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GREAT DIVIDE MINING LTD
A.C.N. 655 868 803

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2022

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GREAT DIVIDE MINING LTD

A.C.N. 655 868 803

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GREAT DIVIDE MINING LTD
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DIRECTORS' REPORT

Your directors present their report on Great Divide Mining Ltd (“the Company”) for the financial half-year ended 31 December 2022.

Directors and Company Secretary

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

Paul Byrne	appointed: 7 December 2021 (resigned: 16 February 2023)
Paul Ryan	appointed: 7 December 2021
Greg Kern	appointed: 7 December 2021 (resigned: 20 February 2023)
Russell Daly	appointed: 7 December 2021 (resigned: 30 November 2022)
Simon Tolhurst	appointed: 20 February 2023
Sreenidh Didugu	appointed: 20 February 2023
Adam Arkinstall	appointed: 20 February 2023

The company secretary is Sonny (Sreenidh) Didugu appointed on 20 February 2023 (30 June 2022: Russell Daly ceased 30 November 2022 and Gregory Kern was Company Secretary from 30 November 2022 until 20 February 2023).

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

Review of Operations and Principal Activities

The Company holds exploration and evaluation assets and is not considered to be trading.

There was no other significant change in the Company’s state of affairs.

Events Subsequent to Balance Date

Acquisition of Devils Mountain Gold Pty Ltd, Laura Exploration Pty Ltd, Muscovite Gold Exploration Pty Ltd and Queensland Ores Holdings Pty Ltd

The Company has entered into agreements for the purchase of shares (Agreements) with Devils Mountain Gold Pty Ltd (DMG), Laura Exploration Pty Ltd (LE), Muscovite Gold Exploration Pty Ltd (MGE) and Queensland Ores Holdings Pty Ltd (QOH) whereby, should the relevant conditions precedent be satisfied, the Company shall purchase 100% of the issued shares in DMG, LE, MGE and QOH for \$25,000, \$50,000, \$50,000 and \$150,000 respectively in cash or the equivalent value of shares in the Company.

In parallel with the acquisitions, the Company then intends to list on the Australian Securities Exchange (ASX) subject to satisfying the ASX Listing Rules or seek a trade sale.

The completion of each of the Agreements is subject to and conditional upon satisfaction of the following conditions on or before the sunset date of 31 August 2023:

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DIRECTORS' REPORT

Events Subsequent to Balance Date (cont'd)

1. One of the following occurring:
 - a) The Company receiving conditional approval of the ASX to be admitted to the official list of the ASX, subject only to any conditions which ASX may reasonably require, and which are satisfactory to the Company (on the basis that the Company believes the conditions are capable of satisfaction); or,
 - b) The Company enters into a trade sale agreement (Trade Sale) to sell 100% of the issued shares in the Company to an unrelated third party; and,
2. The Company being satisfied with its respective due diligence investigations in respect of DMG, LE, MGE and QOH and the licences they hold.

As a condition of the acquisitions by the Company, the shareholders of the Subsidiaries will forgive any outstanding loans payable to their related parties such that all liabilities of each Subsidiary will be paid, released, or otherwise discharged on or before completion.

Where completion is satisfied by an Initial Public Offering (IPO), a scrip-for-scrip rollover will occur as consideration for the acquisitions whereby the shareholders of the Subsidiaries will receive their proportionate share of the number of shares in the Company equivalent to the purchase price calculated using the determined IPO issue price.

Where completion is satisfied by the Company undertaking a Trade Sale, the Company must pay to the shareholders of each Subsidiary their respective proportion of the purchase price in immediately available funds.

Conduct of Initial Public Offering and Listing on ASX

The Directors of the Company intend to proceed with a proposed capital raising. In preparation for the proposed capital raising by an IPO and listing on the ASX, the Company is preparing an initial public share offer document (Prospectus) and has entered into the following agreements:

- Appointment of Simon Tolhurst as Non-Executive Director on 20 February 2023.
- Appointment of Sonny Didugu as Non-Executive Director on 20 February 2023.
- Appointment of Adam Arkinstall as Non-Executive Director on 20 February 2023.
- Appointment of Lindsay Marshall of Marshall Advising Pty Ltd to act as Advisers to the Company, in particular to act as Chief Financial Officer.
- Appointment of Sonny Didugu of Reign Advisory Pty Ltd to act as Company Secretary to the Company to assist the Company in its capital raising, and to complete an IPO for successful listing on the ASX.
- Appointment of Reign Advisory Pty Ltd to act as corporate advisor and provide investor and media relations advisory in support of the ASX listing.
- Appointment as PAC Partners Securities Pty Ltd as Lead Manager and Corporate Advisor. As part of the Agreement, on successful listing of the Company on the ASX, PAC Partners Securities (or their nominees) will be issued 1,000,000 Options with a strike price of \$0.40 with a three-year expiry period.

