

GOLDEN HORSE MINERALS LIMITED
(formerly Altan Rio Minerals Limited)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Golden Horse Minerals Limited

Opinion

We have audited the consolidated financial statements of Golden Horse Minerals Limited and its subsidiaries (the Group), which comprises the consolidated statements of financial position as at 31 December 2023 and 2022, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in shareholder equity (deficiency) and the consolidated statement of cash flows for the years then ended, and consolidated notes to the financial statements, including a summary of material accounting policies.

In our opinion the accompanying consolidated financial statements presents fairly, in all material respects, the financial position of the Group as at 31 December 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board ('IASB').

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Canada, 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 relating to going concern

We draw attention to Note 1 in the consolidated financial statements which describes the events and/or conditions that give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified with respect of this matter.

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. 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.

Carrying value of exploration and evaluation assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 31 December 2023, we note that the carrying value of exploration and evaluation assets represents a significant asset to the consolidated financial statements, as disclosed in Note 8.</p> <p>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration and evaluation assets in accordance with International Financial Reporting Standard (“IFRS”) 6 <i>Exploration for and Evaluation of Mineral Resources</i>. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the Group’s intention to carry out ongoing exploration activities in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, public announcements and directors’ minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, mineral properties capitalised during the year for compliance with the recognition and measurement criteria of IFRS 6; • Considering whether any facts of circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 8 of the Consolidated Financial Statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation and fair presentation of a consolidated financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 is 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 Canadian generally accepted auditing standards 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 this consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Phillip Murdoch.

BDO Audit (WA) Pty Ltd



Phillip Murdoch

Director

Perth, 29 April 2024

GOLDEN HORSE MINERALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(Expressed in Canadian Dollars)

	Notes	December 31, 2023 \$	December 31, 2022 \$
ASSETS			
Current			
Cash and cash equivalents	6	1,933,580	127,323
Receivables		77,514	14,071
Prepayments and deposits	7	365,701	59,300
		2,376,795	200,694
Non-Current Assets			
Plant and equipment		32,623	---
Deferred exploration and evaluation costs	8	7,214,594	4,621,150
Total Assets		9,624,012	4,821,844
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables	9	931,705	1,120,575
Provisions	10	251,746	---
Loans and borrowings	11	---	313,797
Related party payables	12	---	359,921
Total Current Liabilities		1,183,451	1,794,293
Total Liabilities		1,183,451	1,794,293
Shareholders' Equity (Deficiency)			
Share capital	13	27,669,774	24,167,228
Subscriptions received	13	918,449	181,520
Subscriptions receivable		(15,000)	(15,000)
Share based payments reserve	13	1,621,257	2,415,624
Accumulated losses		(21,490,209)	(22,554,882)
Foreign exchange reserve		(263,710)	(1,166,939)
		8,440,561	3,027,551
Total Liabilities and Shareholders' Equity		9,624,012	4,821,844

The accompanying notes are an integral part of these consolidated financial statements.

Approved and authorized by the Board of Directors on April 29, 2024.

<u>"Graeme Sloan"</u>	Director	<u>"John Jones"</u>	Director
Graeme Sloan		John Jones	

GOLDEN HORSE MINERALS LIMITED**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Canadian Dollars)

	Notes	December 31, 2023 \$	December 31, 2022 \$
Income			
Sales of gold	4	4,059,767	---
Cost of sales	5	(2,310,590)	---
Gross profit		1,749,177	---
Expenses			
Employee expenses		(405,654)	(51,844)
Share based payments	4	(344,778)	(330,347)
Exploration and evaluation costs expensed	8	(264,058)	---
Foreign exchange loss	3	(746,137)	(4,985)
Change in fair value of warrant liability		12,205	280,414
Impairment		---	(172,107)
Other operational expenses	4	(1,114,912)	(631,201)
Total expenses		(2,863,334)	(910,070)
Interest income		15,101	23
Interest expense		(21,942)	(36,224)
Finance costs		(50,106)	(146,309)
Net finance expenses		(56,947)	(182,510)
Other income		49,691	---
Discounts received		5,697	---
Forgiven liabilities		153,876	---
Net profit / (loss) for the period		(961,840)	(1,092,580)
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation adjustment		903,229	(89,510)
Total comprehensive profit / (loss) for the period		(58,611)	(1,182,090)
Basic and diluted profit / (loss) per common share		(0.01)	(0.01)
Basic and diluted – weighted average number of common shares outstanding		137,582,180	106,716,543

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN HORSE MINERALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in Canadian Dollars)

	Notes	December 31, 2023 \$	December 31, 2022 \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss for the year		(961,840)	(1,092,580)
Items not involving cash:			
Share based compensation		344,778	558,699
Realisation of foreign currency reserve on deconsolidation		741,383	---
Forgiven liabilities		(153,876)	---
Finance cost		50,106	---
Depreciation		1,774	---
Impairment of assets		---	172,107
Change in non-cash working capital items:			
Receivables		(63,443)	76,162
Accounts payable and accrued liabilities		289,908	135,535
Changes in fair value of warrant liability		(12,205)	(280,414)
Net cash from / (used in) operating activities		236,585	(430,491)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Exploration and evaluation and assets acquisition		(686,048)	(652,074)
Prepaid expenses and deposits		(306,401)	(48,735)
Purchase of plant and equipment		(32,623)	---
Received from / (paid to) related parties		(336,911)	225,255
Net cash used in investing activities		(1,361,983)	(475,554)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds from share issuances		2,362,449	676,783
Share subscriptions received		918,449	181,250
Repayment of loans		(333,540)	---
Net cash from financing activities		2,947,358	858,303
Change in cash and cash equivalents for the period		1,821,959	(47,742)
Impact of foreign exchange on cash		(15,702)	(17,049)
Cash and cash equivalents, beginning of period		127,323	192,114
Cash and cash equivalents, end of period	5	1,933,580	127,323

