



Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

GREAT DIVIDE MINING LTD
and its Controlled Entities
ACN 655 868 803



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GREAT DIVIDE MINING LTD
and its Controlled Entities
A.C.N. 655 868 803

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CAUTIONARY STATEMENTS

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Group's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Great Divide Mining Ltd undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

All exploration results and Mineral Resources referred to in this Half-Year Report have previously been announced to the market by the Company in accordance with the requirements of Chapter 5 of the ASX Listing Rules and the JORC Code 2012, including as to the requirements for a statement from a Competent Person and the relevant announcements have been referred to in the body of the Half-Year Report. The Group confirms that it is not aware of any new information or data that materially affects that information. In respect of the Mineral Resources, all material assumptions and technical parameters continue to apply and have not materially changed.

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CORPORATE INFORMATION

Directors

Paul Ryan, Non-Executive Chairman
Adam Arkinstall, Non-Executive Director
Simon Tolhurst, Non-Executive Director

Company Secretary

Sonny Didugu

Head Office and Registered Office

Great Divide Mining Ltd
Level 12, 127 Creek Street
Brisbane QLD 4000
Ph: +61 7 3071 9292

Auditors

PKF Brisbane Audit
Level 2, 66 Eagle Street
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Stock Exchange Listing

Australian Securities Exchange – ASX: GDM

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DIRECTORS' REPORT (continued)

The Directors present their report, together with the financial statements, on Great Divide Mining Ltd ("the Company") and its controlled entities ("the Group") for the financial half-year ended 31 December 2023.

Directors and Company Secretary

The following were Directors of the Company during the financial half-year and up to the date of this report, unless stated otherwise:

- Paul Ryan, Non-Executive Chairman
- Adam Arkinstall, Non-Executive Director
- Simon Tolhurst, Non-Executive Director

The company secretary is Sonny Didugu.

Principal Activities

The principal activity of the Group is gold and critical metals mineral exploration and development in Queensland and is not considered to be trading.

Review of Operations

ASX Listing and Capital Raising

The Company was admitted to the Official List of ASX on Friday 25 August 2023.

The Company issued 25,000,000 new Shares at a price of \$0.20 per share to raise \$5,000,000 (before costs and expenses).

In accordance with the terms of appointment, the Company, on Admission Date, issued 22,500 Payment Shares and 200,000 Director Shares to the combined value of \$44,500 to the non-executive Director, Mr Simon Tolhurst.

The Company issued 1,000,000 Lead Manager Options ("Lead Manager Options"), 500,000 Consultant Options ("Consultant Options") and 1,200,000 Director Options ("Director Options") vesting immediately on admission and exercisable at \$0.40 with an expiry date that is 3 years from the Admission Date. The Options have been valued at \$99,000, \$49,500 and \$118,800 respectively using the Black Scholes option pricing model and have been issued in part consideration for capital raising services provided to the Company.

The Company issued 2,000,000 Chief Executive Officer Options ("CEO Options"), which will be exercisable from the Admission Date at \$0.20 on a pro rata basis over a two-year period while the CEO remains employed by the Company. The expiry date is 5 years. The CEO Options have been valued at \$302,000 using the Black Scholes option pricing model.

In accordance with the terms of the Deed of Variation to the Loan Agreement between the Company and Westpearl Pty Ltd, a related entity of Director Paul Ryan, the Company, on Admission Date, repaid the full amount drawn on the loan of \$879,370 at the time of listing. The loan was repaid by:

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DIRECTORS' REPORT (continued)

- a) Issued 1,750,000 Debt Conversion Shares to Westpearl Pty Ltd to convert the value of \$350,000 of debt to equity.
- b) Issued 2,500,000 Debt Conversion Options exercisable at \$0.40 on or about 3 years from the date of issue.
- c) Issued 2,641,050 Debt Conversion Options exercisable at \$0.30 on or about 3 years from the date of issue.
- d) Cash payment of \$100,000

Acquisitions

On 16 August 2023, the Company purchased the shares of Devils Mountain Gold Pty Ltd (DMG), Laura Exploration Pty Ltd (LE), Muscovite Gold Exploration Pty Ltd (MGE) and Queensland Ores Holdings Pty Ltd (QOH) whereby the Company purchased 100% of the issued shares in DMG, LE, MGE and QOH for \$25,000, \$50,000, \$50,000 and \$150,000 respectively in the equivalent value of shares in the Company.

