

Sierra Nevada Gold Inc

ARBN 653 575 618

Interim Report - 30 June 2022

Directors	Peter Moore, Executive Chairman Robert Gray, Non-executive Director Alan Wilson, Non-executive Director
Company secretary	Tony Panther
Registered office	Suite 210, 241 Ridge Street Reno, Nevada 89501 United States of America
Principal place of business	Suite 101, 5470 Louie Lane Reno, Nevada 89511 United States of America
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000
Stock exchange listing	Sierra Nevada Gold Inc Chess Depository Interest (CDI's) are listed on the Australian Securities Exchange (ASX code: SNX)
Website	www.sngold.com.au
Share Registry	Computershare Investor Services Pty Limited

The directors present the report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Sierra Nevada Gold Inc (referred to hereafter as the 'Company' or 'parent entity') and the entity it controlled for the half-year ended 30 June 2022.

Directors

The following persons were directors of the Consolidated Entity during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Peter Robert Moore, Executive Chairman
Mr Michael Andrew Ramsden, Non-executive Director (resigned effective 14 July 2022)
Mr Robert Michael Gray, Non-executive Director
Dr Alan James Wilson, Non-executive Director

Principal activities

During the financial half-year, the principal continuing activities of the Consolidated Entity consisted of exploration and evaluation of the Consolidated Entity's five mineral exploration projects across the state of Nevada, USA.

The Consolidated Entity also carried out work on its Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX). The IPO prospectus was issued in March 2022 and the IPO was completed in April 2022. The Consolidated Entity listed on the ASX in May 2022.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$1,651,743 (30 June 2021: \$223,305).

The loss for the current period was higher than the corresponding prior period due mainly to increases in the Consolidated Entity's activities, and resultant costs, arising from its Initial Public Offer (IPO) and ASX listing process. These were reflected by an increase in Administration expenses (in particular new employment-related expenses arising from new appointments of directors and employees) and specific costs related to the IPO and listing costs, including additional costs for capital raising, legal and consulting services.

Net assets have increased by \$9,951,657 from \$6,150,257 at 31 December 2021 to \$16,101,914 at the end of the financial half-year attributable to the issue of new IPO shares partially offset by the operating loss of \$1,651,743 as noted above.

The Consolidated Entity continued its exploratory activities on its Nevada exploration projects. The Consolidated Entity expended approximately \$586,069 on geological consulting, exploration and evaluation assets during the financial half-year (2021: approximately \$253,000).

Material business risks

The Consolidated Entity is subject to a range of risks, some specific to the Company and its Consolidated Entity's business activities, and others being general risks arising from and affecting the general economy as a whole.

An outline of these risks was included in the Consolidated Entity's Prospectus, issued in March 2022.

Current material risks most relevant to the Consolidated Entity and its future prospects, are:

Covid-19 or other pandemic risks

The global pandemic COVID-19 is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. In particular, Covid-19 or other pandemics may prevent the Consolidated Entity from carrying out its planned exploration activities, disrupt its supply chains, lead to increases in costs of goods and services and affect access to employees and contractors. The current pandemic may also have a severe negative impact on the economies in which Sierra Nevada operates, which may affect Sierra Nevada's ability to raise capital, decrease incomes of the Consolidated Entity and/or affect its ability to pay its creditors in the event that its operations are negatively affected.

The Board is constantly assessing the status of COVID-19 and is seeking alternative potential suppliers of goods and services to minimise the risk of disruption to operations.

Material business risks (continued)

Continuity of tenure of mining claims

The ownership of mineral rights, patented mining claims, unpatented mining claims are governed by Nevada law. The procedures for the location and maintenance of unpatented mining claims are governed by United States law and Nevada law.

The Consolidated Entity follows the mandated processes under the relevant Nevada and United States legislation to ensure continuity of its mining tenure and planned activities and maintains internal monitoring procedures to ensure all federal annual mining claim maintenance fee obligations are identified and paid in a timely manner.

Drilling operations health and safety risks

The conduct of the Consolidated Entity's exploratory drilling operations, often in remote locations, may give risk to occupational health and safety risks for the Consolidated Entity's employees and contractors.

The Consolidated Entity ensures that it only engages drilling contractors which have in place comprehensive occupational health and safety policies and procedures which comply with all relevant legislative and industry requirements. The Consolidated Entity also ensures that its employees and contractors undergo applicable training and induction processes. The Consolidated Entity also carries all required employee compensation insurances.

