# Annual Report

GOLD MOUNTAIN LIMITED
ABN 79 115 845 942

2022

Gold Mountain Limited

# CORPORATE DIRECTORY

**GOLD MOUNTAIN LIMITED**

**ABN 79 115 845 942**

**ASX: GMN**

**Directors**

**Tim Cameron** Executive Director

**Syed Hizam Alsagoff** Non-executive Director

**Pay Chuan Paul "Paul" Lim** Non-executive Director

**Steven Larkins** Non-executive Director

**Management**

**Tim Cameron** Chief Executive Officer

**Daniel Smith** Company Secretary

**Registered Office**

Level 8, 99 St Georges Tce

PERTH WA 6000 Australia

Telephone: +61 8 9486 4036

**Principal Place of Business**

info@goldmountainltd.com.au

www.goldmountainltd.com.au

**Share Register**

**Boardroom Pty Limited**

Grosvenor Place, Level 12, 225 George Street,
SYDNEY NSW 2000,

GPO Box 3993, SYDNEY NSW 2001

Telephone: 1300 737 760

Facsimile: 1300 653 459

**Solicitor**

**Bird & Bird Lawyers**

Level 22, 25 Martin Place

SYDNEY NSW 2000 Australia

**Banker**

**Australia and New Zealand Banking Group Limited**

**Auditor**

**KS Black & Co. Chartered Accountants**

Level 1, 251 Elizabeth Street, SYDNEY NSW 2000

# LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Gold Mountain Limited, I am pleased to present to you our Annual Report for the year to 30 June 2022.

During the 2022 financial year the Company continued to face significant operational challenges due to Covid-19 along with the less that favourable market conditions impacting the Company in the later part of the year. I am very pleased to advise that despite the above, the Company managed to advance the exploration programs to a stage never achieved previously, with the potential for a significant discovery at Mt Wipi becoming a real possibility after receiving very encouraging channel samples containing highly anomalous copper values at Mt Wipi.

During the year, the company maintained the regional exploration programs and commenced with drill testing the Mt Wipi copper-gold porphyry and copper-gold skarn prospect. Five diamond drill holes totalling approximately 1,500m were drilled at Mt Wipi with all the holes intersecting elevated copper and gold mineralisation, highlighting the prospectivity of the area. Subsequent remodelling to airborne magnetic data identified two strong areas of magnetic anomalism north of the drilled area which are postulated to be buried porphyry intrusive. Subsequent channel sampling in the areas adjacent to these magnetic anomalies returned GMN's best copper intercepts to date from trenches further enhancing the potential of the area. GMN intends to drill these exciting targets in the coming year in the belief that the company is getting close to a possible discovery.

In addition to the highly prospective Mt Wipi Project, Rock chip sampling in EL's 2306 (Monoyal & Lombokai Creek) and 1966 (Sak Creek) returned copper, gold, silver, molybdenum, and zinc vales to 13.76% Cu, 37.3g/t Au, 343g/t Ag, 478ppm Mo and 20.93% Zn respectively, further emphasising the potential of the area to host a significant deposit and provides GMN with multiple targets to follow up in the coming year.

In the 2023 financial year, the company will continue exploration within its Wabag tenements with the primary focus being Mt Wipi, with the aim to continue to focus on the review and the establishing of the targeted drilling program. In addition, we will continue to evaluate a range of diversification opportunities in Australia and abroad as we recognise that opportunities for value-added acquisitions, farm-ins or mergers could de-risk investment and provide additional value creation for our shareholders.

I extend my thanks to those shareholders that have continued to help fund the Company throughout the year and in recent capital raises.

I would also like to thank my fellow directors Syed Hizam Alsagoff, Pay Chuan (Paul) Lim and Steven Larkins for their continued support and encouragement in setting the Company on an exciting pathway to success.

To all shareholders of the Company, I thank you for your support and I genuinely believe Gold Mountain Limited is well positioned to capitalise on significant exploration results.

Tim Cameron
Executive Director

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# DIRECTORS' REPORT

Your Directors submit the annual financial report of Gold Mountain Limited for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act, the Directors' report as follows:

## KEY MANAGEMENT PERSONNEL DISCLOSURES

### DIRECTORS

The names of Directors who held office during or since the end of the year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Tim Cameron

Syed Hizam Alsagoff

Pay Chuan "Paul" Lim

Steven John Larkins *(appointed 12/7/2021)*

### Names, qualifications, experience, and special responsibilities

| | |
|---|---|
| **Tim Cameron** | Executive Director & CEO |
| Experience | Mr Cameron is an experienced mining executive with sound leadership, technical, corporate, and financial skills underpinned by a reputation of innovation, integrity, and determination. Mr Cameron's expertise encompasses strategic direction, acquisitions and business and project management. With experience in both domestic (Australia) and international (North America and Asia) operations, he has played an integral part in several successful exploration and open cut mining operations. |
| Interest in Shares and Options | 2,118,462 ordinary shares<br>20,000,000 unlisted options exercisable at $0.12 expiring 21 December 2026<br>100,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB)<br>33,333 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA) |
| Directorships held in other listed entities | No directorships held of ASX listed entities in the past three years |

| | |
|---|---|
| **Syed Hizam Alsagoff** | Non-Executive Director |
| Qualifications | *B.Sc (Finance/Economics)* |
| Experience | Mr Alsagoff has extensive network and experience in investment and corporate strategies in Asia and globally, of over 20 years' experience in senior operational and corporate leadership roles in diverse sector operations across several countries including distribution of industrial, electronic components and satellite manufacturing, engineering, construction, property, and infra-structure development.<br>He is currently a board member and Audit Committee Chairman of Wasatah Capital, a private company in Saudi Arabia. |
| Interest in Shares and Options | 26,815,483 ordinary shares<br>2,033,382 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA)<br>5,000,000 performance options exercisable at $0.1460 with vesting conditions expiring 31/12/2025 (GMNAT)<br>400,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB) |
| Directorships held in other listed entities | No directorships held of ASX listed entities in the past three years. |

| | |
|---|---|
| **Pay Chuan "Paul" Lim** | Non-Executive Director |
| Qualifications | *B.S.E.E., M.Eng., PEPC, FIEM, PMP, ACPE, APEC Eng., IntPE(MY), AER* |
| Experience | Paul Lim is an entrepreneur and a Chartered Professional Engineer of more than 20 years' experience in multi-disciplinary organisations in the engineering industry; in power generation, transmission, distribution and automation systems, and telecommunications.<br><br>He is the current Executive Director and Group Chief Executive Officer of Pestech International Berhad, a global integrated electrical power technology company listed in the Kuala Lumpur Stock Exchange (PEST:MK). |
| Interest in Shares and Options | 91,380,000 ordinary shares<br><br>8,783,333 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA)<br><br>7,615,000 Quoted options exercisable $0.02 expiring 25 March 2024 (GMNOB)<br><br>5,000,000 performance options exercisable at $0.1460 with vesting conditions expiring 31 December 2025 (GMNAT) |
| Directorships held in other listed entities | No directorships held of ASX listed entities in the past three years |

| | |
|---|---|
| **Steven Larkins** | Non-Executive Director (appointed 12 July 2021) |
| Qualifications | *B.Comm., LLB* |
| Experience | With extensive experience in the areas of capital markets, risk management, compliance, corporate governance and mineral exploration, Steven currently holds the role of General Manager – Markets Operations & Compliance at AIMS Financial Group. He has previously held senior stockbroking and investment banking positions at Commonwealth Bank of Australia, Bell Potter and Goldman Sachs JBWere.<br><br>He has also served as the Chief Executive Officer of High Peak Royalties (ASX:HPR), an oil and gas royalties company. |
| Interest in Shares and Options | 3,000,000 ordinary shares<br><br>1,000,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB)<br><br>1,000,000 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA) |
| Directorships held in other listed entities | No directorships held of ASX listed entities in the past three years. |

## MANAGEMENT

**Tim Cameron**

**Chief Executive Officer**

Mr Cameron is an experienced mining executive with sound leadership, technical, corporate, and financial skills underpinned by a reputation of innovation, integrity, and determination. Mr Cameron's expertise encompasses strategic direction, acquisitions and business and project management. With experience in both domestic (Australia) and international (North America and Asia) operations, he has played an integral part in several successful exploration and open cut mining operations.

**Daniel Smith**

**Company Secretary**

***Qualifications: BA, FGIA, GradDip ACG***

Mr Smith is a Chartered Secretary who holds a BA, is a fellow member of the Governance Institute of Australia and has in excess of 14 years primary and secondary capital markets expertise. Mr Smith is currently a Director and Company Secretary of several AIM and ASX-listed companies.

# Interest in the Shares and Options of the Company

### DIRECTOR'S SHAREHOLDINGS

As at the date of this report, the interests of the Directors in the securities of Gold Mountain Limited are:

| Director Name | Shares and Options Direct | Shares and Options Indirect |
|---|---|---|
| Tim Cameron | | 2,118,462 ordinary shares<br>20,000,000 unlisted options exercisable at $0.12 expiring 21 December 2026<br>100,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB)<br>33,333 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA) |
| Syed Hizam Alsagoff | 10,433,483 ordinary shares<br>2,033,382 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA)<br>5,000,000 performance options exercisable at $0.1460 with vesting conditions expiring 31/12/2025 (GMNAT) | 16,382,000 ordinary shares<br>400,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB) |
| Pay Chuan "Paul" Lim | 59,220,000 ordinary shares<br>6,450,000 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA)<br>4,935,000 Quoted options exercisable $0.02 expiring 25 March 2024 (GMNOB)<br>5,000,000 performance options exercisable at $0.1460 with vesting conditions expiring 31 December 2025 (GMNAT) | 32,160,000 ordinary shares<br>2,680,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB)<br>2,333,333 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA) |
| Steven Larkins | | 3,000,000 ordinary shares<br>1,000,000 quoted options exercisable at $0.02 expiring 25 March 2024 (GMNOB)<br>1,000,000 quoted options exercisable at $0.04 expiring 16 February 2023 (GMNOA) |

### Movement in equity instruments (other than options and rights)

As at the date of this report, the interests of the Directors in the securities of Gold Mountain Limited are:

Details of the movement in equity instruments (other than options and rights) held directly, indirectly, or beneficially by Directors and Key Management Personnel and their related parties are as follows:

| 30 June 2022 | Balance at beginning of the Year | Granted as remuneration during the Year | Issued on Exercise of Options during the Year | Other changes during the Year | Balance at end of the Year |
|---|---|---|---|---|---|
| Steven Larkins | 500,000 | - | - | 2,500,000 | 3,000,000 |
| Syed Hizam Alsagoff | 19,915,333 | - | - | 6,900,150 | 26,815,483 |
| Pay Chuan "Paul" Lim | 50,000,000 | - | - | 41,380,000 | 91,380,000 |
| Tim Cameron | 1,818,462 | - | - | 300,000 | 2,118,462 |
| **Total** | **72,233,795** | **-** | **-** | **51,080,150** | **123,313,945** |

| 30 June 2021 | Balance at beginning of the Year | Granted as remuneration during the Year | Issued on Exercise of Options during the Year | Other changes during the Year | Balance at end of the Year |
|---|---|---|---|---|---|
| Sin Pyng "Tony" Teng | 17,843,333 | - | - | (17,843,333) | - |
| Syed Hizam Alsagoff | 19,915,333 | - | - | - | 19,915,333 |
| Pay Chuan "Paul" Lim | 50,000,000 | - | - | - | 50,000,000 |
| Tim Cameron | - | - | - | 1,818,462 | 1,818,462 |
| **Total** | **87,758,666** | **-** | **-** | **(16,024,871)** | **71,733,795** |

### Exercise of Options

No ordinary shares were issued by the Company during and/or since the end of the financial year as a result of the exercise of options by Directors and Key Management Personnel and their related parties. There are no unpaid amounts on the shares issued.

### Options and Rights Holdings

Details of movements in options and rights held directly, indirectly, or beneficially by Directors and Key Management Personnel and their related parties are as follows:

| 30 June 2022 | Balance at beginning of the Year | Granted as remuneration during the Year | Issued on Exercise of Options during the Year | Other changes during the Year | Balance at end of the Year |
|---|---|---|---|---|---|
| Syed Hizam Alsagoff | 6,666,677 | - | - | 766,705 | 7,433,382 |
| Pay Chuan "Paul" Lim | 20,000,000 | - | - | 1,398,333 | 21,398,333 |
| Tim Cameron | 909,231 | 20,000,000 | - | (775,898) | 20,133,333 |
| Steven Larkins | - | - | - | 1,566,666 | 1,566,666 |
| **Total** | **27,575,908** | **20,000,000** | **-** | **2,955,806** | **50,531,714** |

| 30 June 2021 | Balance at beginning of the Year | Granted as remuneration during the Year | Issued on Exercise of Options during the Year | Other changes during the Year | Balance at end of the Year |
|---|---|---|---|---|---|
| Sin Pyng "Tony" Teng | 12,333,334 | 10,000,000 | - | (22,333,334) | - |
| Syed Hizam Alsagoff | 3,333,334 | 5,000,000 | - | (1,666,667) | 6,666,677 |
| Pay Chuan "Paul" Lim | 30,000,000 | 5,000,000 | - | (15,000,000) | 20,000,000 |
| Tim Cameron | - | - | - | 909,231 | 909,231 |
| Steven Larkins | - | - | - | - | - |
| **Total** | **45,666,668** | **20,000,000** | **-** | **(36,272,308)** | **27,575,908** |

### Options on issue at the date of this report are:

| Issue Date | Number | Expiry Date | Exercise price* | Number of holders | ASX Code |
|---|---|---|---|---|---|
| 7 Oct 2020 | 39,000,000 | 8 Oct 2022 | $0.146 | 4 | GMNAR |
| 30 Dec 2020 | 11,000,000 | 31 Dec 2022 | $0.146 | 1 | GMNAS |
| 30 Dec 2020 | 20,000,000 | 31 Dec 2025 | $0.146 | 3 | GMNAT° |
| 18 Aug 2021 | 111,599,898 | 16 Feb 2023 | $0.04 | 279 | GMNOAΔ |
| 25 March 2022 | 66,419,986 | 25 Mar 2024 | $0.02 | 187 | GMNOB◊ |
| 26 Oct 2021 | 10,000,000 | 26 Oct 2026 | $0.12 | 1 | GMNAU |
| 21 Dec 2021 | 20,000,000 | 21 Dec 2026 | $0.12 | 2 | GMNAU |

* Consistent with ASX Listing Rule 6.22, a reduction of $0.0015 is applied to the original exercise price of the $0.1475 unquoted options to $0.1460 following the pro-rata issue under a Rights Offer.

