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Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

LINDEN GOLD ALLIANCE LIMITED

ACN

643 313 722

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial year ends

Financial year end date

30-06-2023

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

Yes

Details of current auditor or auditors

Current auditor

Date of appointment **24-02-2023**

Name of auditor

MOORE AUSTRALIA AUDIT (WA)

Address

'L15 EXCHANGE TOWER'
2 THE ESPLANADE

PERTH WA 6000

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name	Kelly Ann MOORE
Date	21-12-2023

For more help or information

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LINDEN GOLD ALLIANCE LIMITED

A.C.N. 643 313 722

CONSOLIDATED ANNUAL REPORT
FINANCIAL YEAR 2023

Contents

Corporate Particulars

DIRECTORS	Colin Arthur McIntyre Andrew Lynton Rich Ashley Mark Fraser (appointed 2 November 2023) Mingyan Wang (appointed 27 January 2023) Michael John Sperinck (resigned 23 January 2023)
JOINT COMPANY SECRETARIES	Kelly Ann Moore Meagan Hamblin
PRINCIPAL PLACE OF BUSINESS	Level 2, 8 Colin Street West Perth WA 6005
REGISTERED OFFICE	Level 2, 8 Colin Street West Perth WA 6005
SHARE REGISTRY	Automic Share Registry Level 5 191 St Georges Terrace Perth WA 6000
AUDITORS	Moore Australia Audit (WA) Exchange Plaza 2 The Esplanade Perth WA 6000

Directors' Report

The Directors present their report on Linden Gold Alliance Ltd ("**LGA**" or "the **Company**") and its consolidated entities (the "**Consolidated Group**" or "**Group**") for the year ended 30 June 2023.

DIRECTORS
The following persons held office as Directors of the Company during the financial period and up to the date of this report unless otherwise noted:

Colin Arthur McIntyre	
Andrew Lynton Rich	
Mingyan Wang	Appointed 27 January 2023
Ashley Mark Fraser	Appointed 2 November 2023
Michael John Sperinck	Resigned 23 January 2023

Colin McIntyre (Non-Executive Chairman)
Mr McIntyre graduated from the Western Australia School of Mines in 1976 as a Mining Engineer and obtained a First Class Mine Manager's Certificate of Competency in 1980. Mr McIntyre worked with Western Mining Corporation as a Mine Manager for 14 years, mainly at Kalgoorlie, Kambalda Nickel and Gold Operations and Hill 50 gold mines in Mount Magnet. He was also Mine Manager at Southern Cross for the Mt Dimer Gold Project, and also managed Mincoa Resources and Mawson Pacific Limited's gold operations at Marvel Loch. Mr McIntyre was Principal and part owner of a large mine contracting company called National Mine Management for seven years, which merged with Macmahon Holdings Limited in 1995. He was Operations Manager with Macmahon Holdings Limited for four years and specialised in contract mining of open pits, underground mines, crushing and screening. Mr McIntyre has previously been Chairman of Tectonic Resources Limited and Perilya Limited, and a Non-Executive Director of Macmahon Holdings Limited and Firestone Energy Limited.

Andrew Rich (Managing Director)
Mr Rich leads the Company's business across mining and corporate functions. He has 13 years' experience as a mining engineer and underground manager across gold and nickel. He has successfully led the delivery of three underground mining projects through construction and into production Paddy's Flat (Westgold Resources Ltd), Shannon Underground (Ramelius Resources Ltd) and Second Fortune (LGA). He holds a Bachelor of Engineering (WASM), First Class Mine Manager's Certificate of Competency, and he is an alumnus of the WA School of Mines.

Ashley Fraser (Executive Director)
Mr Fraser has over 30 years' experience across the heavy industries, equipment and contract mining industries. He is an experienced executive, mining engineer and director and in his executive capacity at the Company contributes to strategy, funding and business improvements initiatives. Mr Fraser founded Orionstone (a mining contractor and equipment business which merged with Emeco in 2016), Blue Cap Mining (a gold and mine development company) and Blue Cap Equities (a private equity resources fund). Mr Fraser is also director on various company boards including recently a Non-Executive Director of Onsite Group (recently acquired by Sime Darby Industrial).

Mingyan Wang (Non-Executive Director)
Dr Wang has over 20 years' experience in the mining and resources industry specialising in identifying projects, exploration, management and business development. Dr Wang was a founding director of Global Lithium Resources Ltd (ASX:GL1), and former Managing Director of ASX listed Abra Mining Ltd (now Galena Mining Limited, ASX:G1A). He also held senior management positions in other large mining companies such as China Minmetals Corporation where he was the Project Lead – Geology & Mining in Las Bambas Copper-Gold mine in Peru. Dr Wang has been in Australia for more than 10 years and has extensive experience in the mining and resources section in Australia, China and Peru.

MEETINGS OF DIRECTORS
During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
Board of Directors	Number eligible to attend	Number attended
Colin Arthur McIntyre	11	10
Andrew Lynton Rich	11	11
Mingyan Wang (appointed 27 January 2023)	7	7
Michael John Sperinck (resigned 23 January 2023)	4	4

Directors' Report (continued)

CORPORATE INFORMATION
LGA is a company limited by shares that was incorporated on 7 August 2020 and is domiciled in Australia.

PRINCIPAL ACTIVITIES
The principal continuing activity of the Group during the year was gold exploration, development and mining.

REVIEW OF OPERATIONS
The results for the year ended 30 June 2023 was a loss after income tax expense of $3,472,024 (2022: $14,676,466).

Second Fortune

The Company was incorporated on 7 August 2020 to acquire 100% ownership in Anova Metals Australia Pty Ltd (which subsequently was renamed Second Fortune Gold Project Pty Ltd) which was settled on 30 September 2020. LGA immediately commenced redevelopment works to bring Second Fortune gold mine back into production which was achieved with first gold pour in April 2021.

Since then, the Company has sold over 378kt of ore to the Gwalia Processing Facility ("**Gwalia**") yielding ~44koz of gold at an average ore grade of 3.7g/t Au. Over this time, Gwalia was owned by both St Barbara Limited ("**St Barbara**") and Genesis Minerals Limited ("**Genesis**").

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
The Company continued gold mining operations at the Second Fortune Underground Mine and commenced study work on its newly acquired Jasper Hills project (refer to acquisition of Lord Byron Mining Pty Ltd below under Events After Reporting Date).

EVENTS AFTER REPORTING DATE
Subsequent to the end of the financial year, the following events occurred:

Continued operations at Second Fortune

As of November 2023, the Company is transitioning to owner-operate at Second Fortune with production to ramp up in early 2024. The Company is also seeking an extension of processing capacity to allow for the further processing of Second Fortune ore beyond mid 2024.

Restructure of senior debt with St Barbara

The Group and St Barbara were parties to, among other documents, a senior debt facility agreement ("**Facility Agreement**"). The facility advanced under the Facility Agreement relates to the original project finance for Second Fortune agreed with St Barbara in December of 2020.

On 2 August 2023, the Company and St Barbara agreed terms on which the Group's total debt owed to St Barbara $20.7m was satisfied (and the release of the various securities held by St Barbara over Group assets released) by way of a share and contingent payment settlement ("**Settlement**").

