FAR EAST GOLD

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

FAR EAST GOLD LTD ACN 639 887 219

WWW.FAREAST.GOLD

CORPORATE DIRECTORY

DIRECTORS

Paul Walker
Chairman

Shane Menere
Chief Executive Officer

Marc Denovan
Chief Financial Officer

Justin Werner
Non-Executive Director

Dr Christopher Atkinson
Non-Executive Director

Michael Thirnbeck
Non-Executive Director

REGISTERED OFFICE

Level 18/324 Queen Street
Brisbane QLD 4000

+61 7 3067 3368
ABN: 68 639 887 219

ASX CODE

ASX:FEG

AUSTRALIAN SOLICITORS

GRT Lawyers
Level 27, 111 Eagle Street
Brisbane QLD 4000

AUDITOR

KPMG
Level 11, 80 Ann Street
Brisbane QLD 4000

COMPANY SECRETARY

Catriona Glover

WEBSITE

https://fareast.gold/home

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

INDONESIAN SOLICITORS

Christian Teo & Partners
District 8, Treasury Tower Floor 25-B
Sudirman Central Business District
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 Indonesia

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CHAIRMAN'S LETTER

"On behalf of the Board of Directors, I would like to thank our shareholders and all our other stakeholders for their ongoing support over the last 12 months and look forward to reporting to you further on what we believe will be an exciting year ahead for the Company".

Dear Investor,

On behalf of the Board of Directors of Far East Gold Ltd ('**Far East Gold**' or '**Company**'), it is with great pleasure that I can provide you with our Company's FY23 Annual Report.

In early 2022, Far East Gold successfully completed its Initial Public Offering (**IPO**), raising $11,734,500 at $0.20 per share and commenced trading on the Australian Securities Exchange (**ASX**) on 28 March 2022. In November and December 2022, the Company undertook a Placement for institutional and wholesale investors and Share Purchase Plan (**SPP**) for existing shareholders that was successful in raising a further $6,505,500 at $0.50 per share.

The focus for Far East Gold is to explore and develop high quality copper and gold mining assets in Indonesia and Australia. Far East Gold has three mining projects located on the Sunda Magmatic Arc in Indonesia and three Australian mining projects located in Central Queensland's Drummond Basin and Connors Arc regions.

Key highlights for the Company's projects are as follows:

- **Woyla Copper Gold Project** is a 24,260 ha 6th generation Contract of Work in the Aceh region of North Sumatra, Indonesia that is highly prospective to host high grade epithermal and porphyry deposits. Far East Gold holds a 51% interest in the project that will increase to 80% upon the Company's completion of a feasibility study and definition of a maiden JORC resource estimate for the project. In September 2022, Far East Gold commenced the first ever drilling in the 25 year history of this project.
- **Trenggalek Copper Gold Project** is a 12,813 ha IUP OP (Mining licence for operation and production) in East Java, Indonesia. This advanced project has more than 17,700m of drilling completed and hosts several large-scale porphyry and epithermal prospects. In June 2023, Far East Gold completed the share transfers under the CSPA and now holds a 100% economic interest in the project.
- **Wonogiri Copper Gold Project** is a 3,928 ha IUP Exp (Mining licence for exploration) in Central Java, Indonesia. This advanced project has a JORC 2012 resource estimate which, using a cut-off grade 0.2 g/t AuEq, contains 81.56 million tonnes at 0.44 g/t AuEq (0.38 g/t gold and 0.11% copper). This represents 996,500 ounces of gold and 190 million pounds of copper, or 1.15 million ounces AuEq. At a cut-off grade of 0.5g/t AuEq, the total contained resource estimate is 20.95 million tonnes at 0.85 g/t Au and 0.16% copper, representing 573,000 ounces AuEq consisting of 533,000 ounces of gold and 74 million pounds of copper. Far East Gold holds a 100% economic interest in the project.
- **Mount Clark West Copper Gold Project** is a 1,912 ha EPM (exploration permit for minerals) in Central Queensland, Australia. The project is situated in the Connors Arc region and previous exploration indicates porphyry copper gold deposits at depth Far East Gold has a 90% interest in the tenement through an up-front Earn-In Agreement. In November 2022, Far East Gold announced an Exploration Target of 400Mt – 650Mt at a grade of 0.4% to 0.6% CuEq.
- **Hill 212 Gold Project** is a 1,920 ha EPM (exploration permit for minerals) in Central Queensland, Australia. The project is situated in the highly prospective Drummond Basin and previous drilling indicates epithermal gold vein and breccia deposits. Far East Gold has a 90% interest in the tenement through an up-front Earn-In Agreement. In August 2022, Far East Gold completed its 2,100m Phase 1 RC drilling program.
- **Blue Grass Creek Gold Project** is a 2,240 ha EPM (exploration permit for minerals) in Central Queensland, Australia. The project directly adjoins the Hill 212 tenement and early-stage exploration activities indicate an extension of the Hill 212 epithermal gold vein and breccia deposits into the Blue Grass Creek tenement. Far East Gold has a 90% interest in the tenement through an up-front Earn-In Agreement.

Since listing on the ASX, the Company has continued to diligently apply the funds raised in the IPO, the subsequent Placement and SPP to further advance exploration activities on these projects and the permitting required to progress the projects towards mine development and operation.