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DIRECTORS' REPORT

Events Subsequent to Balance Date (cont'd)

The Company expects to shortly complete, but as at the date of this Report has yet to commence, various transactions in support of an expected IPO in June 2023, including the conduct of a share split (on a 10,000 Shares for every 1 held basis), finalisation of a number of issues of securities to various directors, advisors, and promoters, and the conduct of a debt-to-equity conversion agreement with the principal funder of the Company to date, being Westpearl Pty Ltd.

Officeholder Changes

Paul Byrne resigned as a Director of the Company effective 16 February 2023 and Greg Kern resigned as a Director of the Company effective 20 February 2023 and ceased to be Company Secretary on the same day. Simon Tolhurst and Adam Arkinstall were appointed Directors of the Company effective 20 February 2023, and the Company Secretary, Sonny Didugu was appointed on the same date.

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 Company, the result of those operations, or the state of affairs of the Company in future financial periods.

ASX Listing and Capital Raising

Subsequent to the end of the reporting period, the Company intends to progress towards an Initial Public Offering (IPO) on the ASX.

Likely Developments

Apart from those events listed above in Review of Operations, the likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

Dividends and Share Options

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

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

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DIRECTORS' REPORT

Directors' and Auditor's Indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial half-year, for any person who is or has been an officer or auditor of the Company.

Auditor's Independence Declaration

PKF Brisbane Audit is the auditor in accordance with the Corporations Act 2001. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:



Director

Dated 4 May 2023

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

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

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



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

4 MAY 2023
BRISBANE

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Half-Year 31 December 2022 \$	7 December 2021 to 31 December 2021 \$
Revenue			
Other income		-	-
Expenses			
Administration costs	2	347,469	-
Employee benefits expense		128,262	-
Share based payment expense	10	49,826	-
		<u>525,557</u>	<u>-</u>
Profit / (loss) before income tax, attributable to members		(525,557)	-
Tax expense	3	-	-
Profit / (loss) for the period, attributable to members		(525,557)	-
Other comprehensive income		-	-
Total other comprehensive income (loss) for the period, net of tax, attributable to members		(525,557)	-

The accompanying notes form part of these financial statements.

GREAT DIVIDE MINING LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 December 2022 \$	30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	6,124	37,184
Other receivables	5	2,230	530
Loans to related parties	6	152,008	15,586
TOTAL CURRENT ASSETS		160,362	37,714
NON-CURRENT ASSETS			
Loans to related parties		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		160,362	53,300
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	216,676	12,045
Loans from related parties	9	537,051	162,052
Employee benefits		3,163	-
TOTAL CURRENT LIABILITIES		756,890	174,097
TOTAL LIABILITIES		756,890	174,097
NET ASSETS / (LIABILITIES)		(596,528)	(120,797)
EQUITY			
Issued capital	10	1,100	1,100
Accumulated losses		(647,454)	(121,897)
Reserves	10	49,826	-
TOTAL EQUITY		(596,528)	(120,797)

The accompanying notes form part of these financial statements.

GREAT DIVIDE MINING LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Retained earnings / (Accumulated losses)	Reserves	Total
	\$	\$		\$
Balance at incorporation 7 December 2021	-	-	-	-
Profit / (loss) for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Transactions with owners, in their capacity as owners:				
Shares issued	(1,100)	-	-	(1,100)
Balance at 31 December 2021	(1,100)	-	-	(1,100)
	\$	\$		\$
Balance at 1 July 2022	(1,100)	121,897	-	(120,797)
Profit / (loss) for the half-year	-	525,557	-	525,557
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	525,557	-	525,557
Transactions with owners, in their capacity as owners:				
Options issued	10	-	(49,826)	(49,826)
Balance at 31 December 2022	(1,100)	647,454	(49,826)	596,528

The accompanying notes form part of these financial statements.

