



ABN 82 111 005 282

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2023

The information contained in this condensed report is to be read in conjunction with Dragon Mountain Gold Limited's 2023 annual report and announcements to the market by Dragon Mountain Gold Limited during the half-year period ending 31 December 2023

DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

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Corporate Directory

Current Directors

Robert Gardner	<i>Executive Chairman (Appointed 8 October 2008)</i>
Jay Stephenson	<i>Non-executive Director (Appointed 31 December 2016)</i>
Dimitri Bacopanos	<i>Non-executive Director (Appointed on 2 July 2021)</i>

Company Secretary

Jay Stephenson

Registered Office

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Facsimile: +61 (0)8 9481 1947

Email: info@dragonmountain.com.au

Website: www.dragonmountain.com.au

Securities Exchange

Australian Securities Exchange

Street: Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code: DMG

Corporate Adviser

Wolfstar Group Pty Ltd

Street: Barringtons House
283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (0)8 9246 0666

Share Registry

Computershare Registry Services

Street: Level 11, 172 St Georges Terrace
Perth WA 6000

Postal: GPO Box D182
Perth WA 6840

Telephone: 1300 850 505 (investors within Australia)
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Auditor

Moore Australia Audit (WA)

Street: Level 15, 2 The Esplanade
Perth WA 6000

Telephone: +61 0(8) 9225 5355

Solicitors to the Company










Steinepreis Paganin

Postal: GPO Box 2799
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DRAGON MOUNTAIN GOLD LIMITED

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INTERIM FINANCIAL REPORT 31 DECEMBER 2023

Directors' Report

Your Directors present their report together with the summary of the financial information of Dragon Mountain Gold Limited ("the Company") and its controlled entity ("the Consolidated Entity" or "the Group") for the half-year ended 31 December 2023.

1. Director3

The names of Directors in office at any time during or since the end of the half-year are:

 Mr Robert Gardner	<i>Executive Chairman</i>
 Mr Jay Stephenson	<i>Non-executive Director</i>
 Mr Dimitri Bacopanos	<i>Non-executive Director</i>

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Review of Operations

The Group holds an interest in the Cawse Project and the Avalon Project, each comprising 26 tenements and 7 tenements respectively.

On 9 November 2022, the Company announced that it had acquired a package of 23 Prospecting Licences covering 40km² located within the Cawse Envelope.

The Company considers that these tenements may be highly prospective for gold that are within the Gordon's Project on the granite ultramafic boundary alongside our existing Cawse interest South of Ora Banda Road.

The tenements were acquired through a share purpose agreement from Sleeklines Holdings Pty Ltd. In consideration for acquiring 100% of the issued capital of Sleeklines Holdings Pty Ltd, the Company has issued the vendors 1,000,000 Shares in the Company and made a cash payment of \$300,000 as a reimbursement for exploration costs on the tenements incurred by Sleeklines Holdings Pty Ltd.

These three projects are the primary focus of the Group.

The Group had \$487,546 in cash reserves at the end of the period. Directors are continuing to manage the Group's cash flow in this difficult capital raising environment for junior exploration companies.

2.1. Operating results

The loss of the Company for the half-year amounted to \$172,636 (31 December 2022: \$295,255).

2.2. Financial position

The net asset position of the Company has decreased by \$172,636 to \$1,309,740 at 31 December 2023 (30 June 2023: \$1,482,376).

As at 31 December 2023, the Company's cash and cash equivalents decreased from 30 June 2023 by \$210,005 to \$487,546 and had working capital of \$335,593 (30 June 2023: \$558,242 working capital).

3. Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2023 has been received and can be found on page 4 on the half-year report.



ROBERT GARDNER

Chairman

Dated this Wednesday, 6 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DRAGON MOUNTAIN GOLD LIMITED**

As auditor for the review of Dragon Mountain Gold Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 6th day of March 2024.

