

Interim Financial Report

31 December 2022

Directors' Report

Your Directors submit the financial report of the Company for the half-year ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Syed Hizam Alsagoff	Non-Executive Director
Pay Chuan (Paul) Lim	Non-Executive Director
Timothy Cameron	Managing Director
Steven Larkins	Non-Executive Director (Resigned 14 March 2023)

Company Secretary

Daniel Smith

Management

Timothy Cameron	Chief Executive Officer
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Dividends

No dividends have been paid or declared since the start of the half-year and the Directors do not recommend the payment of a dividend in respect of the half-year.

Principal Activities

Gold Mountain is a mineral explorer with projects based in Brazil and Papua New Guinea (PNG). Planning to commence exploration on these assets, which are highly prospective for a range of metals including lithium, copper and gold, is now underway with exploration to start in Brazil and PNG in March 2023.

Review of Operations

Brazilian Lithium Projects

GMN-Mars JV Projects (Gold Mountain 75%)

On 19 September 2022, the Company entered into a proposed acquisition in earn up to a 75% interest in four (4) lithium projects in north-eastern Brazil, covering ~285km² from Mars Mines Limited (Figure 1). The Proposed Transaction was approved by shareholders at the Company's Annual General Meeting (AGM) in November 2022.

Following period end, on 24 January 2023 the Company announced the signing of an agreement with Mars Mines Limited (Mars) that effectively restructures and simplifies the joint venture (JV) previously in place

covering the Juremal, Custodia, Jacurici, Cerro Cora and Porta D'Água Projects. The original JV terms provided for an initial 20% interest in these assets to be held by Gold Mountain, with the ability to move to a 75% interest in the projects through \$2.75m in JV expenditure within a two-year period. The revised terms, which came effective on 31 January 2023, will see Gold Mountain immediately move to a 75% JV interest. As part of the arrangement, the Company will make a \$0.3m cash payment to Mars.

Mars will remain free carried for its 25% until a decision to mine is made.

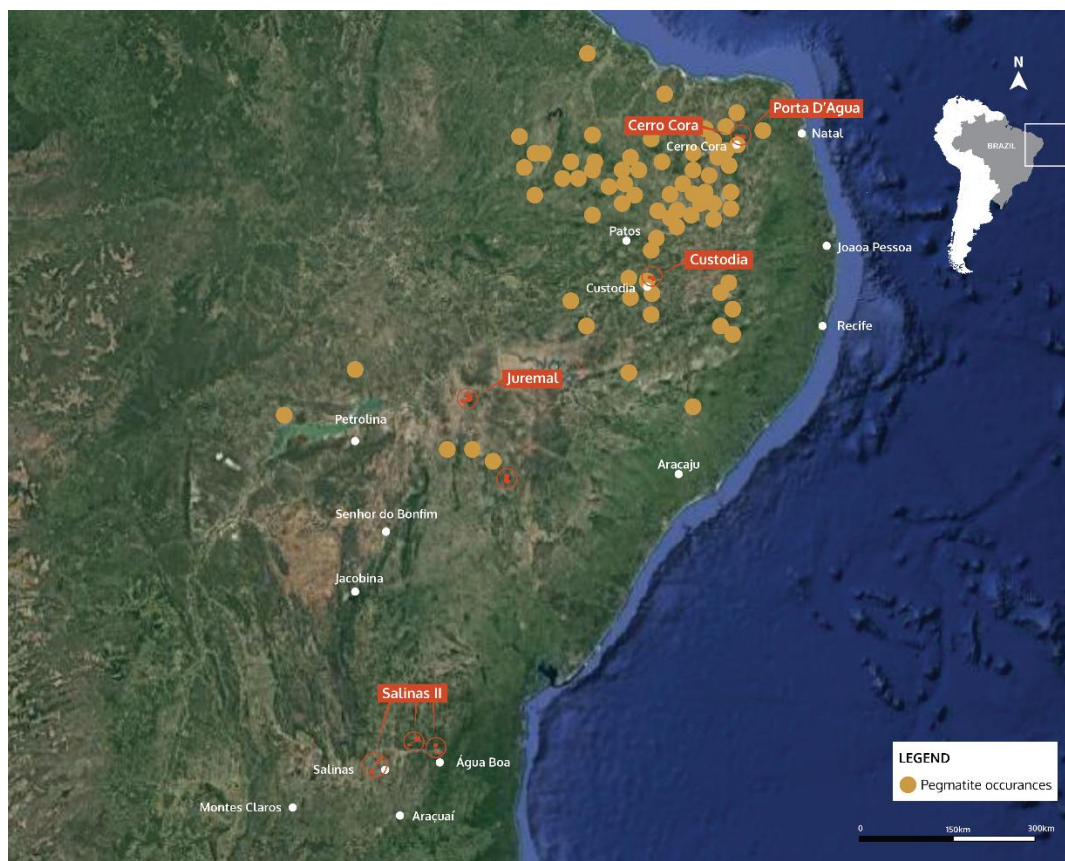


Figure 1. Location of all of GMN's projects under a JV with Mars in Brazil

Reconnaissance Exploration Program

Rock chip sampling and soil sampling indicate that three of the four project areas (Cerro Cora and Porta D'Água, Custodia and Juremal) are prospective for lithium bearing pegmatites.

A total of 38 rock chip samples were collected from three of the four project (Cerro Cora and Porta D'Água, Custodia and Juremal) areas in October 2022. Ten (10) samples were submitted to ALS in Australia and twenty-eight (28) samples were assayed by SGS in Brazil.

Fifteen (15) of the samples collected contain values of greater than 100ppm Li_2O , which if surface leaching and weathering of lithium is taken into account, are considered to be anomalous.