° GMNAT performance options under the Employee Share Option Plan (ESOP) are exercisable at $0.1460 (after adjustment of exercise price) until expiry date 31/12/2025 and subject to vesting condition that the total options granted shall be vested over 3 periods of 12 months per period.

Δ GMNOA – Quoted Options expiring 16 February 2023

◊ GMNOB - Quoted Options expiring 25 March 2024

### Dividends

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

# Operations Report

## Principal Activities

The principal activity of the Company during the financial period was to acquire, explore and develop areas that are highly prospective for gold and other precious and base metals and minerals in Australia and Papua New Guinea.

## Operating and Financial Review

### (i) Operations

Gold Mountain is an exploration company operating in Australia and Papua New Guinea to acquire, explore and develop areas that are highly prospective for gold and other precious and base metals and minerals.

The Company creates value for shareholders, through exploration activities which develop and quantify mineral assets. Once an asset has been developed and quantified within the framework of the JORC guidelines the Company may elect to move to production, to extract and refine ore which will then be available for sale as a primary product.

The Company is actively exploring and developing the Wabag Gold Project in Papua New Guinea.

Please refer to the Review of Operations for more information on the status of the projects.

### (ii) Financial Performance & Financial Position

The financial results of the Company for the five (5) years to 30 June 2022 are:

| | **30 June 2022** | 30 June 2021 | 30 June 2020 | 30 June 2019 | 30 June 2018 |
|---|---|---|---|---|---|
| Cash and cash equivalents | 660,525 | 780,283 | 1,835,586 | 54,070 | 2,985,066 |
| Net assets | 24,076,361 | 27,740,321 | 25,434,816 | 20,296,725 | 19,275,974 |
| Revenue & financial income | 152,383 | 888,163 | 105,844 | 48,529 | 119,426 |
| Net loss after tax | (18,072,128) | (1,394,982) | (1,569,877) | (1,401,021) | (1,484,473) |
| EBITDAX | (18,072,128) | (1,394,982) | (1,569,877) | (1,401,021) | (1,257,241) |
| Share price at 30 June | $0.005 | $0.030 | $0.066 | $0.066 | $0.100 |
| Loss per share (cents) | (0.91) | (0.18) | (0.25) | (0.27) | (0.32) |

### a) Financial Performance

The net loss after tax of the Company for the financial year after tax amounted to $18,072,128 (2021: Loss $1,394,982).

The Company is creating value for shareholders through its exploration expenditure and currently has no revenue generating operations. Revenue and financial income are generated from interest income from funds held on deposit and miscellaneous income. As the average funds held on deposit and prevailing low interest on deposits have decreased during the year, accordingly interest income has further decreased from $946 to $779 when compared to the prior year. The Company also received $5,000 as rental income in FY 2022 (FY 2021: $55,685) from sub-leasing unused office space at its Sydney CBD office.

During the year, the operations relating to the Papua New Guinea gold project continued and expanded as the Company undertook its exploration program, accordingly, deferred exploration expenditure decreased from $21,868,365 at 30 June 2021 FY to $9,132,679 at 30 June 2022 after taking into account impairment of assets.

Personnel and external consulting requirements and legal and professional costs have decreased in FY 2022 to $192,492 (FY 2021 $218,721). There was an increase in public and investor relations expense from $117,973 in the 2021 FY to $204,955 in the FY 2022.

### b) Financial Position

The carrying value of the exploration assets and the capitalised exploration assets decreased by $12,735,686 or 20% to $9,132,679 (2021: 21,868,365) after adjusting for impairments for relinquished tenements.

The 30 June 2022 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2022, the Company recorded a loss after tax of $18,072,128 (2020: Loss $1,394,982) and had a net working capital surplus of $448,571 (30 June 2021: deficit of $444,766).

As the Company is an exploration and development entity, ongoing exploration and development activities are reliant on future capital raisings. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

## (iii) Business Strategies and Prospects for future financial years

The Company actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders information. The Company then assesses the continued exploration expenditure and further asset development. The Company will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new resource projects.

There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

### a) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, sovereign risk difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### b) Environmental Risks

The operations and proposed activities of the Company are subject to the laws and regulations of Australia and Papua New Guinea concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### c) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and production activities, as well as on its ability to fund those activities.

### d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### e) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### f) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

## Corporate

#### *Capital Raisings*

On 23 March 2022, the Company announced that it had closed a renounceable rights issue raising $1.23 million (before costs). The Company issued 123,000,000 new fully paid ordinary shares (Shares) and 61,500,000 new options exercisable at $0.02, with an expiry date of 25 March 2024 (Options). An additional 4,919,986 Options were issued to the Lead Manager of the Offer.

On 28 March 2022, the Company advised an adjustment to the option exercise price under ASX Listing Rule 6.22 following the pro-rata entitlement rights offer. Accordingly, a reduction applies to the original exercise price of the $0.1475 issued options by $0.0015. The amended exercise price of $0.1460 applies to all of the current unlisted options.

#### *Options*

On 7 June 2022, the Company advised that 11,131,539 unlisted options exercisable at $0.146 each have expired unexercised on 5 June 2022

On 4 July 2022, the Company advised that 23,411,924 unlisted options exercisable at $0.146 each have expired unexercised on 3 July 2022.

#### *Board and Management*

On 5 July 2021, the Company announced the appointment of Daniel Smith as joint company secretary.

On12 July 2021, the Company announced that it has appointed Steven Larkins as a non-executive director.

On 13 January 2022, the Company announced the resignation of Eric Kam as joint company secretary.

#### *Annual General Meeting*

On 29 November 2021, the Company announced that all resolutions put to shareholders at the 2021 Annual General Meeting were passed by way of a poll.

## Review of Operations

### Wabag Project - Papua New Guinea (PNG)

During the reporting period the Company continued exploration at its Wabag Project in Papua New Guinea. Exploration activity was primarily focused exploring for porphyry copper – gold and molybdenum mineralisation, and related skarn style mineralisation. Most of the exploration work undertaken at the Wabag project over the last year was at Monoyal on EL2306 where the company drilled four holes into a potential porphyry copper deposits and at the recently granted Mt Wipi tenement (EL2632) which is highly prospective for both porphyry copper – gold deposits and associated skarn mineralisation.

#### Mt Wipi Drilling Program (EL2632)

Drilling commenced at Mt Wipi in August 2021, with four holes (MWD001 to MWD004) for approximately 1,110m having been completed by the end of December. The fifth hole (MWD005) for 470m was completed in early February.

The drill hole parameters for the Mt Wipi program are detailed in Table 1 and the drill hole locations are shown in Figure 1.

**Table 1**. Mt Wipi – Drill Hole Parameters

| Hole No. | Easting | Northing | RL | Dip | Azim | Depth |
|---|---|---|---|---|---|---|
| MWD001 | 799,154 | 9,734,487 | 1,616 | -60 | 90 | 203.4 |
| MWD002 | 799,358 | 9,434,786 | 1,434 | -60 | 131 | 235.8 |
| MWD003 | 799,312 | 9,433,717 | 1,501 | -60 | 350 | 348.0 |
| MWD004 | 799,312 | 9,435,087 | 1,245 | -60 | 315 | 324.0 |
| MWD005 | 799,191 | 9,434,592 | 1,553 | -55 | 105 | 470.4 |

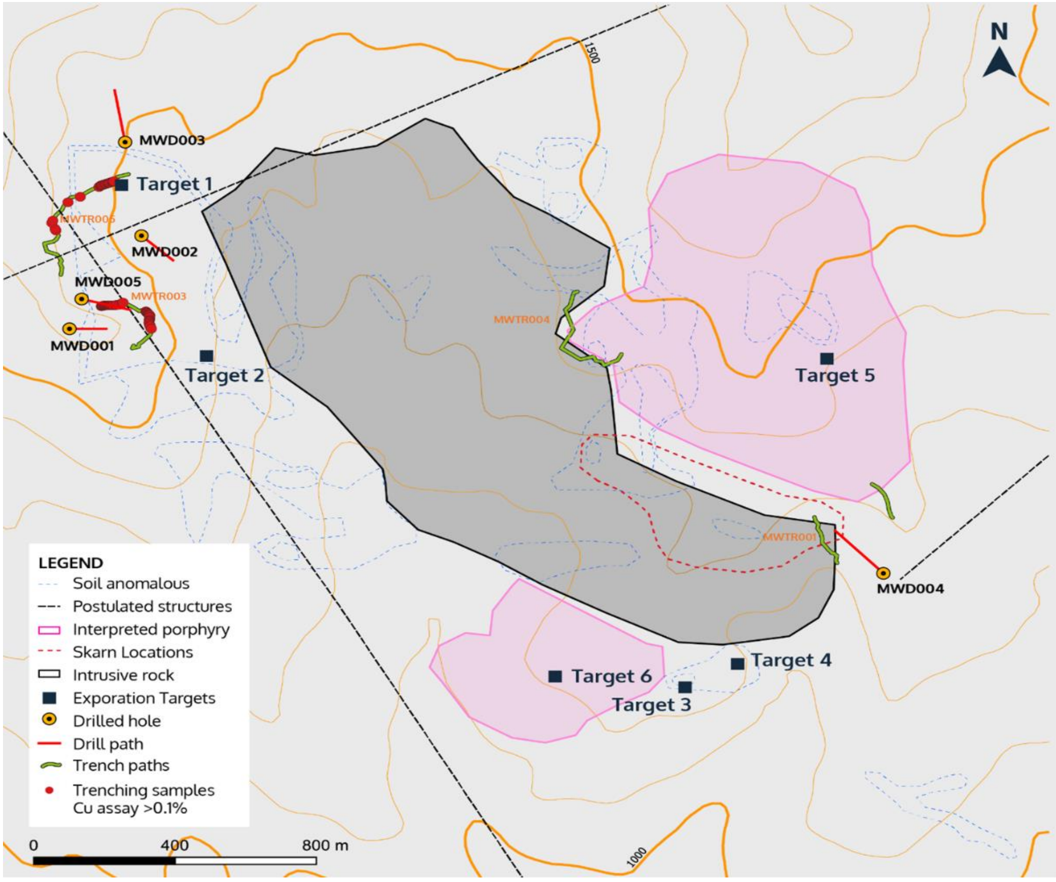


**FIGURE 1: MT WIPI PROSPECT DRILL HOLE LOCATION MAP**

MWD001 to MWD003 were drilled to test a distinct copper + molybdenum and gold in soil anomaly[1].

All five holes drilled either intersected skarn or porphyry style mineralisation with anomalous copper and gold values recorded in all of the holes.

MWD001 recorded an 8m section which averaged 0.20% Cu from 69m. Gold assays were above detection limits in the top 110m of the hole, ranging from 0.05 to 0.086g/t Au indicating the system has been subjected to mineralising fluids.

MWD002 intersected anomalous copper ranging up to 407ppm Cu, with the entire hole averaging 142ppm copper. Gold to 0.30g/t was recorded in a 1m interval from 74m, and moderately anomalous silver recorded, i.e. 14m @ 6.14g/t from 2m.

MWD003 intersected 12 veins or mineralised structures in the top 134m of the hole which contained over 0.10 g/t Au, with the best intersects being: 2m @ 2.27 g/t Au from 34m, 2m @ 1.79 g/t Au from 52m and 2m @ 3.34 g/t Au from 115m and MWD004 intersected 18m @ 0.21 g/t Au from 240m.

MWD005 was drilled to test the down dip extensions of two wide zones of anomalous copper and gold intersected in trench MWTR003[2], ( i.e. 37m @ 0.25% Cu, 0.24g/t Au, and 5.4g/t Ag from 6m, which includes a 22m zone from 9m which assayed 0.32% Cu, 0.38g/t Au, and 7.7g/t Ag and 62m @ 0.18% Cu, 0.20g/t Au, and 4.65g/t Ag from 145m, which includes a 26m zone from 145m which assays 0.29g/t Au, 0.28% Cu and 6.7g/t Ag. MWD005 intersected strongly altered calc-silicates with trace to 1% chalcopyrite in places and the hole is strongly silicified and fractured and contains trace to 3% pyrite.

