income (2,362,596) (2,474,606) Owners of the Company (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474	Interest Income		463	-
Geology and feasibility expense - (63,800) Share based payments expense 9 (82,433) (679,059) Professional fees (285,424) (64,615) Finance costs (3,596) (64,66) Einance costs (3,596) (64,66) Einance costs (5,562) (250,803) Impairment of exploration and evaluation assets - (277,865) Project acquisition costs (200,000) (895,713) Reclamassi Refund - (278,90) (6,922) Employee benefits expense (344,082) (18,932) Employee benefits expense (344,082) (18,933) Other Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Owners of the Company (1,737,712) (2,458,502) Ow	Expenses			
Share based payments expense 9 (82,439) (679,059) Professional fees (285,424) (64,615) Finance costs (3,596) (6,456) Depreciation (28,117) (19,880) Listing and share registry expenses (5,562) (250,863) Impairment of exploration and evaluation assets (200,000) (895,713) Reclamassi Refund 2 (27,805) Foreign exchange loss (27,805) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Owners of the Company (1,737,712) (2,458,502) Young of the Company (2,362,596) (2,	Consulting costs		(362,639)	(298,795)
Professional fees (285,424) (64,615) Finance costs (3,596) (6,456) Depreciation (28,117) (19,800) Listing and share registry expenses (5,562) (250,863) Listing and share registry expenses (270,000) (895,713) Project acquisition costs (200,000) (895,713) Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Foreign currency translation reserve (624,884) (16,104) Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606)	Geology and feasibility expense		-	(63,800)
Finance costs (3,596) (6,456) Depreciation (28,117) (19,880) Listing and share registry expenses (5,562) (250,863) Impairment of exploration and evaluation assets - (277,865) Project acquisition costs (200,000) (895,713) Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,844) (16,104) Total comprehensive income (2,362,596) (2,474,606) Non-controlling interests - - Total comprehensive income attributable to: (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Total comprehensive income attributable to:	Share based payments expense	9	(82,439)	(679,059)
Depreciation (28,117) (19,800) Listing and share registry expenses (5,562) (250,863) Impairment of exploration and evaluation assets - (277,865) Project acquisition costs (200,000) (895,713) Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Owners of the Company (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596)	Professional fees		(285,424)	(64,615)
Listing and share registry expenses (5,562) (250,863) Impairment of exploration and evaluation assets - (277,865) Project acquisition costs (200,000) (895,713) Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Loss after income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (624,884) (16,104) Total comprehensive income (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: - - Owners of the Company (1,737,712) (2,458,502) Total comprehensive income attributable to: - - Owners of the Company (2,474,606)<	Finance costs		(3,596)	(6,456)
Impairment of exploration and evaluation assets - (277,865) Project acquisition costs (200,000) (895,713) Reclamassi Refund - 375,360 6,922 Employee benefits expense (394,426) (180,636) Other Expenses (394,808) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Owners of the Company (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests (2,362,596) (2,474,606) Non-controlling interests (2,362,596) (2,474,606) Basic loss per share (0.0.01) <	Depreciation		(28,117)	(19,880)
Project acquisition costs (200,000) (895,713,80) Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - -	Listing and share registry expenses		(5,562)	(250,863)
Reclamassi Refund - 375,360 Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests - - - Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic	Impairment of exploration and evaluation assets		-	(277,865)
Foreign exchange loss (27,890) (6,922) Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS CENTS	Project acquisition costs		(200,000)	(895,713)
Employee benefits expense (394,426) (180,636) Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests - - - Total comprehensive income attributable to: (1,737,712) (2,458,502) Total comprehensive income attributable to: (1,737,712) (2,458,502) Total comprehensive income attributable to: (2,362,596) (2,474,606) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Resist loss per share (0.01) (0.03)	Reclamassi Refund		-	375,360
Other Expenses (348,082) (89,258) Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense - - Loss after income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Cents Cents Cents Basic loss per share (0.01) (0.03)	Foreign exchange loss		(27,890)	(6,922)
Total Expenses (1,738,175) (2,458,502) Loss before income tax expense (1,737,712) (2,458,502) Income tax expense - - Loss after income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: (1,737,712) (2,458,502) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Cents Cents Cents Basic loss per share (0.01) (0.03)	Employee benefits expense		(394,426)	(180,636)
Cart Cart	Other Expenses		(348,082)	(89,258)
Income tax expense	Total Expenses		(1,738,175)	(2,458,502)
Loss after income tax expense (1,737,712) (2,458,502) Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)	Loss before income tax expense		(1,737,712)	(2,458,502)
Other comprehensive income, net of tax Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: (2,362,596) (2,474,606) Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)	Income tax expense		-	-
Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS CENTS Basic loss per share (0.01) (0.03)	Loss after income tax expense		(1,737,712)	(2,458,502)
Foreign currency translation reserve (624,884) (16,104) Total comprehensive income (2,362,596) (2,474,606) Profit attributable to: Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS CENTS Basic loss per share (0.01) (0.03)	Other comprehensive income, net of tax			
Profit attributable to: Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)			(624,884)	(16,104)
Owners of the Company (1,737,712) (2,458,502) Non-controlling interests - - Total comprehensive income attributable to: Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)	Total comprehensive income		(2,362,596)	(2,474,606)
Non-controlling interests - <td>Profit attributable to:</td> <td></td> <td></td> <td></td>	Profit attributable to:			
Total comprehensive income attributable to: (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)	Owners of the Company		(1,737,712)	(2,458,502)
Total comprehensive income attributable to: Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)	Non-controlling interests		-	-
Owners of the Company (2,362,596) (2,474,606) Non-controlling interests - - CENTS CENTS Basic loss per share (0.01) (0.03)			(1,737,712)	(2,458,502)
Non-controlling interests	Total comprehensive income attributable to:			
CENTS CENTS Basic loss per share (0.01) (0.03)	Owners of the Company		(2,362,596)	(2,474,606)
Basic loss per share CENTS (0.01) (0.03)	Non-controlling interests		-	-
Basic loss per share (0.01) (0.03)			(2,362,596)	(2,474,606)
			CENTS	CENTS
	Basic loss per share		(0.01)	(0.03)
Diluted loss per share (0.01) (0.03	Diluted loss per share		(0.01)	(0.03)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	31 DECEMBER 2022	30 JUNE 2022
		\$	\$
Current assets			
Cash and cash equivalents		10,394,312	9,098,456
Trade and other receivables	4	152,365	135,983
Other assets	5	399,786	545,698
Total current assets		10,946,463	9,780,137
Non-current assets			
Property, plant and equipment		118,916	30,257
Right of use asset		44,850	64,309
Exploration and evaluation assets	6	19,745,409	15,506,953
Other assets		7,154	7,319
Total non-current assets		19,916,329	15,608,838
Total assets		30,862,792	25,388,975
Current liabilities			
Trade and other payables	7	1,961,732	212,061
Provisions		10,535	5,276
Lease liability		44,153	41,467
Total current liabilities		2,016,420	258,804
Non-current liabilities			
Provisions		15,990	16,461
Lease liability		7,188	30,051
Total non-current liabilities		23,178	46,512
Total liabilities		2,039,598	305,316
Net assets		28,823,194	25,083,659
Equity			
Issued Capital	8(a)	35,248,807	29,229,115
Reserves	8(b)	429,873	972,318
Non-controlling interest		2,867,553	2,867,553
Accumulated losses		(9,723,039)	(7,985,327)
Total equity		28,823,194	25,083,659