These results indicate that LCT bearing pegmatites are prevalent in all the three JV project areas assessed to date. Results also indicate that trace elements (Ce, Ta, Nb) related to LCT pegmatites are associated with the anomalous Li_2O samples but their concentrations vary between project areas and within each project areas.

Significant assay results are included as Table 1 and Table 2 the rock chip locations for the anomalous samples for the project areas are shown on Figures 2 to 4.

Table 1. Rock Chip Locations and Results – Assayed by ALS in Australia

Sample No	Easting	Northing	Description	Li	Li2O	Ta	Nb	Cs	Rb
				ppm	%	ppm	ppm	ppm	ppm
Jur001	349,328	8,936,058	Tourmaline - muscovite pegmatite	280	0.062	2.4	<5	5.8	209
Jur002	349,406	8,936,006	Tourmaline - muscovite pegmatite	170	0.036	0.8	<5	5.4	116
Jur003	357,693	8,933,225	Quartz - feldspar muscovite pegmatite	260	0.059	144	69	110	1825
Cus001	654,921	9,120,028	Kaolinised - brecciated quartz pegmatite	200	0.043	15.6	14	18.2	234
Cus002	654,921	9,120,028	Quartz feldspar granite	150	0.143	9	95	4.6	105
PDA001	803,123	9,342,232	Quartz - feldspar=tourmaline pegmatite	30	0.006	97.2	102	14.6	715
PDA002	803,123	9,342,233	Quartz - feldspar muscovite pegmatite	40	0.008	21.5	19	246	2170
PDA003	802,208	9,343,104	Quartz - feldspar muscovite biotite pegmatite	10	0.002	6.2	23	5.5	154
PDA004	795,495	9,342,629	Quartz - Feldspar muscovite garnet pegmatite	10	0.002	16.8	70	3.3	178

Table 2. Significant Rock Chip results from the Mars Mines – SGS-Geosol Brazil

Project	Sample ID	ICP90A	ICP90A	ICP90A	ICP90A	ICM40B	ICM40B	ICM40B	ICM40B	ICM40B	ICM40B	ICM40B	ICM40B	ICM40B
		Li	Li2O	Nb	Ta	Be	K	Li	Li2O	Nb	Ta	Sn	Rb	Cs
		ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
870208/2022 Juremal	RC-204	66	0.0142	31	<10	1.8	0.06	21	0.0045	8.1	0.6	0.8	2.6	<5
870208/2022 Juremal	RC-228	69	0.0149	37	<10	0.2	0.04	2	0.0004	0.7	0.13	<0.3	1.6	<5
840195/2018 Custodia	RC206	233	0.0502	31	16	0.9	0.27	274	0.0590	0.7	0.11	<0.3	27.3	<5
840195/2018 Custodia	RC207	329	0.0708	52	<10	1.2	0.98	300	0.0646	2	0.13	0.3	62.6	6
840195/2018 Custodia	RC208	278	0.0599	54	24	1.5	0.65	255	0.0540	1.8	0.11	<0.3	66.3	8
840195/2018 Custodia	RC210	431	0.0431	19	<10	2	1.36	181	0.0390	4.4	0.44	1	101.3	8
Porta D'agua	RC211	536	0.0536	62	68	15.4	1.76	254	0.0547	38.3	58.03	74	1355.5	109
						ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L	ME-MS61L
						Be	K	Li	Li2O	Nb	Ta	Sn	Rb	Cs
						ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm
						ppm	%		ppm	ppm	ppm	ppm	ppm	ppm
840195/2018 Custodia	RC0002					1.93	0.67	213	0.0459	2.27	0.18	0.52	76	8.27
840195/2018 Custodia	RC0003					1.83	0.96	259	0.0558	4.23	0.28	0.67	92.9	7.14

The results for Juremal and Custodia are considered by GMN and Mars Mines geologists to be encouraging and indicate that with focused mapping and sampling campaigns the Juremal and Custodia Projects could rapidly progress to the drilling stage.

Of note is that these samples were collected on a short field reconnaissance program, with only a very small portion of the JV project areas visited. The fact that LCT pegmatites have been identified on the tenements is very encouraging and with more detailed exploration planned, it is considered by Mars and Gold Mountain geologists that additional LCT pegmatites will be identified.

Custodia Soil Sampling

One hundred and forty-one (141) soil samples were collected from the “Central” and “Southern” soil grids at the Custodia project.

The Central grid is 950m long by 425m wide, with lines 200-meter line spacings and samples collected along each line every 25m. Only three soil lines were completed over the southern grid which is currently 600m long by 350m wide.

These grids were designed to test whether soil sampling would be effective in identifying pegmatites in the strongly weathered and leached soils in this environment.

Salinas II Lithium Project, Brazil (75%)

The Salinas II Lithium Project comprises seven tenements covering an area of approximately 9,264 hectares. The location of the Salinas II tenements together with those held by Latin Resources are presented in Figure 1.

The Proposed transaction comprises a western group of tenements located close to the town of Salinas and Água Boa, and one tenement located south of the town of Pedra Grande.

The western group of tenements cover areas where subsurface extensions to the Água Boa granitic batholith, have intruded into schists greywackes and arkose sediments of the Ribeirão da Folha formation and greywackes, meta-arenites, meta-conglomerates and schist of the Salinas Formation.

Pegmatites are known to emanate out from the Água Boa granite and have been intruded into the adjacent country rock formations. The Água Boa batholith is composite with a series of different suites of intrusives. The G4 suite of intrusives, which are found on the western margins of the batholith, are considered to be the parent intrusives to the LCT pegmatites in the Salinas-Água Boa region and are shown with black dotted outline on Figure 2.

Figure 2 shows the broad regional geology mapped at 1:1,000,000 scale in relation to the Mars Mines tenements, the G4 granite suite and the locations of known LCT pegmatites.