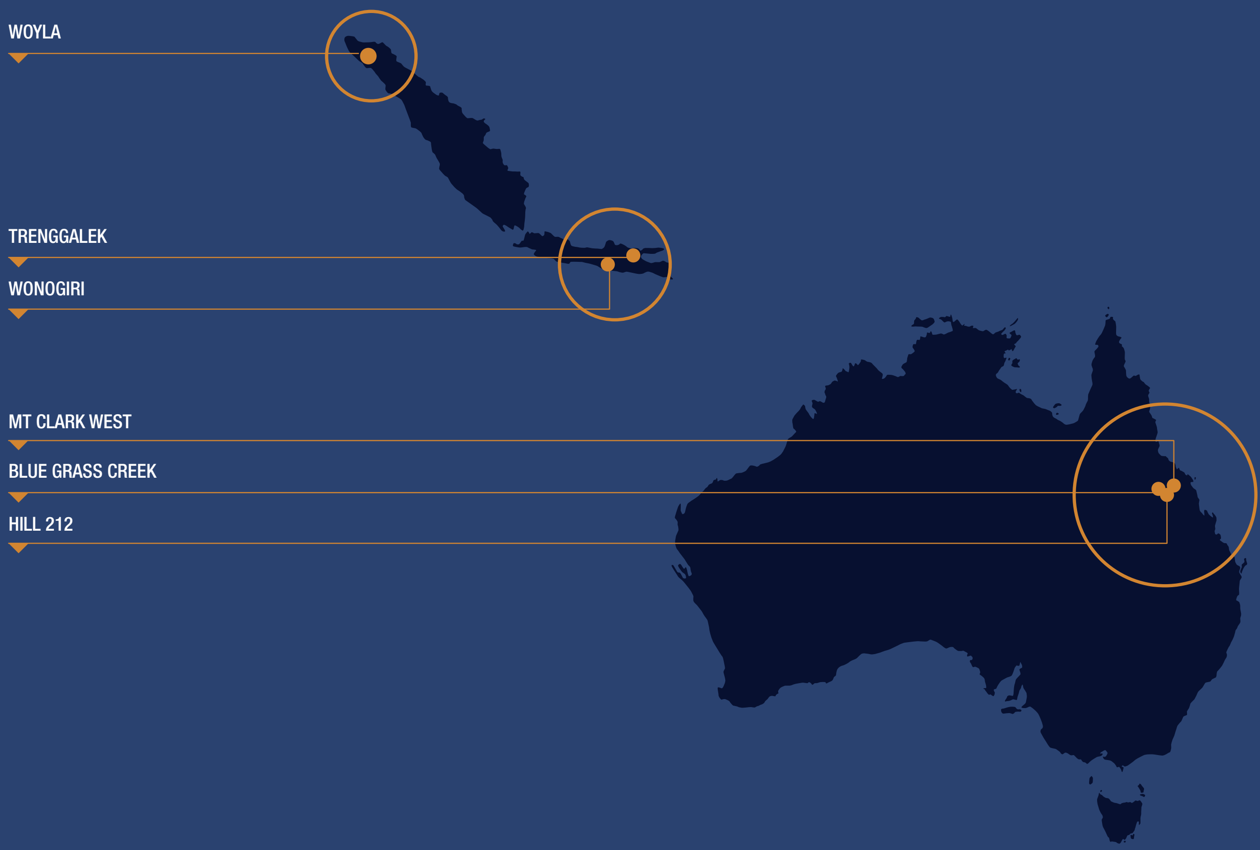
On behalf of the Board of Directors, I would like to thank our shareholders and all our other stakeholders for their ongoing support over the last 12 months and look forward to reporting to you further on what we believe will be an exciting year ahead for the Company.

Yours sincerely

Paul Walker
Chairman

CHAIRMAN'S LETTER

Project Locations



FY2023 HIGHLIGHTS

Shareholder Value

- November 2022 Placement and December 2022 Share Purchase Plan (SPP) raised a combined total of AU$6,505,500.
- The 2022 Placement and SPP was completed at $0.50 per share.

Operations

- Upgrade of camp facilities at the Woyla project completed to provide on-site accommodation for over 70 staff at the Anak Perak base camp.
- First ever Induced Polarisation (IP) geophysics survey was completed at the Anak Perak and Rek Rinti prospect areas in the Woyla project.
- First ever IPPKH (Borrow Use) licence granted by the Indonesian Government for the Woyla project which enables drilling and operations to occur.
- First ever drill program in the 25 year history of the Woyla project commenced in September 2022.
- Phase 1 4,630.9m diamond drill scout program at Anak Perak and Rek Rinti prospect areas in Woyla that comprised 33 holes was completed in December 2022.
- Phase2 10,000m diamond drill scout and resource delineation program at the Anak Perak, Rek Rinti and Aloe Eumpeuk prospect areas in the Woyla project was commenced in January 2023 with approximately 8,000m of drilling completed by 30 June 2023.
- Bonanza grade assay results returned from both the Phase 1 and Phase 2 drill program at the Woyla Project of up to 81g/t gold and 1,359g/t silver.
- Preliminary metallurgical characterization test work on Woyla samples indicates gold recoveries of over 90% and silver recoveries of over 85%.
- Two additional epithermal prospect areas were identified at the Woyla project with peak assays from exposed sulphide bearing quartz brecccia returning 98g/t gold and 77g/t silver.
- On 17 November 2022, the Company's Woyla Project was a finalist and runner-up for the 2022 Australian Mining Prospect Awards – Discovery of the Year.
- On 29 March 2023 approval was received from the Indonesian Minister for Energy & Mines for the share transfers required to give effect to the Conditional Share Purchase Agreement (CSPA) for the Company to acquire 100% economic interest in the Trenggalek project. On 6 June 2023 Stage 2 Completion of the CSPA was achieved and transfer of all shares was concluded.
- Wonogiri Project's AMDAL environmental approval application progressed - third and final Technical Approval received from the Indonesian Government.
- Metallurgical testwork on samples of epithermal type mineralization from south of Randu Kuning deposit at the Wonogiri project was completed and showed high gold recoveries of 96% with 75% of the contained gold being gravity recoverable gold suggesting rapid and low cost recovery is possible for this type of gold mineralization.
- Phase1 2,061m reverse circulation (RC) drill program that comprised 11 holes was completed at the Hill 212 project in September 2022.
- 21 line km deep ground penetrating MIMDAS geophysics survey completed at the Mount Clark West project.
- Exploration Target defined for the Mount Clark West project of 400 – 650Mt at a grade of 0.4-0.6% CuEq.

FY2023 HIGHLIGHTS

Environment

- Zero environmental incidents.
- 100% compliance with all environmental licence conditions.
- First listed Australian junior exploration company admitted to the UN Global Compact.

Social

- Zero fatalities.
- Zero lost time injuries.
- Established additional community based cooperative enterprises to support the Woyla Project on-site exploration activities.
- Participated and supported numerous religious and cultural festivals within the Indonesian project areas.
- Completed a Cultural Heritage Survey at the Hill 212 Project with the Jangga People prior to commencing the Phase1 RC drill program.
- Indonesian Government's Director General – Mineral and Coal invited the Company to participate as a delegate on 30 November 2022 in the Indonesian National Seminar "*The 1st Indonesia Minerals Mining Industry Conference-Expo 2022*".

Governance

- To the extent applicable, the Corporate Governance Principles and Recommendations (4th Edition) as published by the ASX Corporate Governance Council were adopted and relevant policies published on the Company's website.
- Audit and Risk Committee established by the Board carried out necessary activities.
- Appointed highly experienced, Handi Andrian as the Company's Head of Sustainability.