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			ACCUMULATED	NON-CONTROLLING	
CONSOLIDATED	ISSUED CAPITAL	RESERVES	LOSSES	INTEREST	TOTAL EQUITY
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	6,880,318	187,499	(4,556,080)	-	2,511,737
Loss for the reporting period	-	-	(2,458,502)	-	(2,458,502)
Other comprehensive income	-	(16,104)	-	-	(16,104)
Total comprehensive income for the period	-	(16,104)	(2,458,502)	-	(2,474,606)
Transactions with owners:					
Share-based payments	-	679,059	-	-	679,059
Balance as at 31 December 2021	6,880,318	850,454	(7,014,582)	-	(716,190)
Balance as at 1 July 2022	29,229,115	972,318	(7,985,327)	2,867,553	25,083,659
Loss for the reporting year	-	-	(1,737,712)	-	(1,737,712)
Other comprehensive income	-	(624,884)	-	-	(624,884)
Total comprehensive income for the year	-	(624,884)	(1,737,712)	-	(2,362,596)
Transactions with owners:					
Contributions of equity, net of transaction costs (Note 8)	6,019,692	-	-	-	6,019,692
Share based payments	-	82,439	-	-	82,439
Balance as at 31 December 2022	35,248,807	429,873	(9,723,039)	2,867,553	28,823,194