Environmental risks

The operations and activities of the Consolidated Entity are subject to State and Federal laws and regulations concerning the environment. As is typical of most exploration projects and mining operations globally, the Consolidated Entity's activities may have an impact on the local environment of operation, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses.

The Consolidated Entity ensures that it complies with relevant laws relating to its exploration operations and, where applicable, undertakes any required rehabilitation processes.

Foreign exchange risks

The Consolidated Entity is domiciled in, and undertakes its exploration operations in, the United States and the majority of its expenditure is incurred in US dollars. However, as it has securities listed on the Australian Securities Exchange, it expects a portion of its ongoing costs, including listing, compliance and some employment-related costs, to be incurred and paid in Australian dollars.

The Consolidated Entity has decided not to actively manage its foreign exchange risks arising from this structure. In order to minimise ongoing foreign exchange currency risks, the Consolidated Entity has estimated future Australian dollar-denominated costs that it expects to incur, in the short to medium term, and will hold Australian dollars to match those expected expenditures as far as practicable.

Significant changes in the state of affairs

On 27 January 2022, the Company issued 300,000 Performance Shares as Restricted Stock Units (RSUs) under the Company's Equity Incentive Plan to Alan Wilson, Non-Executive Director of the Company.

On 27 January 2022, the Company issued 300,000 Performance Shares as Restricted Stock Units (RSUs) under the Company's Equity Incentive Plan to Michael Ramsden, Non-Executive Director of the Company.

On 27 January 2022, the Company issued 600,000 Performance Shares as Restricted Stock Units (RSUs) under the Company's Equity Incentive Plan to Robert Gray, Non-Executive Director of the Company.

On 27 January 2022, the Company issued 1,050,000 Performance Shares as Restricted Stock Units (RSUs) under the Company's Equity Incentive Plan to Brett Butlin, Chief Geologist of the Company.

On 21 April 2022, the IPO's application period closed with the IPO having raised approximately A\$10,031,000 (approximately US\$7.1m), exclusive of costs of the IPO.

Significant changes in the state of affairs (continued)

On 27 April 2022, the Company issued 1,782,210 options, with an exercise price of A\$0.625 (62.5 Australian cents) and an expiry date of 27 April 2025 to Bell Potter, as consideration for lead manager services in connection with the Company's IPO

On 28 April 2022, the Company issued 1,095,000 Performance Shares as Restricted Stock Units (RSUs) under the Company's Equity Incentive Plan to Peter Moore, Executive Chairmen of the Company.

On 29 April 2022, The Consolidated Entity was admitted to the Official List of ASX. The Company raised A\$10,031,000 pursuant to the offer under its replacement prospectus dated 10 March 2022 by the issue of 20,062,000 CHESS Depositary Interests ('CDIs') at an issue price of A\$0.50 per CDI.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 14 July 2022, the Consolidated Entity announced that Mr Michael Ramsden had resigned as a Non-Executive Director of the Consolidated Entity. 300,000 Performance Shares held by Mr Ramsden lapsed upon his resignation.

On 18 August 2022, the Consolidated Entity released 817,800 CDIs from escrow.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

This report is made in accordance with a resolution of the directors.



Peter Moore
Executive Chairman

9 September 2022

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Sierra Nevada Gold Inc. and its controlled entity for the half year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Melbourne, Australia
Dated: 9 September 2022

Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	20
Independent auditor's review report to the members of Sierra Nevada Gold Inc	21

Sierra Nevada Gold Inc
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2022



	Note	30 June 2022	30 June 2021
		\$	\$
Expenses			
IPO expenses	5	(486,414)	-
Legal and Consulting fees		(90,245)	(117,062)
Other expenses		(22,155)	(18,467)
Share based payments expense	6, 18	(205,633)	-
Depreciation and amortisation expense	6	(37,479)	(16,698)
Administration expenses		(313,003)	(70,609)
Forex exchange Loss		(227,800)	-
Movement in fair value of derivative financial instruments	6	19,008	-
Finance costs	6	(288,022)	(469)
Loss before income tax expense		(1,651,743)	(223,305)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,651,743)	(223,305)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(1,651,743)	(223,305)
		Cents	Cents
Basic loss per share	19	(4.42)	(0.95)
Diluted loss per share	19	(4.42)	(0.95)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Sierra Nevada Gold Inc
Statement of financial position
As at 30 June 2022