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN HORSE MINERALS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Subscriptions Received	Subscriptions Receivable	Reserves	Accumulated Losses	Foreign Exchange Reserve	Total Shareholders' Equity (Deficiency)
			\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2021		99,889,294	23,154,177	336,270	(15,000)	2,003,234	(21,520,936)	(1,077,429)	2,880,316
Loss for the period		---	---	---	---	---	(1,092,580)	---	(1,092,580)
Shares issued for private placement	13	7,726,885	927,224	(154,750)	---	---	---	---	772,474
Share issuance costs		---	(38,617)	---	---	---	---	---	(38,617)
Shares issued for debt settlement	13	1,037,035	124,444	---	---	---	---	---	124,444
Share based payments expense		---	---	---	---	412,390	---	---	412,390
Translation adjustment		---	---	---	---	---	58,635	(89,510)	(30,875)
Balance at December 31, 2022		108,653,214	24,167,228	181,520	(15,000)	2,415,624	(22,554,882)	(1,166,939)	3,027,551
Loss for the period		---	---	---	---	---	(961,840)	---	(961,840)
Shares issued for prior year's subscriptions	13	3,076,923	181,520	(181,520)	---	---	---	---	---
Shares issued for private placement	13	35,444,328	2,429,512	---	---	---	---	---	2,429,512
Share issuance costs		---	(194,579)	---	---	---	---	---	(194,579)
Subscriptions received for shares not issued		---	---	918,449	---	---	---	---	918,449
Shares issued for mineral property acquisition	13	12,372,820	1,081,350	---	---	---	---	---	1,081,350
Share based payments expense	13	---	---	---	---	1,232,146	---	---	1,232,146
Transfer of equity instruments expired / forfeited	13	---	---	---	---	(2,026,513)	2,026,513	---	---
Realisation of foreign currency reserve on deconsolidation		---	---	---	---	---	---	741,380	741,380
Translation adjustment		---	4,743	---	---	---	---	161,849	166,592
Balance at December 31, 2023		159,547,285	27,669,774	918,449	(15,000)	1,621,257	(21,490,209)	(263,710)	8,440,562

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Golden Horse Minerals Limited (formerly Altan Rio Minerals Limited) (the “**Company**”), a limited liability company registered in British Columbia, Canada, is a mineral exploration company listed on the TSX Venture Exchange (the “**Exchange**”) under the symbol “GHML” and is engaged in the acquisition, exploration of mineral projects in Western Australia.

The Company’s head office and registered and records office address is 1700-666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

Going Concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

For the period ended December 31, 2023, the Group recorded a net loss of \$961,840 (December 2022: Loss of \$1,092,626) and received net cash from operating activities of \$236,585 (December 2022: Cash used \$430,491). The Group had a net working capital surplus of \$1,193,344 (December 2022: Deficiency of \$1,593,599), trade and other payables of \$931,705 (December 2022: \$1,120,575), current provisions of \$251,746 (December 2022: Nil) and no loans and borrowings (December 2022: \$313,797).

Current forecasts indicate that cash on hand as at December 31, 2023 will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group’s tenements in good standing. Accordingly, the Group will be required to raise additional equity, consider alternate funding options or a combination of the foregoing.

These factors indicate a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has a proven history of successfully raising capital. On January 2, 2024, the Company announced that it closed its non-brokered private placement of Shares, raising aggregate gross proceeds of \$1,617,253 through the issuance of 16,587,209 Shares at an issue price of \$0.0975 per Share. Subscriptions totalling \$918,449 were received by the Company prior to December 31, 2023 and are included in the cash on hand balance as at December 31, 2023;
- The ASX dual listing progressing with a listing date to be announced following receipt of final regulatory and ASX approvals; and
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Accordingly, the financial statements for the year ended December 31, 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating costs and exploration expenditure commitments and pay its debts as and when they fall due for at least twelve months from the date of this report.

However, the Directors recognise that if sufficient additional funding is not raised from the issue of capital or through alternative funding sources, there is a material uncertainty as to whether the going concern basis is appropriate with the result that the Group may relinquish title to certain tenements and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

The consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (“Group”). All intercompany transactions and balances have been eliminated upon consolidation. The Company’s subsidiaries are listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Altan Rio Holdings Canada Limited	Canada	100%	Holding company
Altan Rio Minerals (Aust) Pty Ltd	Australia	100%	Project exploration
Altan Rio Limited (a)	British Virgin Islands	100%	Holding company
GS Minerals Corp. Ltd (b)	Bermuda	100%	Holding company

Notes:

- Altan Rio Limited was incorporated in British Virgin Islands, was a subsidiary of Altan Rio Holdings Limited and was dissolved on July 4, 2023.
- GS Minerals Corp. Ltd was incorporated in Bermuda and was a subsidiary of Altan Rio Limited. On August 29, 2023, the Company was notified by The Registrar of Companies, Bermuda, that the Company was struck off.
- BraveHeart Resources LLC was incorporated in Mongolia, was a subsidiary of GS Minerals Corp. Ltd and is no longer a subsidiary of the Company and as such, ceases to remain within the Group. Altan Rio Holdings Canada Limited ceased operations in Mongolia and given that GS Minerals Corp. Ltd has been dissolved, BraveHeart Resources LLC is no longer in the Group.
- Altan Rio Mongolia LLC was incorporated in Mongolia and was a subsidiary of Altan Rio Limited. Altan Rio Holdings Canada Limited ceased operations in Mongolia and given that Altan Rio Limited has been dissolved, Altan Rio Mongolia LLC is no longer in the Group.

On deconsolidation of the above companies, the Group realised a foreign exchange loss of \$746,137 in the consolidated statement of profit and loss and other comprehensive income.

Revenue and other income

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company’s account to the buyer.

Costs of sales

Costs of sales is a component of cost of goods sold and includes direct costs incurred for logistics and processing.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and Altan Rio Holdings Canada Limited, for the year ended December 31, 2023 and 2022 is the Canadian Dollar, and the functional currency of the Company's wholly owned subsidiary, Altan Rio Minerals (Aust) Pty Ltd is the Australian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). The Company's presentation currency is the Canadian dollar ("C\$").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Exploration and evaluation assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized based on specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

At each reporting period, capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. In addition to considerations in accordance with IFRS 6, management also considers the following factors in assessing impairment: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding, and the ability of the Company to bring its projects into production.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 - 60 days.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives), or the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded through profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTOCI, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

The Company's financial assets and liabilities are classified as follows:

	Classification
Cash	Amortized cost
Receivables	Amortized cost
Due from related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Due to related parties	Amortized cost

Financial instruments measured at fair value are summarized into the following fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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: Inputs for the assets or liabilities that are not based on observable market data.