GREAT DIVIDE MINING LTD
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STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-Year 31 December 2022 \$	7 December 2021 to 31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
GST payable/(refundable)	(1,700)	-
Payments to suppliers	(404,359)	-
Net cash provided by / (used in) operating activities	(406,059)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	-	-
Payments for acquisition of tenements	-	-
Net cash provided by / (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (decrease) in loans	375,000	1,100
Net cash provided by / (used in) financing activities	375,000	1,100
Net increase / (decrease) in cash held	(31,059)	1,100
Cash at beginning of financial period	37,184	-
Cash at end of financial period	4 6,124	1,100

The accompanying notes form part of these financial statements.

GREAT DIVIDE MINING LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1 Statement of Significant Accounting Policies

The financial statements cover Great Divide Mining Ltd (“the Company”). Great Divide Mining Ltd is a company limited by shares, incorporated and domiciled in Australia and is a for profit entity for the purpose of preparing the financial statements.

Basis of Preparation

General purpose financial statements

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standard Board and in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 4 May 2023 by the directors of the company.

Going Concern

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

The Company is dependent on the ongoing financial support of its shareholders but, as shareholders, the directors are confident of that ongoing support. In support of this, shareholders have provided undertakings of their ongoing financial support, provided a loan facility and have agreed to proceed with a proposed capital raising. On this basis directors have prepared the financial statements on a going concern basis as the directors believe that the Company will be able to pay its debts as and when they fall due and payable. No adjustments have been made to the financial report relating to the recoverability and classification of asset carrying amounts or the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1 Statement of Significant Accounting Policies (cont'd)

Accounting Policies

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, prices quoted in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1 Statement of Significant Accounting Policies (cont'd)

Impairment of Assets

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

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

Trade and Other Payables

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated 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.

Income Tax

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

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

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1 Statement of Significant Accounting Policies (cont'd)

Income Tax (cont'd)

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

Exploration and Evaluation Expenditure

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

Exploration and evaluation expenditure assets acquired in a business combination are recognised at their fair value at the acquisition date.

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

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

Critical Accounting Estimates and Judgements

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

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Statement of Profit or Loss in the period when the new information becomes available.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Share-based Payments

The Company measures the cost of cash-settled share-based payments at fair value using an appropriate model taking into account the terms and conditions upon which the instruments were granted, as well as estimates made by management. The valuation model used to calculate the value of the options was the Black-Scholes model. The Options will vest and be capable of exercise over a two-year period commencing on Listing on the ASX. The vesting of the Options will occur on a pro rata basis in the proportion that the number of days following Listing bears to the total number of days in the two-year vesting period. As the exact listing date is unknown, there was judgement involved in estimating the probable listing date.

1 Statement of Significant Accounting Policies (cont'd)

New and Amended Standards Adopted in the Current Period

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The Company has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting period ended 31 December 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-Year 31 December 2022 \$	7 December 2021 to 31 December 2021 \$
2 Administration Costs		
Accountancy fees	23,625	-
Audit and Independent Accountant fees	17,850	-
Consultants fees	119,152	-
Legal fees	133,916	-
Geologist expenses	30,630	-
Other expenses	22,296	-
	347,469	-
3 Income Tax Expense		
<i>Income tax expense</i>		
Current tax	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit (loss) before income tax expense	(525,557)	-
Tax at the statutory rate of 25%	(131,389)	-
Tax effect of amounts which are not deductible/(Taxable) in calculating taxable income		
Unrecognised increase/(decreased) in deferred tax assets	131,389	-
Income tax expense	-	-
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur:		
	31 December 2022 \$	30 June 2022 \$
Tax losses: operating losses: 25% of accumulated losses (30 June 2022: 25%)	161,863	30,474
4 Cash and Cash Equivalents		
Cash on hand	1,100	1,100
Cash at bank	5,024	36,084
	6,124	37,184

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022 \$	30 June 2022 \$
5 Other Receivables		
GST refundable	2,230	530
	<u>2,230</u>	<u>530</u>
6 Loans to Related Parties		
Current		
Loan – Devils Mountain Gold Pty Ltd	4,364	2,053
Loan – Laura Exploration Pty Ltd	42,733	4,628
Loan – Muscovite Gold Exploration Pty Ltd	17,859	8,905
Loan – Queensland Ores Holdings Pty Ltd	41,844	-
Loan – Sprinifex Rural Management Pty Ltd	22,187	-
Loan – Bougainville Mining Investments Pty Ltd	23,021	-
	<u>152,008</u>	<u>15,586</u>
<p>The loans represent exploration and evaluation expenditure incurred by the Company on behalf of related parties. The loans have been advanced on an interest free basis and will be repayable at call.</p>		
7 Trade and Other Payables		
Trade creditors	170,173	12,045
Accrued payables	26,421	-
Other payables	20,082	-
	<u>216,676</u>	<u>12,045</u>
8 Loans from Related Parties		
Loan – Westpearl Pty Ltd	537,052	162,052
	<u>537,052</u>	<u>162,052</u>