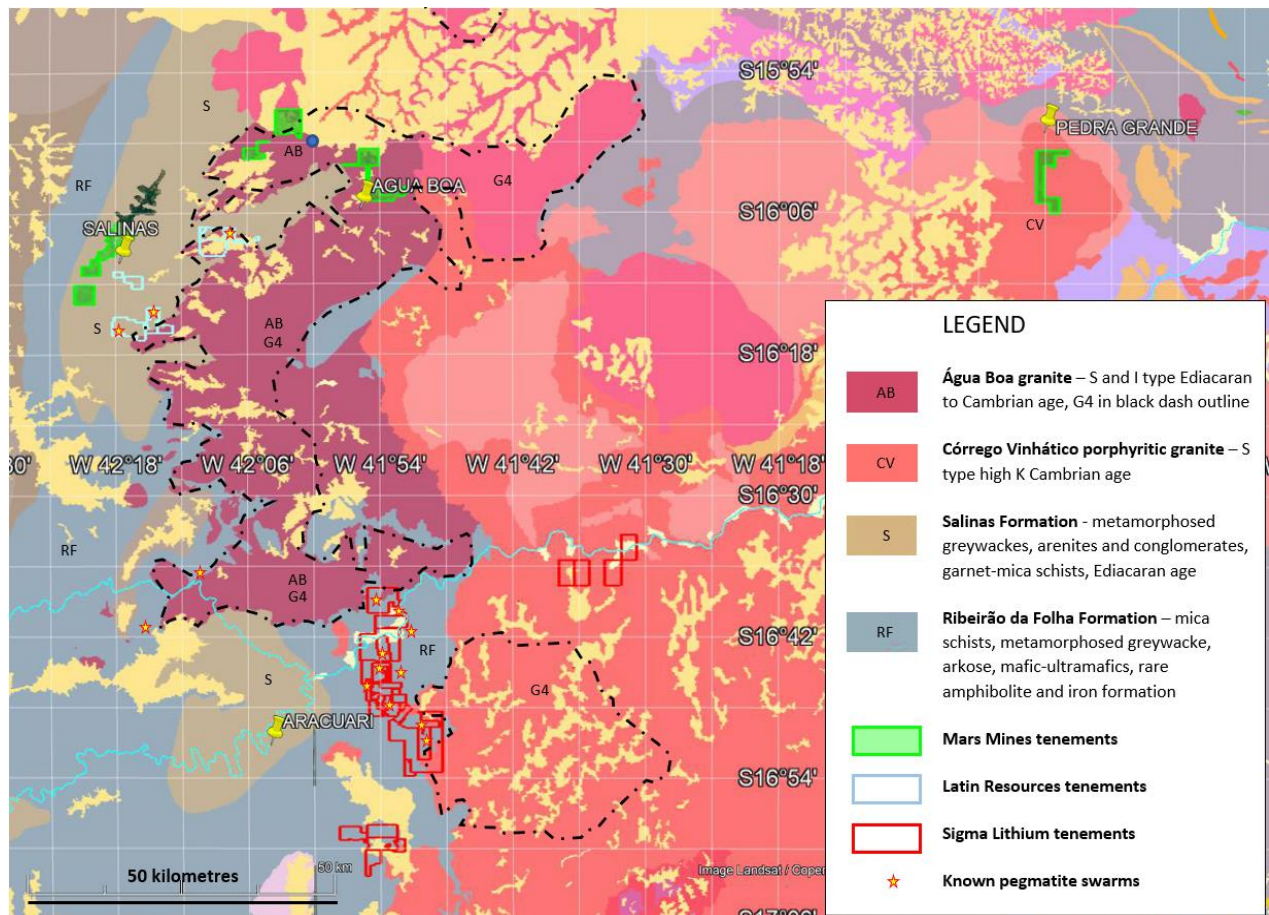


Figure 2: Regional geology of the Salinas II project area showing the G4 granite outlines in relation to the Mars Mines tenements

LCT pegmatites are the final intrusive phases of the related granite, containing concentrations of the most volatile and last crystallizing phases of the granite. There is a well-recognised zonation of pegmatite composition outward from the related granite with the most evolved and often highest-grade pegmatites in the most distal zones which may be up to 10 km from the related granite.

The GMN - Mars Mines Salinas II tenements cover areas adjacent to the G4 granite – meta-sediment contact zone and above the projected sub-surface extensions of the G4 granite.

In the Salinas II area, it has been observed that weathering has resulted in near surface leaching of lithium from surface rocks, and pegmatite may not outcrop in areas with deeper weathering but have been shown to continue subsurface by drilling in competitors areas. This area covered by the Mars tenements has been largely ignored by artisanal miners and other explorers. Mars believes that even though pegmatites have not yet been identified on its tenements, they are nevertheless located in a very fertile LCT pegmatite province, meaning the potential for identifying high grade lithium pegmatites is high. Experience by other modern explorers in the same region have found numerous previously undiscovered pegmatites.

Planned Exploration – Brazilian Lithium Projects

The Company proposes to undertake the following exploration and study activities within 12 months following the completion of the transaction:

- Desktop review of available datasets (geological & geophysical);
- Detailed geological mapping
- Stream sediment sampling on most project areas
- First pass rock chip sampling on all projects
- Grid-based soil geochemical sampling
- Diamond drilling of lithium bearing pegmatites.

Wabag Copper-Gold Project, PNG

The Wabag Project is located within the under-explored northern part of the Papuan Mobile Belt (PMB), a highly fragmented segment of the earth's crust which hosts numerous world-class gold and copper-gold deposits (Figure 4). The PMB was formed by the collision between the northward moving Australian continental plate and oceanic crust of the westward moving Pacific plate. Interaction between these two major tectonic plates over millions of years has produced a highly complex accretion zone up to 250km wide characterized by tectonism, folding, large-scale deep-seated faulting, thrusting and ophiolite obduction, metamorphism, magmatism, mountain uplift and terrane accretion.