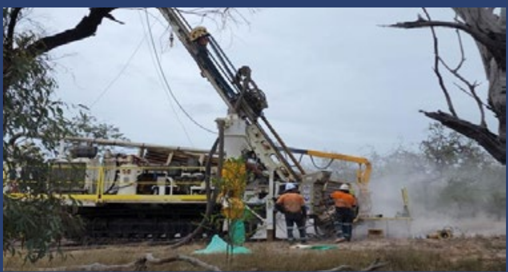
OPERATING REVIEW

PROJECT	LOCATION	MINING LICENCE TYPE	TENEMENT AREA	MINEROLOGY TYPE	CURRENT PROJECT STAGE
Woyla Copper Gold Project	Aceh, Indonesia	6th Generation Contract of Work	24,260 ha	Porphyry	Early-stage exploration completed Phase 1 - 4,640m drilling completed Phase 2 – 13,000m drill program on-going
Trenggalek Copper Gold Project	East Java, Indonesia	IUP-Operation and Production	12,813 ha	Porphyry an Epithermal	Advanced exploration - 17,786m drilling completed Indo Feasibility & Scoping Study completed Maiden KCMI reserve estimate
Wonogiri Copper Gold Project	Central Java, Indonesia	IUP-Exploration	3,928 ha	Porphyry and Epithermal	Advanced exploration – 21,771m drilling completed Indo Feasibility & Scoping Study completed 1.15Moz Au Eq JORC resource estimate
Mount Clark West Copper Gold Project	Connors Arc, Queensland, Australia	Exploration Permit Mineral (EPM)	1,912 ha	Epithermal	Early-stage exploration completed Advanced exploration – 1,283m drilling completed 400 to 650Mt @ 0.4-0.6% CuEq Exploration Target
Hill 212 Gold Project	Drummond Basin, Queensland, Australia	Exploration Permit Mineral (EPM)	1,920 ha	Epithermal	Early-stage exploration completed Advanced exploration - 2,805m drilling completed
Blue Grass Creek Gold Project	Drummond Basin, Queensland, Australia	Exploration Permit Mineral (EPM)	2,240 ha	Porphyry	Early-stage exploration completed

Woyla Copper Gold Project

Trenggalek Copper Gold Project

Wonogiri Copper Gold Project



Hill 212 Gold Project

Blue Grass Creek Gold Project

Mount Clark West Copper Gold Project

OPERATING REVIEW

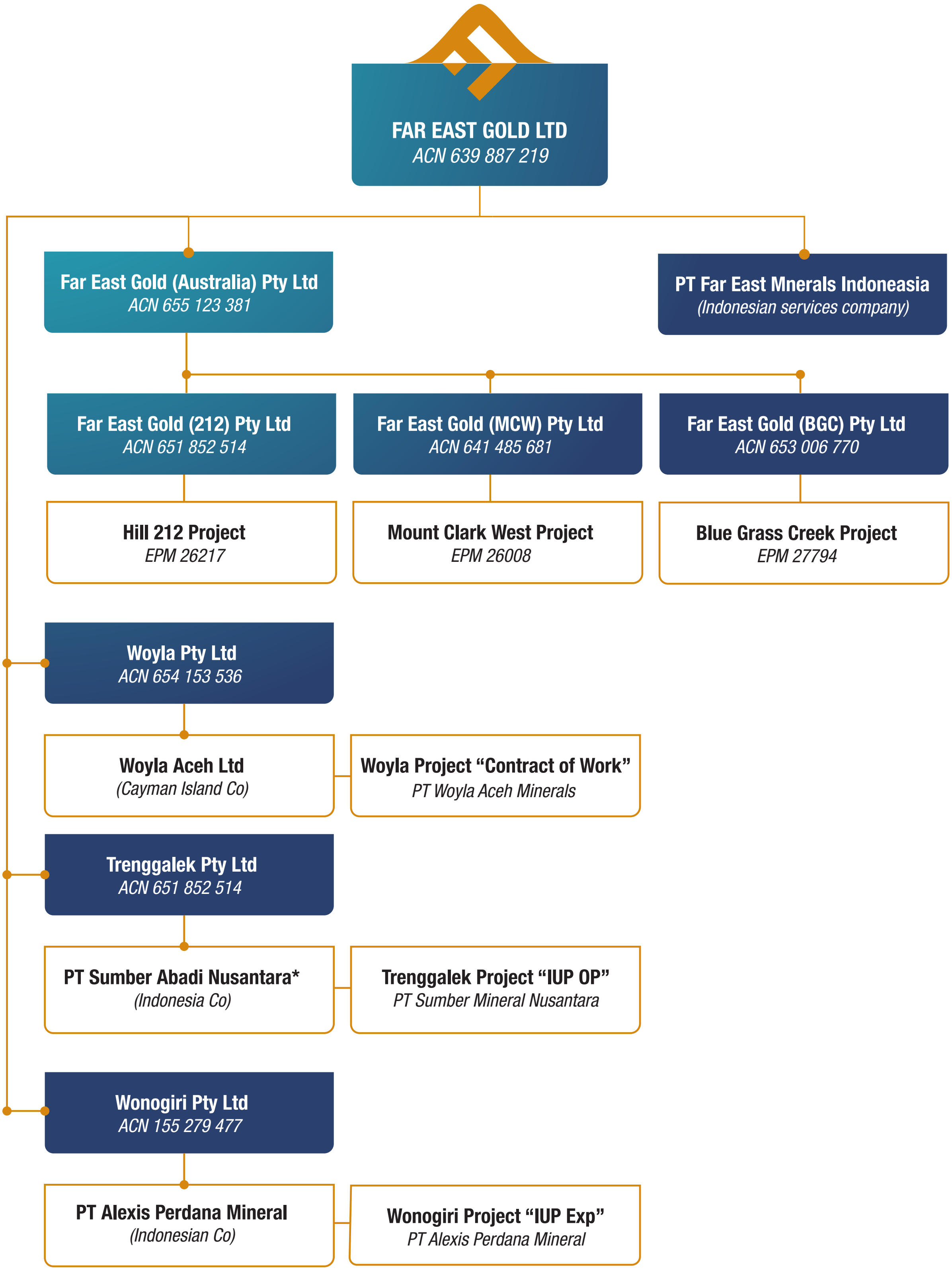
FAR EAST GOLD PROJECT SUMMARY

Far East Gold is an Australian public Company listed on the ASX with six copper and gold projects, three located in Indonesia and three in Australia. These projects comprise:

- **Woyla Copper Gold Project** a highly prospective 6th generation Contract of Work in the Aceh region of North Sumatra, Indonesia. This was previously explored by Barrick Gold (1996-1998) and then by Newcrest (1999-2002).
- **Trenggalek Copper Gold Project** is an advanced 12,813 ha IUP OP located in East Java, Indonesia that is highly prospective for island arc-type epithermal and porphyry-related gold and base metal deposits with 17,786m of drilling completed.
- **Wonogiri Copper Gold Project** is located in Central Java, Indonesia and has 21,771m of drilling completed and a JORC 2012 resource estimate of 533Koz of gold, with a cut off 0.5g/t at the Randu Kuning deposit. This also equates to 996,500 ounces of gold and 190 million pounds of copper, or 1.15 million ounces AuEq with a cut off 0.2g/t.
- **Mount Clark West Copper Gold Project** is located in the Connors Arc, Central Queensland with data identifying a potentially large-scaled porphyry system (or systems) coincident with Cu-Au-Mo chemistry.
- **Hill 212 Gold Project** is located in the highly prospective Drummond Basin, Central Queensland a 10.0 km epithermal gold vein and breccia system has been identified.
- **Blue Grass Creek Gold Project** is an exploration tenement in Central Queensland that directly adjoins the Hill 212 tenement and early-stage exploration activities indicate an extension of the Hill 212 epithermal gold vein and breccia system into this tenement.

OPERATING REVIEW

The entities of the Company and the Projects held by each entity upon IPO and completion of the acquisitions are set out in the chart below. Far East Gold, through its subsidiaries, has full operational control of all six projects.



OPERATING REVIEW INDONESIA

INDONESIAN PROJECTS

Indonesia is a major contributor to the global mining sector and is a low production-cost jurisdiction with one of the lowest AISC (all in sustained costs) in the region. The creation of a Central Mining Authority in Indonesia and introduction in 2020 of the Omnibus Laws improved certainty in the sector and for Foreign Direct Investment into the Indonesian jurisdiction.

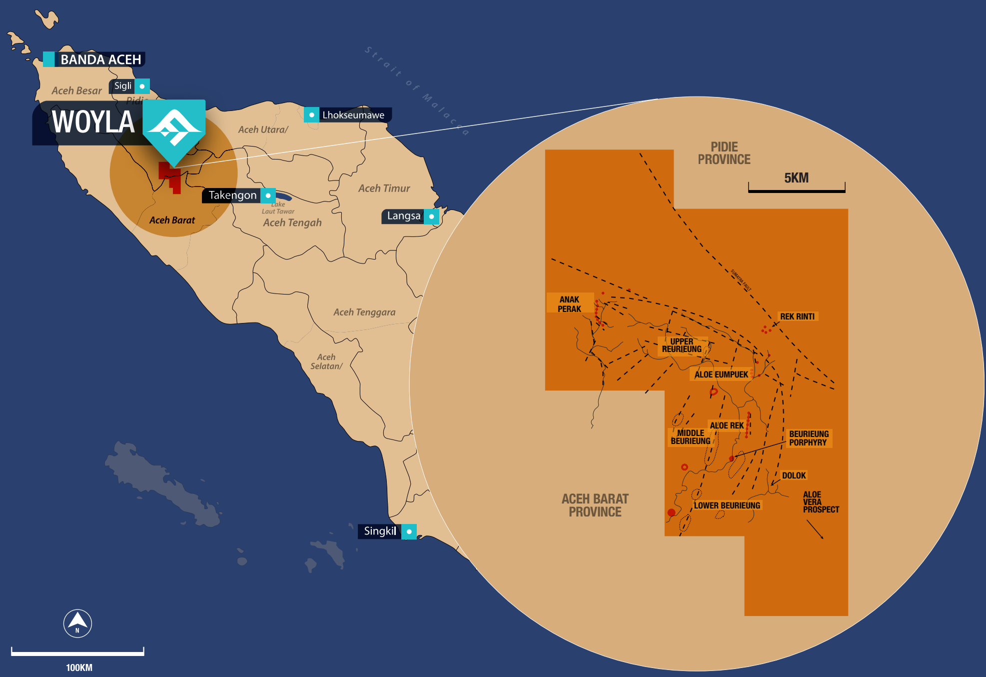
Given the extensive in-Country experience of the Far East Gold Board of Directors and key management, and their track record of accomplishment in successful mine development the Company has the right team in place to unlock the potential of the Indonesian Projects.

SUNDA MAGMATIC ARC

The Sunda Magmatic Arc hosts world class copper gold porphyries such as Batu Hijau and the Tujuh Bukit discovery. Vast portions of the area remain underexplored.

OPERATING REVIEW INDONESIA

WOYLA COPPER GOLD PROJECT



Woyla copper gold project

The Woyla Copper Gold Project is a highly prospective 24,260 ha 6th generation Contract of Work in the Aceh region of North Sumatra, previously explored by Barrick Gold (1996-1998) and then by Newcrest (1999-2002). Historic exploration included:

- Aeromagnetic and radiometric survey.
- Landsat TM based lithostructural interpretations.
- Regional stream sampling and mapping.
- Petrographic investigations.
- Anomaly follow-up prospecting and soil/trench sampling.

There is more than 13km of collective strike length of gold bearing low sulphidation epithermal type quartz vein systems. The Company has identified two additional prospect areas providing numerous drill ready vein targets at the project's six main epithermal prospect areas that are located within an approximately 8km x 6km area.

OPERATING REVIEW INDONESIA

WOYLA COPPER GOLD PROJECT

The Woyla project is also prospective for porphyry copper-gold with three distinct magnetic anomalies on the tenement.