As a condition of the acquisitions by the Company, the former shareholders of the Subsidiaries forgave any outstanding loans payable to their related parties such that the related party loans of each Subsidiary were paid, released, or otherwise discharged on or before completion.

Scrip-for-scrip rollover occurred as consideration for the acquisitions whereby the shareholders of the Subsidiaries received their proportionate share of the number of shares in the Company equivalent to the purchase price calculated using the determined IPO issue price.

Exploration

(a) Yellow Jack Project

The Group announced its maiden Joint Ore Reserve Committee (JORC) 2012 compliant Mineral Resource Estimate at Yellow Jack in early October 2023, with 51,100 oz of gold at a cut-off grade of 0.5 g/t Au reported. The Mineral Resource was estimated using previous Reverse Circulation (RC) and Rotary Air Blast (RAB) drill hole results.

The Group completed its maiden drilling program at Yellow Jack comprising 17 RC drill holes and 3 Diamond Drill (DD) holes totalling 2,070m of total drilling. The campaign was designed to confirm historical drilling results and to test resource extension both at depth and along strike, with historical drilling having been limited to less than 70m vertical depth.

Assays from the drilling campaign were received progressively over December and January with significant intercepts including:

- 5 m @ 1.97 g/t Au from 69 m depth in hole 23YJRC202 including 1 m @ 4.19 g/t Au from 69 m depth
- 15 m @ 1.65 g/t Au from 75 m depth in hole 23YJRC204 including 4 m @ 2.59 g/t Au from 75 m depth
- 5 m @ 2.45 g/t Au from 155 m depth in hole 23YJRC213
- 6 m @ 3.25 g/t Au from 66 m depth in hole 23YJRC216
- 12 m @ 2.70 g/t Au from 25 m depth in hole 23YJDD219 including 6 m @ 4.15 g/t Au from 30 m depth
- 6.2 m @ 1.1 g/t Au from 80 m depth in hole 23YJDD217

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DIRECTORS' REPORT (continued)

The results indicate that the Gold mineralisation is open along strike and at depth, as well as having certain pockets of higher grades. Critically, the host rock is relatively soft which could enable a simple and inexpensive future mining operation.

An updated Mineral Resource Estimate and mine planning is ongoing and targeted for the first half of 2024 including further metallurgical and environmental test work in addition to developing a full 3D interpretation of the Yellow Jack Gold system.

(b) Devils Mountain Project

The Devils Mountain Project comprises two main prospects - the Devils Mountain Gold and the Gibraltar Rock Copper Prospects.

(i) Devils Mountain Gold Prospect

During the final quarter in 2023 the Group commissioned field reconnaissance work which has highlighted a potential epithermal gold deposit within the Devils Mountain Prospect.

Epithermal quartz has been recognised in three places along a major structural corridor and soil geochemistry indicates Gold anomalies coincident with parts of this corridor.

The Group's work on this prospect is the first to uncover this type of veining and possible mineralisation and further adds to the prospectivity and potential this project has for the Group.

Further exploration will include soil sampling and geological mapping is planned during the first six months of 2024.

(ii) Gibraltar Rock Copper Prospect

The Group conducted a desktop review of the Devils Mountain project and identified a potential new porphyry Copper prospect, 'Gibraltar Rock'.

The Group has conducted field reconnaissance work to confirm the presence of hydrothermal breccias, with two main breccia types identified at the surface. GDM's work has highlighted a sizeable (900m x 600m) high priority porphyry Copper target that warrants drilling, being the main breccia and its northern margin zone - both of which have not been adequately tested by previous drilling.

The most important finding of GDM's recent studies was recognising the underpinning intrusion likely to be driving the alteration, brecciation and mineralisation. A new interpretation of surface soil geochemistry indicates multiple phases of mineralisation. This is typical of porphyry copper systems and is seen as a positive for the Gibraltar Rock system. Most of the classic porphyry alteration was intersected - propylitic, phyllic, potassic and tourmaline.