The gold assay results from MWD005 returned 8 assays over 0.10g/t Au with a high of 11.7g/t Au from 144m to 145m, Figure 2. These higher gold values are associated with stronger fracturing of the rock and with localised alteration and bleaching indicating that the gold is possible structurally controlled. In addition to the eight assays, an additional 70 samples recorded values over the detection limited for gold possibly indicating that the area adjacent to MWD005 has been subjected to gold bearing mineralised fluids. A list of the gold values which assayed over 0.10g/t Au are included in Table 2.

[1] First reported in ASX Announcement of 19 May 2021, "Drill Targets Identified at Mt Wipi". Competent Person: Mr Patrick Smith
[2] First reported to the ASX on 9 of September 2021 "Successful Trenching at Mt Wipi Highlights Porphyry Prospectivity" Competent person Patrick Smith


**FIGURE 1. CORE FROM MWD005 WHERE THE 11.7G/T GOLD ASSAY WAS RECORDED BETWEEN 144 TO 145M**

**Table 2.** MWD005 – Significant Gold Intercepts

| MWD005 | | | |
|---|---|---|---|
| From (m) | To (m) | Interval (m) | Au (g/t) |
| 86 | 87 | 1 | 0.53 |
| 113 | 114 | 1 | 0.16 |
| 118 | 119 | 1 | **1.26** |
| 144 | 145 | 1 | **11.7** |
| 158 | 159 | 1 | 0.36 |
| 173 | 174 | 1 | 0.22 |
| 290 | 291 | 1 | 0.12 |
| 300 | 301 | 1 | 0.22 |

### Reconnaissance Mapping

Further exploration undertaken concurrently with the maiden drilling program has continued to grow the prospective footprint at Mt Wipi, with additional skarns and potential porphyry intrusives identified at the Kandum, Pully and Anwan Creek prospects[3] (**Figure 3**). Exploration work in the next six months will involve additional mapping and rock chip sampling at these three prospects with the aim to identify high quality drill targets.

[3] First reported in ASX Announcement of 22 December 2021, "Mt Wipi Drilling Update and Expansion of Mineralised Zone" Competent Person: Mr Patrick Smith

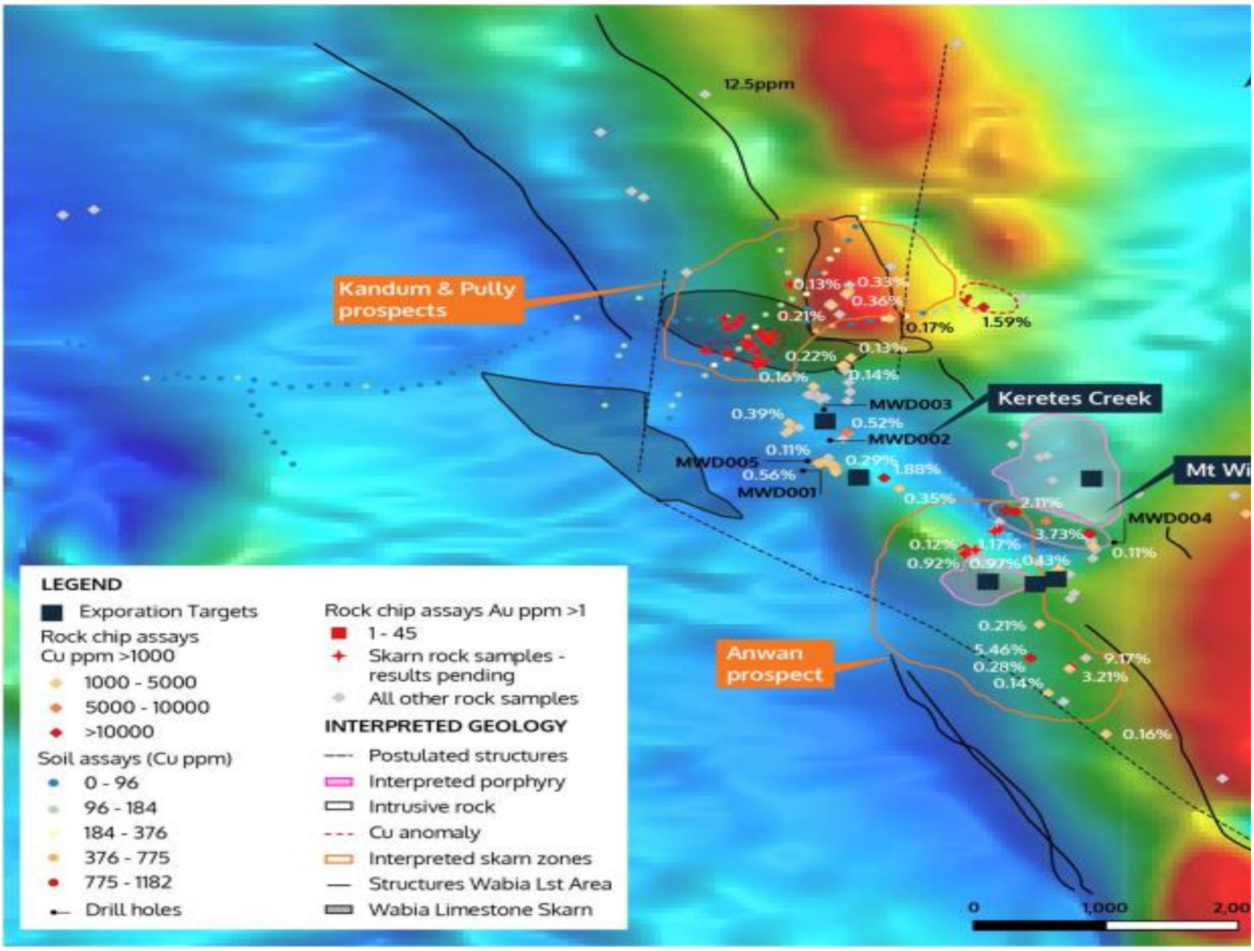


**Figure 3. Regional Reconnaissance results – Kandum, Pully and Anwan Prospects**

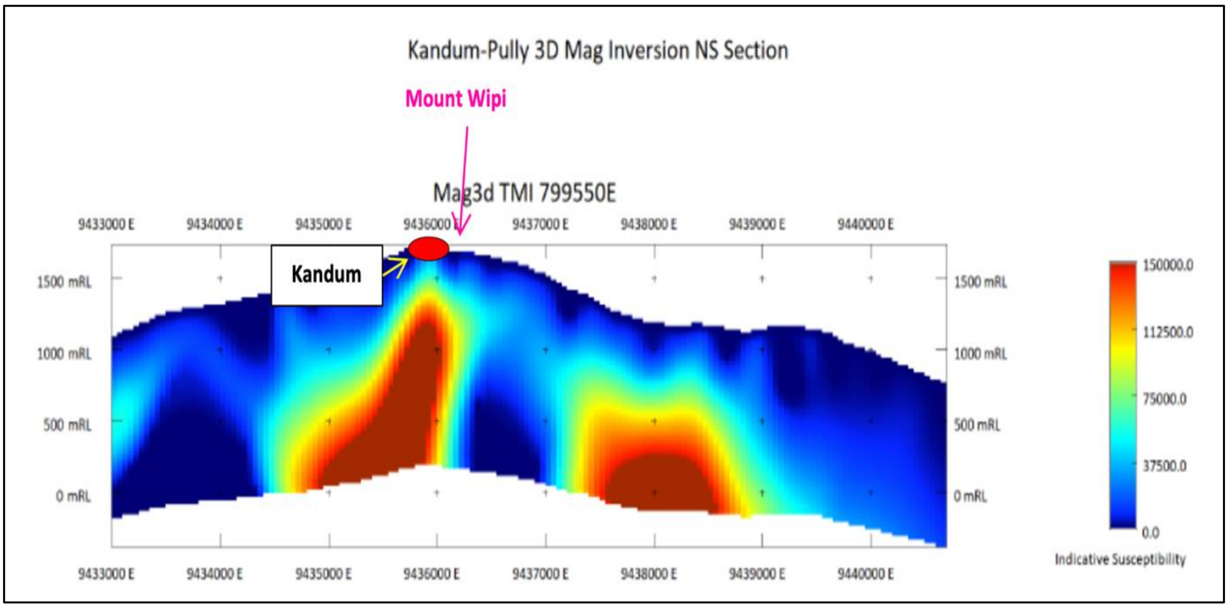


**Figure 4. Location of the Kandum Prospect with respect to the modelled magnetic TMI feature, N-S Long Section**

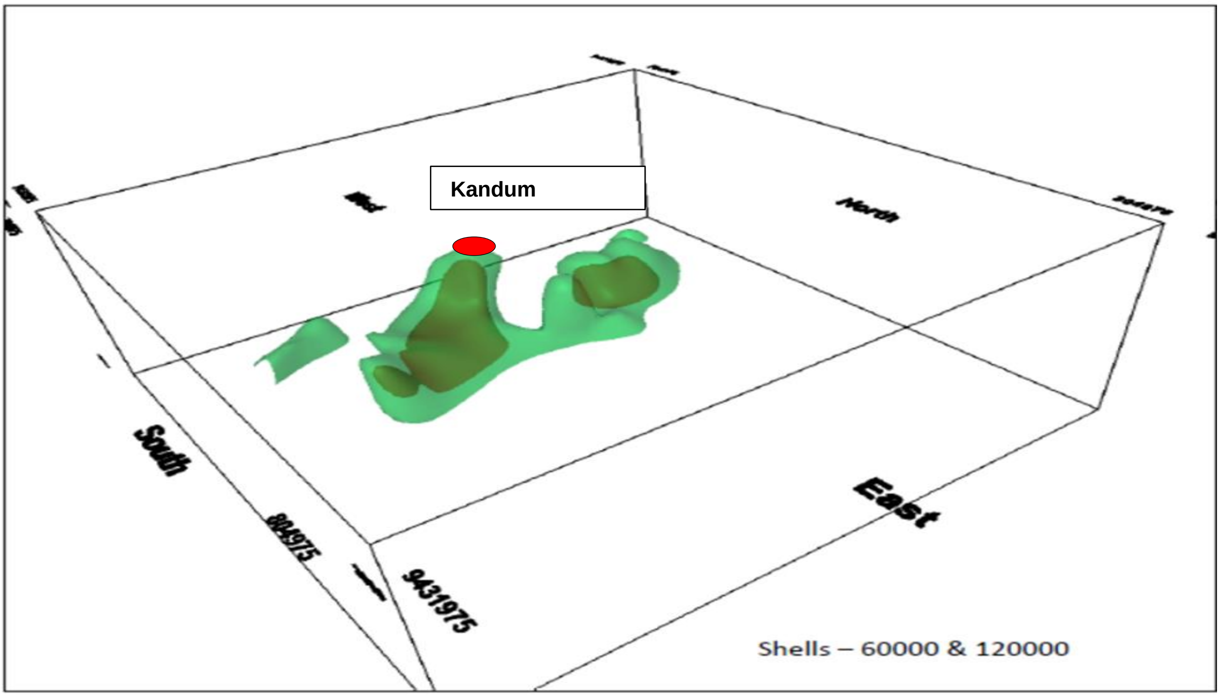


FIGURE 5. 3D MODEL OF THE KANDUM MAGNETIC FEATURE

**Trenching Program**

In June 2022, the Company announced the results from three trenches which were excavated within the Kandum – Pully area (Mt Wipi prospect). Results from the trenches have confirmed that this area is prospective for porphyry style mineralisation with these latest results increasing the Company's confidence that the Kandum – Pully area could host a significant porphyry copper-gold deposit.

All three trenches intersected copper mineralisation over 0.10% Cu, with the best intercept being recorded in MWTR008 which intersected 52m at 0.32% Cu (from 0 to 52m) including a higher-grade intercept of 17m @ 0.54% Cu from 28m. The mineralisation is disseminated evenly throughout the exposed outcrop which is evident by the consistent copper assay values.

Trench locations are presented in Figure 6 and a table of significant intercepts is presented in Table 3 below.

**Table 3.** Trenching results – significant intercepts

| Trench No. | From | To | Interval | Au (ppm) | Ag (ppm) | Cu (%) | Mo (ppm) | Zn (ppm) |
|---|---|---|---|---|---|---|---|---|
| MWTR006C | 285 | 290 | 5 | 0.02 | 0.84 | 0.17 | 3.0 | 975 |
| MWTR006E** | 22 | 29 | 7 | 0.05 | 1.17 | 0.12 | 3.2 | 449 |
| MWTR008* | 0 | 52 | 52 | 0.03 | 0.77 | 0.32 | 1.5 | 56 |
| Inc: # | 28 | 45 | 17 | 0.05 | 1.21 | 0.53 | 2.3 | 71 |

Trench MWTR008 was excavated on the eastern bank of Lombali Creek, which drains the central western area of the Kandum – Pully prospect close to the vertical extrapolation of the magnetic low anomaly at Pully which has been postulated to be a potential porphyry intrusive[4]. MWTR008 exposed a 52m zone of highly fractured and bleached clay with chalcocite-malachite mineralisation in structures. The alteration and mineralisation observed could represent the mineralised phyllic zone of a porphyry system, photographs of material exposed by MWTR008 are included in Figure 7. Although mineralisation was open at both ends of MWTR008, it could not be extended along strike due to thick colluvium (overburden) covering the hillside.