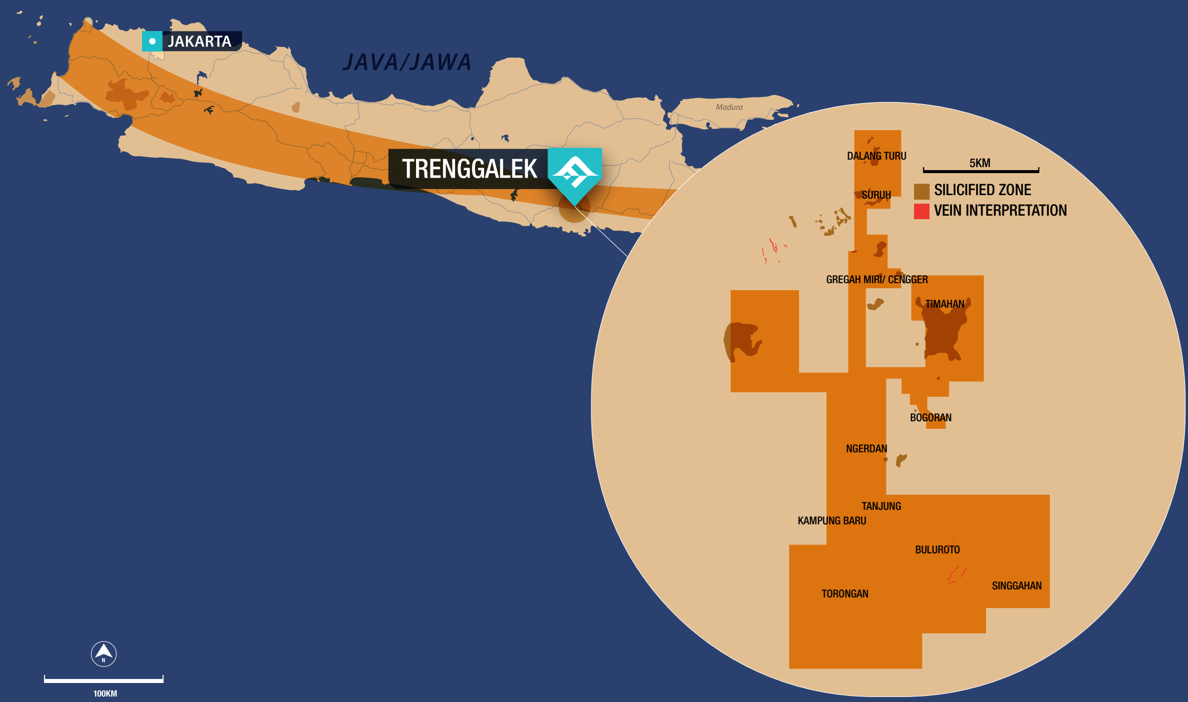
Operations by the Company on the Woyla Project in FY 2023 included:

- Upgrade of camp facilities at the Woyla project completed to provide on-site accommodation for over 70 staff at the Anak Perak base camp.
- First ever Induced Polarisation (IP) geophysics survey was completed at the Anak Perak and Rek Rinti prospect areas in the Woyla project.
- On 7 September 2022, the Company was advised that the Minister of Environment and Forestry of the Republic of Indonesia (MoEF) had signed a Decree dated 6 September 2022 which granted the IPPKH and contained the "Approval of the Borrow-Use Management Ability Statement of the Gold and its Associated Mineral Exploration Activities" in the Woyla Project's Contract of Work area.
- First ever drill program in the 25 year history of the Woyla project commenced in September 2022.
- Phase 1 4,630.9m diamond drill scout program at Anak Perak and Rek Rinti prospect areas in Woyla that comprised 33 holes was completed in December 2022.
- Phase2 10,000m diamond drill scout and resource delineation program at the Anak Perak, Rek Rinti and Aloe Eumpeuk prospect areas in the Woyla project was commenced in January 2023 with approximately 8,000m of drilling completed by 30 June 2023.
- Bonanza grade assay results returned from both the Phase 1 and Phase 2 drill program at the Woyla Project of up to 81g/t gold and 1,359g/t silver.
- Drill hole RDD004 was drilled to test a projected vein occurrence to the southeast of hole RRD001-003, in a location where no vein was exposed at surface. The hole intersected a 61m wide zone of massive quartz from 98 to 159m, representing an apparent true width of approximately 56m. The quartz vein intercepted in RRD004 is predominately massive crystalline with common multiphase quartz breccia containing prominent colloform and crustiform banded quartz with common ginguro banded zones manifest by crenulated bands of dark grey-black sulphides. A very rare occurrence of fine-grained electrum mineralization was noted at 108.8m downhole in a narrow zone of ginguro banded quartz, this was associated with an assay of 78g/t Au and 631 g/t Ag over 0.5m.
- Preliminary metallurgical characterization test work on Woyla samples and suggests that a significant part of the gold and silver is associated with coarse gravity gold. The average cyanide soluble gold recovery (gravity and free gold) was 91%, and for silver 86%. The non-cyanide leachable gold was evenly distributed amongst carbonate, arsenopyrite, other sulphides, and silicate encapsulated minerals. The diagnostic leach tests indicate that gold and silver can be recovered using conventional cyanide leaching. A significant part of the gold and silver is associated with course gravity gold.
- Two additional epithermal prospect areas were identified at the Woyla project with peak assays from exposed sulphide bearing quartz brecccia returning 98g/t gold and 77g/t silver.
- On 17 November 2022, the Company's Woyla Project was a finalist and runner-up for the 2022 Australian Mining Prospect Awards – Discovery of the Year.

Woyla copper gold project

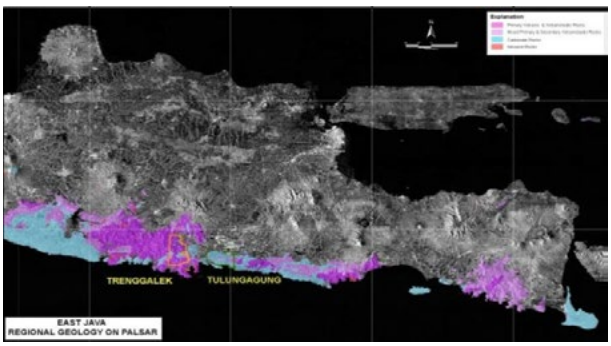
OPERATING REVIEW INDONESIA

TRENGGALEK COPPER GOLD PROJECT



The Trenggalek Copper Gold Project is an advanced 12,813 ha IUP highly prospective for island arc-type epithermal and porphyry-related gold and base metal deposits. Multiple prospects with large alteration footprints and associated gold-multielement anomalies with a range of epithermal and porphyry-related alteration/ mineralisation signatures.

Large tracts of the Trenggalek IUP have yet to be prospected, with potential to identify new prospect areas. Interpretation of airborne magnetic survey data by previous companies identified potential buried porphyry systems and reflected on surface with zones of jasperoidal alteration and hydrothermal breccia found within overlying limestone and volcanic stratigraphy in parts of the tenement.