Three initial drill holes have been planned to test the porphyry copper system across the whole main target and at depth.

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DIRECTORS' REPORT (continued)

Although this was not the Group's intended focus at Devils Mountain, the Group considers exploration activities at Devils Mountain to be warranted on an expedited basis with any development of the project likely via joint venture or other similar agreement due to the nature of porphyry copper deposits.

(c) Coonambula

The Group has recovered important historical drill chip samples and core taken from Banshee Antimony-Gold Prospect during the drill program undertaken by Queensland Ores Holding Pty Ltd in 2014. The Group will update geological logs and undertake further analysis on these samples using the portable XRF analyser to determine mineralisation vectors.

A draft conduct and compensation agreement is being negotiated with the major landholder of EPM 16216. This is expected to be completed in second quarter of 2024 and will provide further access to GDM to enable high-impact exploration on site including drilling and rehabilitation of old costeans and pits.

Geological consultants have commenced a geophysical, structural, and geochemical interpretation which will be followed up with an initial program of geological mapping, soils and surface sampling. If the results are encouraging, the Group will progress to define further drill targets for late mid-2024.

(d) Cape

The Group's initial focus at the Cape Project is on the New Goldfield tenement which comprises greenfield gold, copper, and rare earth mineral prospects.

An initial reconnaissance field survey was completed during the final quarter of 2023 at the New Goldfield project with results expected during the first quarter in 2024.

Follow up field survey and sampling including soil survey will be conducted in the six months to June 2024.

Results

For the half-year ended 31 December 2023 the Group generated a loss of \$572,528 (Company half-year to 31 December 2022 loss: \$525,557).

Significant changes in the state of affairs

Other than the items discussed in the review of operations above, there were no significant changes in the state of affairs of the Group during the period.

Environmental Issues

The Group's operations are subject to environmental regulations in relation to its exploration activities. The Group is compliant with all aspects of these requirements. The Directors are not aware of any environmental law that is not being complied with.

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DIRECTORS' REPORT (continued)

New Accounting Standards Implemented

There were no new Accounting Standards adopted during the period.

Dividends

No dividends were paid during the half-year and no recommendation is made as to the dividends.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Group support and, where practicable or appropriate, have adhered to the ASX Principles of Corporate Governance. The Group's Corporate Governance Statement was lodged separately in conjunction with the Annual Report for the year ended 30 June 2023 on the ASX and can be found on the Group's website.

Events Subsequent to Balance Date

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

This Directors' Report is signed in accordance with a resolution of Directors.



**Paul Ryan
Chairman
Brisbane**

10 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GREAT DIVIDE MINING LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, there have been:

- (a) no contraventions of the auditor independence requirements of 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.

This declaration is in respect of Great Divide Mining Limited and the entities it controlled during the half year.



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

10 MARCH 2024
BRISBANE

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 \$	Company 31 December 2022 \$
Revenue			
Interest income		38,781	-
Other income		8,312	-
		<u>47,093</u>	<u>-</u>
Expenses			
Administration costs	5	314,320	347,469
Employee benefits expense		194,731	128,262
Share based payment expense	6	110,570	49,826
		<u>619,621</u>	<u>525,557</u>
Loss before income tax, attributable to members		(572,528)	(525,557)
Tax expense		-	-
Loss for the period, attributable to members		(572,528)	(525,557)
Other comprehensive income		-	-
Total other comprehensive loss for the period, net of tax, attributable to members		(572,528)	(525,557)
Loss per share from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share		(1.92)	(4.78)
Diluted loss per share		(1.92)	(4.78)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 \$	Company 30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,726,471	8,940
Trade and other receivables		24,392	3,756
Other current assets		80,326	141,439
Total Current Assets		2,831,189	154,135
Non-Current Assets			
Property, plant and equipment	7	147,213	-
Exploration and evaluation assets	8	1,662,141	-
Other non-current assets		27,845	-
Loans to related parties	9	-	204,838
Total Non-Current Assets		1,837,199	204,838
Total Assets		4,668,388	358,973
LIABILITIES			
Current Liabilities			
Trade and other payables		542,611	436,431
Leave Entitlements		17,376	14,423
Lease Liabilities	10	19,910	-
Loans from related parties	11	-	879,370
Total Current Liabilities		579,897	1,330,224
Non-Current Liabilities			
Lease Liabilities	10	14,313	-
Total Non-Current Liabilities		14,313	-
Total Liabilities		594,210	1,330,224
Net Assets / (Liabilities)		4,074,178	(971,251)
EQUITY			
Issued capital	12	4,856,316	1,100
Reserves	13	762,740	-
Accumulated losses		(1,544,878)	(972,351)
TOTAL EQUITY		4,074,178	(971,251)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