Figure 3: Location of the Wabag Project within the PMB

Gold Mountain acquired the initial tenements which comprise the Wabag Project in 2014. Currently Gold Mountain has seven EL's and one ELA which cover approximately 950km² of highly prospective exploration ground in the Papuan Mobile belt. . Gold Mountain views this as a strong endorsement of the area's potential for the discovery of a porphyry system. The Wabag Project comprises multiple tenements lying within a northwest – southeast striking structural corridor. Four key tenements, which hosts the Company's three main prospects, will be the focus of the ongoing works program in 2023:

- Mt Wipi (EL2632)
- Monoyal & Lombokai (EL2306 & EL2563)
- Sak Creek (EL1966)

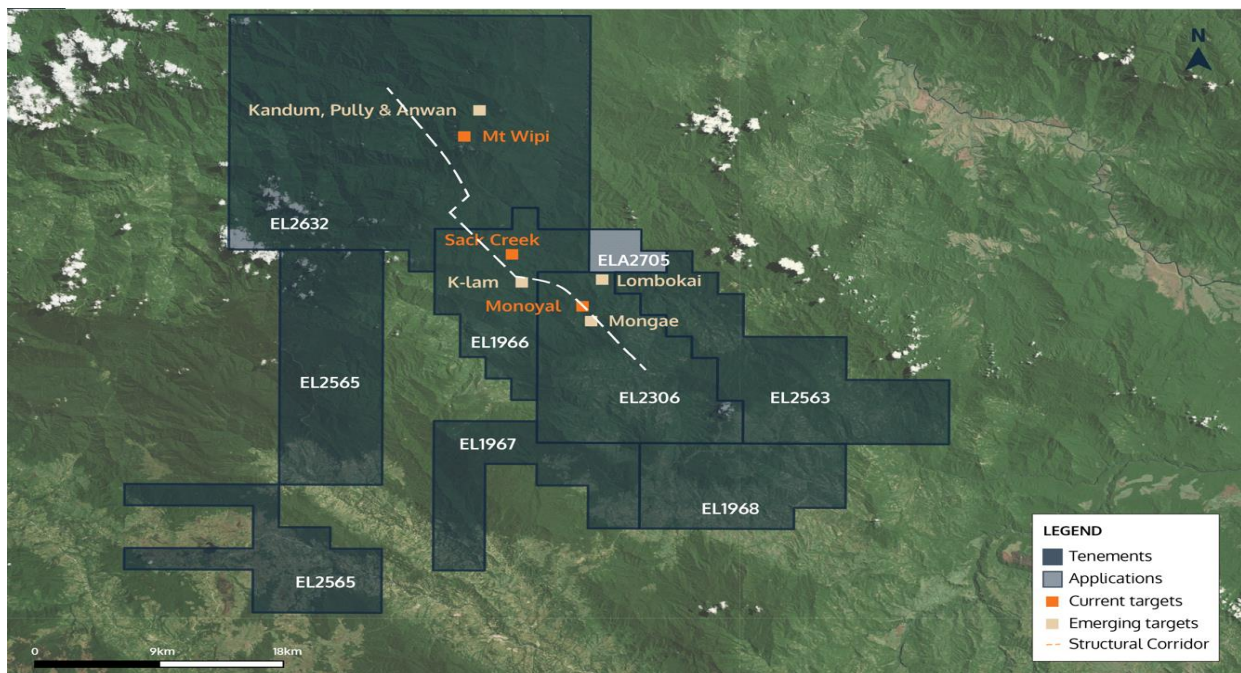


Figure 4: Gold Mountain's Wabag Project (tenements and emerging targets within a +17km long structural corridor)

Exploration on the Mt Wipi tenement is planned to commence in March, with work targeting the Pully tenement in the Mt Wipi tenement to follow up highly anomalous copper geochemistry identified in trenches MWTR008, 009 and 011. The exploration is targeted at defining drill targets.

Operating results for the half-year

The loss of the Company for the half-year, after providing for income tax amounted to \$9,593,844 (2021 HY: Loss \$7,436,170).

Review of financial conditions

The Company is creating value for shareholders through its exploration programs and associated expenditures.

The Company had \$2,765,397 in cash assets at 31 December 2022 (30 June 2022: \$660,525), an increase of \$2,104,872 during the half-year. The net assets of Gold Mountain Limited decreased from \$15,698,461 at 30 June 2022 to \$8,581,761 at 31 December 2022, a decrease of \$7,116,700.

During the half-year, the operations relating to the Papua New Guinea gold project continued and expanded as the Company undertook its exploration program with deferred exploration expenditure decreasing by \$1,488,918 (which includes impairment adjustment) from \$9,132,679 at 30 June 2022 to \$7,643,761 at 31 December 2022.

Revenue and financial income are generated from interest income from funds held on deposit.

Corporate

Capital Raisings & Equity Securities

On 3 October 2022, the Company announced the issue and allotment of 260,000,000 ordinary shares at an issue price of \$0.006 per share following the capital raising announced 21 September 2022.

On 23 November 2022, the Company advised it had issued 49,444,444 GMNOB class quoted options following Shareholder approval at the Company's AGM.

On 23 November 2022, the Company advised it had issued 95,000,000 ordinary shares to Mars Mines Limited (or their nominees) in relation to the acquisition of an initial 20% interest in the Brazilian lithium projects.

On 22 December 2022, the Company announced that it had received commitments from new and existing sophisticated and professional investors to raise \$2 million (before costs) through a placement of 266,666,666 new shares at an issue price of A\$0.0075 per share (Placement). The Placement Shares were issued on 3 January 2023. Subscribers in the Placement will receive a 1:2 free-attaching option exercisable at A\$0.01 each on or before 3 years from the date of issue.