The Company has the interest free loan balance of \$537,052 as at 31 December 2022 in accordance with a Loan Deed with a related party, Westpearl Pty Ltd. The repayment date of the loan owing to Westpearl Pty Ltd by the Company shall not be before the event of a listing, leveraged acquisition or private equity or third-party sale of the Company. In accordance with the terms of the Loan Deed, this loan be interest free until the event of a listing or a third-party sale.

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	31 December 2022	30 June 2022
	\$	\$
9 Issued Capital		
Fully paid ordinary shares	1,100	1,100
	1,100	1,100

Ordinary shareholders participate in dividends in proportion to the number of shares held. At shareholder's meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

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

	31 December 2022	30 June 2022
	\$	\$
Movements in issued capital		
Fully paid ordinary shares:		
At the beginning of the reporting period	1,100	-
Shares issued during the period	-	1,100
At the end of the reporting period	1,100	1,100

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

10 Key Management Personnel and Related Party Transactions

Shareholdings – Ordinary shares

Shares are held by directors, including their personally related parties, in the Company.

Transactions with related parties:

The Company has loaned \$4,364 to Devils Mountain Gold Pty Ltd as at 31 December 2022 (30 June 2022: \$2,053).

The Company has loaned \$42,733 to Laura Exploration Pty Ltd as at 31 December 2022 (30 June 2022: \$4,628).

The Company has loaned \$17,859 to Muscovite Gold Exploration Pty Ltd as at 31 December 2022 (30 June 2022: \$8,905).

The Company has loaned \$41,844 to Queensland Ores Holdings Pty Ltd as at 31 December 2022 (30 June 2022: nil).

The Company has loaned \$22,187 to Sprinifex Rural Management Pty Ltd as at 31 December 2022 (30 June 2022: nil).

The Company has loaned \$23,021 to Bougainville Mining Investment as at 31 December 2022 (30 June 2022: nil).

Westpearl Pty Ltd has loaned \$537,052 to the Company as at 31 December 2022 (30 June 2022: \$162,052).

Key Management Personnel:

Key management personnel consist of the Directors and the CEO.

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Compensation

	31 December 2022	31 December 2021
	\$	\$
Short-term employee benefits	107,330	-
Share based payment	49,826	-
Post-employment benefits	10,938	-
Long-term benefits	-	-
	<hr/>	<hr/>
	168,094	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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

The options have been valued and expensed in the financial statements over the periods that they vest. The share-based payments expense for the period of \$49,826 (30 June 2022: nil) relates to the fair value of options apportioned over their respective vesting periods. The options issued during the current reporting period were valued using the Black-Scholes option valuation methodology.

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

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

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

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GREAT DIVIDE MINING LTD
A.C.N. 655 868 803

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

11 Events Subsequent to Balance Date

Acquisition of Devils Mountain Gold Pty Ltd, Laura Exploration Pty Ltd, Muscovite Gold Exploration Pty Ltd and Queensland Ores Holdings Pty Ltd

The Company has entered into agreements for the purchase of shares (Agreements) with Devils Mountain Gold Pty Ltd (DMG), Laura Exploration Pty Ltd (LE), Muscovite Gold Exploration Pty Ltd (MGE) and Queensland Ores Holdings Pty Ltd (QOH) whereby, should the relevant conditions precedent be satisfied, the Company shall purchase 100% of the issued shares in DMG, LE, MGE and QOH for \$25,000, \$50,000, \$50,000 and \$150,000 respectively in cash or the equivalent value of shares in the Company.

In parallel with the acquisitions, the Company then intends to list on the Australian Securities Exchange (ASX) subject to satisfying the ASX Listing Rules or seek a trade sale.

The completion of each of the Agreements is subject to and conditional upon satisfaction of the following conditions on or before the sunset date of 31 August 2023:

1. One of the following occurring:
 - a) The Company receiving conditional approval of the ASX to be admitted to the official list of the ASX, subject only to any conditions which ASX may reasonably require, and which are satisfactory to the Company (on the basis that the Company believes the conditions are capable of satisfaction); or,
 - b) The Company enters into a trade sale agreement (Trade Sale) to sell 100% of the issued shares in the Company to an unrelated third party; and,
2. The Company being satisfied with its respective due diligence investigations in respect of DMG, LE, MGE and QOH and the licences they hold.