		Issued Capital	Reserves	Accumulated losses	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2022		1,100	-	(121,897)	(120,797)
Profit / (loss) for the half-year		-	-	(525,557)	(525,557)
Other comprehensive income for the half-year		-	-	-	-
Total comprehensive income for the half-year		-	-	(525,557)	(525,557)
Transactions with owners, in their capacity as owners:					
Options issued		-	49,826	-	49,826
Balance at 31 December 2022		1,100	49,826	(647,454)	(596,528)
Balance at 1 July 2023		1,100	-	(972,351)	(971,251)
Profit / (loss) for the half-year		-	-	(572,528)	(572,528)
Other comprehensive income for the half-year		-	-	-	-
Total comprehensive income for the half-year		-	-	(572,528)	(572,528)
Transactions with owners, in their capacity as owners:					
Equity issues		5,350,000	-	-	5,350,000
Options issued	13	-	696,670	-	696,670
Acquisition of wholly owned companies		275,000	-	-	275,000
Equity issue expenses		(814,284)	-	-	(814,284)
Share based payments		44,500	66,071	-	110,571
Balance at 31 December 2023		4,856,316	762,740	(1,544,878)	4,074,178

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated 31 December 2023 \$	Company 31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Interest received	38,781	-
Payments to suppliers	(813,161)	(404,360)
GST payable/(refundable)	(8,439)	(1,700)
Net cash provided by / (used in) operating activities	(782,819)	(406,060)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(118,181)	-
Payments for exploration and evaluation	(1,048,874)	-
Payments for other assets	(20,000)	-
Net cash provided by / (used in) investing activities	(1,187,055)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of share capital	5,000,000	-
Payment of capital raising costs	(212,595)	-
Increase / (decrease) in loans	(100,000)	375,000
Net cash provided by / (used in) financing activities	4,687,405	375,000
Net increase / (decrease) in cash held	2,717,531	(31,060)
Cash at beginning of financial period	8,940	37,184
Cash at end of financial period	2,726,471	6,124

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

1 Statement of Material Accounting Policies

The financial statements are for the consolidated entity consisting Great Divide Mining Ltd (the "Company") and its Controlled Entities (the "Group"). Great Divide Mining Ltd is a listed public company, incorporated and domiciled in Australia. Great Divide Mining Ltd is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Great Divide Mining Ltd as at 30 June 2023. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period and ASX Listing Rules, unless otherwise stated.

The consolidated interim financial statements were authorised for issue on 10 March 2024 by the Directors of the Company.

(a) Basis of Preparation

General purpose financial statements

These general purpose consolidated financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for the consolidated statement of cash flows, the consolidated 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) Going Concern

The consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2023 the Group generated a consolidated loss of \$572,528 and incurred operating cash outflows of \$782,819 and investing cash outflows of \$1,187,055. As at 31 December 2023 the Group had cash and cash equivalents of \$2,726,471 and liabilities of \$594,211.

The Group's ability to continue to adopt the going concern assumption will depend upon the Group being able to implement its strategy following the successful IPO to build shareholder value by acquiring, exploring and exploiting mineral resources within its Projects. During the half-year ended 31 December 2023 the Group has been successful in implementing its strategy achieving the following actions:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1 Statement of Material Accounting Policies (cont'd)

(b) Going Concern (continued)