The Settlement included:

(a) Entry into a Share Subscription Agreement ("**St Barbara SSA**") for the issue of 37,500,000 shares at an issue price of $0.16 per Share for an amount of $6,000,000, structured as follows:

   (i) to avoid St Barbara breaching 20% of the voting power in LGA, the Company issued St Barbara 14,056,250 shares on completion to bring its shareholding of LGA to 19.8%;

   (ii) subsequent issues were and have occurred on further dilutive events to maintain St Barbara's shareholding at 19.8%;

   (iii) LGA is to seek shareholder approval at an Extraordinary General Meeting scheduled in January 2024, including the preparation of an Independent Technical Report, for St Barbara to go above 20% with triggering a takeover; and

   (iv) following completion of the November 2023 capital raise (details below), LGA has issued the following shares to St Barbara under the St Barbara SSA with the corresponding remaining balance subject to shareholder approval:

Directors' Report (continued)

St Barbara debt conversion account	# shares	$
Opening balance	37,500,000	$ 6,000,000
Issued on 10 Aug (Debt restructure completion)	-14,056,250	-$ 2,249,000
Issued on 2 Nov (LBM acquisition completion)	-7,470,000	-$ 1,195,200
Additional 19.8% top up from November 2023 capital raise	-2,521,000	-$ 403,360
Closing balance (subject to EGM vote)	**13,452,750**	**$ 2,152,440**

(b) Contingent Payment Agreement pursuant to which Linden, under which St Barbara is entitled to a $2,500,000 cash payment upon the Company's Group Mineral Resources exceeding 500,000 in JORC-compliant Mineral Resource or the Company making a new discovery exceeding 50,000 ounces in JORC-compliant Mineral Resources at a grade of greater of 4.0 g/t Au.

November 2023 capital raise

The Company completed a capital raise in November 2023 raising a total of $4,000,000 comprising a $2,722,312 placement to a new strategic South Korean investor ("**Strategic Investment**") and a separate offer of $1,277,688 to existing shareholders (including St Barbara and Blue Cap Equities) and new sophisticated investors ("**Offer**"). Both the Strategic Investment and Offer were completed at $0.16 per share.

As part of the Strategic Investment, the Company entered into a Share Subscription Agreement ("**SI SSA**") on 30 November 2023. The SI SSA sets the terms for the issue of 17,014,453 shares at $0.16 per share to raise $2,722,312 (before fees) with completion occurring on the Company receiving funds into its bank account.

In addition to the SI SSA, a separate investment of $1,027,688 ("**Offtake Amount**") has been agreed to be paid within 10 business days of completion of the SI SSA. Subject to the execution of a gold dore agreement (**Offtake Agreement**), the Offtake Amount is a payment by the Strategic Investor to have the right to acquire gold dore produced by any Group member for the term of the Offtake Agreement. If the Offtake Agreement is not executed within 45 days of completion of the SI SSA (or some later date agreed by the parties), the Strategic Investor may elect to:

- have the Offtake Amount returned to it; or
- use a portion of the Offtake Amount to subscribe for additional shares at $0.16 per share.

Merger with Lord Byron Mining Pty Ltd

With the aim to consolidate contiguous tenements in the South Laverton goldfields, on 2 November 2023, the Company agreed to a merger with Lord Byron Mining Pty Ltd ("**LBM**") under which LBM became a wholly owned subsidiary of LGA, for a total consideration of $21,100,000 comprising:

(a) $600,000 cash (paid at completion and in connection with the November 2023 capital raise);

(b) $5,000,000 of shares at an issue price of $0.16 per share substantially issued on completion with a minor outstanding balance issued on completion of the November 2023 capital raise (sequenced to avoid a takeover ;

(c) $500,000 deferred cash payments payable upon IPO or transaction with a listed company;

(d) $15,000,000 Performance Rights payable on the following milestones issuable at (VWAP or expert valuation):

(i) $5,000,000 on the LBM mineral assets exceeding a total JORC-compliant Mineral Resource of 400,000 ounces;

(ii) $5,000,000 on the LBM mineral assets exceeding a total JORC-compliant Ore Reserve of 120,000 ounces; and

(iii) $5,000,000 on the first commercial production derived from LBM's mineral assets.

Directors' Report (continued)

(e) As part of this transaction:

(i) the principal of LBM, Ashley Fraser, joined the Company as an Executive Director.

(ii) LGA entered into a services agreement with Blue Cap Mining Pty Ltd ("**BCM**") pursuant to which the Company agreed to invite BCM to provide open pit mining services in connection with Group open pit operations and providing to BCM the right to match offers in respect of such services received by third parties ("**Services Agreement**"). The Services Agreement commenced on 2 November 2023 and will continue for 6 years, unless terminated earlier in accordance with its terms.

(iii) LBM and the Company each entered into security deeds with Blue Capital Equities Pty Ltd ATF the Blue Capital Trust No. 2 to secure each of LBM and Linden's obligations under the transaction. The security was granted over all of LBM's property and all of LGA's shares in LBM.

<u>Exit from the Devon JV</u>

On 22 December 2022, the Company entered into a 50:50 joint venture ("**Devon JV**") on the Devon Gold Project with Matsa Gold Pty Ltd ("**Matsa**"). The Company and Matsa terminated the Devon JV by mutual agreement on 8 December 2023. The terms of this commercial settlement are:

(a) following commencement of commercial operations at the Devon Gold Project, Matsa will pay LGA up to a maximum of $4,000,000 in aggregate from 50% of the cumulative quarterly net profits from the Devon Gold Project. Matsa may elect to pay the $4,000,000 (or part thereof) earlier to discharge its obligations;

and

(b) if Matsa sells the Devon Gold Project (or any tenements upon which the Devon Gold Project is situated), LGA will be entitled to 50% of the sale proceeds or consideration received by Matsa up to a maximum of $4,000,000, after certain deductions. If the sale proceeds do not result in Linden having received $4,000,000, the amount received by Linden will be in full and final satisfaction of Matsa's obligations.

<u>Infrastructure Sharing Arrangement with Legacy Iron Ore Limited</u>

The Group entered into an accommodation and airstrip agreement and associated pre-payment agreement with Legacy Iron Ore Limited ("**Legacy**") on 3 October 2023 ("**Accommodation Agreement**"). Under the Accommodation Agreement, Legacy has the right to use 35 fully-serviced rooms at the Linden's camp. In addition, Legacy may also use Linden's airstrip at times agreed by Linden for a term of 20 months, unless terminated earlier in accordance with its terms.

Legacy paid Linden $2,750,000 ("**Prepayment Amount**") which is held by Linden as a down payment which may be used towards Linden's working capital and capital management requests. This Prepayment Amount is reduced by $150,000 (including GST) each month during the term as consideration for the rights to access and use Linden's camp and airstrip (irrespective of whether Legacy has actually used the camp or airstrip).

No other matters or circumstances have arisen since the end of the financial year which 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.

FUTURE DEVELOPMENTS

In the opinion of the Directors, it would prejudice the interests of the Group to provide additional information, beyond that reported in this Annual Report, relating to likely developments in the operations and the expected results of those operations in financial years ended subsequent to 30 June 2023.

COVID-19 IMPACT

The health and wellbeing of the Group's employees remain a key focus in response to the ongoing COVID-19 pandemic. The work practices and measures implemented to mitigate COVID-19 related risks have so far proven successful with no known COVID-19 cases across our workforce and minimal disruption to our operations to date.

DIVIDENDS

No amount has been paid or declared by way of dividend. The Directors do not recommend that any dividend be paid.

Directors' Report (continued)

OPTIONS

No options were issued during the 2023 financial year. In 2022, 13,250,000 free attaching options were issued at an exercise price of $0.25 per share and expire on 25 February 2025. As at the date of this report there are 13,250,000 options on issue.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITOR

During the financial year, the Group maintained an insurance policy which indemnifies the Directors and Officers of the Group in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Group. The Group's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a Declaration of Independence from Moore Australia Audit (WA), the Group's auditors, as presented on page 5 of this year's financial report.