The carrying values of financial liabilities approximate their fair values due to the short-term nature of these instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income (loss) per share

The Group presents basic and diluted income (loss) per share data for its common shares. Basic income (loss) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted income (loss) is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding which have been issued for no consideration in relation to the dilutive potential ordinary shares, which comprise stock options, share purchase warrants, performance rights and inducement shares granted to employees, contract personnel, shareholders and corporate entities engaged by the Group, that are expected to be exercised.

Share-based compensation

The Company accounts for stock options, performance rights and inducement shares granted to directors, officers and employees at the fair value of the options granted. The fair value of options, performance rights and inducement shares granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The fair value of stock options granted is recognized as an expense with a corresponding increase in equity over the relevant vesting period. The fair value is measured at grant date using the Black-Scholes option pricing model. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of stock options that are likely to vest and the expired portion of the vesting period. Upon exercise of stock options, the balance of the share-based payments reserve in relation to those options is transferred to retained earnings.

The fair value of performance rights granted to employees is recognized as an expense with a corresponding increase in equity over the relevant vesting period, being the period over which the performance condition and any service condition is achieved. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of performance rights that are likely to vest and the expired portion of the vesting period. The number of rights expected to vest is estimated based on the attaching conditions. The estimates are revised at the end of each reporting period and adjustments are recognized in profit or loss and equity.

The fair value of inducement shares granted to employees is recognized as an expense with a corresponding increase in equity over the relevant vesting period, being the period over which the performance condition and any service condition is achieved. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of performance rights that are likely to vest and the expired portion of the vesting period. The number of rights expected to vest is estimated based on the attaching conditions. The estimates are revised at the end of each reporting period and adjustments are recognized in profit or loss and equity.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' deficiency which results from transactions and events from sources other than the Company's shareholders. The Company's and subsidiary's translation of its financial results to C\$ is the only item currently affecting comprehensive income (loss) for the years presented.

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 International Accounting Standards Board ('IASB') 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.

4. REVENUES AND EXPENSES

Revenue from contracts with customers

On June 19, 2023, the Company poured 1,578 ounces from processing of the stockpile at historical Pilot Gold Mine. Approximately 35,600 tonnes of stockpile material were processed with the ore returning a head grade of 1.63g/t Au – slightly outperforming historical operations which typically returned grades around 1.5g/t Au. Processing occurred as expected under standard operating procedures, demonstrating the quality and consistency of mineralisation within the Southern Cross Greenstone Belt. Processing of the Pilot stockpile delivered total gold sales of \$4,053,015.

	December 31, 2023 \$	December 31, 2022 \$
Gold sales	4,053,015	---
Silver sales	6,752	---
Total	4,059,767	---

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4. REVENUES AND EXPENSES (continued)

Other operational expenses

	December 31, 2023 \$	December 31, 2022 \$
Professional fees	530,039	117,565
Rent	80,740	33,701
Consulting and management fees	58,676	159,602
Travel and accommodation	51,807	15,068
Filing fees	50,201	42,391
Directors' fees	(21,464)	77,547
Insurance	19,876	20,467
Depreciation	1,774	---
Provision for taxation penalties and interest (a)	222,000	---
Office and general expenses	121,263	164,860
Total	1,114,912	631,201
Share based payments (b)	344,778	330,347
Total	344,778	330,347

- a) Refer to Notes 10 and 19 for further information in relation to the provision for taxation penalties and interest expense.
- b) Refer to Note 13 for further information in relation to the share based compensation including terms and key inputs to the valuation model.

5. COST OF SALES

	December 31, 2023 \$	December 31, 2022 \$
Cost of sales - processing costs	2,310,590	---

6. CASH AND CASH EQUIVALENTS

	December 31, 2023 \$	December 31, 2022 \$
Cash and cash equivalents	1,933,580	127,323

On January 2, 2024, the Company announced that it closed its non-brokered private placement of Shares, raising aggregate gross proceeds of \$1,617,253 through the issuance of 16,587,209 Shares at an issue price of \$0.0975 per Share. Subscriptions totalling \$918,449 were received by the Company prior to December 31, 2023 and are included in the cash on hand balance as at December 31, 2023.

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7. PREPAYMENTS AND DEPOSITS

	December 31, 2023 \$	December 31, 2022 \$
Current		
Project acquisitions (a)	356,165	---
Other prepayments	9,536	59,300
Total	365,701	59,300

- a) On June 12, 2023, the Company announced that it had entered into an exclusive six month option agreement to acquire the Hakes Find project (“**Hakes Find Agreement**”), 10km from Southern Cross township in the central portion of the Southern Cross Greenstone Belt. The Company paid an option fee of A\$25,000 in June 2023, extended the term of the Hakes Find Agreement by six months to 25 May 2024 by way of cash payment of A\$25,000 in December 2023 and can extend by a further six months for an additional A\$25,000. The option exercise price is A\$100,000 cash and A\$175,000 in common shares in the capital of the Company (“**Shares**”) (up to 2,467,500 Shares based the volume weighted average price (“**VWAP**”) for Company Shares in the period 30 days prior to issue and adjusted using the C\$/A\$ exchange rate posted by the Bank of Canada), plus a 1.5% royalty on the first 23,000 ounces of gold produced from the tenement.