- The Company was admitted to the Official List of ASX on Friday 25 August 2023 and raised \$5,000,000 by the issue of 25,000,000 shares at an issue price of \$0.20 per share.
- The Company entered into an agreement with the principal funder of the Company pre-listing, Westpearl Pty Ltd, whereby their debt totalling \$879,370 was repaid and the agreement terminated by issuing shares and options and by a cash repayment of \$100,000.
- The Company acquired 100% of the issued shares in shareholder related companies Devils Mountain Gold Pty Ltd, Laura Exploration Pty Ltd, Muscovite Gold Exploration Pty Ltd and Queensland Ores Holdings Pty Ltd each holding tenements of interest.
- The Group's ability to continue to adopt the going concern assumption will depend upon the Group being able to manage its liquidity requirement and by taking some or all of the following actions:
 - raising additional capital;
 - successful exploration and subsequent exploitation of the Group's tenements; and
 - managing its working capital expenditure

After taking into account the current financial position of the Group, the Directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the consolidated financial statements. This consolidated financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programs are ultimately successful, additional funds will be required to develop the Group's projects and to place them into commercial production. The ability of the Group to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group.

(c) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each separately identifiable area of interest. These costs are only carried forward where the right of tenure for the area of interest is current and to the extent that they are expected to be recouped through the successful development and commercial exploitation of the area, or alternatively sale of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1 Statement of Material Accounting Policies (cont'd)

(c) Exploration and Evaluation Expenditure (cont'd)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, the exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining development.

Accumulated costs in relation to an abandoned area are written off in full against the result in the period in which the decision to abandon the area is made.

(d) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(e) Share Based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model or the prevailing market price for zero-priced options. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(f) Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

(g) New Accounting Standards and Interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the current reporting period.

(h) Comparative Figures

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

2 Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the consolidated 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 Group.

Key Judgements:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Adoption of acquisition accounting

The Group considers that the assets of the subsidiaries acquired and liabilities of the subsidiaries assumed do not constitute a business. The Group has therefore accounted for the transaction as an asset acquisition in which the fair value of the purchase consideration is allocated to individual identifiable assets acquired.

3 Segment Information

During the period, the Group only had one Queensland operating segment. The only geographic segment revenue during the period related to interest and other income and was generated solely by the Queensland segment.

4 Dividend

No dividend has been paid during the half-year ended 31 December 2023 (2022: nil) and none is proposed.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated 31 December 2023 \$	Company 31 December 2022 \$
5 Administration Costs		
Advertising & Marketing	70,350	-
Audit and Independent Accountant fees	40,680	41,475
Consultants' fees	75,273	149,782
Depreciation	9,912	-
Legal fees	36,308	133,916
Other expenses	81,797	22,296
	<u>314,320</u>	<u>347,469</u>
6 Share Based Payment Expense		
Shares issued for services - Director	44,500	-
Options issued on acquisition of wholly owned companies	13,189	-
Options issued to CEO	52,881	49,826
	<u>110,570</u>	<u>49,826</u>
7 Property, Plant & Equipment		
Office Equipment – at cost	1,627	1,627
Accumulated depreciation	<u>(1,627)</u>	<u>(1,627)</u>
	-	-
Computers – at cost	14,937	4,784
Accumulated depreciation	<u>(5,278)</u>	<u>(4,784)</u>
	9,659	-
Plant & Equipment – at cost	102,441	-
Accumulated depreciation	<u>(2,403)</u>	<u>-</u>
	<u>100,038</u>	<u>-</u>

GREAT DIVIDE MINING LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated 31 December 2023	Company 30 June 2023
	\$	\$
7 Property, Plant & Equipment (cont'd)		
Right of Use Assets – at cost	38,944	-
Accumulated depreciation	(6,490)	-
	<u>32,454</u>	<u>-</u>
Low Value Pool Assets – at cost	5,587	-
Accumulated depreciation	(525)	-
	<u>5,062</u>	<u>-</u>
Total Property, Plant and Equipment – at cost	163,536	6,411
Total Accumulated depreciation	(16,323)	(6,411)
	<u>147,213</u>	<u>-</u>
Carrying value at beginning of financial year	-	-
Additions	157,125	6,411
Disposals / written off	-	-
Depreciation expensed	(9,912)	(6,411)
Carrying amount at the end of the period	<u>147,213</u>	<u>-</u>
8 Exploration and Evaluation Assets		
Opening balance – at cost	-	-
Capitalisation of exploration assets	1,662,141	-
Less Impairment Losses	-	-
Carrying amount at the end of the period	<u>1,662,141</u>	<u>-</u>