Upstream of the "phyllic zone" seen in MWTR008 an overlying limestone unit in which chalcopyrite in fractures (to 1% Chalcopyrite) and as veinlets has been observed and mapped in trench MWTR009, indicating the possibility of skarn mineralisation on the contact zone between an intrusive and the carbonaceous limestones.

[4] First reported in ASX release dated 18th March 2022, "11.7g/t Gold Intercept Recorded in hole MWD005" Competent person Patrick Smith.

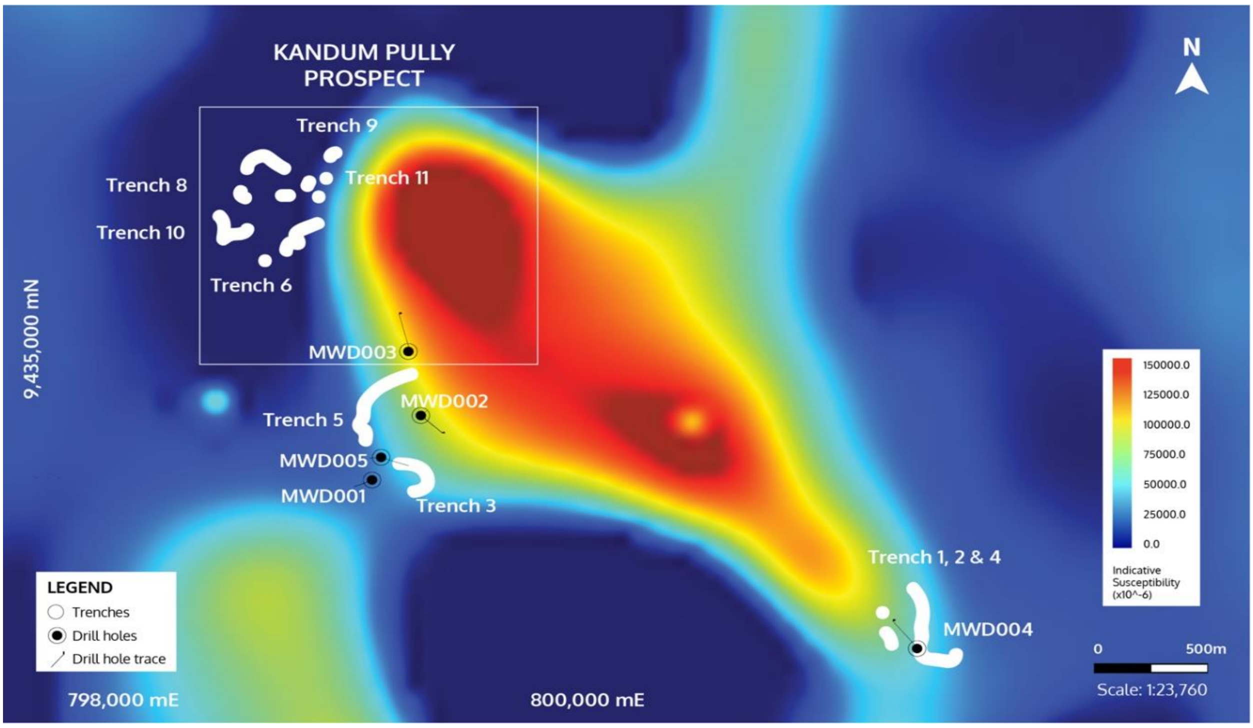


**FIGURE 6. LOCATION OF KANDUM – PULLY AREA AND TRENCHES OVERLAIN ON THE TMI DATA**

**FIGURE 7. ZONE OF STRONG "PHYLLIC ALTERATION EXPOSED BY MWTR008**

## New Project Opportunities

Consistent with Gold Mountain's ongoing strategy of continually reviewing new minerals project opportunities across copper, gold and battery minerals, the Company has been undertaking advanced due diligence on several prospective projects.

The Company believes that diversifying its commodity focus and/or jurisdictions will provide greater return to shareholders, including providing the Company with exposure to the growth in demand for minerals in the battery minerals and EV sectors.

## Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement.

## 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.

## Subsequent events after balance date

On 4 July 2022, the Company advised that 23,411,924 unlisted options exercisable at $0.146 each have expired unexercised on 3 July 2022.

On 19 September 2022, the Company announced the proposed acquisition of up to a 75% interest in 4 lithium projects in north-eastern Brazil, covering ~285km2 from Mars Mines Limited, an unrelated third party. The Proposed Transaction is subject to shareholder approval, to be sought at the Company's upcoming Annual General Meeting.

On 21 September 2022, it has received binding commitments to raise $1.56million (before costs) through a placement of 260,000,000 new shares at an issue price of $0.006 per share.

On 21 September 2022, the Company advised that it had issued 30,000,000 ordinary shares to Mars Mines Limited (or its nominee) as part consideration for an option fee in relation to the proposed acquisition of up to a 75% interest in 4 lithium projects in north-eastern Brazil.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

## 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.

## Identification of 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, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, GMN paid a premium in respect of a contract insuring the Directors and officers of the Company 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.

# Remuneration Report (Audited)

The Board, in consultation with the Remuneration Committee, is responsible for determining and reviewing compensation arrangements for the directors and executive management. The Board assesses the appropriateness of the nature and amount of remuneration of key personnel on an annual basis. In determining the amount and nature of officers' packages, the Board takes into consideration the Company's financial and operational performance along with industry and market conditions.

The Committee has the authority to retain any outside advisor at the expense of the Company, without the Board's approval, at any time and has the authority to determine any such advisor's fees and other retention terms.

In setting corporate goals and objectives relevant to Senior Executives' compensation, the Committee considers both short-term and long-term compensation goals and the setting of criteria around this. In relation to setting Directors' remuneration the Committee looks at and considers comparative data from similar companies.

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of Gold Mountain Limited (the "Company") for the financial year ended 30 June 2022.

The following persons acted as Directors during or since the end of the financial year:

Syed Hizam Alsagoff

Tim Cameron

Pay Chuan "Paul" Lim

Steven Larkins *(appointed 12/7/2021)*

The term 'Key Management Personnel' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

Tim Cameron

Eric Kam (*resigned 14/01/2022)*

Daniel Smith *(appointed 5/7/2021)*

### Remuneration Philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

### Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Senior Management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

### Remuneration Structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

## Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of $300,000 per annum.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director is entitled to receive a fee for being a Director of the Company.

The remuneration of Non-Executive Directors for the year ended 30 June 2022 is detailed in the Remuneration of Directors and named executives section of this report on the following pages of this report.

## Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors, the Company has contracted key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

## Fixed Remuneration

Fixed remuneration is reviewed annually by the Independent Directors' Committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the five most highly remunerated Company executives is detailed in Table 1.1 & 1.2.

## Employment Contracts

During the year and to the date of this report there were no new employment contracts with the Company.

### Remuneration of Directors and Named Executives

**Table 1.1: Directors' and named executives remuneration for the year ended 30 June 2022**

| | Short-term employee benefits | | | Post-employment benefits | | Equity | | Other | Total | % |
|---|---|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonuses | Non- Monetary Benefits | Super-annuation | Prescribed Benefits | Options | Shares | Deferred Benefits | | Performance Related |
| Tim Cameron [2] | 252,638 | - | - | - | - | - | - | - | 252,638 | 0% |
| Syed Hizam Alsagoff | 12,000 | - | - | - | - | - | - | - | 12,000 | 0% |
| Pay Chuan "Paul" Lim | 12,000 | - | - | - | - | - | - | - | 12,000 | 0% |
| Steven Larkins | 12,000 | - | - | - | - | - | - | - | 12,000 | 0% |
| Eric Kam [3] | 88,000 | - | - | - | - | - | - | - | 88,000 | 0% |
| Daniel Smith[4] | 51,942 | - | - | - | - | - | - | - | 51,942 | 0% |
| **Total** | **428,580** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **428,580** | **-** |

**Table 1.2: Directors' and named executives remuneration for the year ended 30 June 2021**

| | Short-term employee benefits | | | Post-employment benefits | | Equity | | Other | Total | % |
|---|---|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonuses | Non- Monetary Benefits | Super-annuation | Prescribed Benefits | Options | Shares | Deferred Benefits | | Performance Related |
| Sin Pyng "Tony" Teng [1] | 117,500 | - | - | 2,992 | - | - | - | - | 120,492 | 0% |
| Tim Cameron [2] | 207,004 | - | - | - | - | - | - | - | 207,004 | 0% |
| Syed Hizam Alsagoff | 22,000 | - | - | - | - | - | - | - | 22,000 | 0% |
| Pay Chuan "Paul" Lim | 21,000 | - | - | - | - | - | - | - | 21,000 | 0% |
| Eric Kam [3] | 132,000 | - | - | - | - | - | - | - | 132,000 | 0% |
| **Total** | **499,504** | **-** | **-** | **2,992** | **-** | **-** | **-** | **-** | **502,496** | **-** |

*Notes:*

1. *Paid to Rodby Holdings Pty Ltd for corporate advisory services of which Mr Teng is a director.*
2. *Paid to Esplanade Consultancy ATF The Ryki Trust for executive services of which Tim Cameron is related to the discretionary services management trust, and R&E Solutions Pty Ltd, an entity associated with Tim Cameron.*
3. *Paid to Useful Ways Pty Ltd for corporate advisory services of which Eric Kam is a director and shareholder and Ekam Commercial of which Mr Kam is principal.*
4. *Paid to Minerva Corporate Pty Ltd for corporate advisory services of which Daniel Smith is a director and shareholder.*

## Other Key Management Personnel Transactions

The Company has established the Gold Mountain Limited Employee Share Option Plan (ESOP) and a summary of the terms and conditions of the Plan are set out below:

i. All employees (full time and part time) will be eligible to participate in the Plan.

ii. Options are granted under the Plan at the discretion of the board and if permitted by the board, may be issued to an employee's nominee.

iii. Each option is to subscribe for one ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue provided all relevant vesting conditions, if applicable, have been met. Options will be issued free. The exercise price of options will be determined by the board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

iv. If, prior to the expiry date of options, a person ceases to be an employee of the Company for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 30 days from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.

v. Options cannot be transferred other than to the legal personal representative of a deceased option holder.

vi. The Company will not apply for official quotation of any options.

vii. Shares issued because of the exercise of options will rank equally with the Company's previously issued shares.

viii. Option holders may only participate in new issues of securities by first exercising their options.

ix. Options are granted under the plan for no consideration.

x. Each share options converts into one ordinary shares of Gold Mountain Limited.

xi. 20,000,000 performance options under the Company's Employee Share Option Plan granted to certain directors of exercise price $0.15 expiring 31 December 2025 is subject to the vesting condition that the total granted options shall be vested over 3 periods of 12 months per period. The unlisted options were issued on 31 December 2020 in which the original exercise price is subject to a reduction following the pro-rata entitlement rights issue by $0.0015, amending the new exercise price to $0.146.

The Board may amend the terms and conditions of the plan subject to the requirements of the Listing Rules.

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with Key Management Personnel, refer to Note 18: Related Party Disclosures.

(End of Remuneration Report)

## Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

| Director | Board Meetings Attended | Eligible to Attend |
|---|---|---|
| Syed Hizam Alsagoff | 1 | 1 |
| Pay Chuan "Paul" Lim | 1 | 1 |
| Tim Cameron | 1 | 1 |
| Steven Larkins | 1 | 1 |

In addition, 7 circular resolutions were signed by the Board during the period.

## Auditor Independence

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 audit of the annual report. This Independence Declaration is set out on page 27, and forms part of this Directors' report for the year ended 30 June 2022.

## Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence.

Signed in accordance with a resolution of the Directors.