On June 26, 2023, the Company announced that it had entered into a conditional sale agreement to acquire Torque Metals Limited (“**Torque**”) Bullfinch Gold project (“**Bullfinch Agreement**”), located 34km from the Southern Cross township within the Yilgarn Mineral Field, Western Australia and adjacent to the Company’s existing tenements. Key terms of the Bullfinch Agreement are as follows:

- The Company made a cash payment of A\$100,000 to Torque upon execution of the Bullfinch Agreement;
- Conditional upon the proposed secondary listing of the Company on the Australian Securities Exchange (“**ASX**”) and assignment of Torque’s Bullfinch obligations on or before 15 December 2023 (“**End Date**”) (the Company extended the End Date to March 15, 2024, by a cash payment of A\$25,000 in February 2024 and the End Date was further extended to June 17, 2024, by a cash payment of A\$25,000 in March 2024), the Company shall on completion, at its election either:
 - Pay Torque a further A\$650,000 cash; or
 - Issue Shares to Torque to the value of A\$650,000 up to 7,929,097 Shares at the same issue price per Share as Shares issued under the proposed secondary listing on ASX;
- During the period until the earlier of completion or the End Date, the Company shall be responsible for all expenditure commitments associated with maintaining the tenements comprising the Bullfinch Project in good standing, failing which the Bullfinch Agreement shall terminate; and
- In the event that the Company does not complete the proposed secondary listing on ASX by the End Date, it may still elect to complete the transaction, in which circumstances it shall make payment of A\$650,000 cash to Torque.
- A 1% net smelter royalty, subject to the Company's right to re-purchase the royalty at any time for A\$1.7 million.

On August 1, 2023, the Company announced that it entered into an agreement with prospectors Vernon Strange and Kym McClaren to acquire a series of projects which are located approximately 30km north of the town of Bullfinch. Key terms of the agreements are as follows:

- Ennuin Project - The Company made a cash payment of A\$100,000 in August 2023, will issue A\$175,000 worth of Shares (1,739,562 Shares at an issue price of C\$0.08843 per Share and an A\$/C\$ exchange rate of 0.879) and will pay A\$150,000 cash upon the earlier of listing on the ASX or within 6 months of execution of the agreement (March 1, 2024), plus a 1.5% gross smelter royalty capped at A\$800,000. The Company elected to extend the term of the agreement by 6 months (to August 31, 2024) with a cash payment of A\$50,000 in February 2024;

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7. PREPAYMENTS AND DEPOSITS (continued)

- Copperhead Project – The Company made a cash payment of A\$50,000 in August 2023 will issue A\$250,000 worth of Shares (2,485,089 Shares at an issue price of C\$0.08843 Share and an A\$/C\$ exchange rate of 0.879) and will pay A\$200,000 cash upon the earlier of listing on the ASX or within 6 months of execution of the agreement (March 1, 2024), plus a 1.5% Gross Smelter Royalty capped at A\$800,000. The Company elected to extend the term of the agreement by 6 months (to August 31, 2024) with a cash payment of A\$50,000 in February 2024.

On August 1, 2023, the Company announced that it entered into an agreement to acquire two tenements located south of the Southern Cross township. The Company made a cash payment of A\$90,000 in July 2023 and will issue A\$300,000 worth of Shares (2,982,107 Shares at an issue price of C\$0.08843 per Share and an A\$/C\$ exchange rate of 0.879).

8. DEFERRED EXPLORATION AND EVALUATION COSTS

	Southern Cross \$	Chandman-Yol \$	Total \$
Balance, December 31, 2021	3,986,598	127,297	4,113,895
Exploration costs	662,770	---	662,770
Foreign exchange movements	(28,218)	---	(28,218)
Exploration costs written off	---	(127,297)	(127,297)
Balance, December 31, 2022	4,621,150	---	4,621,150
Exploration costs	469,127	---	469,127
Acquisition costs (a)	2,062,867	---	2,062,867
Exploration costs written off	---	---	---
Foreign exchange movements	61,450	---	61,450
Balance, December 31, 2023	7,214,594	---	7,214,594

- a) On February 22, 2023, the Company announced that it had entered into an option agreement to purchase a 90% interest in exploration licence E77/2691 (“**Western E Agreement**”) in the Southern Cross region, 370 kilometers east of Perth, Western Australia. Key terms of the Western E Agreement are as follows:
- The option exercise price is A\$250,000 cash plus A\$250,000 worth of Shares in the Company, calculated at a 30-day VWAP. For accounting purposes, the fair value of the Shares on date of control has been utilised. The Shares were issued to the vendors on March 7, 2023 and the cash consideration was paid to the vendors on February 20, 2023;
 - The Company will free carry the vendor at 10% through to a decision to mine. If a decision to mine is made the vendor will have 30 days to contribute or dilute to 1.5% Gross Smelter Royalty;
 - Both parties have reciprocal 30 day right to purchase the other parties’ interest if they are prepared to accept an offer for their rights, title, and interest on arm’s length terms;
 - The Company will maintain the tenement and keep it in good standing during the option period, or prior to notifying the Vendor of its intention not to exercise the option, whichever occurs first; and
 - The vendor may convert its retained 10% interest in the tenement into a 1.5% gross smelter royalty on all metals and minerals extracted from the tenement. If the vendor wishes to sell the Interest or the Royalty (as applicable), the Company will have a right of first refusal to purchase the applicable interest.

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8. DEFERRED EXPLORATION AND EVALUATION COSTS (continued)

On December 8, 2022, the Company announced that it was acquiring the remaining 20% of 14 key tenements that were subject to an earn in arrangement with Surveyor Resources Pty Ltd ("**Surveyor Resources**"), a company controlled by a director of the Company. Surveyor Resources agreed to both (i) waive all remaining conditions to the Company's 80% earn-in interest in the Southern Cross North gold project (the "**Southern Cross North Project**") and (ii) sell the remaining 20% interest in the Southern Cross North Project to the Company for \$1,000,000 ("**Consideration**").

On July 4, 2023, the Company announced that it has satisfied all conditions, including the issue of Shares for its acquisition of 100% of the Southern Cross North Project. The Consideration was satisfied by the issuance of 10,000,000 Shares (at a deemed value of \$0.085 per Share) and 10,000,000 warrants, each warrant exercisable for one additional Share at an exercise price \$0.14 for a period of 4 years (refer Note 13).

The Company has investigated title to all of its Western Australian exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in Western Australia. Chandman-Yol is located 1,050 kilometers from the Capital City of Ulaanbaatar in Mongolia. BraveHeart Resources LLC and Altan Rio Mongolia LLC held the Chandman-Yol and are no longer subsidiaries of Company and cease to remain within the Group.