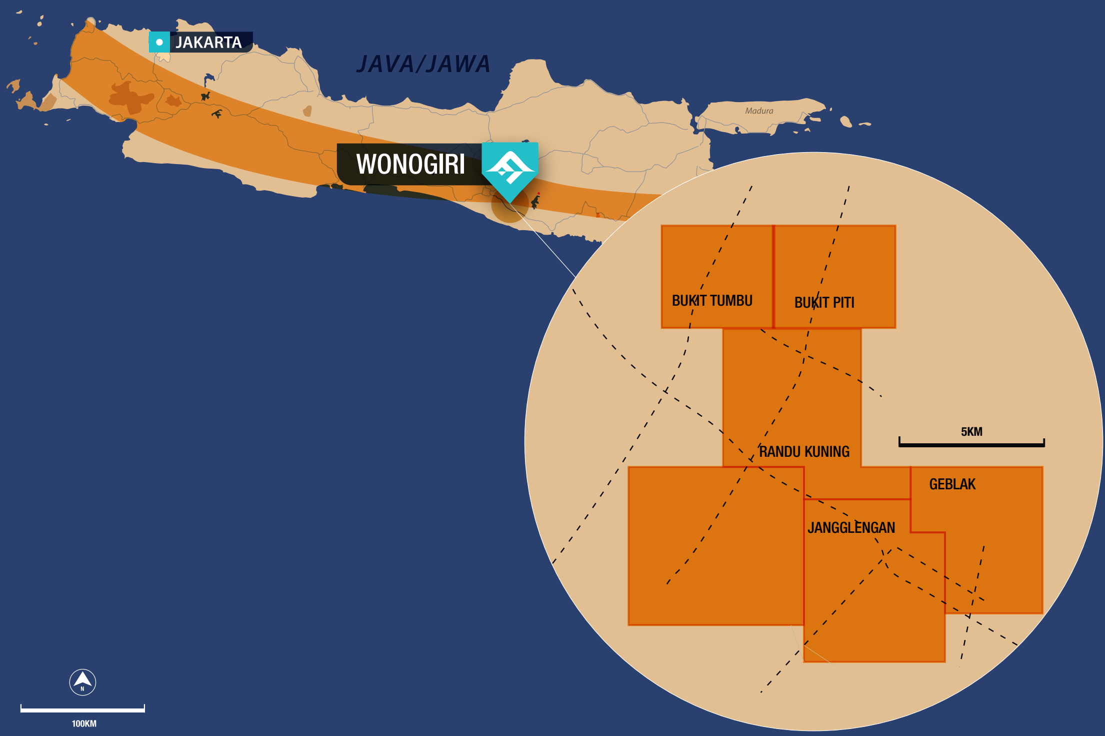


Operations by the Company on the Trenggalek Project in FY 2023 included:

- The Company maintained full control of the project, accounts and staff under the terms of the the Conditional Share Purchase Agreement (CSPA).
- On 29 March 2023 approval was received from the Indonesian Minister for Energy & Mines for the share transfers required to give effect to the CSPA for the Company to acquire 100% economic interest in the Trenggalek project.
- On 6 June 2023 Stage 2 Completion of the CSPA was achieved and transfer of all shares was concluded.
- The Company continued to progress of the application for the Izin Persetujuan Penggunaan Kawasan Hutan (IPPKH – borrow use licence) to allow the Company to carry out its drilling program on forest designated land within the tenement.

OPERATING REVIEW INDONESIA

WONOGIRI COPPER GOLD PROJECT



The Wonogiri Copper Gold Project is an advanced 3.928ha IUP (Exploration Mining Permit) for porphyry and epithermal gold and base metals. Wonogiri has a JORC Resource 1.15Moz AuEq sub outcropping porphyry prospect which remains open at depth.

1.15 million ounce gold equivalent JORC 2012 mineral resource comprising 996 thousand oz Au (48% measured, 6% indicated and 46% inferred); and 190 million lbs Cu (38% measured, 3% indicated and 59% inferred).

The Randu Kuning prospect at Wonogiri, holds a shallow gold rich porphyry deposit returning consistent wide economic grade Au and Cu mineralisation from surface, with only the top 500m drill tested to date. The deposit remains open at depth.

The deposit has provided excellent metallurgical test results, with up to 89.0% recovery of Au and 93% of Cu via flotation, with potential for 55% recovery of gold by gravity.

Operations by the Company on the Wonogiri Project in FY 2023 included:

- Technical Approval for the Compliance of Emission Quality Standards for the Wonogiri Project was formally approved by the MoEF.
- MoEF formally approved the Company's B3 Waste submission.
- Metallurgical test work of porphyry and epithermal was undertaken with samples showing high gold recoveries of 96%, most being attributable to high extraction rate gravity recoverable gold of 75%.
- Updated Indonesian Government feasibility study completed – update was requested by MoEf in order to incorporate the new proposed dry stack tailing solution.
- Updated Scoping Study commenced – draft received. Awaiting feedback on updated Indonesian Government feasibility to finalise Scoping Study.
- AMDAL environmental permit continued to be progressed for the planned Carbon-in-Leach (CIL) processing mill operating at a rate of up to 1 million tonnes per year.