On 31 December 2022, 11,000,000 unlisted options exercisable at \$0.146 each expired unexercised.

Shareholder Meetings

The Company's Annual General Meeting was held on 18 November 2022, with all resolutions passing by way of a poll.

Following period end, the Company held a general meeting on 8 February 2023. All resolutions put to the meeting were passed by way of a poll.

Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website.

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report as outlined in the 30 June 2022 Annual Report and at the Company's website

<https://goldmountainltd.com.au/corporate-governance/>.

Events Subsequent to the End of the Half-Year

On 6 January 2023, the Company advised of the issue of 266,666,667 ordinary shares at an issue price of \$0.0075 per share in connection with the placement announced 22 December 2022.

On 9 February 2023, the Company lodged a non-renounceable entitlement offer prospectus with ASIC and ASX, for Eligible Shareholders to apply for up to 394 million New Options at an issue price of \$0.001 per New Option, to raise ~394,000 (before costs) (**Entitlement Offer**). The Entitlement Offer opened on 17 February 2023 and closed on 28 February 2023.

On 9 February 2023, the Company lodged a prospectus with ASIC and ASX for the offer of 133,333,333 attaching Placement Options to the Placement Participants under the Placement announced to ASX on 22 December 2022.

On 13 February 2023, the Company advised that it had issued 125,000,000 ordinary shares to Mars Mines in consideration for a 75% interest in the Salinas Lithium project, Brazil.

On 16 February 2023, the Company's quoted option class (GMNOA) expired unless exercised prior.

On 22 February 2023, the Company announced the resumption of on-ground exploration at the Mt Wipi Copper/Gold project in PNG.

On 14 March 2023, Mr Steven Larkins resigned from his role as a Non-Executive Director of the Company.

No other matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Other Activities and Company Strategy

The Company continues to focus on the exploration of its targets with the aim of finding and developing commercially viable gold and copper projects.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related entity) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial period the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 12 and forms part of this Directors' report for the half-year ended 31 December 2022.

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

A handwritten signature in black ink, appearing to be "Timothy Cameron".

Timothy Cameron
CEO & Managing Director

16 March 2023

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

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

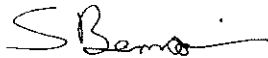
To the Director's of Gold Mountain Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022 there has been:

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

The entities are in respect of Gold Mountain Limited and the entities it controlled during the period.


KS Black & Co
Chartered Accountants



.....
Scott Bennison
Partner

Dated in Sydney on this ~~16~~ day of *March* 2023

Phone 02 8839 3000
Fax 02 8839 3055

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under Professional
Standards Legislation


CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Other income	2	2,246	6,664
Administration costs		(449,181)	(459,113)
Depreciation expense		(28,995)	(91,065)
Employee benefits expense		-	-
Exploration expense	3	-	-
Investor and public relations	3	(47,366)	(57,767)
Legal and professional costs		(72,879)	(84,917)
Impairment expense		(8,997,669)	(6,877,900)
Loss before income tax expense		(9,593,844)	(7,564,098)
Income tax expense			
Net loss for the period			
Attributable to the owners of Gold Mountain Limited		(9,593,844)	(7,564,098)
Other comprehensive income			
Foreign currency translation		-	-
Revaluation of Options		-	127,928
Total other comprehensive income for the year, net of tax		-	127,928
Total comprehensive loss for the period			
Attributable to the owners of Gold Mountain Limited		(9,593,844)	(7,436,170)
Basic loss per share (cents per share)	13	(0.68)	(0.75)
Diluted earnings per share (cents per share)	13	(0.68)	(0.75)

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

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current Assets			
Cash and cash equivalents		2,765,397	660,525
Trade and other receivables	4	218,472	113,472
Total Current Assets		2,983,869	773,997
Non-Current Assets			
Plant and equipment	5	35,123	64,118
Deferred exploration and evaluation expenditure	6	7,643,761	9,132,679
Intangible assets	7	-	6,002,538
Investments	8	50,555	50,555
Total Non-Current Assets		7,729,439	15,249,890
Total Assets		10,713,308	16,023,887
Liabilities			
Current Liabilities			
Trade and other payables	9	2,131,547	325,426
Borrowings		-	-
Total Current Liabilities		2,131,547	325,426
Non-Current Liabilities			
Other non-current liabilities		-	-
Total Non Current Liabilities		-	-
Total Liabilities		2,131,547	325,426
Net Assets		8,581,761	15,698,461
Equity			
Issued capital	10	49,104,484	47,104,019
Reserves	11	509,679	38,000
Accumulated Losses		(41,037,507)	(31,443,663)
Total equity attributable to equity holders of the Company		8,581,656	15,698,356
Non controlling interest		105	105
Total Equity		8,581,761	15,698,461

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

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

	Issued Capital	Reserves	Accumulated Losses	Non Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	40,955,834	155,928	(13,371,536)	95	27,740,321
Comprehensive Income					
Net loss for the period	-	-	(7,436,170)	-	(7,436,170)
Other comprehensive income	-	-	-	3	3
Total comprehensive income for the year	-	-	(7,436,170)	3	(7,436,167)
Transactions with owners in their capacity as owners					
Shares issued during the half-year	5,400,000	-	-	-	5,400,000
Share issue costs	(348,014)	-	-	-	(348,014)
Options expense		(127,928)	-	-	(127,928)
Total transactions with owners	5,051,985	(127,928)	-	-	4,924,058
Balance at 31 December 2021	46,007,819	28,000	(20,807,704)	98	25,228,213
Balance at 1 July 2022	47,104,019	38,000	(31,443,663)	105	15,698,461
Comprehensive Income					
Net loss for the period	-	-	(9,593,844)	-	(9,593,844)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	(9,593,844)	105	(9,593,844)
Transactions with owners in their capacity as owners					
Shares issued during the half-year	2,310,000	-	-	-	2,310,000
Share issue costs	(304,535)	-	-	-	(304,535)
Options expense	-	471,679	-	-	471,679
Total transactions with owners	2,005,465	509,679	(41,037,507)	-	2,477,144
Balance at 31 December 2021	49,109,484	509,679	(41,037,507)	105	8,581,761