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

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NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated 31 December 2023 \$	Company 30 June 2023 \$
9 Loans to Related Parties		
Current		
Loan – Devils Mountain Gold Pty Ltd	-	10,478
Loan – Laura Exploration Pty Ltd	-	89,173
Loan – Muscovite Gold Exploration Pty Ltd	-	42,689
Loan – Queensland Ores Holdings Pty Ltd	-	62,498
	<u>-</u>	<u>204,838</u>

These companies were acquired by the Company during the half-year and as a result offset on Consolidation.

10 Lease Liabilities

Current	19,910	-
Non-Current	14,313	-
	<u>34,223</u>	<u>-</u>

11 Loans from Related Parties

Current		
Loan – Westpearl Pty Ltd	-	879,370
	<u>-</u>	<u>879,370</u>
Movement schedule:		
Opening balance	879,370	162,052
Funds loaned to the Company	-	717,318
Less shares issued for debt conversion	(350,000)	-
Less options issued for debt conversion	(429,370)	-
Less paid by cash	(100,000)	-
Closing balance	<u>-</u>	<u>879,370</u>

The debt totalling \$879,370 was repaid and the agreement terminated by:-

- Issuing 1,750,000 Debt Conversion Shares to convert the value of \$350,000 of debt to equity.
- Issuing 2,500,000 Debt Conversion Options exercisable at \$0.40 on or about 3 years from the date of issue.
- Issuing 2,641,050 Debt Conversion Options exercisable at \$0.30 on or about 3 years from the date of issue.
- Cash payment of \$100,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated		Company	
	31 December 2023		30 June 2023	
	No. of Ordinary	\$	No. of Ordinary	\$
12 Issued Capital	Shares		Shares	
Fully paid ordinary shares	11,000,000	1,100	11,000,000	1,100
Shares issued for cash	25,000,000	5,000,000	-	-
Shares issued for Debt Conversion	1,750,000	350,000	-	-
Shares issued for services	222,500	44,500	-	-
Shares issued on acquisition of wholly owned companies	1,375,000	275,000	-	-
Share issue costs	-	(814,284)	-	-
	39,347,500	4,856,316	11,000,000	1,100

Ordinary shareholders participate in dividends in proportion to the number of shares held. At shareholder's 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.

Capital Management

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.

There have been no changes in the strategy adopted by management to control the capital of the Company during the period.

	Consolidated	Company
	31 December	30 June
	2023	2023
	\$	\$
Movements in issued capital - Fully paid ordinary shares:		
At the beginning of the reporting period	1,100	-
Shares issued during the period	5,394,500	1,100
Share issue costs	(814,284)	-
At the end of the reporting period	4,856,316	1,100

GREAT DIVIDE MINING LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

13 Reserves

	No. of Options	Consolidated 31 December 2023 \$	Company 30 June 2023 \$
Movements in Reserves			
At the beginning of the reporting period	-	-	-
Options issued during the period	8,397,784	762,740	-
At the end of the reporting period	8,397,784	762,740	-
Options Issued			
Westpearl Pty Ltd – Seed funder	5,141,050	429,370	-
Director	1,200,000	118,800	-
IPO Leader Manager	1,000,000	99,000	-
IPO Consultant	500,000	49,500	-
CEO (1)	350,205	52,881	-
Vendors of wholly owned companies (1)	206,529	13,189	-
	8,397,784	762,740	-

(1) The following table provides assumptions made in determining the fair value of the options granted during the year.

Options	CEO	Vendor
Number	2,000,000	2,358,950
Expected volatility (%) *	100%	100%
Risk-free interest rate (%)	3.194%	-
Expected life of option (years)	5 years	3 years
Exercise price (dollars)	\$0.20	\$0.30
Underlying share price (dollars)	\$0.20	\$0.20
Valuation	<u>\$302,000</u>	<u>\$150,647</u>

* Volatility: The volatility of the Company's shares was estimated from the volatility of companies whose shares are publicly traded and who are operationally similar to the Company. Volatility was based on a number of comparable companies in the Diversified Metals and Mining industry and with similar operations and key drivers of value.