As a condition of the acquisitions by the Company, the shareholders of the Subsidiaries will forgive any outstanding loans payable to their related parties such that all liabilities of each Subsidiary will be paid, released, or otherwise discharged on or before completion.

Where completion is satisfied by an Initial Public Offering (IPO), a scrip-for-scrip rollover will occur as consideration for the acquisitions whereby the shareholders of the Subsidiaries will receive their proportionate share of the number of shares in the Company equivalent to the purchase price calculated using the determined IPO issue price.

Where completion is satisfied by the Company undertaking a Trade Sale, the Company must pay to the shareholders of each Subsidiary their respective proportion of the purchase price in immediately available funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

11 Events Subsequent to Balance Date (cont'd)

Conduct of Initial Public Offering and Listing on ASX

The Directors of the Company intend to proceed with a proposed capital raising of \$5,000,000. In preparation for the proposed capital raising by an IPO and listing on the ASX, the Company is preparing an initial public share offer document (Prospectus) and has entered into the following agreements:

- Appointment of Simon Tolhurst as Non-Executive Director on 20 February 2023.
- Appointment of Sonny Didugu as Non-Executive Director on 20 February 2023.
- Appointment of Adam Arkinstall as Non-Executive Director on 20 February 2023.
- Appointment of Lindsay Marshall of Marshall Advising Pty Ltd to act as Advisers to the Company, in particular to act as Chief Financial Officer.
- Appointment of Sonny Didugu of Reign Advisory Pty Ltd to act as Company Secretary to the Company to assist the Company in its capital raising, and to complete an IPO for successful listing on the ASX.
- Appointment of Reign Advisory Pty Ltd to act as corporate advisor and provide investor and media relations advisory in support of the ASX listing.
- Appointment as PAC Partners Securities Pty Ltd as Lead Manager and Corporate Advisor. As part of the Agreement, on successful listing of the Company on the ASX, PAC Partners Securities (or their nominees) will be issued 1,000,000 Options with a strike price of \$0.40 with a three year expiry period.

The Company expects to shortly complete, but as at the date of this Report has yet to commence, various transactions in support of an expected IPO in June 2023, including the conduct of a share split (on a 10,000 Shares for every 1 held basis), finalisation of a number of issues of securities to various directors, advisors, and promoters, and the conduct of a debt-to-equity conversion agreement with the principal funder of the Company to date, being Westpearl Pty Ltd.

Officeholder Changes

Paul Byrne resigned as a Director of the Company effective 16 February 2023 and Greg Kern resigned as a Director of the Company effective 20 February 2023, and ceased to be Company Secretary on the same day. Simon Tolhurst and Adam Arkinstall were appointed Directors of the Company effective 20 February 2023, and the Company Secretary, Sonny Didugu was appointed on the same date.

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 Company, the result of those operations, or the state of affairs of the Company in future financial periods.

12 Audit Remuneration

The auditor of the Company is PKF Brisbane Audit.

	31 December 2022	31 December 2021
	\$	\$
Amounts received or due for audit of the financial report of the Company	2,000	1,500
	<u>2,000</u>	<u>1,500</u>

GREAT DIVIDE MINING LTD
A.C.N. 655 868 803

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

13 Commitments and Contingencies

The Company does not have any other commitments, including leases or contingencies.

14 Company Details

The registered office of the Company is:

Great Divide Mining Ltd
Level 12, 127 Creek Street, Brisbane City, QLD 4000

The principal place of business is the same as above.

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GREAT DIVIDE MINING LTD

A.C.N. 655 868 803

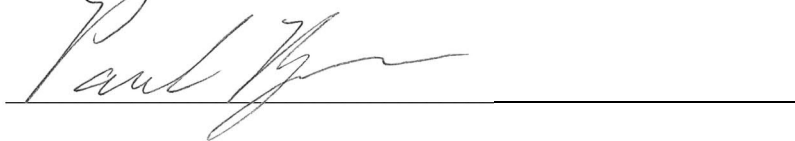
DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, as set out on pages 6 to 22 are in accordance with the *Corporations Act* 2001 including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations* 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director:



Dated this 4 May 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GREAT DIVIDE MINING LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Great Divide Mining Limited ("the company"), which comprises the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

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

Basis for Conclusion

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

Independence

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

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

4 MAY 2023
BRISBANE

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