9. TRADE AND OTHER PAYABLES

	December 31, 2023	December 31, 2022
	\$	\$
Current		
Trade payables	931,705	1,120,575
Total	931,705	1,120,575

10. PROVISIONS

	December 31, 2023	December 31, 2022
	\$	\$
Current		
Taxation penalties and interest (a)	222,000	---
Employee benefits – annual leave	29,746	---
Total	251,746	---

- a) As announced to the Exchange on April 29, 2024, the Group has identified that the Company and Altan Rio Holdings Canada Limited have not filed certain income tax and information returns with the Canada Revenue Agency ("**CRA**") for taxation years 2010 to 2022. As a result, although the Company does not believe that any income taxes are payable to the CRA, the Company may be liable for penalties and interest under the relevant income tax legislation. Following consultation with the Company's advisors, in the consolidated financial statements the Directors have provisioned \$222,000 for potential penalties and interest for non-compliance with tax filing obligations. The ultimate outcome cannot be reasonably or accurately estimated at this time as there is potential for additional penalties for non-compliance with tax filing obligations and therefore the amount above is subject to change, pending CRA's assessment of the tax returns the results of any negotiations and agreement with the CRA in respect of amounts due.

Management is actively engaged in resolving this matter and working towards ensuring compliance with all applicable tax laws. The Company is working closely with its tax advisors to address the outstanding tax filings and following that, will also work closely with its tax advisors to negotiate the amount of any potential penalties and interest with the CRA.. Refer to Note 19 for further information.

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11. LOANS AND BORROWINGS

	December 31, 2023 \$	December 31, 2022 \$
Current		
Loans and borrowings	---	313,797
Total	---	313,797

On May 5, 2021, the Company entered into a loan agreement with Lionel Street Pty Ltd (“**Lionel**”), pursuant to which the Company was able to borrow up to A\$500,000. The loan interest rate was 12.5%, payable monthly in arrears and was secured by a promissory note. Lionel advanced the Company A\$200,000 on May 5, 2021 and advanced A\$150,000 on June 1, 2021. On June 28, 2023 the Company settled the Lionel loan in full.

12. RELATED PARTY TRANSACTIONS

As at December 31, 2023, there were no amounts owing by the Company to related parties.

The Company entered into the following transactions with related parties:

- During the year ended December 31, 2023, Mr Josh Conner provided field work services (including supply of labour and equipment) totalling \$50,600, to the Company through Black Horse Minerals Pty Ltd (“**Black Horse**”). Black Horse is an entity associated with the Company’s Chief Operating Officer, Mr Josh Conner. These field work services were incurred in the normal course of operations, on an arm’s length basis.
- The Company announced on December 8, 2022, that it was acquiring the remaining 20% of 14 key tenements that were subject to an earn in arrangement with Surveyor Resources, a company controlled by Mr John Jones, a director of the Company. Surveyor Resources agreed to both (i) waive all remaining conditions to the Company's 80% earn-in interest in the 14 key tenements and (ii) sell the remaining 20% interest in the 14 key tenements to the Company for \$1,000,000 (“**Consideration**”).

On July 4, 2023, the Company announced that it satisfied all conditions, including the issue of Shares as the Consideration for its acquisition of 100% of the 14 key tenements. The Consideration was satisfied by the issuance of 10,000,000 Shares (at a fair value of \$0.085 per Share) and 10,000,000 warrants, each warrant exercisable for one additional Share at an exercise price \$0.14 for a period of 4 years (refer Note 13). These transactions were incurred in the normal course of operations, on an arm’s length basis.

As at December 31, 2022, an amount of:

- \$28,676 was owed to Surveyor Resources, a company controlled by Mr John Jones, a director of the Company. The outstanding amount and repayments made during the period ended December 31, 2022 related to the joint venture agreement between the Company’s wholly owned subsidiary, Altan Rio Minerals (Aust) Pty. Ltd. and Surveyor Resources;
- \$267,343 was owed to Jones Partners Pty Ltd, a company controlled by Mr John Jones, a Director of the Company;
- \$4,443 was owed to Mr Brian Cole, a Director of the Company. Mr Cole resigned as a Director of the Company on 10 April 2023;
- \$9,181 was owed to Mr Evan Jones, a Director of the Company and was subsequently written off in the year ended December 31, 2023. Mr Jones resigned as a Director of the Company on November 22, 2022;
- \$27,268 was owed to Mr Kerry Griffin, a Director of the Company, for geological consulting services. Mr Griffin resigned as a Director of the Company on 10 October 2023;
- \$23,010 was owed to Altan Nevada Minerals Limited. Mr John Jones is a Director of the Company and Altan Nevada Minerals Limited. This amount was subsequently written off in the year ended December 31, 2023;
- \$29,878 (included in loans payable) was owed to John Jones, a Director of the Company; and

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12. RELATED PARTY TRANSACTIONS (continued)

- \$70,263 (included in accounts payable) was owed to Mr Robert Williams, for accounting services. On October 10, 2023, Mr Williams resigned as an officer of the Company.

These transactions were incurred in the normal course of operations, on an arms length basis. The payables are non-interest bearing and due on demand.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the six months ended December 31, 2023 are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Management and consulting fees	318,715	113,624
Director fees	(21,463)	77,547
Share-based compensation	246,975	325,408
Total	544,227	516,579

13. SHARE CAPITAL & RESERVES

Authorized share capital

There is unlimited number of common and preferred voting shares without nominal or par value.

Issued share capital

The following movements in issued capital occurred during the reporting period:

	Number of Shares	Issue Price	\$
Common shares			
Opening balance as at December 31, 2021	99,889,294		23,154,176
Issue of shares (January 11, 2022)	1,037,035	\$0.120	124,444
Issue of shares (April 1, 2022)	7,726,885	\$0.120	927,226
Less issue costs	---	---	(38,618)
Closing balance as at December 31, 2022	108,653,214		24,167,228
Issue of shares – Placement (January 6, 2023)	3,076,923	\$0.060	181,520
Issue of shares – Western E acquisition (March 7, 2023)	2,372,820	\$0.098	231,350
Issue of shares – Placement (May 2, 2023)	20,000,000	\$0.060	1,193,967
Issue of shares – Surveyor acquisition (July 4, 2023)	10,000,000	\$0.085	850,000
Issue of shares - Placement (August 18, 2023)	15,444,328	\$0.080	1,235,545
Less issue costs	---	---	(189,836)
Closing balance as at December 31, 2023	159,547,285		27,669,774

On January 2, 2024, the Company announced that it closed its non-brokered private placement of Shares, raising aggregate gross proceeds of \$1,617,253 through the issuance of 16,587,209 Shares at an issue price of \$0.0975 per Share. Subscriptions totalling \$918,449 were received by the Company prior to December 31, 2023 and are included in the cash on hand balance as at December 31, 2023.