	Note	30 June 2022 \$	31 December 2021 \$
Assets			
Current assets			
Cash and cash equivalents		6,097,186	967,393
Other prepayments		484,668	135,508
Total current assets		<u>6,581,854</u>	<u>1,102,901</u>
Non-current assets			
Receivables		23,729	-
Plant and equipment		94,103	7,677
Right-of-use assets	7	7,415	22,244
Intangibles		-	2,401
Exploration and evaluation assets	8	9,984,363	9,398,294
Other receivables		82,392	77,392
Total non-current assets		<u>10,192,002</u>	<u>9,508,008</u>
Total assets		<u>16,773,856</u>	<u>10,610,909</u>
Liabilities			
Current liabilities			
Trade and other payables	9	573,364	258,245
Borrowings	10	-	3,010,560
Lease liabilities		7,607	22,605
Other financial liabilities		-	1,094,050
Provisions		15,779	-
Total current liabilities		<u>596,750</u>	<u>4,385,460</u>
Non-current liabilities			
Provisions		75,192	75,192
Total non-current liabilities		<u>75,192</u>	<u>75,192</u>
Total liabilities		<u>671,942</u>	<u>4,460,652</u>
Net assets		<u>16,101,914</u>	<u>6,150,257</u>
Equity			
Issued capital	11	20,957,191	9,889,846
Reserves	12	536,055	-
Accumulated losses		(5,391,332)	(3,739,589)
Total equity		<u>16,101,914</u>	<u>6,150,257</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Sierra Nevada Gold Inc
Statement of changes in equity
For the half-year ended 30 June 2022



	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021	9,660,166	(2,614,593)	7,045,573
Loss after income tax expense for the half-year	-	(223,305)	(223,305)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(223,305)	(223,305)
Balance at 30 June 2021	<u>9,660,166</u>	<u>(2,837,898)</u>	<u>6,822,268</u>

	Issued capital \$	Option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2022	9,889,846	-	(3,739,589)	6,150,257
Loss after income tax expense for the half-year	-	-	(1,651,743)	(1,651,743)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,651,743)	(1,651,743)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	11,067,345	-	-	11,067,345
Share-based payments (note 18)	-	536,055	-	536,055
Balance at 30 June 2022	<u>20,957,191</u>	<u>536,055</u>	<u>(5,391,332)</u>	<u>16,101,914</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Sierra Nevada Gold Inc
Statement of cash flows
For the half-year ended 30 June 2022



	Note	30 June 2022	30 June 2021
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(362,834)	(166,093)
Interest and other finance costs paid		(290)	(469)
Net cash used in operating activities		(363,124)	(166,562)
Cash flows from investing activities			
Payments for property, plant and equipment		(106,675)	-
Payments for exploration and evaluation		(939,588)	(221,864)
Payments for security deposits		(5,000)	-
Net cash used in investing activities		(1,051,263)	(221,864)
Cash flows from financing activities			
Proceeds from issue of shares	11	7,117,668	-
Share issue transaction costs		(330,690)	-
Repayment of lease liabilities		(14,998)	(14,590)
Net cash from/(used in) financing activities		6,771,980	(14,590)
Net increase/(decrease) in cash and cash equivalents		5,357,593	(403,016)
Cash and cash equivalents at the beginning of the financial half-year		967,393	709,836
Effects of exchange rate changes on cash and cash equivalents		(227,800)	-
Cash and cash equivalents at the end of the financial half-year		<u>6,097,186</u>	<u>306,820</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Sierra Nevada Gold Inc. as a consolidated entity consisting of Sierra Nevada Gold Inc. and the entity it controlled at the end of, or during, the period ended 30 June 2022. Sierra Nevada Gold Inc. is incorporated in the state of Nevada, United States of America, and is listed on the Australian Securities Exchange. The financial statements are presented in US dollars, which is Sierra Nevada Gold Inc's functional and presentation currency.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of debt instrument liabilities classified as level 3 was determined by internal management assessments.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of exploration and non-financial assets

The Consolidated Entity assesses impairment of exploration and evaluation assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Provision for rehabilitation

A provision has been made for future costs estimated to be incurred in rehabilitating mining leases. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. These cost estimates are as per the Bureau of Land Management, who also holds a deposit from the Consolidated Entity equal to the provision of rehabilitation. This deposit is accounted for as a non-current asset within the balance sheet of the Consolidated Entity.

The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Operating segments

Operating segments are identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker (the Board of the Consolidated Entity) in order to allocate resources to the segment and to assess its performance. In the current period the Board has determined that the Consolidated Entity has one operating segment, being mineral exploration within the state of Nevada, United states of America.