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

Consolidated Statement of Cash Flows

For the Half-year Ended 31 December 2022

	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Cash flows from operating activities			
Interest received		2,246	636
Rental receipts		-	5,000
Foreign Currency Translation		(5,262)	1,028
Government Grants		-	-
Payments to suppliers and employees		(604,568)	(1,225,432)
Net cash used in operating activities		(607,584)	(1,218,768)
Cash flows from investing activities			
Payment for plant and equipment		-	-
Refund of security deposits		-	-
Proceeds from shares applications		-	-
Payments for other assets		-	-
Payments for exploration and evaluation expenditure		(1,363,644)	(2,620,174)
Net cash used in investing activities		(1,363,644)	(2,620,174)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from the issue of shares		4,286,000	5,400,000
Share issue costs		(209,900)	(348,014)
Net cash provided by financing activities		4,076,100	5,051,985
Net increase / (decrease) in cash and cash equivalents		2,104,872	1,213,043
Cash and cash equivalents at the beginning of the period		660,525	780,283
Cash and cash equivalents at the end of the period		2,765,397	1,933,326

The statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Half-year Ended 31 December 2022

Note 1: Statement of Significant Accounting Policies

Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Gold Mountain Limited (the Company) during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Gold Mountain Limited and its subsidiaries (as outlined in note 17) as at and for the half year ended 31 December 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Where the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The financial statements of Viva No. 20 Limited are prepared using the calendar year ending on 31 December each year, using consistent accounting policies.

All intercompany balances and transactions have been eliminated in full.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results of the part of the reporting period during which the Company has had control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2022.

Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The Company's existing projections show that further funds will be required to be generated, either by capital raisings, sales of assets or other initiatives, to enable the Company to fund its currently planned activities for at least the next 12 months from the date of signing these financial statements.

With the approval of shareholders at the 2022 AGM, the Company has a share placement capacity to issue new shares over the next 12 months in accordance with Listing Rules 7.1 and 7.1.A. It is anticipated that the placement facilities would enable the Company to raise sufficient funds to support the associated operational and management rights and obligations in respect of the Wabag Project in Papua New Guinea, and other working capital requirements.

Notwithstanding this issue, the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter: Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so.

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Gold Mountain Limited.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2021 the Company has reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

Note 2: Other income

	Half-year 31 Dec 2022 \$	Half-year 31 Dec 2021 \$
Interest received	2,246	636
Rental income	-	5,000
Foreign exchange gain	-	1,028
Government Grants	-	-
Total other income	<u>2,246</u>	<u>6,664</u>

Note 3: Loss for the year

	Half-year 31 Dec 2022 \$	Half-year 31 Dec 2021 \$
Loss before income tax includes the following expenses:		
Consultants fees	37,865	-
Legal costs	12,314	-
Rental expense on operating leases	1,494	20,480

a. Significant items

The following significant expense items are relevant in explaining the financial performance:

- Investor and Public Relations	47,366	57,767
- Impairment write off expense	8,997,669	6,877,900

Note 4: Trade and other receivables

	31 Dec 2022 \$	30 Jun 2022 \$
Brazilian Project Advance	105,000	-
PNG Project Advance	75,000	75,000
Other receivables	38,472	38,472
Total current trade and other receivables	<u>218,472</u>	<u>113,472</u>

Note 5: Plant and equipment

	31 Dec 2022	30 Jun 2022
	\$	\$
Plant and equipment - at cost	609,605	609,605
Accumulated depreciation	(574,482)	(545,487)
	<u>35,123</u>	<u>64,118</u>

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous reporting period:

Carrying amount at beginning of the period	64,118	163,277
Additions	-	-
Transferred to exploration expense and written-off	-	-
Depreciation expense	(28,995)	(98,259)
Carrying amount at the end of the period	<u>35,123</u>	<u>64,118</u>

Note 6: Deferred exploration and evaluation expenditure

	31 Dec 2022	30 Jun 2022
	\$	\$
Balance at beginning of period 1 July 2022	9,132,679	21,868,365
Expenditure incurred in the period	483,513	4,142,214
Expenditure incurred on acquisition of interest in Mars Lithium project	1,027,569	-
Impairment loss on existing tenements	(3,000,000)	(16,877,900)
Balance at 31 December 2022	<u>7,643,761</u>	<u>9,132,679</u>

Recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassess the carrying value of the Company's tenements at each half year, or at a period other than that should there be an indication of impairment.

Note 7: Intangible assets

	31 Dec 2022	30 Jun 2022
	\$	\$
Intangible assets		
Goodwill on acquisition	5,997,669	6,002,538
Impairment on Goodwill	(5,997,669)	-
Total intangible assets	-	6,002,538

Movements in Carrying Amounts

Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial period:

	31 Dec 2022	30 Jun 2022
	\$	\$
Opening balance at 1 July 2022	6,002,538	6,026,310
Additions	-	-
Disposals	-	-
Impairment	(5,997,669)	-
Movement in foreign exchange	(4,869)	(23,772)
Carrying amount at 31 December 2022	-	6,002,538

Goodwill on acquisition

On 16 August 2016 the Company completed the acquisition of an additional 50% of the issued capital of Viva through the issue of 60,000,000 shares at \$0.08 each to the Vendors. Simultaneously, the Vendors issued 125 ordinary shares to GMN comprising 50% of the entire issued capital of Viva held by the Vendors. On completion of this acquisition, the Company now holds a controlling interest of 70% in Viva. Goodwill of \$5,997,669 is recorded from the acquisition at 31 December 2022.