Tim Cameron
Executive Director

Dated this 30th day of September 2022

## SCHEDULE OF TENEMENTS

| License | License name | License Holder | GMN Interest | License Status | Area | Granted | Expiry |
|---|---|---|---|---|---|---|---|
| EL1966 | Sak Creek | Viva No. 20 Limited | 70% | Active – Renewal Pending | 30 sub-blocks | 27-Jun-13 | 26-Jun-23 |
| EL1967 | Poket Creek | Viva No. 20 Limited | 70% | Active – Renewal Pending | 30 sub-blocks | 28-Nov-13 | 27-Nov-21 Renewal Pending |
| EL1968 | Crown Ridge | Viva No. 20 Limited | 70% | Active – Renewal Pending | 30 sub-blocks | 28-Nov-13 | 27-Nov-21 Renewal Pending |
| EL2306 | Alakula / Kompiam Station | Khor ENG Hock & Sons (PNG) Limited/Abundance Valley (PNG) Limited | 70% | Active – Renewal Pending | 48 sub-blocks | 14-Dec-15 | 13-Dec-21 Renewal Pending |
| EL2563 | Kompiam | Abundance Valley (PNG) Limited | 100% | Active – Renewal Pending | 48 sub-blocks | 23-Jan-20 | 22-Jan-22 Renewal Pending |
| EL2565 | Londol | Viva Gold (PNG) Limited | 100% | Active | 74 sub-blocks | 27-May-19 | 26-May-23 |
| EL2632 | Mt. Wipi | GMN 6768 (PNG) Limited | 100% | Active | 148 sub-blocks | 14-Aug-20 | 13-Aug-22 Renewal Pending |
| ELA2705 | Kaipares | Abundance Valley (PNG) Limited | 100% | Application - Warden Hearing postponed | 5 sub-blocks | | |

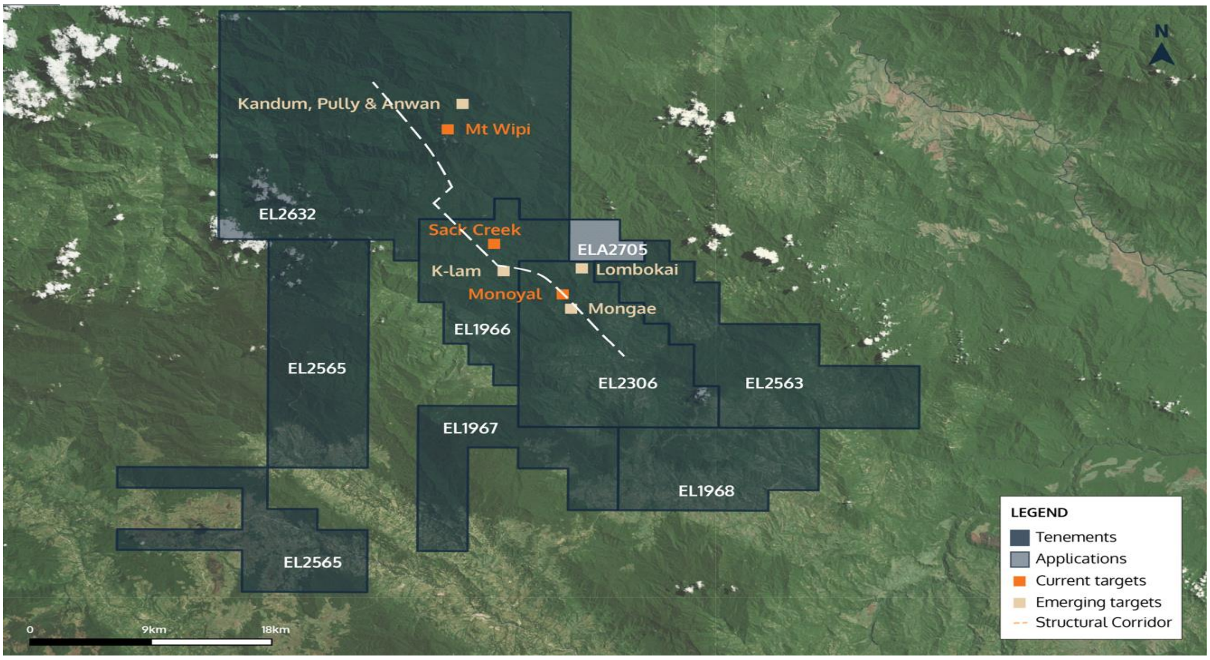


**FIGURE 8 – SUITE OF TENEMENTS LOCATED AT THE ENGA PROVINCE IN PAPUA NEW GUINEA**

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 Gold Mountain Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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

S Benn

Scott Bennison
Partner

Dated in Sydney on this 30th day of September 2022

Phone 02 8839 3000
Fax 02 8839 3056

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (for the year ended 30 June 2022)

| | Note | 2022 $ | 2021 $ |
|---|---|---|---|
| Other income | 3 | **152,383** | 888,163 |
| | | **152,383** | 888,163 |
| Administration costs | | **(549,671)** | (635,370) |
| Depreciation and amortisation expense | | **(140,195)** | (170,775) |
| Employment costs | | **-** | - |
| Exploration expense | | **-** | (181) |
| Impairments expense | | **(16,877,900)** | (655,999) |
| Investor and public relations expense | | **(204,955)** | (117,973) |
| Legal and professional costs | | **(192,492)** | (218,720) |
| Other expenses | | **(259,298)** | (484,127) |
| **Loss before income tax expense** | | **(18,072,128)** | (1,394,982) |
| Income tax expense | 5 | **-** | - |
| **Net loss for the period Attributable to the owners of Gold Mountain Limited** | | **(18,072,128)** | (1,394,982) |
| **Other comprehensive income** | | | |
| Foreign currency translation | | **-** | - |
| **Total other comprehensive income for the year, net of tax** | | **-** | - |
| **Total comprehensive loss for the period Attributable to the owners of Gold Mountain Limited** | | **(18,072,128)** | (1,394,982) |
| **Loss per share** | 20 | | |
| Basic loss per share (cents) | | **(1.70)** | (0.25) |
| Diluted loss per share (cents) | | **N/A** | N/A |

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

# STATEMENT OF FINANCIAL POSITION (as at 30 June 2022)

| | Note | 2022 $ | 2021 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 6 | **660,525** | 780,283 |
| Trade and other receivables | 7 | **113,472** | 133,834 |
| **TOTAL CURRENT ASSETS** | | **773,997** | 914,117 |
| **NON-CURRENT ASSETS** | | | |
| Plant and equipment | 8 | **64,118** | 162,377 |
| Right of Use Asset | 8 | **-** | 41,936 |
| Deferred exploration and evaluation expenditure | 9 | **9,132,679** | 21,868,365 |
| Intangibles | 10 | **6,002,538** | 6,026,310 |
| Investments | 11 | **50,555** | 50,555 |
| Other assets | 12 | **-** | 35,545 |
| **TOTAL NON-CURRENT ASSETS** | | **15,249,890** | 28,185,087 |
| **TOTAL ASSETS** | | **16,023,887** | 29,099,204 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 13 | **325,426** | 1,314,660 |
| Other current liabilities | 14 | **-** | 44,223 |
| **TOTAL CURRENT LIABILITIES** | | **325,426** | 1,358,883 |
| **TOTAL LIABILITIES** | | **325,426** | 1,358,883 |
| **NET ASSETS** | | **15,698,461** | 27,740,321 |
| **EQUITY** | | | |
| Issued capital | 15 | **47,104,019** | 40,955,834 |
| Reserves | 16 | **38,000** | 155,928 |
| Accumulated losses | | **(31,443,663)** | (13,371,536) |
| Total equity attributable to equity holders of the Company | | **15,698,356** | 27,740,226 |
| Non-controlling interest | | **105** | 95 |
| **TOTAL EQUITY** | | **15,698,461** | 27,740,321 |

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

# STATEMENT OF CHANGES IN EQUITY (for the year ended 30 June 2022)

| | Issued Capital<br>$ | Reserves<br>$ | Accumulated Losses<br>$ | Non Controlling Interest<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Balance at 1 July 2020** | **36,487,484** | **924,044** | **(11,976,774)** | **63** | **25,434,817** |
| Comprehensive Income | - | - | - | - | - |
| Net loss for the period | - | - | (1,394,982) | - | (1,394,982) |
| Other comprehensive income | - | - | - | - | - |
| **Total comprehensive income for the year** | - | - | - | - | (1,394,982) |
| **Transactions with owners in their capacity as owners** | | | | | |
| Issue of share capital | 5,202,550 | - | - | - | 5,202,550 |
| Share issue costs | (734,200) | - | - | - | (734,200) |
| Options expense | - | (768,120) | - | - | (768,120) |
| **Total transactions with owners in their capacity as owners** | 4,468,350 | (768,120) | 220 | 32 | 3,700,486 |
| **Balance at 30 June 2021** | 40,955,834 | 155,928 | (13,371,536) | 95 | 27,740,321 |
| **Balance at 1 July 2021** | 40,955,834 | 155,928 | (13,371,536) | 95 | 27,740,321 |
| Comprehensive Income | - | - | - | - | - |
| Net loss for the period | - | - | (18,072,128) | - | (18,072,128) |
| Other comprehensive income | - | - | - | - | - |
| **Total comprehensive income for the year** | - | - | (18,072,128) | - | (18,072,128) |
| **Transactions with owners in their capacity as owners** | | | | | |
| Issue of share capital | 6,630,000 | - | - | - | 6,630,000 |
| Share issue costs | (481,815) | - | - | - | (481,815) |
| Options expense | - | (117,928) | - | - | (117,928) |
| **Transactions with owners in their capacity as owners** | 6,148,185 | (117,928) | | 10 | 6,030,268 |
| **Balance at 30 June 2022** | 47,104,019 | 38,000 | (31,443,663) | 105 | 15,698,461 |

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

# STATEMENT OF CASHFLOWS
## (for the year ended 30 June 2022)

| | Note | 2022<br>$ | 2021<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Interest received | | **779** | 945 |
| Payments to suppliers and employees | | **(2,232,321)** | (1,511,102) |
| Other receipts | | **23,676** | 118,098 |
| **Net cash (used in) provided by operating activities** | 27 | **(2,207,866)** | (1,391,059) |
| **Cash flows from investing activities** | | | |
| Payments for plant and equipment | | **-** | - |
| Payments for other investments | 14 | **-** | (214,305) |
| Refund of security deposits | | **35,545** | - |
| Payments for exploration and evaluation | 9 | **(4,118,430)** | (3,581,668) |
| **Net cash (used in) provided by investing activities** | | **(4,082,885)** | (3,795,973) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | **6,630,000** | 4,941,203 |
| Payments for share issue costs | | **(481,815)** | (734,200) |
| Proceeds from borrowings | | **45,615** | (75,274) |
| Repayment of borrowings | | **(22,807)** | - |
| **Net cash provided by (used in) financing activities** | | **6,170,993** | 4,131,729 |
| **Net (decrease) / increase in cash and cash equivalents** | | **(119,728)** | (1,055,303) |
| Cash and cash equivalents at beginning of financial year | | **780,283** | 1,835,585 |
| Cash and cash equivalents at end of financial year | 6 | **660,525** | 780,283 |

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

# NOTES TO THE FINANCIAL STATEMENTS
## (for the year ended 30 June 2022)

This financial report includes the financial statements and notes of Gold Mountain Limited.

| Number | Notes to the Financial Statements |
|---|---|
| 1 | Summary of significant accounting policies |
| 2 | Operating segments |
| 3 | Revenue & other income |
| 4 | Loss for the year |
| 5 | Income tax expense |
| 6 | Current assets - Cash and cash equivalents |
| 7 | Current assets - Trade and other receivables |
| 8 | Non-current assets – Plant and equipment |
| 9 | Non-current assets – Deferred exploration and evaluation expenditure |
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| 13 | Current liabilities – Trade and other payables |
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**

**a. Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities

**b. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, financial statements as at the beginning of the earliest comparative period will be disclosed.

**c. Principles of consolidation**

*Business combinations*

For every business combination, the Company identifies the acquirer, which is the combining entity that obtains control over the other combining entities. An investor controls an investee when it is exposed to, 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. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred from the acquirer.

*Interests in equity-accounted investees*

The Company's interests in equity-accounted investees comprise the interest in a joint venture. A joint venture is a joint arrangement, whereby the Group and other parties have joint control and have rights to the net assets of the arrangement. The interest in the joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

*Joint arrangements*

Under AASB 11, the Company has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement).

When making this assessment, the Company considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Company did not have any joint arrangements at the start of the financial year.

**d. Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

**f. Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**g. Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**h. Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**i. Exploration and Development Expenditure**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) The rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching, and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements, and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**j. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

**k. Earnings (Loss) per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

(i) costs of servicing equity (other than dividends);

(ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

(iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**l. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**m. Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| **Class of Fixed Asset** | **Depreciation Rate** |
|---|---|
| Plant and equipment | 20%-32% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Leases (the Group as lessee)**

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is an initial measurement of the corresponding lease liability less any incentives and initial direct costs. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**n. Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

– amortised cost; or
– fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

– a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
– held for trading; or
– initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

– incurred for the purpose of repurchasing or repaying in the near term;
– part of a portfolio where there is an actual pattern of short-term profit taking; or
– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

– the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
– the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

*Financial asset*

Financial assets are subsequently measured at:

– amortised cost;
– fair value through other comprehensive income; or
– fair value through profit or loss

on the basis of the two primary criteria:

– the contractual cash flow characteristics of the financial asset; and
– the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

– the financial asset is managed solely to collect contractual cash flows; and
– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
– the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
– it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

*Equity instruments*

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled, or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Impairment**

The Group recognises a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (eg amount due from customers under contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group use the following approaches to impairment, as applicable under AASB 9:

– the general approach;

– the simplified approach;

– the purchased or originated credit impaired approach; and

– low credit risk operational simplification.

*General approach*

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and if:

– the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

– there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

– trade receivables or contract assets that results from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, that contain a significant financing component; and

– lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

*Purchased or originated credit impaired approach*

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Group measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

– significant financial difficulty of the issuer or borrower;

– a breach of contract (eg default or past due event);

– where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

– it is probable the borrower will enter bankruptcy or other financial reorganisation; and

– the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Group applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

– there is a low risk of default by the borrower;

– the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and

– adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

*Recognition of expected credit losses in financial statements*

At each reporting date, the Group recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When 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 so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**o. Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one (1) year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one (1) year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**p. Rounding of Amounts**

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest one dollar ($1).

**q. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key estimates**

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key judgments**

(i) *Exploration and evaluation expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

**r. 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 twelve months from the date of signing these financial statements. Should new opportunities present that require additional funds the Directors will take action to reprioritise activities, dispose of assets and or raise further funds.

Notwithstanding this issue, accordingly 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.

**s. Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

**t. Segment reporting**

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.

**u. Associates**

Associates are entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

**v. Joint Ventures**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company's interest in joint venture entities are accounted for using the proportionate consolidation method of accounting. The Company recognises its interest in the assets that it controls and the liabilities that it incurs and the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture, classified according to the nature of the assets, liabilities, income or expense.