ENVIRONMENTAL REGULATION

The Group's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly, if the Group's activities result in mine development. The Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

PROCEEDINGS ON BEHALF OF COMPANY

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.

This report is made in accordance with a resolution of the Directors and signed for on behalf of the Directors by:

Director

20 December 2023
Second Fortune, WA

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF LINDEN GOLD ALLIANCE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 20th day of December 2023.

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LINDEN GOLD ALLIANCE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Linden Gold Alliance Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 June 2023, 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 2023 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for 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's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1 of the financial statements, which describes the principal conditions that may raise doubt about the Company's ability to continue as a going concern. These conditions as explained in note I indicate the existence of a significant uncertainty that may cast doubt about the Company's ability to continue as a going concern for at least the next 12 months and as such , if it could not continue as a going concern, the Group may be unable to realise its assets and discharge its liabilities in in the normal course of business and at the amounts stated in the financial report.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 ability of the Group 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 has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LINDEN GOLD ALLIANCE LIMITED (CONTINUED)

Auditor's Responsibilities 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our audit report.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 20th day of December 2023.

Directors' Declaration

The Directors of the Company declare that:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated financial position as at 30 June 2023 and performance of the Group for the period ended 30 June 2023; and

  (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) There are reasonable grounds to believe that 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 and is signed for on behalf of the Directors by:

Director

20 December 2023
Second Fortune, WA

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue from continuing operations	2(a)	38,342,914	41,596,629
Mine operating costs	2(b)	(28,955,597)	(33,468,517)
Gross profit/(loss)		**9,387,317**	**8,128,112**
Other income	2(c)	-	5,608,861
Interest revenue		808	57
Care and maintenance	2(d)	(1,069,872)	(896,702)
Professional fees		(868,037)	(1,544,690)
Impairment expense	2(d)	-	(12,156,504)
Administration fees		(587,800)	(513,980)
Employee benefits expenses		(1,140,670)	(763,228)
Depreciation and amortisation	2(b)	(7,812,655)	(10,806,690)
Operating Loss		**(2,090,909)**	**(12,944,764)**
Finance costs		(1,381,115)	(1,731,702)
Loss before income tax		**(3,472,024)**	**(14,676,466)**
Income tax expense	3	-	-
Loss after income tax for the year		**(3,472,024)**	**(14,676,466)**
Loss attributable to:			
Members of Linden Gold Alliance Limited		**(3,472,024)**	**(14,676,466)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 30 June 2023

	Note	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	4	16,023	10,932
Trade and other receivables	5	1,102,004	3,366,795
Other	6	341,861	354,842
Total Current Assets		**1,459,888**	**3,732,569**
NON-CURRENT ASSETS			
Mine and development properties	7	6,084,578	7,222,959
Property, plant and equipment	8	2,696,631	3,377,178
Right-of-use assets	9	95,396	149,907
Exploration and evaluation assets	10	925,775	684,879
Investment in joint venture	11	4,373,261	-
Other	12	34,357	34,357
Total Non-Current Assets		**14,209,998**	**11,469,280**
Total Assets		**15,669,886**	**15,201,849**
CURRENT LIABILITIES			
Trade and other payables	13	5,799,991	8,280,411
Borrowings	14	20,908,966	19,167,547
Provisions	15	177,660	190,519
Lease liabilities	9	57,636	49,494
Total Current Liabilities		**26,944,253**	**27,687,971**
NON-CURRENT LIABILITIES			
Provisions	15	2,819,550	2,663,852
Lease liabilities	9	32,424	102,409
Total Non-Current Liabilities		**2,851,974**	**2,766,261**
Total Liabilities		**29,796,227**	**30,454,232**
Net Assets		**(14,126,341)**	**(15,252,383)**
EQUITY			
Contributed equity	16	8,260,682	3,995,000
Reserves	17	332,384	-
Accumulated losses	18	(22,719,407)	(19,247,383)
Total Equity		**(14,126,341)**	**(15,252,383)**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2023

30 June 2023	**Contributed Equity $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
Balance at 1 July 2022	3,995,000	(19,247,383)	-	(15,252,383)
Total comprehensive loss for the year	-	(3,472,024)	-	(3,472,024)
Transactions with owners in their capacity as owners				
Share issue	4,500,700	-	-	4,500,700
Share issue costs	(235,018)	-	-	(235,018)
Movement in joint venture reserve	-	-	332,384	332,384
Balance at 30 June 2023	**8,260,682**	**(22,719,407)**	**332,384**	**(14,126,341)**

30 June 2022	**Contributed Equity $**	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
Balance at 1 July 2021	1,000	(4,570,917)	-	(4,569,917)
Total comprehensive loss for the year	-	(14,676,466)	-	(14,676,466)
Transactions with owners in their capacity as owners				
Share issue	4,240,000	-	-	4,240,000
Share issue costs	(246,000)	-	-	(246,000)
Balance at 30 June 2022	**3,995,000**	**(19,247,383)**	**-**	**(15,252,383)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		40,607,705	42,750,840
Payments to suppliers and employees		(34,539,034)	(35,312,485)
Interest received		808	57
Interest paid		-	(59,393)
Net cash provided by operating activities	24(b)	**6,069,479**	**7,379,019**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in Joint Venture		(4,040,877)	-
Payments for exploration and evaluation expenditure		(240,896)	(684,879)
Purchase of property, plant and equipment		(1,675)	(502,880)
Payment for purchase of other assets		-	(3,034,357)
Mine development expenditure		(5,937,541)	(7,163,056)
Net cash used in investing activities		**(10,220,989)**	**(11,385,172)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		4,500,700	4,240,000
Share issue costs		(235,018)	(246,000)
Repayment of lease liabilities		(61,843)	(11,632)
Payment of interest on lease liabilities		(10,382)	(3,194)
Payment of interest on borrowings		-	(337,438)
Repayment of borrowings		-	(1,000,000)
Proceeds from borrowings		-	1,000,000
Net cash provided by financing activities		**4,193,457**	**3,641,736**
Net increase/(decrease) in cash held		41,947	(364,417)
Cash and cash equivalents at the beginning of the financial year		(25,924)	338,493
Cash and Cash Equivalents at the End of the Financial Year	24(a)	**16,023**	**(25,924)**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION

These financial statements and notes represent those of the Group. LGA is a company limited by shares incorporated on 7 August 2020 and domiciled in Australia.

Statement of compliance
Australian Accounting Standards – Simplified Disclosures sets out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards.

Basis of preparation
The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The presentation currency is Australian dollars.

Basis of consolidation
The consolidated financial statements comprise of the financial statements of LGA and its controlled entities which constitute the Consolidated Group as at 30 June 2023.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group has directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Going concern
This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2023, the Group recorded a loss of $3,472,024 (2022: $14,676,466) and had net cash outflows from operating and investing activities of $4,151,510 (2022: $4,006,153). As at 30 June 2023, the Group had a working capital deficit of $25,484,365 (2022: $23,955,402).

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

Going concern (continued)

In context of the current macro-economic environment, the ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

- the Group is currently in the process of preparing for an initial public offering ("**IPO**") anticipated in 2024;
- the Group continues to generate operational cash flows from the successful mining of its gold mine and development properties;
- subsequent to year end, the Group successfully restructured its secured senior debt with St Barbara via the issue of equity to St Barbara and commitments to unsecured contingent payments; and
- in November 2023, the Company raised additional funds pursuant to a capital raise.