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13. SHARE CAPITAL & RESERVES (continued)

Share based payments reserve

The following movements in the share based payments reserve occurred during the period:

	\$
Closing balance at 31 December 2021	2,003,234
Share based payments expense	412,390
Closing balance at 31 December 2022	2,415,624
Share based payments expense	344,778
Capital raising costs - Savoy	128,705
Acquisition – Surveyor	758,663
Transfer to accumulated losses following expiry / forfeiture of equity instruments	(2,026,513)
Closing balance at 31 December 2023	1,621,257

Stock options

The Company established a stock option plan (the “Plan”) for directors, employees, and consultants of the Company. From time to time, Shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of Shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed Shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years.

All stock options issued are subject to vesting terms. Options issued to officers and/or consultants might be subjected to a vest term depending on date of grant and nature of service.

A summary of stock option activities is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding options, December 31, 2021	5,700,000	\$0.120
Options granted	5,000,000	\$0.200
Options expired and cancelled	(2,750,000)	\$0.120
Outstanding options, December 31, 2022	7,950,000	\$0.170
Options granted (a)	10,050,000	\$0.0975
Options expired / forfeited	(3,575,000)	\$0.180
Outstanding options, December 31, 2023	14,425,000	\$0.12

As at December 31, 2023, the following stock options were outstanding and exercisable:

Number of Stock Options	Exercise Price	Expiry Date	Number of Stock Options Exercisable
1,200,000	\$0.090	June 26, 2024	1,200,000
500,000	\$0.090	(b) October 9, 2024	500,000
600,000	\$0.200	(b) October 9, 2024	600,000
2,075,000	\$0.200	April 21, 2026	2,075,000
10,050,000	\$0.0975	(a) November 30, 2028	---
14,425,000			4,375,000

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13. SHARE CAPITAL & RESERVES (continued)

- a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced that it granted an aggregate of 10,050,000 stock options to acquire Shares to certain employees, officers, consultants, directors and non-executive directors of the Company. These options were subsequently approved and valued on December 29, 2023 at the Annual General Meeting (“AGM”). The estimated fair value of the stock options of \$0.114 was determined using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 3.65% and expected life of 5 years. The options vest in full upon the Company’s listing to the ASX.
- b) Mr Kerry Griffin resigned as a Director of the Company on October 10, 2023. The Company and Mr Griffin agreed to change the terms of 1,100,000 options issued to Mr Griffin, such that the options expire 12 months on October 9, 2024. The fair value of the options at the date of modification was determined to be \$67,909. This has resulted in an incremental fair value change of \$8,937.

As at December 31, 2022, the following stock options were outstanding and exercisable:

Number of Stock Options	Exercise Price	Expiry Date	Number of Stock Options Exercisable
2,200,000	\$0.090	June 26, 2024	2,200,000
1,500,000	\$0.19	December 22, 2023	1,500,000
4,250,000	\$0.20	April 21, 2026	4,250,000
7,950,000			7,950,000

Warrants

A summary of share purchase warrant activities is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, December 31, 2021	13,289,940	\$0.146
Warrants granted	8,840,720	\$0.18
Outstanding warrants, December 31, 2022	22,130,660	\$0.16
Warrants granted (a,b)	12,000,000	\$0.14
Expired	(13,289,940)	\$0.15
Outstanding warrants, December 31, 2023	20,840,720	\$0.16

As at December 31, 2023, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date	Number of Warrants Exercisable
1,037,035	\$0.180	January 11, 2025	1,037,035
7,803,685	\$0.180	April 1, 2025	7,803,685
2,000,000	\$0.150	August 18, 2025	2,000,000
10,000,000	\$0.140	July 4, 2027	10,000,000
20,840,720			20,840,720

13. SHARE CAPITAL & RESERVES (continued)

- a) On December 8, 2022, the Company announced that it was acquiring the remaining 20% of 14 key tenements that were subject to an earn in arrangement with Surveyor Resources (refer Note 8) and on July 4, 2023, the Company announced that it has satisfied all conditions, including the issue of Shares as the Consideration for its acquisition of 100% of the Southern Cross North Project. The Consideration was satisfied by the issuance of 10,000,000 Shares and 10,000,000 warrants, each warrant exercisable for one additional Share at an exercise price \$0.14 for a period of 4 years. The estimated fair value of the warrants was determined using the Black-Scholes option pricing model of \$0.076 with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 3.91% and expected life of 4 years.
- b) On August 18, 2023 the Company announced that it had issued 15,444,328 Shares by way of placement at an issue price of \$0.08, raising \$1,235,546. The Company paid a finder's fees in connection with the placement to Savoy Capital Partners Pty Ltd which included 2,000,000 broker warrants, each such broker warrant being exercisable to acquire one Share at a price of \$0.15 until August 18, 2025. The estimated fair value of the warrants was \$0.064 determined using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 4.1% and expected life of 2 years.

Performance Rights

A summary of performance rights activities is as follows:

	Number of Rights	Weighted Average Exercise Price
Outstanding performance rights, December 31, 2022	---	---
Granted	15,916,294	---
Expired	---	---
Outstanding performance rights, December 31, 2023	15,916,294	---

As at December 31, 2023, the following performance rights were outstanding and exercisable:

Number of Performance Rights	Exercise Price	Expiry Date	Number of Performance Rights Exercisable
12,543,728	---	November 30, 2027	---
1,686,283	---	November 30, 2028	---
1,686,283	---	November 30, 2029	---
15,916,294			---

- a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced the issue of an aggregate of 15,916,294 performance rights redeemable for Shares to certain employees, officers, consultants, directors and non-executive directors of the Company. These performance rights were subsequently approved and granted at the AGM on December 29, 2023. The estimated fair value of the performance rights was determined using the Share price on grant date of \$0.12. The performance right vest in tranches over 12, 24 and 36 months from the date of grant and upon the Company's listing to the ASX.