OPERATING REVIEW AUSTRALIA

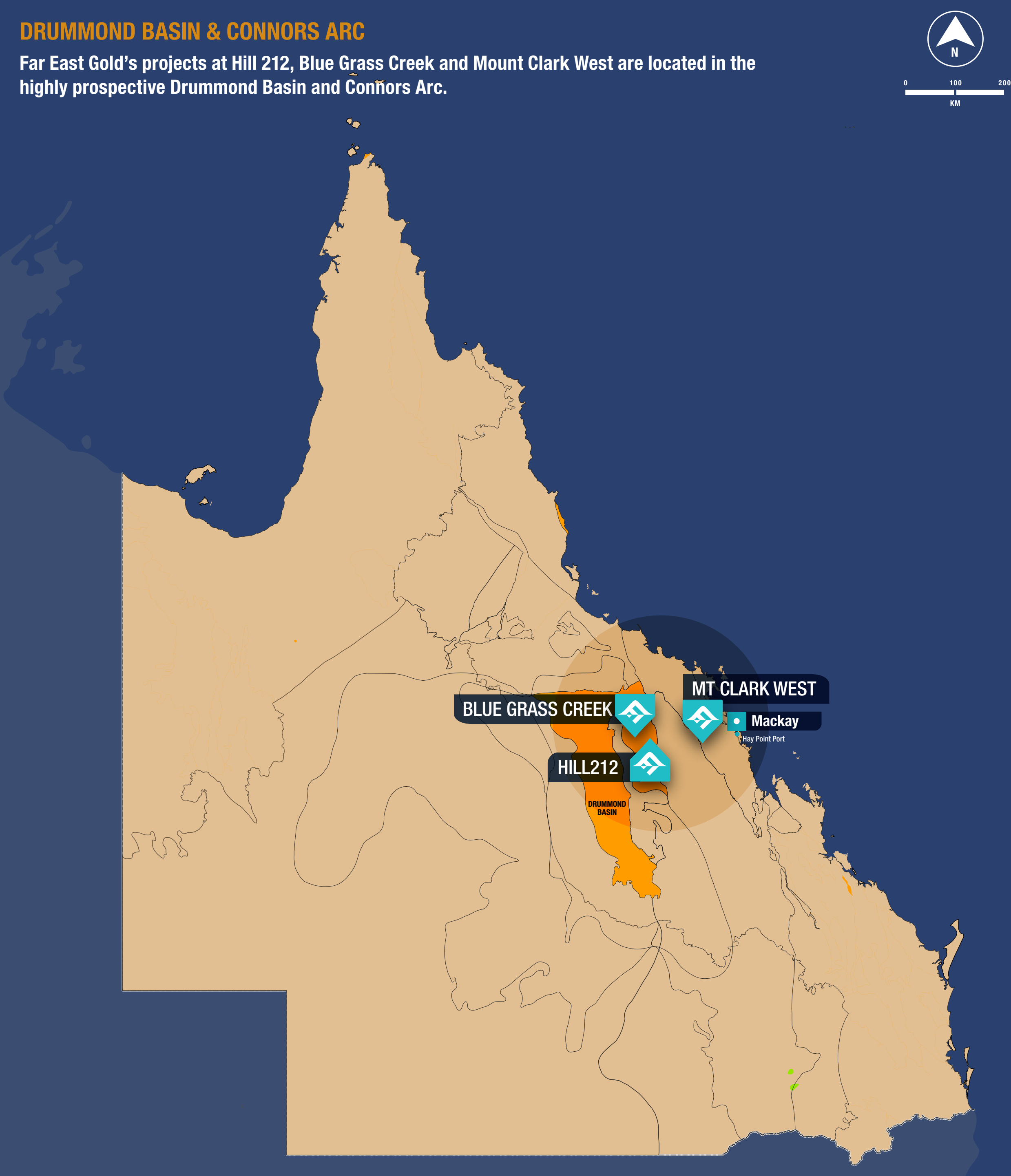
AUSTRALIAN PROJECTS

Far East Gold's three Australian Projects are highly prospective for epithermal gold and copper gold porphyry deposits. Far East Gold intends to build upon the initial scout drilling which has returned promising indications for economic mineralisation of size.

Far East Gold's three Australian projects are located in the highly prospective Drummond Basin and Connors Arc areas in Queensland and are in close proximity to other world class operational mine sites. The Queensland portfolio consists of two epithermal gold projects and one porphyry copper gold project.

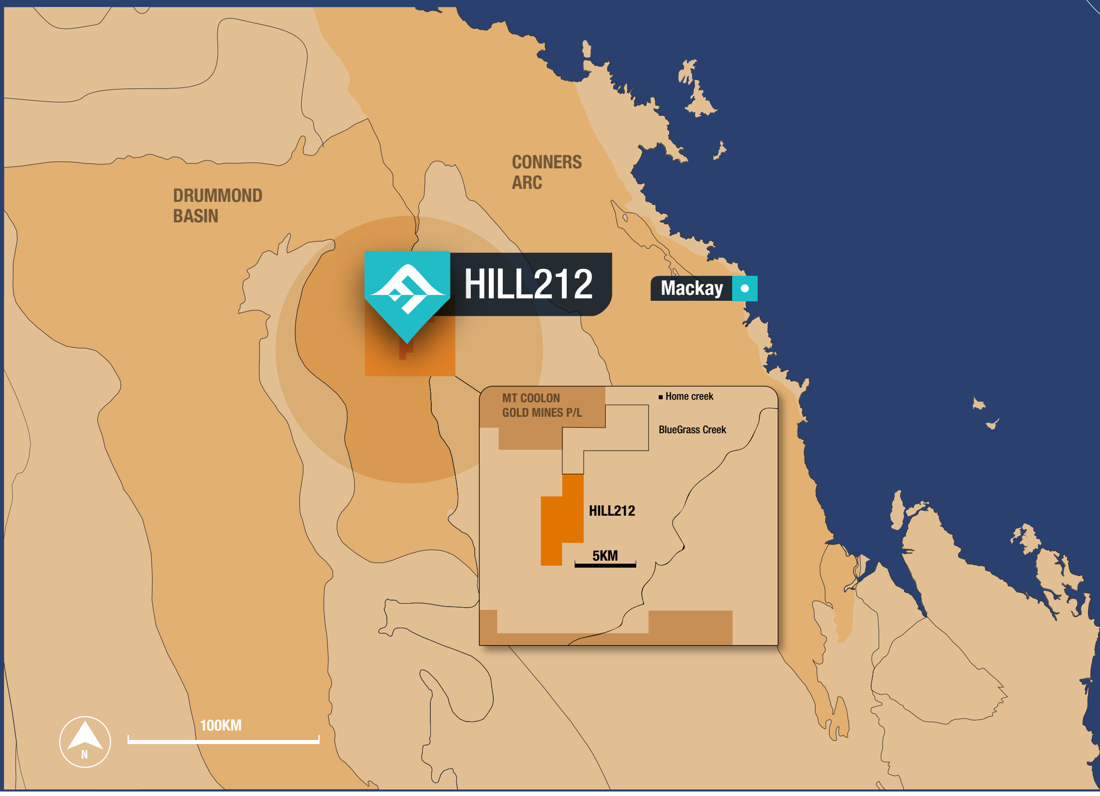
DRUMMOND BASIN & CONNORS ARC

Far East Gold's projects at Hill 212, Blue Grass Creek and Mount Clark West are located in the highly prospective Drummond Basin and Connors Arc.



OPERATING REVIEW AUSTRALIA

HILL 212 GOLD PROJECT



The Hill 212 Gold Project comprises one tenement (EPM 26217), which covers an area of 1,920 ha. The project is located 30 km east of Mt Coolon, in central Queensland, approximately 160 km west of Mackay.

Far East Gold has entered into an Earn-In Agreement with Ellenkay Gold Pty Limited (Ellenkay) for the Hill 212 Gold Project that secures Far East Gold up to 90% economic interest. The Hill 212 tenement is located in the highly prospective Drummond Basin and a 10km epithermal gold vein and breccias deposit has been identified.