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

(a) Significant accounting policies

New accounting standards and interpretations
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. These Standards and Interpretations did not have any material impact on these financial statements.

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 Group for the annual reporting period ended 30 June 2023.

The Group has reviewed the new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

i) Significant accounting estimates and judgements
The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

The following assets and liabilities are at significant risk of material adjustment in future periods as a result of the application of estimates and judgements as at 30 June 2023:

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(a) Significant accounting policies (continued)

Mine rehabilitation provision
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Ore reserve and resource estimates
The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves [the JORC Code]). Reserves determined in this way are taken into account in the calculation of depreciation, amortisation, impairment, deferred mining costs, rehabilitation and environmental expenditure.

In estimating the remaining life of the mine for the purposes of amortisation and depreciation calculations, due regard is given, not only to remaining recoverable metals contained in proved and probable ore reserves, but also to limitations which could arise from the potential for changes in technology, demand, and other issues which are inherently difficult to estimate over a lengthy time frame.

Where a change in estimated recoverable metals contained in proved and probable ore reserves is made, depreciation and amortisation are accounted for prospectively.

The determination of ore reserves and remaining mine life affects the carrying value of a number of the Group's assets and liabilities including deferred mining costs and the provision for rehabilitation.

Units−of−production depreciation
Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure.

Exploration and evaluation expenditure
The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub−classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Inventories
Costs incurred in or benefits of the productive process are accumulated as stockpiles, gold in process, ore on leach pads and product inventory. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

The metallurgical balancing process is constantly monitored and the recovery estimates are refined based on reconciliations with actual results over time.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(a) Significant accounting policies (continued)

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash−generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the reporting date.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less expected credit loss provision. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for expected credit loss is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

(d) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

(e) Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to the presentation in the current year.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(g) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(i) Contributed Equity

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the statement of comprehensive income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(j) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred may be accumulated in respect of each identifiable area of interest. Exploration and evaluation costs, including the cost of acquiring areas of interest, are capitalised as incurred. Capitalised costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

i. such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
ii. exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward exploration and evaluation expenditure costs in relation to that area of interest.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(k) Exploration and Evaluation Expenditure (continued)

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

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

(l) Mine and Development Properties

Mine and development properties
Mine and development properties represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which production has commenced. Mine development costs are deferred until commercial production commences. When commercial production is achieved mine development is transferred to mine properties, at which time it is amortised on a unit of production basis over the total estimated resources related to this area of interest.

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred.

Development expenditure includes the following:
- Reclassified exploration and evaluation assets;
- Direct costs of construction including plant and equipment and related infrastructure costs;
- Pre-production waste removal costs; and
- An appropriate allocation of overheads and borrowing costs incurred during the construction phase.

Pre-production waste removal costs incurred in the development of a mine before production commences are capitalised as part of the mine development costs, which are subsequently amortised over the life of the open pit resource, once transferred to mine properties.

The Group applies the units of production method for amortisation of its mine properties, which results in an amortisation charge proportional to the depletion of the anticipated remaining life and profile of mine production. These calculations require the use of estimates and assumptions in relation to reserves and resources, metallurgy and the complexity of future capital development requirements. These estimates and assumptions are reviewed annually, changes to these estimates and assumptions may impact the amortisation charge in the income statement and asset carrying values, which would be adjusted if appropriate on a prospective basis.

Production waste removal
Production waste removal costs are accumulated and deferred on the statement of financial position as part of the total of mine properties and mine development. These costs include the costs of drilling, blasting, loading and haulage of waste rock from the open pit or underground to the waste pile. The costs are predominantly in the nature of payments to mining, blasting and other contracting companies or costs of internal labour and materials used in the process. These costs are amortised on a units-of production basis in accordance with the amortisation policy set out for mine development above.

Amortisation of production waste removal costs is included in cost of goods sold in profit or loss. Cash spent on waste removal is included in cash flows from investing activities in the statement of cash flows. As waste removal activities are an integral part of the mining operation, the deferred pre-production waste asset is grouped with the other assets at the mine site or other level which represents the lowest level of separately identifiable cash flows in order to assess recoverable amount.

Reserves and resources
Resources are estimates of the amount of gold that can be economically extracted from the Group's mine properties. In order to calculate resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements short and long-term commodity prices and exchange rates.

Estimating the quantity and/or grade of resources requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgments and calculations to interpret the data.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(l) Mine and Development Properties (continued)

The Group determines and reports ore resources under the Australian Code of Reporting of Exploration Results, Mineral Resource and Ore Reserves December 2012, (the JORC Code). The JORC Code requires the use of reasonable assumptions to calculate resources. Due to the fact that economic assumptions used to estimate resources change from period to period, and geological data is generated during the course of operations, estimates of resources may change from period to period. Changes in reported resources may affect the Group's financial results and financial position in a number of ways, including:

- Asset carrying values may be impacted due to changes in estimates of future cash flows;
- Amortisation charged in the income statement may change where such charges are calculated using the units of production basis;
- Decommissioning, site restoration and environmental provisions may change due to changes in estimated resources after expectations about the timing or costs of these activities change; and
- Recognition of deferred tax assets, including tax losses.

(m) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) Gold Sales Income

The Company primarily generates revenue from the sale of gold bearing ore. The Company delivers gold bearing ore to the St Barbara owned Gwalia processing plant at which stage the Company invoices St Barbara of the ore. Revenue from the sale of these ores is recognised when control over the ore inventory has transferred to St Barbara. St Barbara subsequently processes, treats and refines the ore to gold bullion which is sold to the Perth Mint on their own account. Following the end of the reporting period, Genesis acquired the Gwalia processing plant and as such, the Company has been selling ore to Genesis on the same basis.

Control is generally considered to have passed when:

- Physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the refinery);
- Payment terms for the sale of goods can be clearly identified through the sale of metal credits received or receivable for the transfer of control of the asset – under current arrangements, the Company invoices for gold bearing ore twice monthly;
- The Group can determine with sufficient accuracy the metal content of the goods delivered; and
- The refiner has no practical ability to reject the product where it is within contractually specified limits.

Where economic inflows arise from other by-products, for example from the presence of other valuable metals, these amounts are credited to the cost of producing the primary products to the extent the amounts generated are not considered significant.

(ii) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(iii) Other Services

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

(n) 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 has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(n) Segment Reporting (continued)
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(o) Leases

The Group assesses at the start of a contract whether or not it contains a lease, by deciding if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group currently uses a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

i) *Right-of-use assets*
The Group recognises right-of-use assets at the start of the lease and are measured at costs, less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) *Lease liabilities*
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives received, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such payments) or a change in the assessment of an option to purchase the underlying asset.

iii) *Short-term leases and leases of low-value assets*
The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(p) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in the calculation of depreciation:

Class of fixed asset	**Depreciation rate**
Mining plant & equipment	Lesser of expected life of item, or life of operation
Land and buildings	10%
Motor vehicles	25%

(q) Financial Assets

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement categories into which the Group classifies its debt instruments are as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group assesses on a forward looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(r) Financial instruments

Debt and equity instruments
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Transaction costs on the issue of equity instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(s) Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie: as prices) or indirectly (ie: derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(t) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to and Forming Part of the Consolidated Financial Statements

1 GENERAL INFORMATION (CONTINUED)

(t) Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Long service leave
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Provisions for restoration and rehabilitation
A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(u) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Under the equity method, the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture. In addition, the Group's share of the profit or loss and other comprehensive income is included in the consolidated financial statements.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(v) Change in accounting policy

During the current reporting year, the Group elected to capitalise exploration costs as incurred in relation to areas of interest in which the Group has rights to tenure for. The previous policy was that expenditure on exploration and evaluation activities were expensed in the period they were incurred.