Assets and liabilities by geographical area

All assets and liabilities and operations are based in United states of America with the exception of an Australian Dollar bank account which is held with an Australian bank in Australia. The balance of this bank account at 30 June 2022 was US\$5,809,188.

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.

Note 5. IPO expenses

	30 June 2022	30 June 2021
	\$	\$
Accounting fees - IPO	9,318	-
Legal fees - IPO	72,719	-
Audit fees - IPO	7,398	-
Prospectus cost - IPO	16,861	-
Broker and manager fees - IPO	380,118	-
	<u>486,414</u>	<u>-</u>

Note 6. Expenses

	30 June 2022 \$	30 June 2021 \$
Loss before income tax includes the following specific expenses:		
<i>Management fees</i>		
Management fees (1)	-	60,000
<i>Depreciation and amortisation expense</i>		
Depreciation expense	37,479	16,698
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	290	469
Interest associated with converting notes	287,732	-
Finance costs expensed	288,022	469
<i>Net loss/(gain) on derivatives not qualifying as hedges</i>		
Net loss/(gain) on derivatives not qualifying as hedges (2)	(19,008)	-
<i>Superannuation expense</i>		
Defined contribution superannuation expense	11,111	-
<i>Share-based payments expense</i>		
Share-based payments expense - employees & directors	205,633	-
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation and including share-based payments expense	353,292	-

(1) Management fees are paid to Geoflite Inc, an entity associated with and controlled by a director of the Consolidated Entity, refer to Note 15 for details.

(2) Movement in fair value of embedded option associated with convertible loan

Note 7. Non-current assets - right-of-use assets

	30 June 2022 \$	31 December 2021 \$
Land and buildings - right-of-use	182,598	182,598
Less: Accumulated depreciation	(175,183)	(160,354)
	<u>7,415</u>	<u>22,244</u>

Note 8. Non-current assets - exploration and evaluation assets

	30 June 2022 \$	31 December 2021 \$
Exploration and evaluation assets	<u>9,984,363</u>	<u>9,398,294</u>

Note 8. Non-current assets - exploration and evaluation assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Exploration and evaluation assets \$
Balance at 1 January 2022	9,398,294
Additions	586,069
Balance at 30 June 2022	<u>9,984,363</u>

Note 9. Current liabilities - trade and other payables

	30 June 2022 \$	31 December 2021 \$
Trade payables	303,966	62,627
Other Payables	269,398	195,618
	<u>573,364</u>	<u>258,245</u>

Related party payables include \$95,618 (31 December 2021: \$195,618) of management fees payable to Geoflite Inc and \$141,380 director fees. Refer to note 15 for further details on related party transactions.

Note 10. Current liabilities - borrowings

	30 June 2022 \$	31 December 2021 \$
Converting notes payable	<u>-</u>	<u>3,010,560</u>

Series 1 Converting Notes

During July 2019, the company raised \$1.38 million through an issue of 416 converting notes. In accordance with the terms of the converting note agreements, these notes are expected to be settled by issuing shares of the company during the first semester of the year 2021, subject to the success of a planned Initial Public Offering (IPO). There was no interest payable on the converting notes.

All Series 1 Converting notes were converted to shares in the Company on 27 February 2022.

Series 2 Converting Notes

On 18 August 2021, the Consolidated Entity issued 25,744 unsecured converting notes (Notes), at an issue price of \$A100 per note (Issue Price), raising funds of \$A2,574,400 (\$US1,894,781) before issue costs.

The key features of the converting notes included:

Note 10. Current liabilities - borrowings (continued)

- Notes were unsecured;
- no interest was payable on a Note;
- the Notes' conversion date (Conversion Date), where an Offer (as defined by the Notes agreements) had been made, was the earlier of: (a) where the Company made a public offer: (i) the date the Company confirmed to noteholders it could fulfill ASX listing conditions; or (ii) if not seeking ASX listing, the date the company issued shares under the public offer; or (b) if the Offer was not a public offer: (i) the date the Offer became unconditional; or (ii) the date before the completion of closure of that Offer;
- Notes would automatically convert to shares on Conversion Date
- on Conversion Date, each Note would be converted into the number of Shares equal to the Issue Price divided by 75% of the IPO offer price of the Share (Offer Conversion Price);
- it would be a condition of any Initial Public Offer (IPO) undertaken by the Company that any shares issued upon conversion of the Notes would be transmuted into ASX-listed securities with the same terms and conditions as those offered under the IPO.

All Series 2 Converting notes were converted to shares in the Company on 22 April 2022.