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INTERIM FINANCIAL REPORT 31 DECEMBER 2023**Condensed consolidated statement of profit or loss and other comprehensive income**
for the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Continuing operations			
Revenue	1.1	5,011	6,400
		5,011	6,400
Accounting and audit fees		(9,921)	(23,894)
Computers and communications		(3,557)	(1,223)
Depreciation	2.2	(299)	(43,428)
Employee benefits expenses	2.1	(93,966)	(60,000)
Financing costs	2.3	(418)	(199)
Share based payments expenses		-	(42,324)
Insurance		(14,247)	(25,680)
Occupancy expenses		(24,029)	-
Professional fees		(2,549)	(62,179)
Regulatory expenses		(26,712)	(40,907)
Other expenses		(1,949)	(1,821)
Loss before tax		(172,636)	(295,255)
Income tax benefit / (expense)		-	-
Loss from continuing operations		(172,636)	(295,255)
Net loss for the half-year		(172,636)	(295,255)
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of the parent entity		(172,636)	(295,255)
loss for the period attributable to:			
☰ Owners of the parent		(172,636)	(295,255)
Total comprehensive loss attributable to:			
☰ Owners of the parent		(172,636)	(295,255)
Earnings per share:		¢	¢
Basic loss per share (cents per share)	7.3	(0.07)	(0.08)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents	3.1	487,546	697,551
Trade and other receivables	3.2	134,164	112,993
Other current assets	3.3	10,137	15,739
Total current assets		631,847	826,283
Non-current assets			
Capitalised exploration and evaluation expenditure	3.4	972,327	922,014
Plant and equipment	3.5	1,820	2,120
Total non-current assets		974,147	924,134
Total assets		1,605,994	1,750,417
Current liabilities			
Trade and other payables	3.6	295,405	258,706
Short term financial liabilities	3.7	849	9,335
Total current liabilities		296,254	268,041
Total liabilities		296,254	268,041
Net assets		1,309,740	1,482,376
Equity			
Issued capital	4.1	35,694,626	35,694,626
Foreign Exchange Reserves	4.3	1,040	1,040
Share based payment reserve	4.4	43,324	43,324
Accumulated losses		(34,429,250)	(34,256,614)
Total equity		1,309,740	1,482,376

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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INTERIM FINANCIAL REPORT 31 DECEMBER 2023**Condensed consolidated statement of changes in equity**

for the half-year ended 31 December 2023

	Note	Issued Capital \$	Accumulated Losses \$	Foreign Exchange Translation Reserve \$	Share-Based Payment reserve \$	Total \$
Balance at 1 July 2022		33,081,803	(33,770,382)	1,040	-	(687,539)
Loss for the half-year attributable to the owners of the parent		-	(295,255)	-	-	(295,255)
Other comprehensive income for the half-year attributable to the owners of the parent		-	-	-	-	-
Total comprehensive loss for the half-year attributable to the owners of the parent		-	(295,255)	-	-	(295,255)
Transaction with owners, directly in equity						
Shares issued during the year		2,612,823	-	-	-	2,612,823
Options Issued during the half-year		-	-	-	42,324	42,324
Balance at 31 December 2022		35,694,626	(34,065,637)	1,040	42,324	1,672,353
Balance at 1 July 2023		35,694,626	(34,256,614)	1,040	43,324	1,482,376
Loss for the half-year attributable to the owners of the parent		-	(172,636)	-	-	(172,636)
Other comprehensive income for the half-year attributable to the owners of the parent		-	-	-	-	-
Total comprehensive loss for the half-year attributable to the owners of the parent		-	(172,636)	-	-	(172,636)
Balance at 31 December 2023		35,694,626	(34,429,250)	1,040	43,324	1,309,740

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(156,219)	(539,569)
Interest received		5,011	6,400
Net cash used in operating activities		(151,208)	(533,169)
Cash flows from investing activities			
Payments for exploration expenditure		(50,313)	(241,935)
Repayment of loan		-	(300,000)
Net cash used in investing activities		(50,313)	(541,935)
Cash flows from financing activities			
Proceeds from share issue		-	342,992
Lease repayments		(8,484)	-
Net cash provided by financing activities		(8,484)	342,992
Net decrease in cash held		(210,005)	(732,112)
Cash and cash equivalents at the beginning of the year		697,551	1,613,198
Cash and cash equivalents at the end of the period	3.1	487,546	881,086

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2023

In preparing the 2024 interim financial statements, Dragon Mountain Limited has grouped notes into sections under the same key categories as used in the 30 June 2023 Annual Report:

Section A: How the numbers are calculated.....	10
Section A: Unrecognised Items.....	14
Section C: Other Information.....	14

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.



Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- (b) analysis and sub-totals, including segment information
- (c) information about estimates and judgements made in relation to particular items.

NOTE 1 Revenue and other income

1.1 Revenue

Interest revenue

Total revenue

31 December 2023 \$	31 December 2022 \$
5,011	6,400
5,011	6,400

NOTE 2 Loss before income tax

The following significant revenue and (expense) items are relevant in explaining the financial performance:

2.1 Employee benefits:

Wages and salaries

Superannuation expenses

Total personnel expenses

2.2 Depreciation

Depreciation

Total depreciation expenses

2.3 Financing costs

Financing costs

Total financing costs

31 December 2023 \$	31 December 2022 \$
90,242	55,525
3,724	4,475
93,966	60,000
299	43,428
299	43,428
418	199
418	199

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 3 Financial assets and financial liabilities

3.1 Cash and cash equivalents

	31 December 2023 \$	30 June 2023 \$
Cash at bank	487,546	697,551
	487,546	697,551

3.2 Trade and other receivables

Note

	31 December 2023 \$	30 June 2023 \$
Current		
Value-added tax receivable	133,956	112,785
Other receivables	208	208
	134,164	112,993

3.2.1 Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST) and in China (VAT).

3.3 Other assets

	31 December 2023 \$	30 June 2023 \$
Current		
Prepayments	10,137	15,739
	10,137	15,739

3.4 Capitalised exploration and evaluation expenditure

	31 December 2023 \$	30 June 2023 \$
Non-current		
Exploration expenditure capitalised:		
• Exploration and evaluation phase at cost	972,327	922,014
Net carrying value	972,327	922,014
Movements in Carrying Amounts		
Balance at the beginning of year	922,014	331,284
Expenditure during the period	50,313	590,730
Carrying amount at the end of year	972,327	922,014

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 3 Financial assets and financial liabilities (cont.)

3.5 Plant and equipment

Non-current

Furniture and fittings

Accumulated depreciation

Office equipment

Accumulated depreciation

Total plant and equipment

31 December 2023 \$	30 June 2023 \$
16,740	16,740
(14,954)	(14,718)
1,786	2,022
54,213	54,213
(54,179)	(54,115)
34	98
-	-
1,820	2,120

3.6 Trade and other payables

Current

Unsecured

Trade payables

Other creditors and accruals

Related party rent payable

31 December 2023 \$	30 June 2023 \$
181,637	113,804
113,768	126,902
-	18,000
295,405	258,706

3.7 Short term financial liabilities

Insurance premium funding

31 December 2023 \$	30 June 2023 \$
849	9,335
849	9,335

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 4 Equity

4.1 Issued capital	Note	31 December 2023 No.	30 June 2023 No.	31 December 2023 \$	30 June 2023 \$
Fully paid ordinary shares at no par value	4.1.1	394,671,665	394,671,665	35,694,626	35,694,626
		6 months to 31 December 2023 No.	12 months to 30 June 2023 No.	6 months to 31 December 2023 \$	12 months to 30 June 2023 \$
4.1.1 Ordinary shares					
At the beginning of the period		394,671,665	263,530,515	35,694,626	33,081,803
Capital Raise at \$0.02		-	79,800,000	-	1,596,000
Shares issued on debt conversion		-	50,341,150	-	1,006,823
Shares issued to acquire Sleeklines Holdings Limited		-	1,000,000	-	10,000
At reporting date		394,671,665	394,671,665	35,694,626	35,694,626

4.2 Options

Options	Note	31 December 2023 No.	30 June 2023 No.	31 December 2023 \$	30 June 2023 \$
Incentive Options		14,000,000	14,000,000	43,324	43,324
At beginning of the period		-	-	-	-
Options issued/(lapsed) during the year		-	-	-	-
Options Exercisable at \$0.03 each expiring 23/11/2025		14,000,000	14,000,000	43,324	43,324
At reporting date		14,000,000	14,000,000	43,324	43,324

4.3 Foreign Exchange Reserves

	Note	31 December 2023 \$	30 June 2023 \$
Foreign exchange reserve	4.3.1	1,040	1,040
		1,040	1,040

4.3.1 Foreign exchange translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign controlled subsidiary.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 4 Equity (cont.)