The new accounting policy adopted during the current year has been applied retrospectively but there was no impact on adoption of the new accounting policy in the prior period. The Directors believe that the change in accounting policy will provide more relevant information to the users of the Group's financial statements. Capitalisation of exploration and evaluation expenditure is considered to be appropriate given the Company is actively exploring a number of near-term development prospects. Both the previous and new accounting policies are compliant with AASB 6 *Exploration for and Evaluation of Mineral Resources.*

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
2 INCOME AND EXPENSES		
(a) Revenue from continuing operations:		
Gold sales	38,297,575	41,596,629
Other	45,339	-
	38,342,914	**41,596,629**
(b) Loss before income tax is arrived at after charging the following items:		
Depreciation of property, plant and equipment	682,222	536,212
Amortisation of mine development costs	7,075,922	10,256,850
Depreciation of right-of-use assets	54,511	13,628
	7,812,655	**10,806,690**
Cost of sales:		
Mining and haulage costs	28,265,338	32,339,200
Royalties	690,259	1,129,317
	28,955,597	**33,468,517**
(c) Significant income:		
Debt forgiveness	**-**	**5,608,861**[1]

[1] During the year ended 30 June 2022, the shareholder loans with Mine Trades and Maintenance – Electrical Pty Ltd and MIG Gold Pty Ltd were forgiven in full.

	2023 $	2022 $
(d) Significant expenses:		
Care and maintenance[1]	**1,069,872**	**896,702**
Impairment expense[2]	**-**	**12,156,504**

[1] As part of the Sale and Purchase Agreement entered into with Matsa Resources Limited, the Group has assumed care and maintenance costs for the Red October project.

[2] During the year ended 30 June 2022, the Group recognised total impairment expenses of $12,156,504 of which $3,000,000 related to a deposit paid to Matsa under the Sale and Purchase Agreement which was subsequently terminated during the year ended 30 June 2023.

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
3 INCOME TAX		
Income tax (benefit)/expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	(3,472,024)	(14,676,466)
Tax at 25% (2022: 25%)	(868,006)	(3,669,116)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Permanent differences	148,052	(417,220)
Other timing differences	(562,130)	2,296,370
Tax loss not recognised as an asset	1,282,084	1,789,966
Income tax expense	**-**	**-**

Tax losses and unrecognised temporary differences

The Directors estimate that the potential future income tax benefit as at 30 June 2023 at 25% (2022: 25%) in respect of tax losses not brought to account is as follows:

	2023 $	2022 $
Potential future tax benefit – income tax losses	8,082,271	4,375,354
Potential future tax benefit – capital losses	89,334	89,334
Potential deferred tax liability – exploration expenditure	47,622	107,846
	8,219,227	**4,572,534**

The above losses relate to prior year losses of LGA and will be subject to meeting the business continuity tests contained in the Income Tax Assessment Act 1997 prior to recoupment of the losses.

This benefit for tax losses will only be obtained if:

- the Group derives income of a nature and amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Group continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
4 CASH AND CASH EQUIVALENTS		
Cash at bank	16,023	10,932
	16,023	**10,932**
5 TRADE AND OTHER RECEIVABLES		
Trade receivables	1,102,004	3,366,795
	1,102,004	**3,366,795**
6 OTHER		
Prepaid expenses	140,602	106,103
Ore stockpiles	123,803	125,023
Stores	77,456	123,716
	341,861	**354,842**
7 MINE & DEVELOPMENT PROPERTIES		
Mine and development properties costs:		
Carrying amount at the beginning of the year	7,222,959	18,803,144
Additions	5,937,541	7,833,169
Amortisation	(7,075,922)	(10,256,850)
Impairment	-	(9,156,504)
	6,084,578	**7,222,959**

Mine properties and development will be recouped through the successful production and sale of gold from the respective properties. Mine and development properties pledged as security for a loan is disclosed in Notes 14 and 27.

The Group operates the Second Fortune gold mine which is the single cash generating unit of the Group. It is the smallest group of assets that includes the assets and generates cash flows that are largely independent of the cash inflows and outflows from other groups of assets.

In assessing whether an impairment is required, the carrying value of the CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the VIU for the CGU has been estimated based on discounted future estimated cash flows expected to be generated from the continued use of the CGU using market-based commodity price and exchange assumptions. Production and cost assumptions were derived from the estimated quantities of recoverable minerals, production levels, operating costs and capital requirements based on the latest life of mine (LOM) plan. These cashflows were discounted using a real post-tax discount rate that reflects the weighted average cost of capital of the Group.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are generated as part of the Group's planning process, including LOM plans and budgets.

This assessment is in accordance with the relevant accounting standards taking into consideration the current outlook for gold prices, increasing supply chain cost pressures including diesel fuel, consumables, labour costs while maintaining production and recovery assumptions.

Notes to and Forming Part of the Consolidated Financial Statements

7 MINE & DEVELOPMENT PROPERTIES (CONTINUED)

During the year ended 30 June 2023, management conducted an impairment assessment in relation to its mine and development properties and determined that an impairment charge was not required to be recognised (2022: $9,156,504).

For the year ended 30 June 2023, the table below summarises the key assumptions used in the carrying value assessment:

Assumption	Value
Gold Price ($/oz)	A$3,000
Discount rate	10% post tax

Any variation in the key assumptions going forward will impact the recoverable value of the CGU. If the variation in an assumption has a negative impact on recoverable value, it could indicate a requirement for additional impairment of non-current assets for the Second Fortune CGU. It is estimated that changes in key assumptions, in isolation, would have the following (increase or decrease) on the recoverable amount of the Second Fortune CGU as at 30 June 2023:

Assumption	Increase in key assumption ($)	Decrease in key assumption ($)
10% change in gold price	2,540,000	(2,540,000)
10% change in operating costs	(1,386,000)	1,386,000
1% change in discount rate	(55,000)	55,000

	2023 $	2022 $
8 PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment at cost	4,677,197	4,675,523
Less accumulated depreciation	(1,980,566)	(1,298,345)
	2,696,631	**3,377,178**
Movements in carrying amounts:		
Property, plant and equipment		
Opening balance	3,377,178	3,410,511
Additions	1,675	502,880
Depreciation	(682,222)	(536,213)
Carrying amount at the end of the year	**2,696,631**	**3,377,178**

LINDEN GOLD

Notes to and Forming Part of the Consolidated Financial Statements

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has a property lease for its office spaces. The lease commenced on 1 April 2022 and has a term of 36 months with an option to extend for a further 36 months. As at 30 June 2023 it is not reasonably certain that the option to extend will be exercised.

(i) Amounts recognised in the Statement of Financial Position

	2023 $	2022 $
Leased property		
Opening carrying value	149,907	-
Additions	-	163,535
Depreciation expense	(54,511)	(13,628)
Carrying amount at the end of the year	**95,396**	**149,907**

(ii) Amounts recognised in the Statement of Profit of Loss

	2023 $	2022 $
Interest expense on lease liabilities	**10,381**	**3,194**

(iii) Total future lease payments at the end of the reporting period

	2023 $	2022 $
No later than 1 year	53,906	56,211
Between 1 to 5 years	38,788	92,694
Greater than 5 years	-	-
Total future lease payments	**92,694**	**148,905**

(iii) Lease liabilities

	2023 $	2022 $
Current	57,636	49,494
Non-current	32,424	102,409
Total	**90,060**	**151,903**

10 EXPLORATION AND EVALUATION EXPENDITURE

	2023 $	2022 $
Balance at the beginning of the year	684,879	-
Additions	240,896	684,879
	925,775	**684,879**

The value of the Group's interest in exploration and evaluation expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploration of the areas of interest, or alternatively, by their sale.