Note 11. Equity - issued capital

	30 June 2022 Shares	31 December 2021 Shares	30 June 2022 \$	31 December 2021 \$
Ordinary shares - fully paid	56,062,000	24,087,007	20,957,191	9,889,846

Movements in ordinary share capital

Details	Date	Shares		\$
Balance	1 January 2022	24,087,007		9,889,846
Shares issued upon conversion of series 1 converting notes	27 February 2022	5,047,928	\$0.270	1,384,491
Transfer of series 1 converting note financial derivative liability to issued capital upon conversion of notes	27 February 2022	-		462,453
Shares issued upon conversion of series 2 converting notes	22 April 2022	6,865,065	\$0.270	1,894,792
Transfer of series 2 converting note financial derivative liability to issued capital upon conversion of notes	22 April 2022	-		631,598
IPO Shares issued	27 April 2022	20,062,000	\$0.350	7,117,668
Capital Raising costs		-		(423,657)
Balance	30 June 2022	56,062,000		20,957,191

Ordinary Shares

Ordinary Shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the Shares held. The fully paid ordinary Shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity - issued capital (continued)

CHES Depositary Interests (CDIs)

The ASX uses an electronic system called CHES for the clearance and settlement of trades on the ASX. As a company incorporated in the state of Nevada in the United States, to enable the Company to have its securities cleared and settled electronically through CHES, depositary instruments called CDIs are issued to investors in the Company, as the actual underlying shares in the Company cannot be traded on the ASX. CDIs represent the beneficial interest in the underlying shares in a foreign company such as Sierra Nevada and are traded in a manner similar to shares of Australian companies listed on the ASX. Each Share of Sierra Nevada will be equivalent to one CDI. The actual shares in the Company are held by CHES Depositary Nominees Pty Ltd on behalf of and for the benefit of the CDI holders.

Share buy-back

There is no current on-market Share buy-back.

Note 12. Equity - reserves

	30 June 2022	31 December 2021
	\$	\$
Share-based payments reserve	<u>536,055</u>	<u>-</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 13. Contingent liabilities

There were no contingent liabilities as at 30 June 2022 and 31 December 2021.

Note 14. Commitments

There were no material commitments at 30 June 2022 and 31 December 2021.

Note 15. Related party transactions

Parent entity

Sierra Nevada Gold Inc is the parent entity.

Transactions with related parties

Management fees are payable to Geoflite Inc., a Consolidated Entity associated with a shareholder and director of the Consolidated Entity, Peter Moore. No management fees incurred from Geoflite Inc. were expensed during the financial half-year (2021: \$60,000) as disclosed at Note 6. Additional management fees incurred from Geoflite Inc. of \$40,000 were capitalised to exploration and evaluation assets during the financial half-year (2021: \$60,000) and are included in the additions to exploration and evaluation assets disclosed at Note 8. During the financial half-year payments to Geoflite Inc. amounted to \$120,000 (2021: \$125,000).

Consulting fees were paid to Goldline Property Management Pty Ltd ATF The GFS Trust, an entity associated with a non-executive director of the Consolidated Entity, Robert Gray during the financial half-year ended 30 June 2022. During the period that Mr Gray was a director of the Consolidated Entity, GFS Trust was paid \$24,931 (30 June 2021: Nil) for consulting services provided to the Consolidated Entity during that period by Mr Gray. The consulting services were in addition to, and outside of the scope of, his services as non-executive director of the Consolidated Entity and were based on normal commercial rates for services of that kind.

There were no other transactions with related parties during the current and previous financial half-year.

Note 15. Related party transactions (continued)

Receivable from and payable to related parties

Management and consulting fees payable to related parties at period end are as disclosed at Note 9.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 16. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2022 %	31 December 2021 %
Sierra Nevada Minerals Pty Ltd	Australia	100.00%	100.00%

Note 17. Events after the reporting period

On 14 July 2022, the Consolidated Entity announced that Mr Michael Ramsden had resigned as a Non-Executive Director of the Consolidated Entity. 300,000 Performance Shares held by Mr Ramsden lapsed upon his resignation.

On 18 August 2022, the Consolidated Entity released 817,800 CDIs from escrow.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

Note 18. Share-based payments

The Consolidated Entity may, from time to time, issue securities to employee and third parties as consideration for goods and/or services provided to the Consolidated Entity by those parties. All such transactions are settled in equity and vest immediately, unless otherwise stated.

During the half year ended 30 June 2022 the Consolidated Entity made the following share based payments:

- Issue of options to a service provider as consideration for lead manager services in connection with the Consolidated Entity's IPO;
- issues of performance shares (**Performance Shares**) to directors and employees as remuneration.