Profits or losses on transactions establishing the joint venture entities and transactions with the joint venture are eliminated to the extent of the Company's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

The Company discontinues the use of proportionate consolidation from the date on which it ceases to have joint control over a jointly controlled entity.

**w. Fair Value of Assets and Liabilities**

**Equity Instruments**

The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

**Trade and Other Receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. Due to the short-term nature of other receivables, their carrying value is assumed to approximate their fair value.

**Non-Derivative Financial Liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**x. New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations are that they will have no material effect.

## NOTE 2: OPERATING SEGMENTS

### Segment Information

### Identification of reportable segments

During the year, the Company operated principally in one business segment being mineral exploration and in two geographical segments being Australia and Papua New Guinea.

The Company's revenues and assets and liabilities according to geographical segments are shown below.

| | **June 2022** | | | June 2021 | | |
|---|---|---|---|---|---|---|
| | **Total** | **Australia** | **PNG** | Total | Australia | PNG |
| | **$** | **$** | **$** | $ | $ | $ |
| **REVENUE** | | | | | | |
| Revenue | **152,383** | **152,383** | **-** | 888,163 | 888,163 | - |
| **Total segment revenue** | **152,383** | **152,383** | **-** | 888,163 | 888,163 | - |
| **RESULTS** | | | | | | |
| Net loss before income tax | **(18,072,128)** | **(1,194,228)** | **(16,877,900)** | (1,394,982) | (738,983) | (655,999) |
| Income tax | **-** | **-** | **-** | - | - | - |
| Net loss | **(18,072,128)** | **(1,194,228)** | **(16,877,900)** | (1,394,982) | (738,983) | (655,999) |
| **ASSETS AND LIABILITIES** | | | | | | |
| Assets | **16,023,887** | **6,891,208** | **9,132,679** | 29,099,204 | 7,230,840 | 21,868,365 |
| Liabilities | **325,426** | **325,426** | **-** | 1,358,883 | 1,358,883 | - |

## NOTE 3: REVENUE AND OTHER INCOME

| | **2022** | 2021 |
|---|---|---|
| | **$** | $ |
| a. **Revenue** | | |
| Other income | | |
| Other | **127,928** | 788,120 |
| Interest received [1] | **779** | 946 |
| Rental income | **5,000** | 55,685 |
| Foreign exchange gains | **18,676** | 22,912 |
| Government grants and cash boost | **-** | 20,500 |
| Total other income | **152,383** | 888,163 |
| **Total revenue** | **152,383** | 888,163 |

[1] Interest received from:

| | | |
|---|---|---|
| Bank | **756** | 946 |
| Other | **23** | - |
| | **779** | 946 |

## NOTE 4: LOSS FOR THE YEAR

| | 2022 $ | 2021 $ |
|---|---|---|
| Loss before income tax includes the following specific expenses: | | |
| — Consultants fees | **248,000** | 249,775 |
| — Legal costs | **50,787** | 147,118 |
| — Rental expense on operating leases | **(23,989)** | 65,578 |

a. **Significant expenses**

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

| | 2022 $ | 2021 $ |
|---|---|---|
| — Exploration expense | **-** | - |
| — Impairments Write Off expense | **16,877,900** | 655,999 |

## NOTE 5: INCOME TAX EXPENSE

| | 2022 $ | 2021 $ |
|---|---|---|
| The prima facie tax on the loss before income tax is reconciled to income tax as follows: | | |
| Loss before income tax expense | **(18,072,128)** | (1,394,982) |
| Prima facie tax benefit on the loss before income tax at 25% (2021: 26\%) | **(4,518,032)** | (362,695) |
| Add: | | |
| Tax effect of: | | |
| Other non-allowable items | **4,221,975** | **(39,681)** |
| | **4,221,975** | (402,376) |
| Less: | | |
| Tax effect of: | | |
| Other deductible expenses | **(1,070,035)** | **(555,372)** |
| Future tax benefits not brought to account | **1,366,092** | 957,748 |
| Income tax attributable to the Company | **-** | - |

The Company has tax losses arising in Australia of $18,180,528 (2021: $12,716,160) that are available indefinitely to offset against future taxable profits.

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(h) occur.

## NOTE 6: CASH AND CASH EQUIVALENTS

| | 2022 $ | 2021 $ |
|---|---|---|
| Cash at bank | **62,367** | 91,807 |
| Short-term bank deposits | **598,158** | 688,476 |
| | **660,525** | 780,283 |

**Reconciliation of cash**
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | **660,525** | 780,283 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

## NOTE 7: TRADE AND OTHER RECEIVABLES

| | 2022 $ | 2021 $ |
|---|---|---|
| **Current** | | |
| PNG Project Advance | **75,000** | 75,000 |
| Other receivables | **38,472** | 58,834 |
| Total current trade and other receivables | **113,472** | 133,834 |

## NOTE 8: PLANT AND EQUIPMENT

| | 2022 $ | 2021 $ |
|---|---|---|
| Plant and equipment – at cost | **609,604** | 609,604 |
| Accumulated depreciation | **(545,487)** | (447,227) |
| | **64,118** | 162,377 |

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year:

| | | |
|---|---|---|
| Carrying amount at beginning of the year | **162,377** | 285,821 |
| Additions | **-** | 47,329 |
| Depreciation expense | **(98,259)** | (170,773) |
| Carrying amount at end of the year | **64,118** | 162,377 |

| | | |
|---|---|---|
| Right of Use Asset | **209,679** | 209,679 |
| Depreciation expense | **(209,679)** | (167,743) |
| Carrying amount at end of the year | **-** | 41,936 |

## NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

| | 2022 $ | 2021 $ |
|---|---|---|
| **Assets in Development** | | |
| Balance at the beginning of the year | **21,868,365** | 19,722,600 |
| Expenditure incurred | **4,142,214** | 2,801,764 |
| Expenditure incurred on acquisition of 70% interest in EL2306 | **-** | - |
| Impairment loss on existing tenements | **(16,877,900)** | (655,999) |
| Net carrying value | **9,132,679** | 21,868,365 |

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 10: INTANGIBLE ASSETS

| | 2022 $ | 2021 $ |
|---|---|---|
| **Intangible assets** | | |
| Goodwill on acquisition | **6,002,538** | 6,026,310 |
| **Total intangible assets** | **6,002,538** | 6,026,310 |

*Movements in Carrying Amounts*

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

| | 2022 $ | 2021 $ |
|---|---|---|
| **Carrying amount at 30 June 2021** | **6,026,310** | 6,026,310 |
| Additions | **-** | - |
| Disposals | **-** | - |
| Movement in foreign exchange | **(23,772)** | - |
| **Carrying amount at 30 June 2022** | **6,002,538** | 6,026,310 |

**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.

## NOTE 11: INVESTMENTS

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Non-Current** | | |
| Gold nuggets | **50,555** | 50,555 |
| | **50,555** | 50,555 |

## NOTE 12: OTHER ASSETS

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Non-Current** | | |
| Security deposits | - | 35,545 |
| | - | 35,545 |

## NOTE 13: TRADE AND OTHER PAYABLES

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Current** | | |
| Unsecured liabilities: | | |
| Trade payables and accrued expenses | **297,426** | 476,786 |
| Amounts payable to Director and related entities | **28,000** | 43,000 |
| Shareholders loan and accrued interest | - | 584,274 |
| Unissued share liability | - | 183,000 |
| Rental deposit received | - | 27,600 |
| | **325,426** | 1,314,660 |

## NOTE 14: OTHER CURRENT AND NON-CURRENT LIABILITIES

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Current** | | |
| Lease Liability | - | 44,223 |
| Borrowings | - | - |
| Instalment costs - EL2306 | - | - |
| Total other current liabilities | - | 44,223 |

## NOTE 15: CONTRIBUTED EQUITY

| | 2022 Number of shares | 2022 $ | 2021 Number of shares | 2021 $ |
|---|---|---|---|---|
| **(a) Ordinary shares** | | | | |
| Ordinary Shares, issued | **1,193,149,170** | **50,894,059** | 767,724,924 | 44,264,060 |
| Share issue costs | | **(3,790,040)** | | (3,308,226) |
| Total issued capital | | **47,104,019** | | 40,955,834 |

Ordinary shares carry one vote per share and carry the rights to dividends.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

| **(b) Movements in ordinary shares on issue** | | **Number of shares** | **Issue Price** | **$** |
|---|---|---|---|---|
| **Date** | **Particulars** | | | |
| **At 30 June 2020** | | **667,838,577** | | **36,487,484** |
| 03-07-20 | Placement to professional and sophisticated investors | 11,823,847 | $0.065 | 768,500 |
| 07-10-20 | Approved shares issue to promoters | 10,000,000 | $0.050 | 500,000 |
| 16-11-20 | Placement to professional and sophisticated investors | 38,909,090 | $0.055 | 2,140,000 |
| 30-12-20 | Placement to professional and sophisticated investors | 15,190,910 | $0.055 | 835,500 |
| 05-05-21 | Placement to professional and sophisticated investors | 23,962,500 | $0.040 | 958,500 |
| 30-06-20 | Share Issue Costs | | | (734,200) |
| **At 30 June 2021** | | **767,724,924** | | **40,955,834** |
| 18-08-21 | Adjustment of shares issued to sophisticated investors | 32,424,242 | - | - |
| 18-08-21 | Placement to professional and sophisticated investors | 270,000,004 | $0.020 | 5,400,000 |
| 23-03-21 | Placement to professional and sophisticated investors | 123,000,000 | $0.010 | 1,230,000 |
| 30-06-22 | Share Issue Costs | | | (481,815) |
| **At 30 June 2022** | | **1,193,149,170** | | **47,104,019** |

Information on options is included in Note 17: Share Based Payments.

**(d) Capital Management**

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Group's overall strategy remains unchanged from the 2021 financial year.

The focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, budgeting and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

## NOTE 16: RESERVES

| Reserves | 2022 $ | 2021 $ |
|---|---|---|
| Foreign currency translation reserve | **-** | - |
| Share based payments reserve | **38,000** | 155,928 |
| | **38,000** | 155,928 |
| *Movements in the Foreign Currency Translation Reserve* | | |
| At 1 July | **-** | (4) |
| Foreign Currency Translation | **-** | 4 |
| At 30 June | **-** | - |
| *Movements in options over ordinary shares on issue* | | |
| At 1 July | **155,928** | 924,048 |
| Options expense amortised | **(117,928)** | (768,120) |
| At 30 June | **38,000** | 155,928 |

## NOTE 17: SHARE BASED PAYMENTS

| | 2022 $ | 2021 $ |
|---|---|---|
| **(a) Share-based payments** | | |
| Expense arising from the grant of options | **(117,928)** | (768,120) |
| **Total Share Based Payments** | **(117,928)** | (768,120) |

**(b) Movements in 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 year.

| | 2022 Number | 2022 WAEP | 2021 Number | 2021 WAEP |
|---|---|---|---|---|
| Outstanding at the beginning of the year | **206,788,723** | $0.133 | 175,674,366 | $0.133 |
| Options granted during the year | **30,000,000** | | 93,411,924 | |
| Options lapsed during the year | **(80,659,745)** | | (62,297,567) | |
| Options exercised during the year | **-** | - | - | - |
| Outstanding at the end of the year | **156,128,978** | | 206,788,723 | $0.149 |

**(c) Options exercisable at reporting date**

| | 2022 Number | Exercise Price | 2021 Number | Exercise Price |
|---|---|---|---|---|
| Unlisted options expiring 03 December 2021 | | | 56,616,667 | $0.15 |
| Unlisted options expiring 16 March 2022 | | | 12,911,539 | $0.15 |
| Unlisted options expiring 05 June 2022 | | | 11,131,539 | $0.15 |
| Unlisted options expiring 03 July 2022 | **23,411,924** | | 23,411,924 | $0.15 |
| Unlisted options expiring 08 October 2022 | **39,000,000** | $0.146 | 39,000,000 | $0.15 |
| Unlisted options expiring 31 December 2022 | **11,000,000** | $0.146 | 11,000,000 | $0.15 |
| Unlisted performance ESOP options expiring 31 December 2025 | **20,000,000** | $0.146 | 20,000,000 | $0.15 |

**NOTE 17: SHARE BASED PAYMENTS**

| | | | | |
|---|---|---|---|---|
| Unlisted options expiring 26 October 2026 | **10,000,000** | $0.12 | | |
| Unlisted options expiring 21 December 2026 | **20,000,000** | $0.12 | | |
| Listed options expiring 16 February 2023 | **111,599,898** | $0.04 | 111,599,898 | $0.04 |
| Listed options expiring 25 March 2025 | **66,419,986** | $0.02 | | |
| Exercisable at reporting date | **301,431,808** | | 285,671,567 | |

**(d) Options issued during the year**

The maximum terms of options granted during the year are as follows:

On 26 October 2021, the Company announced the issue of 10,000,000 unlisted options of exercise price $0.15 expiring 26/10/2026 to an advisor of the Company for past services rendered.

On 21 December 2021, the Company issued 20,000,000 incentive options under ESOP at exercise price $0.15 expiring 21/12/2026 to a director of the Company.

On 23 March 2022, the Company announced that it had closed a renounceable rights issue raising $1.23 million (before costs). As part of the capital raising the Company issued 66,419,986 options exercisable at $0.02, with an expiry date of 25 March 2024.

The options must be exercised on or before the expiry date in cash.

**(e) Fair value of unlisted options**

The fair value of the options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following tables list the inputs to the model used for the year ended 30 June 2022.