Notes to and Forming Part of the Consolidated Financial Statements

11 INVESTMENT IN JOINT VENTURE

During the year ended 30 June 2023, Devon Gold Project Pty Ltd, a wholly owned subsidiary, entered into a joint venture arrangement with Matsa Gold Pty Ltd to carry out development and mining of the Devon Gold Mine ("Devon Gold Mine Joint Venture").

Under the joint venture agreement, the Group has a 50% direct interest in the net assets and share of profit and losses. In addition, pursuant to the joint venture agreement, the Group has 50% of the voting rights in relation to the joint venture.

The carrying amount of equity-accounted investments in joint ventures for the year ended 30 June 2023 is as follows:

	2023 $	2022 $
Opening balance	-	-
Initial investment	4,000,000	-
Contributions to joint venture	373,261	-
Profit for the year	-	-
Closing balance	**4,373,261**	**-**

Summarised Financial Information for Devon Gold Mine Joint Venture

Set out below is the summarised financial information for Devon Gold Mine Joint Venture as at 30 June 2023.

	2023 $
Current Assets	
Trade and other receivables	70,443
Non-Current Assets	
Exploration and evaluation assets	746,522
Total Assets	**816,965**
Current Liabilities	
Trade and other payables	152,200
Non-Current Liabilities	
Loan from Devon Gold Project Pty Ltd	664,765
Total Liabilities	**816,965**
Net Assets	**-**

	2023 $	2022 $
12 OTHER		
Other financial assets	34,357	34,357
	34,357	**34,357**

13 TRADE AND OTHER PAYABLES

Trade payables and accruals	5,875,365	8,206,577
GST (refundable) / payable	(75,374)	73,834
	5,799,991	**8,280,411**

All amounts are current, non-overdue and expected to be settled in less than 12 months.

Notes to and Forming Part of the Consolidated Financial Statements

14 BORROWINGS

	2023 $	2022 $
Bank overdraft	-	36,856
Insurance premium funding liability	73,418	50,814
Hire purchase liabilities	-	142,338[3]
Convertible note – St Barbara[2]	2,828,975	2,157,468
Loan – St Barbara[1]	18,006,573	16,780,071
	20,908,966	**19,167,547**

1. Security for the loan with St Barbara consists of a mining mortgage over tenements owned by the Group and a general security charge (refer to Note 27). Interest on the loan accrues at 8.5% p.a. Subsequent to year end, the Group successfully restructured its secured senior debt with St Barbara via the issue of equity and commitments to unsecured contingent payments and therefore the Company deemed it appropriate to reflect the entire St Barbara loan balance as a current liability.
2. During the year ended 30 June 2022, the Group settled a Gold in Circuit ("**GIC**") amount owed to St Barbara of $2,157,468 via the issue of convertible notes at a face value of $1.00 per note. Based on the terms of the convertible notes, each convertible note may be converted into one (1) fully paid ordinary share at $0.20 per share. No interest is payable on the convertible notes. Subsequent to year end, the Group successfully restructured its secured senior debt (including this Convertible note) with St Barbara via the issue of equity and commitments to unsecured contingent payments and therefore the Company deemed it appropriate to reflect the entire St Barbara loan balance as a current liability.

   During the year ended 30 June 2023, the Group settled further GIC amounts owed to St Barbara of $671,507 via the issue of convertible notes at a face value of $1.00 per note.
3. Relates to a hire purchase of dongas at the Second Fortune mine site. The hire purchase agreement is with a related party, Mine Trades and Maintenance – Electrical Pty Ltd.

15 PROVISIONS

	2023 $	2022 $
Current		
Employee entitlements	177,660	190,519
	177,660	**190,519**
Non-Current		
Minesite rehabilitation	2,819,550	2,663,852
	2,819,550	**2,663,852**
Movement in rehabilitation provision		
Balance at start of year	2,663,852	1,994,000
Increase in provisions	155,698	669,852
Balance at end of the year	**2,819,550**	**2,663,852**

The provision for restoration and rehabilitation relates to the estimated cost of rehabilitation work to be carried out in relation to the removal of facilities, closure of sites and restoring the affected areas. The provision represents the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
16 CONTRIBUTED EQUITY		
(a) Ordinary Shares		
Issued capital 97,018,137 (2022: 68,888,762) ordinary shares fully paid	8,260,682	3,995,000
	8,260,682	**3,995,000**

	Number	$
Movement in issued capital - 2022		
Balance at the beginning of the financial year	1,000	1,000
Share restructure[1]	42,387,762	-
Share issue at $0.16	26,500,000	4,240,000
Share issue costs	-	(246,000)
Balance at the End of the Financial Year	**68,888,762**	**3,995,000**
Movement in issued capital - 2023		
Balance at the beginning of the financial year	68,888,762	3,995,000
Share issue at $0.16	28,129,375	4,500,700
Share issue costs	-	(235,018)
Balance at the End of the Financial Year	**97,018,137**	**8,260,682**

1. The Company completed a stock split on 22 February 2022 which resulted in issued shares increasing from 1,000 shares on issue to 42,388,762 to prepare its capital structure for IPO.

Terms and condition of contributed equity

Ordinary Shares
Ordinary shares have no par value.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Options

No new options were issued in 2023. In 2022, the company issued 13,250,000 free attaching options with an exercise price of $0.25 and expiring on 25 February 2025.

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
17 RESERVES		
Joint Venture Reserve		
Balance at beginning of financial year	-	-
Movement for the year	332,384	-
Closing balance	332,384	-

Nature and purpose of reserves

Joint venture reserve
The joint venture reserve represents the equity component of the Group's 50% interest in the Devon Gold Mine Joint Venture held via its wholly owned subsidiary Devon Gold Project Pty Ltd.

18 ACCUMULATED LOSSES

Accumulated losses

	2023 $	2022 $
Opening balance	(19,247,383)	(4,570,917)
Loss for the year	(3,472,024)	(14,676,466)
Closing balance	**(22,719,407)**	**(19,247,383)**

19 REMUNERATION OF AUDITORS

	2023 $	2022 $
Amounts paid or due and payable to:		
Moore Australia Audit (WA)		
Auditing and reviewing of the financial reports	48,500	40,000
Taxation	-	3,950
Non-audit services provided by a related practice of the Auditor	15,000	46,839
	63,500	90,789

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of remuneration

The only Key Management Personnel for the period ended 30 June 2023 were the Directors.

The total remuneration paid to Key Management Personnel of the Group and the Company during the period are as follows:

	2023 $	2022 $
Short-term benefits	591,154	380,000
Post-employment benefits	76,514	45,600
	667,668	**425,600**

Other Key Management Personnel
There were no other Key Management Personnel in LGA during the period.

See Note 25 for details of Key Management Personnel and any other transactions with Key Management Personnel.

Notes to and Forming Part of the Consolidated Financial Statements

20 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(b) Share and option holdings

All equity dealings with Directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

There were no other transactions with Key Management Personnel during the year.

21 SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group operates predominantly in one business segment which is gold exploration and mining and predominantly in one geographical area which is Western Australia.

The Group is domiciled in Australia. All revenue from external parties in generated from Australia only. All the assets are located in Australia.

22 FINANCE FACILITIES

No credit standby facility arrangement or loan facilities existed at 30 June 2023 other than disclosed in Note 14.