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13. SHARE CAPITAL & RESERVES (continued)

Inducement Shares

A summary of inducement shares activities is as follows:

	Number of Rights	Weighted Average Exercise Price
Outstanding inducement shares, December 31, 2022	---	---
Granted	3,180,000	---
Expired	---	---
Outstanding inducement shares, December 31, 2023	3,180,000	---

As at December 31, 2023, the following inducement shares were outstanding and exercisable:

Number of Inducement Shares	Exercise Price	Expiry Date	Number of Inducement Shares Exercisable
1,363,334	---	November 30, 2027	---
908,333	---	November 30, 2028	---
908,333	---	November 30, 2029	---
3,180,000			---

- a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced that it granted an aggregate of 3,180,000 inducement shares to certain employees and officers of the Company. These inducement shares were subsequently approved and granted at the AGM on December 29, 2023. The estimated fair value of the inducement shares was determined using the Share price on grant date of \$0.12. The inducement shares vest in tranches over 12, 24 and 36 months from the date of grant and upon the Company's listing to the ASX.

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Loss for the year	(961,840)	(1,092,680)
Income tax rate	25%	27.5%
Expected income tax (recovery)	(240,460)	(300,957)
Change in statutory, foreign tax, foreign exchange and other	(170,774)	32,723
Permanent differences	86,195	138,000
Share issue cost	---	---
Change in unrecognized deductible temporary differences	325,039	130,234
Total income tax expense / (benefit)	---	---

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14. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023	Expiry Date	2022	Expiry Date
	\$	Range	\$	Range
Temporary Differences				
Exploration and evaluation assets	(2,983,043)	No expiry date	92,000	No expiry date
Share issue costs	301,836	2040 to 2044	112,000	2040 to 2044
Non-capital losses available for future period	9,452,627	2030 to 2041	8,490,789	2030 to 2041

Tax attributes which may be available to offset against taxable income in future years, are subject to review, and potential adjustment, by tax authorities. No income tax is payable by the Group. The directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

15. SUPPLEMENTAL CASH FLOW DISCLOSURE

The following non-cash transactions were incurred for the year ended:

	December 31, 2023	December 31, 2022
	\$	\$
Shares issued for debt	---	124,444
Shares issued for mineral properties	1,081,350	---
Warrants issued for mineral properties	758,663	---
Exploration expenses in accounts payable	561,061	523,951
	2,401,074	648,395

16. SEGMENTED INFORMATION

The Company operates in one business segment, the exploration of exploration and evaluation assets. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making.

The Company's capital assets are located in the following geographic locations:

	December 31, 2023	December 31, 2022
	\$	\$
Exploration and evaluation assets		
Australia	7,214,594	4,621,150
	7,214,594	4,621,150

17. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes to the Company's capital management approach during the year ended December 31, 2023. The Company is not subject to any externally imposed requirements.

18. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's cash are held at a large Australian financial institution in interest-bearing accounts. The Company has no investment in asset backed commercial paper. The Company's receivables consist mainly of sales tax receivable due from the Government of Canada and the Australian Taxation Office. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company has cash of \$1,933,580 (December 31, 2022: \$127,323) to settle current liabilities of \$1,183,451 (December 31, 2022: \$1,794,293). As disclosed in Note 1, the Company will need to raise additional funds to meet its obligations as they come due. The Company is exposed to liquidity risk.

a) *Financing arrangements*

Unused borrowing facilities at the reporting date:

	December 31, 2023 C\$	December 31, 2022 C\$
Loan	---	137,715
	---	137,715

The loan facility may be drawn at any time in amounts of A\$150,000, on five business days' advance written notice to the lender.

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18. FINANCIAL INSTRUMENTS (continued)

b) *Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	---	931,705	---	---	---	931,705
Other payables	---	---	---	---	---	---
Total non-derivatives		931,705	---	---	---	931,705
Derivatives						
	---	---	---	---	---	---
Total Derivatives		---	---	---	---	---

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	---	1,120,575	---	---	---	1,120,575
Other payables	---	359,921	---	---	---	359,921
Warrant liability	---	12,205	---	---	---	12,205
<i>Interest-bearing - fixed rate</i>						
Loans	12.50%	301,592	---	---	---	301,592
Total non-derivatives		1,794,293	---	---	---	1,794,293
Derivatives						
	---	---	---	---	---	---
Total Derivatives		---	---	---	---	---

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

a) *Interest rate risk*

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, accounts payables and accrued liabilities, loans payable, and due to/from related parties that are denominated in Canadian dollars, and Australian dollars.

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18. FINANCIAL INSTRUMENTS (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Australian dollars	10,159,359	4,901,853	781,478	1,028,512
	<u>10,159,359</u>	<u>4,901,853</u>	<u>781,478</u>	<u>1,028,512</u>

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company currently operates in Australia and has previously operated in Mongolia. The Company is exposed to risk from changes in the Australian dollar as well as Canadian dollar. There is nonmaterial expenditure in Mongolia. A simultaneous 10% fluctuation in the Australian dollar against the Canadian dollar would affect accumulated other comprehensive profit for the year ended December 31, 2023 by approximately \$114,500 (2022 loss \$9,750).

19. COMMITMENTS AND CONTINGENCIES

Tenement commitments – Western Australia

The Group has a portfolio of tenements located in Western Australia, which all have a requirement for a certain level of expenditure each and every year in addition to annual rental payments for the tenements. Future minimum expenditure commitments as at 31 December for the tenements held, are as follows:

	December 31, 2023	December 31, 2022
	\$	\$
Within one year	430,286	371,518
After one year but not more than five years	671,711	463,539
More than five years	388,152	372,855
	1,490,149	1,207,912

Acquisition commitments – Western Australia

On June 12, 2023, the Company announced that it had entered into the Hakes Find Agreement, to acquire a project 10km from Southern Cross township in the central portion of the Southern Cross Greenstone Belt. The option exercise price is A\$100,000 cash and A\$175,000 in Shares (based the VWAP for Company Shares in the period 30 days prior to issue and adjusted using the C\$/A\$ exchange rate posted by the Bank of Canada), plus a 1.5% royalty on the first 23,000 ounces of gold produced from the tenement. Refer to Note 7 for further information.