Options

Set out below is a summary of options granted:

30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
27/04/2022	27/04/2025	\$0.625	-	1,782,210	-	-	1,782,210
			-	1,782,210	-	-	1,782,210

An Equity Incentive Plan (the **Plan**) has been established by the Consolidated Entity, whereby the Consolidated Entity may issue securities to certain key management personnel of the Consolidated Entity.

Note 18. Share-based payments (continued)

Performance Shares

Set out below are summaries of Performance Shares granted under the Plan:

30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
27/01/2022	27/01/2026	\$0.000	-	2,250,000	-	-	2,250,000
28/04/2022	28/04/2026	\$0.000	-	1,095,000	-	-	1,095,000
			-	3,345,000	-	-	3,345,000

The Performance Shares were issued for a nil issue price. Subject to fulfilment of the relevant vesting conditions, as set out below, each Performance Share will entitle the holder to subscribe for one fully paid ordinary share in the Consolidated Entity for a nil exercise price. These grants of Performance Shares were made under the Equity Incentive Plan. The purpose of the issue of the Performance Shares is to advance the interests of the Consolidated Entity and its shareholders by providing an incentive to attract, retain and reward persons performing services for the Consolidated Entity and by motivating such persons to contribute to the growth and profitability of the Consolidated Entity. Performance Shares will lapse on the fourth anniversary of their grant date, if not converted to Shares before that date.

Performance shares summary

Recipient	Peter Moore (Executive Chairman)	Robert Gray (Non-Executive Director)	Michael Ramsden (Non-Executive Director)	Alan Wilson (Non-Executive Director)	Brett Butlin (Chief Geologist)	Vesting dates
Grant dates:	28/04/2022	27/01/2022	27/01/2022	27/01/2022	27/01/2022	
<i>Vesting conditions:</i>						
Completion of IPO and 12 months continuous service following IPO	-	300,000	-	-	120,000	28/04/2023
Completion of IPO and 24 months continuous service for following IPO	365,000	150,000	150,000	150,000	310,000	28/04/2024
Completion of IPO and 36 months continuous service for following IPO	365,000	-	-	-	310,000	28/04/2025
Completion of IPO and a post-Offer 20-day VWAP \geq 150% of IPO Offer price and 12 months continuous service for following IPO	365,000	150,000	150,000	150,000	310,000	28/04/2023
	<u>1,095,000</u>	<u>600,000</u>	<u>300,000</u>	<u>300,000</u>	<u>1,050,000</u>	

Valuation model inputs

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
27/04/2022	27/04/2025	\$0.500	\$0.625	87.000%	-	2.680%	\$0.258

Note 18. Share-based payments (continued)

For the Performance Shares granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
27/01/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	1.009%	\$0.485
27/01/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	1.009%	\$0.485
27/01/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	1.307%	\$0.481
27/01/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	1.613%	\$0.456
28/04/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	2.427%	\$0.465
28/04/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	2.688%	\$0.462
28/04/2022	28/04/2026	\$0.500	\$0.000	87.000%	-	2.805%	\$0.453

Overview of share based payments

An overview of the share-based payments made in the half year ended 30 June 2022 is as follows:

	30 June 2022 \$	30 June 2021 \$
Share Based Payments expense - directors	124,249	-
Share Based Payments expense - employees	81,384	-
Share based payments expense - IPO manager Options	212,164	-
Total share based payment expense	<u>417,797</u>	<u>-</u>
Share based payments recorded in equity - IPO manager Options	118,258	-
	<u>536,055</u>	<u>-</u>

Note 19. Loss per share

	30 June 2022 \$	30 June 2021 \$
Loss after income tax	<u>(1,651,743)</u>	<u>(223,305)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>37,404,839</u>	<u>23,534,848</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>37,404,839</u>	<u>23,534,848</u>
	Cents	Cents
Basic loss per share	(4.42)	(0.95)
Diluted loss per share	(4.42)	(0.95)

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standard AASB 1034 'Interim Financial Reporting', the Corporation Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- 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.



Peter Moore
Executive Chairman

9 September 2022

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Sierra Nevada Gold Inc.

Conclusion

We have reviewed the accompanying half-year financial report of Sierra Nevada Gold Inc. (the "Company") and the entity it controlled (together the "Consolidated entity") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated entity financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*.

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* ("ASRE 2410"). 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 Consolidated entity 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 the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Melbourne, Victoria

Dated: 9 September 2022