	2023 $	2022 $
23 COMMITMENTS FOR EXPENDITURE		
Commitments for minimum expenditure requirements on the mineral exploration assets it has an interest in are payable as follows:		
Within one year	135,000	350,353
Later than one year but not later than five years	1,388,000	2,062,246
Later than five years	-	819,468
	1,523,000	**3,232,067**

24 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2023 $	2022 $
Cash at bank	16,023	10,932
Bank overdraft	-	(36,856)
	16,023	**(25,924)**

(b) Reconciliation of Net Cash Used In Operating Activities To Loss After Income Tax

	2023 $	2022 $
Loss after income tax	(3,472,024)	(14,676,466)
Depreciation	736,733	549,840
Amortisation of mine development expenditure	7,075,922	10,256,850
Debt forgiven	-	(5,608,861)
Impairment	-	12,156,504
Interest expense	1,308,743	995,017
Lease interest	10,382	3,194
Other	61,990	26,040

Notes to and Forming Part of the Consolidated Financial Statements

24 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	2023 $	2022 $
(b) Reconciliation of Net Cash Used In Operating Activities To Loss After Income Tax (Continued)		
Movements in:		
Receivables	2,264,791	(1,425,893)
Provisions	142,839	128,031
Prepayments & inventories	12,981	(226,866)
Payables	(2,443,564)	4,314,184
Borrowings	370,686	-
Net cash provided by operating activities	**6,069,479**	**7,379,019**

(c) Non cash financing and investing activities

There were no non-cash financing and investing activities during the year ended 30 June 2023.

25 RELATED PARTIES

Directors

The Directors who held office at any time during the year are as follows:

Andrew Lynton Rich
Colin Arthur McIntyre
Mingyan Wang
Michael John Sperinck (Resigned 23 January 2023)

Other transactions with Director related entities

(a) Linden Resources Pty Ltd ("**LR**") is a major shareholder of the Company.

(b) Two of the Company's former directors, Julian Laws and Shannon Peet are directors and beneficial shareholders of both Mako Mining Pty Ltd ("**Mako**") and LR. Mako provides mining services on commercial terms. A total of $20,326,964 of contract mining services were performed during the year ended 30 June 2023 (2022: $22,423,814). As at 30 June 2023 $2,299,957 was payable (2022: $2,607,374).

(c) One of the Company's former directors, Jason Bari is director of both Mine Trades and Maintenance – Electrical Pty Ltd ("**MTM**") and LR. MTM, via associated family trusts is a shareholder of LR, a major shareholder of the Company.

MTM provided goods and services to the Group totalling of $221,502 during the year ended 30 June 2023 (2022: $736,390). As at 30 June 2023 $20,640 was payable (2022: $267,962).

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Disclosures relating to Key Management Personnel are set out in Note 20.

Notes to and Forming Part of the Consolidated Financial Statements

	2023 $	2022 $
26 FINANCIAL RISK MANAGEMENT AND POLICIES		

The Group's exploration activities are being funded by a mixture of equity and external borrowings, secured on the Group's mining interests, and are subject to some risks which are further explained in the notes below. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.

The Group holds the following financial instruments:

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	16,023	10,932
Receivables	1,102,004	3,366,795
	1,118,027	**3,377,727**
Financial liabilities		
Payables	5,799,991	8,280,411
Borrowings	20,908,966	19,167,547
Lease liabilities	90,060	151,903
	26,799,017	**27,599,861**

The Group's principal financial instruments comprise of cash, trade receivables, trade payables and borrowings. The main purpose of these financial instruments is to fund the Group's operations.

The main risks arising from the Group are credit risk, capital risk, commodity risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Other than trade receivables owing by its main funder St Barbara, refer to Note 5, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. No sensitivity analysis was performed as all financial instruments have a fixed interest rate.

(b) Capital risk

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(c) Commodity risk

The Group's revenue is exposed to spot gold price risk. The relationship between currencies, spot gold price and volatilities is complex and changes in the spot gold price can influence volatility, and vice versa. As at 30 June 2023, the Group did not hold any gold forward contracts to hedge against the risk of negative movements in the gold price.

Notes to and Forming Part of the Consolidated Financial Statements

26 FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk management is the responsibility of the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and identifying when further capital raising initiatives may be required.

Gold price sensitivity
An increase of 10% or decrease of 10% in the average gold price for the year would have increased/(decreased) profit or loss by the amounts shown below:

	10% increase $	10% decrease $
30 June 2023		
Revenue from continuing operations	3,885,926	(3,885,926)
30 June 2022		
Revenue from continuing operations	4,159,663	(4,159,663)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. Financial assets are based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different year. Financial liabilities are based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows. Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

	< 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	Over 5 years	Total	WAE* interest rate %
30 June 2023							
Financial Assets:							
Cash	16,023	-	-	-	-	16,023	0
Receivables	-	1,102,004	-	-	-	1,102,004	0
	16,023	**1,102,004**	**-**	**-**	**-**	**1,118,027**	**0**
Financial Liabilities:							
Payables	5,799,991	-	-	-	-	5,799,991	0
Borrowings	-	18,079,991	-	2,828,975	-	20,908,966	8.5
Lease liabilities	4,615	13,663	39,358	32,424	-	90,060	8
	5,804,606	**18,093,654**	**39,358**	**2,861,399**	**-**	**26,799,017**	**8.5**

26 FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

	< 1 month	1 – 3 months	3 months – 1 year	1 – 5 years	Over 5 years	Total	WAE* interest rate %
30 June 2022							
Financial Assets:							
Cash	10,932	-	-	-	-	10,932	0
Receivables	-	3,366,795	-	-	-	3,366,795	0
	10,932	**3,366,795**	**-**	**-**	**-**	**3,377,727**	**0**
Financial Liabilities:							
Payables	8,280,411	-	-	-	-	8,280,411	0
Borrowings	36,856	50,814	16,922,408	2,157,468	-	19,167,547	8.5
Lease liabilities	3,929	11,946	33,619	102,409	-	151,903	8
	8,321,196	**62,760**	**16,956,027**	**2,259,877**	**-**	**27,599,861**	**8.5**

**Weighted average effective*

27 CONTINGENCIES

As part of a finance facility with St Barbara, security exists over the assets of Second Fortune Gold Project Pty Ltd (formerly Linden Gold Limited) to support borrowings of the holding company totalling $18m (2022: $16m).

The security is in the form of a general security deed and a mining mortgage over tenements owned by Second Fortune Gold Project Pty Ltd.

Subsequent to year end, the Group successfully restructured its secured senior debt with St Barbara via the issue of equity to St Barbara and commitments to unsecured contingent payments.

There are no other known contingent liabilities at reporting date.

28 EVENTS AFTER REPORTING DATE

Subsequent to the end of the financial year, the following events occurred:

<u>Continued operations at Second Fortune</u>

As of November 2023, the Company is transitioning to owner-operate at Second Fortune with production to ramp up in early 2024. The Company is also seeking an extension of processing capacity to allow for the further processing of Second Fortune ore beyond mid 2024.

<u>Restructure of senior debt with St Barbara</u>

The Group and St Barbara were parties to, among other documents, a senior debt facility agreement ("**Facility Agreement**"). The facility advanced under the Facility Agreement relates to the original project finance for Second Fortune agreed with St Barbara in December of 2020.

On 2 August 2023, the Company and St Barbara agreed terms on which the Group's total debt owed to St Barbara $20.7m was satisfied (and the release of the various securities held by St Barbara over Group assets released) by way of a share and contingent payment settlement ("**Settlement**").