19. COMMITMENTS AND CONTINGENCIES (continued)

On June 26, 2023, the Company announced that it had entered into the Bullfinch Agreement with Torque, to acquire a project located 34km from the Southern Cross township within the Yilgarn Mineral Field, Western Australia and adjacent to the Company's existing tenements. Conditional upon the proposed secondary listing of the Company on the ASX and assignment of Torque's Bullfinch obligations on or before June 17, 2024, the Company shall on completion, at its election either:

- Pay Torque a further A\$650,000 cash; or
- Issue Shares to Torque to the value of A\$650,000 at the same issue price per Share as Shares issued under the proposed secondary listing on ASX;

In the event that the Company does not complete the proposed secondary listing on ASX by the End Date, it may still elect to complete the transaction, in which circumstances it shall make payment of A\$650,000 cash to Torque. A 1% net smelter royalty, subject to the Company's right to re-purchase the royalty at any time for A\$1.7 million. Refer to Note 7 for further information.

On August 1, 2023, the Company announced that it entered into an agreement with prospectors Vernon Strange and Kym McClaren to acquire a series of projects which are located approximately 30km north of the town of Bullfinch. Key commitments of the agreements are as follows:

- Ennuin Project - The Company will issue A\$175,000 worth of Shares (1,739,562 Shares at an issue price of C\$0.08843 per Share and an A\$/C\$ exchange rate of 0.879) and will pay A\$150,000 cash upon the earlier of listing on the ASX or August 31, 2024;
- Copperhead Project – The Company will issue A\$250,000 worth of Shares (2,485,089 Shares at an issue price of C\$0.08843 Share and an A\$/C\$ exchange rate of 0.879) and will pay A\$200,000 cash upon the earlier of listing on the ASX or August 31, 2024.

Refer to Note 7 for further information.

On August 1, 2023, the Company announced that it entered into an agreement to acquire two tenements located south of the Southern Cross township. The Company will issue A\$300,000 worth of Shares (2,982,107 Shares at an issue price of C\$0.08843 per Share and an A\$/C\$ exchange rate of 0.879). Refer to Note 7 for further information.

Taxation – Canada

The Company recognizes that it has an ongoing obligation to comply with tax regulations in the jurisdictions in which it operates. The Group has identified that the Company and Altan Rio Holdings Canada Limited have not filed certain income tax and information returns with the CRA for taxation years 2010 to 2022. As a result, although the Company does not believe that any income taxes are payable to the CRA, Golden Horse may be liable for penalties and interest under the relevant income tax legislation. Following consultation with the Company's advisors, in the consolidated financial statements the directors have provisioned \$222,000 for potential penalties and interest for non-compliance with tax filing obligations (refer to Note 10 for further information).

It is important to note that there is a possible obligation depending on future events in relation to non-compliance with tax filing obligations and the ultimate outcome cannot be reasonably or accurately estimated at this time as there is potential for additional penalties for non-compliance with tax filing obligations and therefore the amount above is subject to change, pending CRA's final assessment of the tax returns and the results of any negotiations and agreement with the CRA in respect of amounts due. Management is actively engaged in resolving this matter and working towards ensuring compliance with all applicable tax laws. The Company is working closely with its tax advisors to address the outstanding tax filings and following that, will also work closely with its tax advisors to negotiate the amount of any potential penalties and interest with the CRA.

Given that the provision is based on a number of assumptions and advice received, the Company considers it appropriate to disclose this contingent liability. The ultimate outcome cannot be reasonably or accurately estimated at this time.

19. COMMITMENTS AND CONTINGENCIES (continued)

Mongolia

No work was carried out by the Company on the Mongolian project and during the year ended December 31, 2023 and the Company is no longer affiliated with the Mongolian project. BraveHeart Resources LLC and Altan Rio Mongolia LLC held the Chandman-Yol and are no longer subsidiaries of Company and cease to remain within the Group (refer to Note 3 for additional information).

It is important to note that there are possible obligations depending on future events in relation to cessation of operations at the Mongolian project and the ultimate outcome cannot be reasonably or accurately estimated at this time. The Company continues to work with its advisors to determine whether there are any material liabilities associated with ceasing operations in Mongolia.

20. USE OF ESTIMATES

Critical Judgments

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined as disclosed above.

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Estimation of fair value of share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes model taking into account the assumptions.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

21. SUBSEQUENT EVENTS

- On January 2, 2024, the Company announced that it closed its non-brokered private placement of common shares in the capital of the Company ("**Shares**"), raising aggregate gross proceeds of approximately \$1.62 million through the issuance of 16.59 million Shares at an issue price of \$0.0975 per Share.
- On January 8, 2024, the Company announced that it has entered into a binding agreement to wholly acquire Enterprise Metals Limited's ("**Enterprise Metals**") Bullfinch North Tenement Option and Sale Agreement ("**Option Agreement**") for the Bullfinch North lithium and gold project, located in the northern part of the Southern Cross Greenstone Belt ("**Bullfinch North**"). A second agreement covers the direct purchase of an exploration licence wholly owned by Enterprise Metals. The material terms of the Option Agreement acquisition are as follows:

21. SUBSEQUENT EVENTS (continued)

- The Option Agreement includes tenements E77/2325, E77/2568, P77/4350, P77/4566, P77/4586 and P77/4587. The Company has acquired the same terms and conditions with Nickgraph Pty Ltd (“**Nickgraph**”) as outlined in the Option Agreement.
- The Company will assume Enterprise’s obligations relating to the Option Agreement that provide that the Company has the right to exercise the Option to purchase Bullfinch North project by May 24, 2024, with a:
 - a payment to Nickgraph of AUD400,000 cash;
 - the issue of Shares to Nickgraph to the value of AUD400,000 and;
 - all production subject to a 1.5% gross royalty capped at AUD1 million.
- The Company has also agreed a cash payment of AUD200,000 to purchase Enterprise Metals wholly owned of E77/2652 which is not part of the Option.
- The Company will also assume the 1% net smelter royalty over E77/2652 already in place with a third party.

Other than the disclosure above, there have not been any matter or circumstance that has arisen since the end of the year end that has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in future financial period.