Note 8: Investments

	31 Dec 2022	30 Jun 2022
	\$	\$
Gold nuggets	50,555	50,555
	<u>50,555</u>	<u>50,555</u>

Note 9: Trade and other payables

	31 Dec 2022	30 Jun 2022
	\$	\$
Trade payables and accrued expenses	135,547	297,426
Amounts payable to Director and related entities	20,000	28,000
Unissued share liability	1,976,000	-
Total trade and other payables	2,131,547	325,426

Note 10: Issued Capital

	31 Dec 2022 Number of shares	31 Dec 2022 \$	30 Jun 2022 Number of shares	30 Jun 2022 \$
(a) Ordinary shares				
Ordinary Shares, issued	1,578,149,170	53,204,059	1,193,149,170	50,894,059
Share issue costs		(4,094,575)		(3,790,040)
Total issued capital		<u>49,109,484</u>		<u>47,104,019</u>

(b) Movements in ordinary shares on issue

Date	Particulars	Number of shares	Issue Price	\$
1 Jul 2022	Opening balance	1,193,149,170		47,104,019
01 Sep 2022	Ordinary shares issued	260,000,000	\$0.006	1,560,000
19 Sep 2022	Ordinary shares issued	30,000,000	\$0.006	180,000
21 Nov 2022	Ordinary shares issued	95,000,000	\$0.006	570,000
31 Dec 2022	Share issue costs			(304,535)
31 Dec 2022	Total shares on issue and issued capital	1,578,149,170		49,109,484

Note 11: Reserves

	31 Dec 2022 \$	30 Jun 2022 \$
Reserves		
Foreign currency translation reserve	-	-
Share based payments reserve	<u>509,679</u>	<u>38,000</u>
	509,679	38,000

Movements in options over ordinary shares on issue

At 1 July	38,000	155,928
Options movement during the period	<u>471,679</u>	<u>(117,928)</u>
At 31 December	509,679	38,000

Note 12: Share based payments

	31 Dec 2022 \$	31 Dec 2021 \$
(a) Share-based payments		
Options movement during the period	<u>471,679</u>	<u>(127,928)</u>
Total allocated against Options Expense Reserve	471,679	(127,928)

Note 12: Share based payments (continued)

(b) Unlisted options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the half year to 31 December 2022.

	31-Dec-2022	
	Number	
Outstanding at 1 July 2022	301,431,808	
Listed options granted during the half-year	49,444,444	
Unlisted options granted during the half-year	155,000,000	
Unlisted options lapsed during the half-year	(73,411,924)	
Unlisted options exercised during the half-year	-	
Outstanding at 31 December 2022	432,464,328	

(c) Options exercisable at reporting date	Number	Exercise Price
GMNAT ESOP options Expiring 31 December 2025	20,000,000	\$0.1475
GMNAU Unlisted options Expiring 26 October 2026	10,000,000	\$0.120
GMNAU Unlisted options Expiring 21 December 2026	20,000,000	\$0.120
GMNOA Listed options Expiring 16 February 2023	111,599,898	\$0.040
GMNOB Listed options Expiring 25 March 2024 ⁽¹⁾	115,864,430	\$0.020
GMNAV Unlisted options Expiring 21 November 2023 ⁽²⁾	125,000,000	\$0.012
GMNAW Unlisted options Expiring 23 November 2024 ⁽³⁾	10,000,000	\$0.030
GMNAX Unlisted options Expiring 23 November 2025 ⁽⁴⁾	10,000,000	\$0.035
GMNAY Unlisted options Expiring 23 November 2026 ⁽⁵⁾	10,000,000	\$0.040
Options Exercisable at Reporting Date	432,464,328	

(1) 49,444,444 listed options granted on 21 September 2022 to a broker have an exercise price of \$0.02, expire together of the same class options on 25 March 2024.

(2) 125,000,000 unlisted options granted on 21 November 2022 to Mars Mines Limited for the acquisition of a 20% interest in lithium projects held by Mars Mines Limited, have an exercise price of \$0.012, expire in 12 months from the grant date and are subject to vesting conditions that the total options granted shall be vested over 1 period of 12 months per period.

(3) 10,000,000 unlisted options granted on 23 November 2022 to Executive Director/CEO Tim Cameron have an exercise price of \$0.03, expire in 24 months from the grant date and are subject to vesting conditions that the total options granted shall be vested over 2 periods of 12 months per period.

(4) 10,000,000 unlisted options granted on 23 November 2022 to Executive Director/CEO Tim Cameron have an exercise price of \$0.035, expire in 36 months from the grant date and are subject to vesting conditions that the total options granted shall be vested over 3 periods of 12 months per period.

Note 12: Share based payments (continued)

(5) 10,000,000 unlisted options granted on 23 November 2022 to Executive Director/CEO Tim Cameron have an exercise price of \$0.04, expire in 48 months from the grant date and are subject to vesting conditions that the total options granted shall be vested over 4 periods of 12 months per period.

(d) Fair value of unlisted options

The following table lists the fair value of options granted during the half-year ended 31 December 2022 and the inputs to the Black-Scholes model used to determine each valuation taking into account the terms and conditions upon which the options were granted.