GREAT DIVIDE MINING LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

14 Key Management Personnel Transactions

	Consolidated 31 December 2023 \$	Company 31 December 2022 \$
Compensation		
Short-term employee benefits	128,938	107,330
Share based payment	52,881	49,826
Post-employment benefits	14,183	10,938
Long-term benefits	-	-
	<u>196,002</u>	<u>168,094</u>

As part of Mr. Justin Haines' appointment as CEO, he was issued 2,000,000 share options. The Options will vest and be capable of exercise over a two-year period, commencing on Listing of the Company on the ASX. The vesting of the Options will occur on a pro rata basis in the proportion that the number of days following Listing bears to the total number of days in the two-year vesting period.

The options have been valued and expensed in the financial statements over the periods that they vest. The share-based payments expense for the period of \$52,881 (30 June 2023: nil) relates to the fair value of options apportioned over their respective vesting periods. The options issued during the current reporting period were valued using the Black-Scholes option valuation methodology.

15 Acquisition of Subsidiaries

On 16 August 2023, the Company purchased the shares of Devils Mountain Gold Pty Ltd (DMG), Laura Exploration Pty Ltd (LE), Muscovite Gold Exploration Pty Ltd (MGE) and Queensland Ores Holdings Pty Ltd (QOH) whereby the Company purchased 100% of the issued shares in DMG, LE, MGE and QOH for \$25,000, \$50,000, \$50,000 and \$150,000 respectively in the equivalent value of shares in the Company.

The Directors have determined that the Acquisitions do not meet the definition of a business combination under AASB 3 Business Combinations. It was assessed that the Company and the Subsidiaries acquired ("the Group") were not trading and there was an absence of an integrated set of activities and assets that was capable of being conducted and managed for the purpose of providing a return. Therefore, the transaction has been accounted for as an asset acquisition to acquire targeted projects. Under the asset acquisition accounting policy adopted, the cost of the Acquisition are allocated to the assets acquired on the basis of relative fair values.

As a condition of the acquisitions by the Company, the former shareholders of the Subsidiaries forgave any outstanding loans payable to their related parties such that the related party loans of each Subsidiary were paid, released, or otherwise discharged on or before completion.

GREAT DIVIDE MINING LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

15 Acquisition of Subsidiaries (cont'd)

Scrip-for-scrip rollover occurred as consideration for the acquisitions whereby the shareholders of the Subsidiaries received their proportionate share of the number of shares in the Company equivalent to the purchase price calculated using the determined IPO issue price.

	Net Assets at Acquisition	Increase to Net Assets	Consideration Paid
	\$	\$	\$
Subsidiary			
Devils Mountain Gold Pty Ltd	6,982	18,018	25,000
Laura Exploration Pty Ltd	25,315	24,685	50,000
Muscovite Gold Exploration Pty Ltd	27,024	22,976	50,000
Queensland Ores Holding Pty Ltd	53,790	96,210	150,000
	113,111	161,889	275,000

16 Events Subsequent to Balance Date

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

17 Commitments and Contingencies

During the half-year the Group entered into a lease for a storage shed on a two-year term with options in the Group's favour. The Group does not have any other commitments, including leases or contingencies.

GREAT DIVIDE MINING LTD
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DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, as set out on pages 6 to 23 are in accordance with the Corporations Act 2001 including:
 - (i) complying with Australian Accounting Standard, and AASB 134 *Interim Financial Reporting*,
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date of the Consolidated Group; and
- (b) there are reasonable grounds to believe that the Group 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.



Paul Ryan
Chairman

Dated: 10 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE DIRECTORS OF GREAT DIVIDE MINING LIMITED AND ITS CONTROLLED ENTITIES

Conclusion

We have reviewed the accompanying half-year financial report of Great Divide Mining Limited ("the Company") and its controlled entities, which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of Great Divide Mining Limited and its controlled entities, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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 Great Divide Mining Limited is not in accordance with the *Corporations Act 2001* including:-

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 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 Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

10 MARCH 2024
BRISBANE

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Interim Financial Report

FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

GREAT DIVIDE MINING LTD
and its Controlled Entities

ACN: 655 868 803