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| Financial year of grant | **2021** | **2021** | **2021** | **2021** | **2021** | **2021** |
| ASX Code | GMNAC | AMNAR | GMNAS | GMNAT | GMNAU | GMNAU |
| Grant date | 03 Jul 20 | 07 Oct 20 | 30 Dec 20 | 30 Dec 2020 | 26 Oct 2026 | 21 Dec 2026 |
| Expiry date | 03 Jul 22 | 08 Oct 22 | 31 Dec 22 | 31 Dec 2025 | 26 Oct 26 | 21 Dec 26 |
| Option term | 24 months | 24 months | 24 months | 5 years | 5 years | 5 years |
| Number of options issued | 23,411,924 | 39,000,000 | 11,000,000 | 20,000,000 | 10,000,000 | 20,000,000 |
| Share price at grant date | $0.065 | $0.055 | $0.055 | $0.055 | $0.015 | $0.015 |
| Exercise price | $0.146 | $0.146 | $0.146 | $0.146 | $0.120 | $0.120 |
| Expected volatility | 68% | 68% | 68% | 68% | 68% | 68% |
| Expected dividends | Nil | Nil | Nil | Nil | Nil | Nil |
| Risk-free interest rate | 0.007% | 0.007% | 0.024% | 0.642% | 0.007% | 0.007% |

## NOTE 18: RELATED PARTY DISCLOSURES

### Related Parties

a. **The Company's main related parties are as follows:**

i. *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise), are considered key management personnel.

The directors in office during the year were as follows:

Syed Hizam Alsagoff

Pay Chuan "Paul" Lim

Tim Cameron

Steven Larkins (appointed # July 2021)

For details of disclosures relating to key management personnel, refer to Key Management Personnel disclosures Directors and Remuneration Report.

b. **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

| | **2022**<br>**$** | 2021<br>$ |
|---|---|---|
| i. *Other related parties:* | | |
| Purchase of goods and services: | | |
| Executive service fees paid to Esplanade Consultancy AFT Voice Works 2 Trust of which Tim Cameron is related to the discretionary services management trust, and other services including director's fees paid to R&E Solutions Pty Ltd, an entity associated with Mr Tim Cameron. | **266,071** | 215,404 |
| Corporate advisory fees paid to Rodby Holdings Pty Ltd as Directors Fees and Consulting Fees, an entity associated with Mr Sin Pyng "Tony" Teng. | **-** | 80,000 |

| c. | **Amounts payable to related parties:** | **2022 $** | 2021 $ |
|---|---|---|---|
| | Trade and other payables: | **28,000** | 43,000 |
| | Amounts payable to Directors and related entities, as follows: | | |
| | Directors fees | **28,000** | 43,000 |
| | Reimbursement of expenses | **-** | - |
| | Corporate advisory services | **-** | - |
| | Total trade and other payable related party amounts | **28,000** | 43,000 |

**NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION**

| | **2022 $** | 2021 $ |
|---|---|---|
| Short-term employee benefits | **-** | - |
| Post-employment benefits | **-** | - |
| Share based payments | **-** | - |
| Non-Executive Directors Fees | **28,000** | 43,000 |
| Balance at the end of year | **28,000** | 43,000 |

**NOTE 20: LOSS PER SHARE**

| | | **2022 $** | 2021 $ |
|---|---|---|---|
| **a.** | **Basic Loss per share** | | |
| I | Basic Loss (cents per share) | **(1.70)** | (0.25) |
| ii. | Net loss used to calculate basic loss per share | **(18,072,128)** | (1,394,982) |
| | | **No.** | No. |
| iii. | Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share | **1,064,076,940** | **Not applicable** |
| **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. | **Not applicable** | Not applicable |

**NOTE 21: FINANCIAL RISK MANAGEMENT**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills and leases. The following table details the expected maturities for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

**Financial Risk Management Policies**

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Company. The ARC monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The ARC's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. This note presents the information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FRMC has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or company of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 7.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;

using derivatives that are only traded in highly liquid markets;

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

c. **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

d. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. The Company is exposed to interest rate risk as the Company deposits the bulk of its cash reserves in Term Deposits. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest rate sensitivity**

At 30 June 2022, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

| | **2022** | 2021 |
|---|---|---|
| | **$** | $ |
| Increase in interest rate by 1% | **6,605** | 7,637 |
| Decrease in interest rate by 1% | **(6,605)** | (7,637) |

Interest rate risk is not material to the Company.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | **Note** | **2022** | | | | **2021** | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Floating Interest Rate** | **Non-interest bearing** | **Fixed Interest Rate** | **Total 2022** | **Floating Interest Rate** | **Non-interest bearing** | **Fixed Interest Rate** | **Total 2021** |
| **Financial Assets** | | | | | | | | | |
| Cash and cash equivalents | **6** | **660,525** | **-** | **-** | **660,525** | 780,283 | - | - | 780,283 |
| Trade and other receivables | **7** | **-** | **113,472** | **-** | **113,472** | - | 133,834 | - | 133,834 |
| Other financial assets | **12** | **-** | **-** | **-** | **-** | - | 35,545 | - | 35,545 |
| Total financial assets | | **660,525** | **113,472** | **-** | **779,997** | 780,283 | 169,379 | - | 949,662 |
| Financial liabilities at amortised cost: | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | |
| - Trade and other payables | **13** | **-** | **325,426** | **-** | **325,426** | - | 1,314,660 | - | 1,314,660 |
| - Other financial liabilities | **14** | **-** | **-** | **-** | **-** | - | 44,223 | - | 44,223 |
| Total financial liabilities | | **-** | **325,426** | **-** | **325,426** | - | 1,358,883 | - | 1,358,883 |
| **Net Financial Assets** | | **660,525** | **(211,954)** | **-** | **448,571** | 780,283 | (1,189,504) | - | (409,221) |

## NOTE 22: AUDITOR'S REMUNERATION

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| Remuneration of the auditor of the Company for: | | |
| Auditing or reviewing the financial statements | **39,020** | 33,495 |
| | **39,020** | 33,495 |

## NOTE 23: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Gold Mountain Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | **$** | $ |
| Current assets | **773,997** | 914,117 |
| Non current assets | **15,249,890** | 28,185,087 |
| **TOTAL ASSETS** | **16,023,887** | 29,099,204 |
| **LIABILITIES** | | |
| Current liabilities | **325,426** | 1,358,883 |
| Non current liabilities | **-** | - |
| **TOTAL LIABILITIES** | **325,426** | 1,358,883 |
| **NET ASSETS** | **15,698,461** | 27,740,321 |
| **EQUITY** | | |
| Issued capital | **47,104,019** | 40,955,834 |
| Reserves | **38,000** | 155,928 |
| Accumulated losses | **(31,443,558)** | (13,371,441) |
| **TOTAL EQUITY** | **15,698,461** | 27,740,321 |
| **FINANCIAL PERFORMANCE** | | |
| Profit (loss) for the year | **(18,072,128)** | (1,569,877) |
| Other comprehensive income/(loss) for the year | **-** | - |
| **Total comprehensive profit/(loss)** | **(18,072,128)** | (1,569,877) |

### Remuneration Commitments

There are no remuneration commitments apart from ongoing director and management fees incurred on a monthly basis.

### Guarantees

Gold Mountain Limited did not commit to nor make guarantees of any form as at 30 June 2022.

### Contingent liabilities

There are no contingent liabilities as at 30 June 2022.

**Exploration licence expenditure requirements**

The Company holds seven (7) exploration licences covering an area of about 1,456 sq km in the Enga province, Papua New Guinea (collectively termed the Wabag Project). The expenditure commitment for the ensuing 12 months period over 2021-2022 on the development and maintenance of these licences are in the order of PGK1.75 million (AUD 660,000).

## NOTE 24: DIVIDENDS

The Directors of the Company have not declared any dividends for the year ended 30 June 2022.

## NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

On 4 July 2022, the Company advised that 23,411,924 unlisted options exercisable at $0.146 each have expired unexercised on 3 July 2022.

On 19 September 2022, the Company announced the proposed acquisition of up to a 75% interest in 4 lithium projects in north-eastern Brazil, covering ~285km2 from Mars Mines Limited, an unrelated third party. The Proposed Transaction is subject to shareholder approval, to be sought at the Company's upcoming Annual General Meeting.

On 21 September 2022, it has received binding commitments to raise $1.56million (before costs) through a placement of 260,000,000 new shares at an issue price of $0.006 per share.

On 21 September 2022, the Company advised that it had issued 30,000,000 ordinary shares to Mars Mines Limited (or its nominee) as part consideration for an option fee in relation to the proposed acquisition of up to a 75% interest in 4 lithium projects in north-eastern Brazil.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

## NOTE 26: 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 27: CASH FLOW INFORMATION

| | **2022** **$** | 2021 $ |
|---|---|---|
| **Reconciliation of Net Cash (used in) provided by operating activities with Loss after Income Tax** | | |
| Loss | **(18,072,128)** | (1,394,982) |
| **Non-cash flows in profit:** | | |
| Options expense | **(117,928)** | 301,275 |
| Exploration expense | **-** | - |

**NOTE 27: CASH FLOW INFORMATION**

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| Impairments expense | **16,877,900** | 20,000 |
| Unrealised Foreign Exchange Loss | **-** | 6,760 |
| Depreciation expense | **140,195** | 127,000 |
| **Changes in assets and liabilities** | | |
| (Increase)/decrease in trade and other receivables | **20,362** | 21,730 |
| Increase/(decrease) in trade payables and other payables | **(1,056,267)** | 181,547 |
| **Net Cash (used in) provided by operating activities** | **(2,207,866)** | (1,391,059) |

# 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 25 to 55 are in accordance with the Corporations Act 2001 including:

    a. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year then ended; and

    b. complying with Accounting Standards and Corporations Regulations 2001; and

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.

3. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

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

Tim Cameron
Executive Director

Dated this 30th day of September 2022

# Independent Auditor’s Report

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Gold Mountain Limited

**Report of the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Gold Mountain Limited (the company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001.*

**Basis of opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *'Auditor's Responsibilities for the Audit of the Financial Report'* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of mining tenements**<br>Refer to note 9 (Deferred Exploration and evaluation expenditure)<br><br>At 30 June 2022, the Group has capitalised exploration expenditure cost of $9.1mil.<br><br>At 30 June 2022, the Group has net assets of $15.7mil.<br><br>AASB 136, *'Impairment of Assets'* requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.<br><br>The Market capitalisation of the Group as at the date of this report is $9.9mil.<br><br>The Group's assessment of the recoverable amount of its mining tenements was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amounts incorporated significant internal and external judgments and assumptions including commodity prices, available reserves, residual values and discount rates.<br><br>Additionally, the net assets exceed the market capitalisation and therefore is an indicator of impairment. | Our procedures included, amongst others:<br>• Assessing the current market capitalisation compared to the net assets of Gold Mountain Limited.<br>• Reviewing the adequacy of the independent valuation for the tenements;<br>• Assessing whether the external expert engaged by management to provide the independent valuation was appropriately experienced and qualified.<br>• Assessing the accuracy of management's cash flow by assessing the reliability of historical and future forecasts and reviewing whether current market conditions would impact those forecasts.<br>• We have reviewed the current valuation report dated 25 September 2021 and confirmed the modelling principles and assumptions used are consistent with the cost approach methodologies in the VALMIN Code.<br>• We have reviewed the Group's valuation of deferred exploration and evaluation expenditure being a combination of the Income / Cash Flow and Market approaches.<br>• We have considered impairment with respect to the fair value of capitalised deferred exploration and evaluation expenditure. |

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| Intangibles | Our procedures included, amongst others: |
| --- | --- |
| Refer to note 10 (Intangible Assets)<br><br>At 30 June 2022, the Group has Goodwill on acquisition valued at \$6mil.<br><br>AASB 136, *'Impairment of Assets'* requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.<br><br>The Market capitalisation of the Group as at the date of this report is \$9.9mil.<br><br>Intangibles are a Key Audit Matter due to their interrelationship with capitalised deferred exploration and evaluation expenditure on acquisition of the company having tenements.<br><br>Additionally, the net assets exceed the market capitalisation and therefore is an indicator of impairment. | • Assessing the current market capitalisation of Gold Mountain Limited (which includes the tenements of Viva No. 20 Limited) compared with the net assets of Gold Mountain Limited.<br>• Assessing whether the external expert engaged by management to provide the independent valuation was appropriately experienced and qualified.<br>• Assessing the accuracy of management's cash flow by assessing the reliability of historical and future forecasts and reviewing whether current market conditions would impact those forecasts.<br>• We have reviewed the current valuation report dated 25 September 2021 and confirmed the modelling principles and assumptions used are consistent with the cost approach methodologies in the VALMIN Code.<br>• We have reviewed the Group's valuation of deferred exploration and evaluation expenditure being a combination of the Income / Cash Flow and Market approaches.<br>• We have considered impairment with respect to the fair value of capitalised deferred exploration and evaluation expenditure. |

**Other Matters**

I refer to the valuation report dated 25 September 2021 referred to above in Key Audit Matters (KAM) with respect to fair value of capitalised deferred exploration and evaluation expenditure.

The valuation report has not been prepared in accordance with JORC 2012 code.

The valuation report has adopted methodologies that are consistent with cost approach methodologies in the VALMIN Code.