Unlisted options expiring	Fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Expected life	Expected dividends	Risk-free interest rate	Number of options issued
21/11/2023	\$247,569	\$0.01	\$0.02	100%	24 months	Nil	3.25%	125,000,000
25/03/2024	\$94,635	\$0.008	\$0.02	100%	18 months	Nil	3.25%	49,444,444
23/11/2024	\$23,095	\$0.009	\$0.03	100%	12 months	Nil	3.25%	10,000,000
23/11/2025	\$32,236	\$0.009	\$0.035	100%	36 months	Nil	3.25%	10,000,000
23/11/2026	\$39,831	\$0.009	\$0.04	100%	48 months	Nil	3.25%	10,000,000

Note 13: Loss per share

	Half-year 31 Dec 2022 \$	Half-year 31 Dec 2021 \$
a. Basic Loss per share		
i. Basic Loss per share (cents)	(0.68)	(0.75)
ii. Net loss used to calculate basic loss per share	(9,593,844)	(7,436,170)
Weighted average number of ordinary shares outstanding		
iii. during the half-year used in calculating basic loss per share	<u>1,403,665,474</u>	<u>991,255,888</u>
b. Diluted loss per share		
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	<u>(0.68)</u>	<u>(0.75)</u>

Note 14: Significant Events for the Period

On 3 October 2022, the Company announced the issue and allotment of 260,000,000 ordinary shares at an issue price of \$0.006 per share following the capital raising announced 21 September 2022.

On 23 November 2022, the Company advised it had issued 49,444,444 GMNOB class quoted options following Shareholder approval at the Company's AGM.

On 23 November 2022, the Company advised it had issued 95,000,000 ordinary shares to Mars Mines Limited (or their nominees) in relation to the acquisition of an initial 20% interest in the Brazilian lithium projects.

On 22 December 2022, the Company announced that it had received commitments from new and existing sophisticated and professional investors to raise \$2 million (before costs) through a placement of 266,666,666 new shares at an issue price of A\$0.0075 per share (Placement). The Placement Shares were issued on 3 January 2023. Subscribers in the Placement will receive a 1:2 free-attaching option exercisable at A\$0.01 each on or before 3 years from the date of issue.

Note 14: Significant Events for the Period

On 31 December 2022, 11,000,000 unlisted options exercisable at \$0.146 each expired unexercised.

The Company's Annual General Meeting was held on 18 November 2022, with all resolutions passing by way of a poll.

Note 15: Events After the Reporting Period

On 6 January 2023, the Company advised of the issue of 266,666,667 ordinary shares at an issue price of \$0.0075 per share in connection with the placement announced 22 December 2022.

On 9 February 2023, the Company lodged a non-renounceable entitlement offer prospectus with ASIC and ASX, for Eligible Shareholders to apply for up to 394 million New Options at an issue price of \$0.001 per New Option, to raise ~394,000 (before costs) (**Entitlement Offer**). The Entitlement Offer opened on 17 February 2023 and closed on 28 February 2023.

On 9 February 2023, the Company lodged a prospectus with ASIC and ASX for the offer of 133,333,333 attaching Placement Options to the Placement Participants under the Placement announced to ASX on 22 December 2022.

On 13 February 2023, the Company advised that it had issued 125,000,000 ordinary shares to Mars Mines in consideration for a 75% interest in the Salinas Lithium project, Brazil.

On 16 February 2023, the Company's quoted option class (GMNOA) expired unless exercised prior.

On 22 February 2023, the Company announced the resumption of on-ground exploration at the Mt Wipi Copper/Gold project in PNG.

On 14 March 2023, Mr Steven Larkins resigned from his role as a Non-Executive Director of the Company.

Note 16: Operating Segments

Segment Information

Identification of reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Gold Mountain Limited. During the half-year the Company operated principally in one business segment being mineral exploration and in two (2) geographical segments being Australia and Papua New Guinea.

Note 17: Controlled entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)
----------------------------------	--------------------------	----------------------

Subsidiaries of Gold Mountain Limited:

Viva No. 20 Limited	Papua New Guinea	70%
GMN 6768 (PNG) Limited	Papua New Guinea	100%
Viva Gold (PNG) Limited	Papua New Guinea	100%
Abundance Valley (PNG) Limited	Papua New Guinea	100%

Unless otherwise stated, the subsidiary listed above has share capital consisting solely of ordinary shares, which are held directly by the group, and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Note 18: Dividends

The Directors of the Company have not declared an interim dividend.

Exploration licence expenditure requirements

The Company holds eight (8) exploration licences covering a total area of 413 sub-blocks in the Enga province, Papua New Guinea (collectively the Wabag Project) and is required to incur expenditures in total of \$777,500 (PGK 2.13 million) with minimum spent of \$234,000 (PGK 640,800) over the period Year 2021-2022.

Five (5) of the Company's exploration licenses are pending renewal.

It is likely that the granting of the renewal application or any change in the licence areas at renewal or expiry will change the expenditure commitment obligations from time to time.

Directors' Declaration

In the opinion of the Directors of Gold Mountain Limited (the Company):

- 1) The financial statements and notes thereto, as set out on pages 13 to 27 are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

A handwritten signature in grey ink, appearing to read 'Tim Cameron', with a long horizontal stroke extending to the right.

Tim Cameron
CEO & Executive Director

16 March 2023

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Gold Mountain Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Gold Mountain Limited.

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 Gold Mountain Limited is not in accordance with the *Corporations Act 2001* including:

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

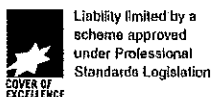
The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022.
- 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 ended on that date.
- Notes 1-18 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Consolidated Entity** comprises Gold Mountain Limited (the Company and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half year Period** is the 6 months ended on 31 December 2022.

Phone 02 8839 3000
Fax 02 8839 3055



Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

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North Parramatta NSW 2151

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North Parramatta NSW 1750

Responsibilities of the Directors for the Half-year 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on *Review Engagements ASRE 2410 Review of a Financial Performed by Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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. As the auditor of Gold Mountain Limited, ASRE 2410 required that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 subsequently less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Dated: 16 March 2023

Phone 02 8839 3000
Fax 02 8839 3055