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	PERIOD ENDED 31 December 2022	PERIOD ENDED 31 DECEMBER 2021
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,180,127)	(1,097,014)
Payments for project acquisitions		-	(640,331)
Receipts from other operating activities		17,465	25,092
Interest received		463	-
Net cash used in operating activities		(1,162,199)	(1,712,253)
Cash flows from investing activities			
Payment for property, plant and equipment		(101,190)	-
Exploration and evaluation expenditure		(3,741,507)	(315,746)
Net cash used in investing activities		(3,842,697)	(315,746)
Cash flows from financing activities			
Proceeds from the issue of share capital		6,505,500	-
Repayment of lease liabilities		(23,773)	(19,314)
Share issue transaction costs		(167,063)	-
Net cash flows from (used in) financing activities		6,314,664	(19,314)
Net increase/(decrease) in cash and cash equivalents		1,309,768	(2,047,314)
Cash and cash equivalents at the beginning of the financial year		9,098,456	2,709,933
Effects of exchange rate changes on cash and cash equivalents		(13,912)	-
Cash and cash equivalents at the end of the financial year		10,394,312	662,620

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Note 1. Reporting Entity

Far East Gold Ltd (the 'Company') is a company domiciled in Australia. These condensed consolidated interim financial statements ('interim financial statements') as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in mining exploration.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2022 are available upon request from the Company's registered office at Level 18, 324 Queen Street, Brisbane, QLD, 4000 or at www.fareast.gold.

Note 2. Basis of preparation

This condensed consolidated interim financial report is for the half-year reporting period ended 31 December 2022. These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134 Interim Financial Reporting.

The financial information is intended to provide users with an update on the latest annual financial statements of Far East Gold Ltd and its controlled entities. As such, it does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2022, together with any public announcements made during the following half-year.

These interim financial statements were approved by the Directors on 16 March 2023.

Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The consolidated entity has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia and Indonesia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level as well as the geographic level.

The consolidated entity does not have any products/services it derives revenue from.

Management currently identifies the consolidated entity as having two operating segments, being exploration and development of mine projects in Australia and exploration and development of mine projects in Indonesia. All significant operating decisions are based upon analysis of the consolidated entity as two segments.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

'EBITDA' represents earnings before income tax, depreciation and amortisation. This is a key measure used by the CODM.

Segment information provided to CODM

REPORTABLE SEGMENT				
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
PERIOD ENDING 31 DECEMBER 2022	\$	\$	\$	\$
Segment revenue	-	-	463	463
EBITDA	(290,289)	(1,088,762)	(326,948)	(1,705,999)
Depreciation	(649)	(27,468)	-	(28,117)
Impairment	-	-	-	-
Finance costs	(1,212)	(2,384)	-	(3,596)
Segment loss before income tax	(292,150)	(1,118,614)	(326,948)	(1,737,712)

REPORTABLE SEGMENT				
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
PERIOD ENDING 31 DECEMBER 2021	\$	\$	\$	\$
Segment revenue	-	-	-	-
EBITDA	(844,136)	(1,258,529)	(329,501)	(2,432,166)
Depreciation	-	(19,880)	-	(19,880)
Finance costs	-	-	(6,456)	(6,456)
Segment loss before income tax	(844,136)	(1,278,409)	(335,957)	(2,458,502)

Location of revenue, assets and liabilities

REPORTABLE SEGMENT				
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
CONSOLIDATED 31 DECEMBER 2022	\$	\$	\$	\$
Revenue	-	-	463	463
Non-current assets	1,860,214	18,056,115	-	19,916,329
Segment assets	1,900,683	18,567,797	10,394,312	30,862,792
Segment liabilities	(574,924)	(1,464,674)	-	(2,039,598)

REPORTABLE SEGMENT				
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
CONSOLIDATED 31 DECEMBER 2021	\$	\$	\$	\$
Revenue	-	-	-	-
Non-current assets	2,461	93,859	-	96,320
Segment assets	959,009	147,342	-	1,106,351
Segment liabilities	289,497	100,663		390,161

Note 4. Trade and other receivables

31 DECEMBER 2022	30 JUNE 2022
\$	\$
109,668	40,465
42,697	95,518
152,365	135,983

Note 5. Other assets

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
Prepayments	399,786	545,698
Total	399,786	545,698

Note 6. Exploration and evaluation assets

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
Exploration and evaluation – at cost	19,745,409	15,506,953
Total	19,745,409	15,506,953

The reconciliation of the written down value for the reporting period is set out below:

31 DECEMBER 2022	30 JUNE 2022
\$	\$
15,506,953	-
4,238,456	15,784,818
-	(277,865)
19,745,409	15,506,953

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent upon successful development and commercial exploitation or sale of the respective areas of interest.