The Settlement included:

(c) Entry into a Share Subscription Agreement ("**St Barbara SSA**") for the issue of 37,500,000 shares at an issue price of $0.16 per Share for an amount of $6,000,000, structured as follows:

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(v) to avoid St Barbara breaching 20% of the voting power in LGA, the Company issued St Barbara 14,056,250 shares on completion to bring its shareholding of LGA to 19.8%;

(vi) subsequent issues were and have occurred on further dilutive events to maintain St Barbara's shareholding at 19.8%;

(vii) LGA is to seek shareholder approval at an Extraordinary General Meeting scheduled in January 2024, including the preparation of an Independent Technical Report, for St Barbara to go above 20% with triggering a takeover; and

(viii) following completion of the November 2023 capital raise (details below), LGA has issued the following shares to St Barbara under the St Barbara SSA with the corresponding remaining balance subject to shareholder approval:

St Barbara debt conversion account	**# shares**		**$**
Opening balance	37,500,000	$	6,000,000
Issued on 10 Aug 2023 (Debt restructure completion)	-14,056,250	-$	2,249,000
Issued on 2 Nov 2023 (LBM acquisition completion)	-7,470,000	-$	1,195,200
Additional 19.8% top up from November 2023 capital raise	-2,521,000	-$	403,360
Closing balance (subject to EGM vote)	**13,452,750**	**$**	**2,152,440**

(d) Contingent Payment Agreement pursuant to which Linden, under which St Barbara is entitled to a $2,500,000 cash payment upon the Company's Group Mineral Resources exceeding 500,000 in JORC-compliant Mineral Resource or the Company making a new discovery exceeding 50,000 ounces in JORC-compliant Mineral Resources at a grade of greater of 4.0 g/t Au.

November 2023 capital raise

The Company completed a capital raise in November 2023 raising a total of $4,000,000 comprising a $2,722,312 placement to a new strategic South Korean investor ("**Strategic Investment**") and a separate offer of $1,277,688 to existing shareholders (including St Barbara and Blue Cap Equities) and new sophisticated investors ("**Offer**"). Both the Strategic Investment and Offer were completed at $0.16 per share.

As part of the Strategic Investment, the Company entered into a Share Subscription Agreement ("**SI SSA**") on 30 November 2023. The SI SSA sets the terms for the issue of 17,014,453 shares at $0.16 per share to raise $2,722,312 (before fees) with completion occurring on the Company receiving funds into its bank account.

In addition to the SI SSA, a separate investment of $1,027,688 ("**Offtake Amount**") has been agreed to be paid within 10 business days of completion of the SI SSA. Subject to the execution of a gold dore agreement (**Offtake Agreement**), the Offtake Amount is a payment by the Strategic Investor to have the right to acquire gold dore produced by any Group member for the term of the Offtake Agreement. If the Offtake Agreement is not executed within 45 days of completion of the SI SSA (or some later date agreed by the parties), the Strategic Investor may elect to:

- have the Offtake Amount returned to it; or
- use a portion of the Offtake Amount to subscribe for additional shares at $0.16 per share.

Merger with Lord Byron Mining Pty Ltd

With the aim to consolidate contiguous tenements in the South Laverton goldfields, on 2 November 2023, the Company agreed to a merger with Lord Byron Mining Pty Ltd ("**LBM**") under which LBM became a wholly owned subsidiary of LGA, for a total consideration of $21,100,000 comprising:

(f) $600,000 cash (paid at completion and in connection with the November 2023 capital raise);

(g) $5,000,000 of shares at an issue price of $0.16 per share substantially issued on completion with a minor outstanding balance issued on completion of the November 2023 capital raise (sequenced to avoid a takeover ;

(h) $500,000 deferred cash payments payable upon IPO or transaction with a listed company;

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(i) $15,000,000 Performance Rights payable on the following milestones issuable at (VWAP or expert valuation):

   (i) $5,000,000 on the LBM mineral assets exceeding a total JORC-compliant Mineral Resource of 400,000 ounces;

   (ii) $5,000,000 on the LBM mineral assets exceeding a total JORC-compliant Ore Reserve of 120,000 ounces; and

   (iii) $5,000,000 on the first commercial production derived from LBM's mineral assets.

(j) As part of this transaction:

   (i) the principal of LBM, Ashley Fraser, joined the Company as an Executive Director.

   (ii) LGA entered into a services agreement with Blue Cap Mining Pty Ltd ("**BCM**") pursuant to which the Company agreed to invite BCM to provide open pit mining services in connection with Group open pit operations and providing to BCM the right to match offers in respect of such services received by third parties ("**Services Agreement**"). The Services Agreement commenced on 2 November 2023 and will continue for 6 years, unless terminated earlier in accordance with its terms.

   (iii) LBM and the Company each entered into security deeds with Blue Capital Equities Pty Ltd ATF the Blue Capital Trust No. 2 to secure each of LBM and Linden's obligations under the transaction. The security was granted over all of LBM's property and all of LGA's shares in LBM.

<u>Exit from the Devon JV</u>

On 22 December 2022, the Company entered into a 50:50 joint venture ("**Devon JV**") on the Devon Gold Project with Matsa Gold Pty Ltd ("**Matsa**"). The Company and Matsa terminated the Devon JV by mutual agreement on 8 December 2023. The terms of this commercial settlement are:

(c) following commencement of commercial operations at the Devon Gold Project, Matsa will pay LGA up to a maximum of $4,000,000 in aggregate from 50% of the cumulative quarterly net profits from the Devon Gold Project. Matsa may elect to pay the $4,000,000 (or part thereof) earlier to discharge its obligations;

    and

(d) if Matsa sells the Devon Gold Project (or any tenements upon which the Devon Gold Project is situated), LGA will be entitled to 50% of the sale proceeds or consideration received by Matsa up to a maximum of $4,000,000, after certain deductions. If the sale proceeds do not result in Linden having received $4,000,000, the amount received by Linden will be in full and final satisfaction of Matsa's obligations.

<u>Infrastructure Sharing Arrangement with Legacy Iron Ore Limited</u>

The Group entered into an accommodation and airstrip agreement and associated pre-payment agreement with Legacy Iron Ore Limited ("**Legacy**") on 3 October 2023 ("**Accommodation Agreement**"). Under the Accommodation Agreement, Legacy has the right to use 35 fully-serviced rooms at the Linden's camp. In addition, Legacy may also use Linden's airstrip at times agreed by Linden for a term of 20 months, unless terminated earlier in accordance with its terms.

Legacy paid Linden $2,750,000 ("**Prepayment Amount**") which is held by Linden as a down payment which may be used towards Linden's working capital and capital management requests. This Prepayment Amount is reduced by $150,000 (including GST) each month during the term as consideration for the rights to access and use Linden's camp and airstrip (irrespective of whether Legacy has actually used the camp or airstrip).

No other matters or circumstances have arisen since the end of the financial year which 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.

No other matters or circumstances have arisen since the end of the financial year which 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.

Notes to and Forming Part of the Consolidated Financial Statements

29 LIST OF SUBSIDIARIES

	2023 Holding	2022 Holding
Set out below is a list of subsidiaries of the Group as at 30 June 2023:		
Second Fortune Gold Project Pty Ltd (formerly Linden Gold Limited)	100%	100%
Second Fortune Gold Pty Ltd (dormant)	100%	100%
Red October Project Pty Ltd (dormant)	100%	100%
Devon Gold Project Pty Ltd	100%	100%

30 COMPANY DETAILS

The Group is domiciled and incorporated in Australia.

The registered office of the Company is:
Level 2, 8 Colin Street
WEST PERTH WA 6005