4.4 Share Based Payment Reserves

Note	31 December 2023 No.	30 June 2023 No.
4.3.1	43,324	43,324
	43,324	43,324

Share Based Payment Reserve

Gross Share-based payments

a. Share-based payment arrangement in effect during the half-year

i. Incentive options

Number of Incentive Options	Date of Expiry	Milestone	Vesting Terms
14,000,000	23 November 2025	N/A	Immediately

ii. Fair value of incentive options granted during the period

The fair value of the performance rights granted is deemed to represent the value of the services received over the vesting period.

These values were calculated using the Black-Scholes option pricing model, applying the following inputs to performance rights issued this year:

Grant date:	23 Nov 2022
Grant date share price:	\$0.01
Share price target:	N/A
Number of performance rights issued:	14,000,000
Expiry Date	23 November 2025
Expected share price volatility:	83.7%
Risk-free interest rate:	3.27%
Value per option	\$0.003

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

SECTION A. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

SECTION B. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 5 Events subsequent to reporting date

There are no subsequent events that have arisen since 31 December 2023 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 6 Contingent liabilities

There are no contingent liabilities as at 31 December 2023 (30 June 2023: nil).

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 7 Earnings per share (EPS)

Note	31 December 2023 \$	31 December 2022 \$
7.1 Reconciliation of earnings to profit or loss		
Loss for the year attributable to owners of the Company	(172,636)	(295,255)
Loss attributable to non-controlling equity interest (NCI)	-	-
Loss used in the calculation of basic EPS	(172,636)	(295,255)
	31 December 2023 \$	31 December 2022 \$
7.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	263,530,515	379,721,813
	31 December 2023 ¢	31 December 2022 ¢
7.3 Earnings per share		
Basic EPS (cents per share)	(0.07)	(0.08)

7.3.1 The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group and the company has no dilutionary equity instruments on issue as at 31 December 2023 (30 June 2023: nil).

NOTE 8 Operating segments

8.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are provided to the Board of Director on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segment and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia (2023: Australia). The Group operates predominantly in the mineral exploration and evaluation industry.

Due to its reduced activity, the Group currently operates materially in one business segment and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2023

NOTE 9 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

9.1 Basis of preparation

9.1.1 Statement of compliance

The half-year financial report is a general purpose financial report that have been prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include notes of the type normally included in the annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 6 March 2024 by the directors of the Company.

9.1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the settlement of liabilities and the realisation of assets in the normal course of business.

The Group incurred a net loss of (\$172,636) during the half year ending 31 December 2023 and, as of that date, the Group had net assets of \$1,309,740 with a working capital surplus of \$335,593.

The ability of the Group to continue its planned activities and maintain its going concern status is dependent on being able to raise additional funds as required. The Directors continue to be focused on meeting the Company's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- 💰 The current cash balance of the Company relative to its fixed and discretionary expenditure commitments.
- 💰 Given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- 💰 The fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

Should the Group be unable to raise the amount of funding required and should the continued support from related party creditors not be forthcoming, there is material uncertainty that the Group will be able to continue as a going concern, and therefore whether it will be able to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

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NOTE 9 Statement of significant accounting policies

9.1.3 Comparative figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is prepared.

9.1.4 New and amended Standards adopted by the Group

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

9.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgement made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

9.2.1 Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2023 annual report.

Directors' Declaration

The directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 17, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and;
 - (c) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Consolidated Group.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:



ROBERT GARDNER

Chairman

Dated this Wednesday, 6 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DRAGON MOUNTAIN GOLD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Dragon Mountain Gold Limited (the company) and its controlled entities (the group or consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our review 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* has been given to the directors of the Company.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DRAGON MOUNTAIN GOLD LIMITED (Continued)**

Emphasis of Matter – Material Uncertainty regarding Going Concern

We draw attention to Note 9.1.2 of the financial report, which indicates that the Company is dependent upon the ongoing support of its shareholders in order to fund its working capital and discharge its liabilities in the ordinary course of business. These conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern, which if it was to eventuate, the Company may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our review opinion is not modified in this regard.

Responsibility of the Directors for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- c) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and
- d) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 6th day of March 2024.

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