The acquisition of projects for which exploration and evaluation assets were recognised during the period prior to IPO were subsequently impaired. The impairment expense recognised was in relation to the Hill 212 Gold Project, Mount Clark West Copper Gold Project and Blue Grass Creek Gold Project. This is within the Australian reporting segment (Note 3).

Note 7. Trade and other payables

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
Trade payables	1,850,061	78,242
Accrued expenses	51,638	118,486
Other payables	60,033	15,333
Total	1,961,732	212,061

Note 8. Issued Capital & Reserves

a. Issued Capital

During the period ended 31 December 2022, the Group issued capital through a Placement and a Share Purchase Plan. The Placement was completed on 29 November 2022 and resulted in 4,211,000 share issued at a price of \$0.50 per security for a total inflow of \$2,105,500. The Share Purchase Plan was completed on 20 December 2022 and resulted in 8,790,000 shares issued at a price of \$0.50 per security for a total inflow of \$4,395,000. Transaction costs of \$480,808 were incurred in respect of the capital raises during the period.

b. Reserves

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
SHARE BASED PAYMENT RESERVE	1,027,593	945,154
Foreign currency translation reserve	(597,720)	27,164
Total	429,873	972,318

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
SHARE BASED PAYMENT RESERVE		
Opening balance	945,154	185,000
Share based payment expense	82,439	760,154
Total	1,027,593	945,154

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening balance	27,164	2,499
Foreign currency translation	(624,884)	24,665
Closing balance	(597,720)	27,164

Nature and purpose of reserves

Share Based Payments Reserve

The share-based payments reserve is used to recognise the grant date fair value of performance rights and options issued but not exercised separately within equity.

Foreign Currency Translation Reserve (FCTR)

The FCTR comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Note 9. Share-based payments

Set out below is the number of performance rights and options granted, fair value of the securities granted and the share-based payments expense recognised for the half year.

OPTIONS AND PERFORMANCE RIGHTS ISSUED		NUMBER OF Securities granted	FAIR VALUE OF SECURITIES GRANTED	FAIR VALUE OF SHARE-BASED EXPENSES FOR THE PERIOD
			\$	\$
Options	(i)	12,000,000	0.045	-
Performance rights Tranche 1	(ii)	2,000,000	0.100	44,337
Performance rights Tranche 2	(iii)	800,000	0.058	25,257
Performance rights Tranche 3	(iv)	1,200,000	0.100	12,845
				82,439

i. The consolidated entity had granted Options to Board members, the Indonesian Country manager and the Investor Relations manager. Each Option may be exercised on or before 31 December 2024 into one Share at an exercise price of \$0.25.

In the financial year ended 30 June 2022 the consolidated entity had granted performance rights to certain Board members. On meeting the vesting conditions the performance rights are converted to Shares. The Board members must be serving at the time the rights vest. The rights expire on 31 December 2024. The following vesting conditions apply:

- ii. There are 3 performance conditions; Define a new JORC Mineral Resource Estimate; Increase the overall JORC Mineral Resource Estimate across all projects by a minimum increase of 0.5Moz AuEq and Transition to a mining license for either the Woyla or Wonogiri projects. If 1 of these conditions is met 50% of these performance rights will vest. If 2 of these conditions are met 100% of these right performance rights will vest.
- iii. The share price increases 100% above list price based on 20 day Volume-Weighted Average Price.
- iv. Environment, social, governance, health and safety objectives are met. These are measured and vest equally over 3 years. Each year there is 100% allocation if no breach, 67% allocation if there is one breach, 33% allocation if there are two breaches and no allocation if there are more than two breaches.

There were no options granted during the current period.

Note 10. Events after the reporting date

On 16 January 2023, 1,200,000 Performance Rights were converted into an equivalent number of fully paid ordinary shares in accordance with the terms of the Company's Incentive Entitlements Plan Rules.

Other than the matter above, subsequent to the half-year peroid ended 31 December 2022, there has not arisen between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to effect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' DECLARATION

- In the opinion of the directors of Far East Gold Ltd ('the Company'):
- (a) the condensed consolidated financial statements and notes that are set out on pages 6 to 14, are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six-month period ended on that date; and
 - complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Paul Walker

Chairman

Dated at Brisbane on 16th day of March 2023.



Independent Auditor's Review Report

To the shareholders of Far East Gold Ltd

Conclusion

We have reviewed the accompanying *Interim Financial Report* of Far East Gold Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Far East Gold Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Interim Financial Report comprises:

- Condensed consolidated statement of financial position as at 31 December 2022;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Note 1 to 9 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The *Group* comprises Far East Gold Ltd (the Company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG KPMG

M J Jeffery Partner

Brisbane 16 March 2023



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