We note that during the financial year the Group raised \$6.6mil (gross) from capital raising and in addition, subsequent events from balance date capital raising of approximately \$1.3mil (gross).

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**Other information**
The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

**Responsibility of the Directors' for the Financial Report**
The directors are responsible for the preparation of he financial report the 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 presentation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibility for the Audit of the Financial Report**
Our objectives are to obtain reasonable assurance about whether the financial report 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 the Australian Auditing Standards will always detect a material misstatement individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our representation of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

**Report on the Remuneration Report**
*Opinion on the Remuneration Report*
We have audited the Remuneration Report include in pages 18 to 21 of the directors' report for the year ended 30 June 2022.

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In our opinion, the Remuneration Report of Gold Mountain Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporation Act 2001*.

*Responsibilities*
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner
Dated: 30/9/ 2022
20 Grose Street Parramatta

# ADDITIONAL SHAREHOLDER INFORMATION (as at 21 September 2022)

**A. 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 contained within the Directors' Report.

**B. Shareholding**

**1. Substantial holdings**

| | Shareholders | Substantial Holding | % of Issued Capital |
|---|---|---|---|
| 1 | Citicorp Nominees Pty Limited | 137,120,246 | 11.21 |
| 2 | Mr Chips Super Pty Ltd | 88,397,272 | 7.23 |

**2. Number of holders in each class of equity securities and the voting rights attached (as at 21 September 2022)**

**Ordinary Shares**

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

**Options**

There were five (5) classes of options with 279 holders of listed options (GMNOA), 185 holders of listed options (GMNOB) and 8 holders of unquoted options at 21 September 2022.

| Option Code | Holders | Units |
|---|---|---|
| GMNAR - $0.146 expiry 8/10/2022 | 4 | 39,000,000 |
| GMNAS - $0.146 expiry 31/12/2022 | 1 | 11,000,000 |
| GMNAT - $0.146 expiry 31/12/2025 | 3 | 20,000,000 |
| GMNOA - $0.04 expiry 16/2/2023 | 279 | 111,599,898 |
| GMNOB - $0.02 expiry 25/03/204 | 185 | 66,419,986 |
| **Total on Register** | **472** | **248,019,884** |

+ *Original exercise price of $0.1475 reduced by $0.0015 after Rights Issue*

3. **Distribution schedule of the number of holders in each class of equity security as at close of business on 21 September 2022**.

**Ordinary Shares**

| Spread of Holdings | Holders | Units | % of Issued Capital |
|---|---|---|---|
| 1 - 1,000 | 43 | 5,355 | < 0.01 |
| 1,001 - 5,000 | 23 | 84,482 | 0.01 |
| 5,001 - 10,000 | 118 | 1,087,271 | 0.09 |
| 10,001 - 100,000 | 472 | 22,142,784 | 1.81 |
| 100,001+ | 589 | 1,199,829,278 | 98.09 |
| **Total on Register** | **1,245** | **1,223,149,170** | **100%** |

**Listed Options (GMNOA)**

| Spread of Holdings | Holders | Units | % of Issued GMNOA |
|---|---|---|---|
| 1 - 1,000 | 11 | 4,730 | < 0.01 |
| 1,001 - 5,000 | 57 | 144,221 | 0.13 |
| 5,001 - 10,000 | 21 | 142,909 | 0.13 |
| 10,001 - 100,000 | 77 | 2,908,209 | 2.61 |
| 100,001+ | 113 | 108,399,829 | 97.13 |
| **Total on Register** | **288** | **111,599,898** | **100%** |

**Listed Options (GMNOB)**

| Spread of Holdings | Holders | Units | % of Issued GMNOB |
|---|---|---|---|
| 1 - 1,000 | 6 | 5,195 | 0.01 |
| 1,001 - 5,000 | 40 | 109,188 | 0.16 |
| 5,001 - 10,000 | 17 | 148,525 | 0.22 |
| 10,001 - 100,000 | 70 | 2,777,097 | 4.18 |
| 100,001+ | 52 | 63,379,981 | 95.42 |
| **Total on Register** | **185** | **66,419,986** | **100%** |

**Marketable Parcel**

There are 522 non-marketable parcels at 21 September 2022, representing 11,736,708 shares.

## 4. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 21 September 2022) is as follows:

**Ordinary Shares Top 20 holders and percentage held**

| | Shareholder | Holding | % of Issued Capital |
|---|---|---|---|
| 1 | CITICORP NOMINEES PTY LIMITED | 137,120,246 | 11.21% |
| 2 | MR CHIPS SUPER PTY LTD <MR CHIPS SF A/C> | 88,397,272 | 7.23% |
| 3 | PAY CHUAN LIM | 59,220,000 | 4.84% |
| 4 | BNP PARIBAS NOMS PTY LTD <DRP> | 56,318,487 | 4.60% |
| 5 | THE SUMMIT HOTEL BONDI BEACH PTY LTD | 28,130,715 | 2.30% |
| 6 | HELEN MIANG KIENG TAN | 25,929,086 | 2.12% |
| 7 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 24,605,663 | 2.01% |
| 8 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 23,012,280 | 1.88% |
| 9 | ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C> | 21,669,409 | 1.77% |
| 10 | MARS MINES LIMITED | 20,000,000 | 1.64% |
| 11 | MR GAK SAN SEAH | 17,450,770 | 1.43% |
| 12 | DOXY PTY LTD <DOXY A/C> | 15,183,332 | 1.24% |
| 13 | CATHEDRAL FRONT PTY LTD <R & R SUPER FUND A/C> | 14,110,440 | 1.15% |
| 14 | MS SIOW KWEE HENG | 12,000,000 | 0.98% |
| 15 | ROOKHARP CAPITAL PTY LIMITED | 12,000,000 | 0.98% |
| 16 | MR SUWEI CHEN | 11,910,000 | 0.97% |
| 17 | MR MOHAMED ZAID BIN MOHAMED ZAINI | 11,631,487 | 0.95% |
| 18 | RODBY HOLDINGS PTY LTD <S P TENG FAMILY A/C> | 11,343,333 | 0.93% |
| 19 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 11,103,183 | 0.91% |
| 20 | MR ERNEST ASLAN | 11,004,408 | 0.90% |
| | **TOP 20 TOTAL** | **612,140,111** | **50.05%** |
| | Other shareholders | 611,009,059 | 49.95% |
| | **TOTAL ISSUED CAPITAL** | **1,223,149,170** | 100% |

**Listed Options (GMNOA) Top 20 holders and percentage held**

| | Optionholder | Holding | % of Issued Listed Options |
|---|---|---|---|
| 1 | GAZUMP RESOURCES PTY LTD | 11,586,018 | 10.38% |
| 2 | HELEN MIANG KIENG TAN | 7,531,917 | 6.75% |
| 3 | PAY CHUAN LIM | 6,450,000 | 5.78% |
| 4 | MR ERIC JAMES HANSSEN | 5,000,000 | 4.48% |
| 5 | ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C> | 4,999,999 | 4.48% |
| 6 | M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C> | 4,066,666 | 3.64% |
| 7 | ROOKHARP CAPITAL PTY LIMITED | 4,000,000 | 3.58% |
| 8 | CHALLENGE AURORA PTY LTD | 3,999,999 | 3.58% |
| 9 | CITICORP NOMINEES PTY LIMITED | 3,945,634 | 3.54% |
| 10 | MR CHIPS SUPER PTY LTD <MR CHIPS SF A/C> | 3,339,924 | 2.99% |
| 11 | MR MOHAMED ZAID BIN MOHAMED ZAINI | 2,766,051 | 2.48% |
| 12 | MR JAMES JANOS MONI | 2,452,639 | 2.20% |
| 13 | MR ANTHONY DE NICOLA & MRS TANYA LOUISE DE NICOLA <DE NICOLA FAMILY S/F A/C> | 2,250,000 | 2.02% |
| 14 | SILVERWOOD CORPORATION PTY LTD <SUPER FUND ACCOUNT> | 2,075,000 | 1.86% |
| 15 | SYED HIZAM ALSAGOFF | 2,033,382 | 1.82% |
| 16 | DOXY PTY LTD <DOXY A/C> | 1,700,000 | 1.52% |
| 17 | HALF PRICE DECKING & TIMBER PTY LTD | 1,666,666 | 1.49% |
| 18 | MISS THI HUONG VANG | 1,500,000 | 1.34% |
| 19 | MRS YAN WANG <AUST WEST COAST TRAVEL A/C> | 1,333,333 | 1.19% |
| 20 | ISMAIL HARITH MERICAN | 1,273,266 | 1.14% |
| | **TOP 20 TOTAL** | **73,970,494** | **66.28%** |
| | Other optionholders (GMNOA) | 37,629,404 | 33.72% |
| | **TOTAL ISSUED LISTED OPTIONS** | **111,599,898** | 100% |

**Listed Options (GMNOB) Top 20 holders and percentage held**

| | Optionholder | Holding | % of Issued Listed Options |
|---|---|---|---|
| 1 | MATTHEW BURFORD SUPER FUND PTY LTD <BURFORD SUPERFUND A/C> | 7,500,000 | 11.29% |
| 2 | PRARITZ INVESTMENTS PTY LTD <PRARITZ SUPER FUND A/C> | 5,313,333 | 8.00% |
| 3 | ZERO NOMINEES PTY LTD | 5,000,000 | 7.53% |
| 4 | JL AND RA ROBERTS PTY LTD | 5,000,000 | 7.53% |
| 5 | PAY CHUAN LIM | 4,935,000 | 7.43% |
| 6 | SUPER MSJ PTY LTD <MSJ SUPER FUND A/C> | 4,000,000 | 6.02% |
| 7 | CITICORP NOMINEES PTY LIMITED | 2,990,282 | 4.50% |
| 8 | 3M HOLDINGS PTY LIMITED <3M INVESTMENT A/C> | 2,625,000 | 3.95% |
| 9 | ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C> | 2,597,450 | 3.91% |
| 10 | MS WAN MAN WU | 1,976,500 | 2.98% |
| 11 | MR CHRISTOPHER LINDSAY BOLLAM | 1,836,053 | 2.76% |
| 12 | MR THOMAS ROBERTS | 1,500,000 | 2.26% |
| 13 | TOLTEC HOLDINGS PTY LTD | 1,500,000 | 2.26% |
| 14 | RIYA INVESTMENTS PTY LTD | 1,500,000 | 2.26% |
| 15 | MR ANTHONY RICHARD LEWIS <EST HELEN JOYCE SCHICHA A/C> | 1,250,000 | 1.88% |
| 16 | BNP PARIBAS NOMS PTY LTD <DRP> | 1,138,178 | 1.71% |
| 17 | MR STEVEN JOHN LARKINS & MRS ANN KATHLEEN LARKINS <LARKINS SUPER FUND A/C> | 1,000,000 | 1.51% |
| 18 | MR GEOFFREY LEIGH SAFFER & MRS RACHEL SAFFER <SAFFER SUPERFUND A/C> | 1,000,000 | 1.51% |
| 19 | EILONWY FINANCE PTY LTD | 1,000,000 | 1.51% |
| 20 | CHALLENGE AURORA PTY LTD | 750,000 | 1.13% |
| | **TOP 20 TOTAL** | **54,411,796** | **81.92%** |
| | Other optionholders (GMNOB) | 12,008,190 | 18.08% |
| | **TOTAL ISSUED LISTED OPTIONS** | **66,419,986** | 100% |

## 5. Company Secretary

The name of the Company Secretary is Dan Smith.

**Address and telephone details of the Company's registered administrative:**

Level 8, 99 St Georges Terrace
PERTH WA 6000 Australia
Telephone: +61 8 9486 4036

info@goldmountainltd.com.au

www.goldmountainltd.com.au

**Address and telephone details of the Company's principal place of business:**

Level 8, 99 St Georges Terrace
PERTH WA 6000 Australia
Telephone: +61 8 9486 4036

**Address and telephone details of the office at which a registry of securities is kept:**

Boardroom Pty Limited
Grosvenor Place, Level 12, 225 George Street, SYDNEY NSW 2000
GPO Box 3993, SYDNEY NSW 2001
Telephone: 1300 737 760 *(In Australia)*
+61 2 9290 9600 *(International)*
Facsimile: 1300 653 459

**Stock exchange on which the Company's securities are quoted:**

The Company's listed equity securities are quoted on the Australian Securities Exchange

Ordinary Shares – ASX Code: GMN

Listed Options (exercise price $0.04 expiring 16 February 2023) – ASX Code: GMNOA

Quoted Options (exercise price $0.02 expiring 25 March 2024) – ASX Code: GMNOB

**Restricted Securities**

There are no restricted ordinary shares.

**Options**

| Code | Number | Strike | Expiry | Restriction |
|---|---|---|---|---|
| GMNAR | 39,000,000 | $0.146 | 8 Oct 2022 | N/A |
| GMNAS | 11,000,000 | $0.146 | 31 Dec 2022 | N/A |
| GMNAT | 20,000,000 | $0.146 | 31 Dec 2025 | ESOP Vesting over 3 periods of 12 months per period |
| GMNOA | 111,599,898 | $0.04 | 16 Feb 2023 | N/A |
| GMNOB | 66,419,986 | $0.02 | 25 March 2024 | N/A |

**Review of Operations**

A review of operations is contained in the Directors' Report on page 11 of this Annual Report.

**Schedule of Tenements**

The Company's Schedule of Tenements is on page 23 of this Annual Report.

Gold Mountain
Limited