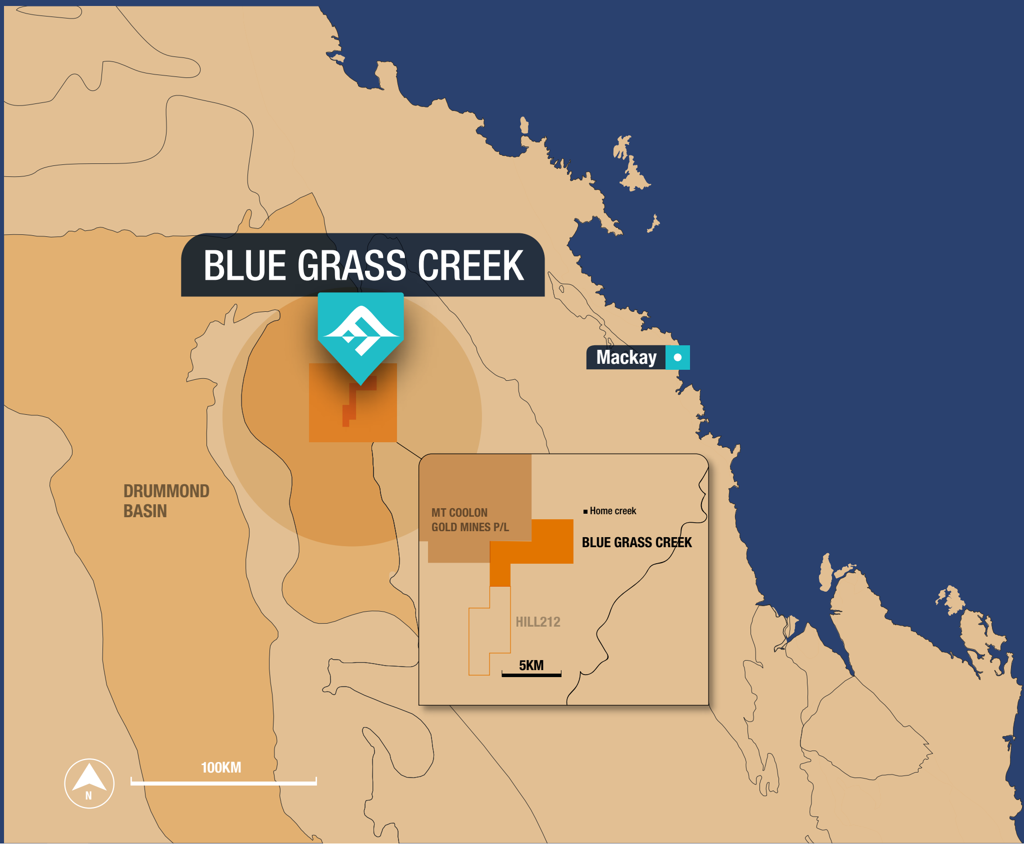
Hill 212 Phase 1 Drill program

Operations by the Company on the Hill 212 Project in FY 2023 included:

- On 30 August 2022, the Company commenced drilling at the Hill 212 Gold Project. The initial Phase 1 drilling that comprised a 2,060m reverse circulation drill program across 11 holes to target depth and lateral extensions of mineralized quartz veins intersected by previous drilling at the project and test an extensive area of exposed quartz veins in the recently discovered Bobcat zone.
- The Phase 1 drill program also tested two distinct geophysical spectral anomalies and interpreted linear features defined by the Company's 2021 CSAMT geophysical survey.
- The results from the Phase 1 drill program will assist in testing the project's conceptual geological model that the Hill 212 veins exposed on surface and intersected on the tenement are representative of a high-level part of the vein system with the high-grade gold-silver zone occurring deeper in the system.
- The Cultural Heritage Survey conducted by the Jangga People for the new access roads and drill pad locations was successfully completed on 16 August 2022. No Aboriginal, archeological or historical objects and no significant sites were found during the survey. Consequently, the Company has completed construction of the access roads and 40 surveyed drill pads to allow flexibility in location choices for both current and future phases of the project's drill program.
- Results from the recent 11 hole reversed circulation scout drilling program at the Hill 212 Gold Project were successful in improving the Company's understanding of the nature of the mineralisation of the project's vein system and to identify further areas for additional exploration.

OPERATING REVIEW AUSTRALIA

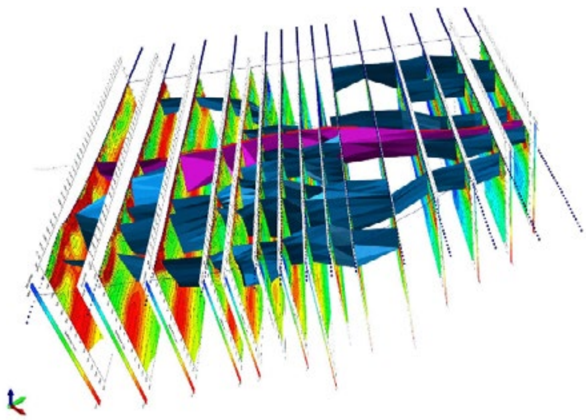
BLUE GRASS CREEK GOLD PROJECT



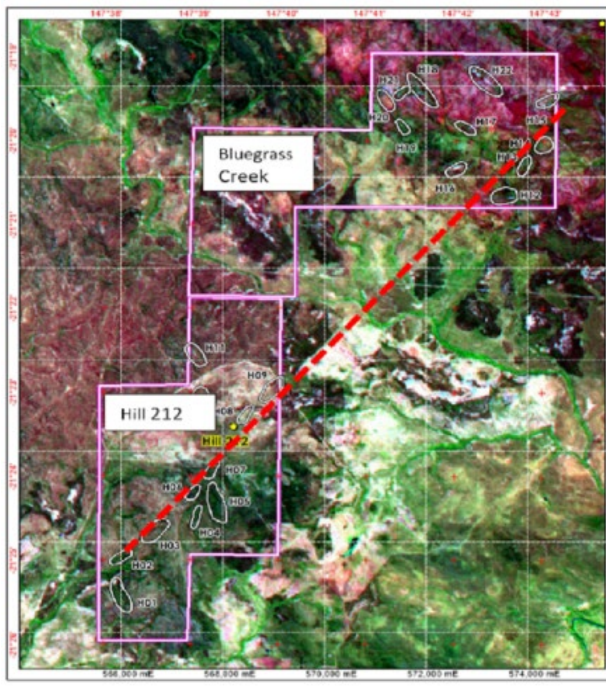
The Blue Grass Creek Gold Project comprises one tenement (EPM 27794), which covers an area of 2,240 ha and is located immediately adjoining and north of the Hill 212 Gold Project. The project is located 30 km east of Mt Coolon in Central Queensland, approximately 160 km west of Mackay.

Far East Gold has entered into an Earn-In Agreement with Ellenkay for the Blue Grass Creek Gold Project that secures Far East Gold up to 90% economic interest in the tenement.

Operations by the Company on the Blue Grass Creek Project in FY 2023 included field investigations to confirm the epithermal vein trend from Hill 212 into the Blue Grass Creek tenement.



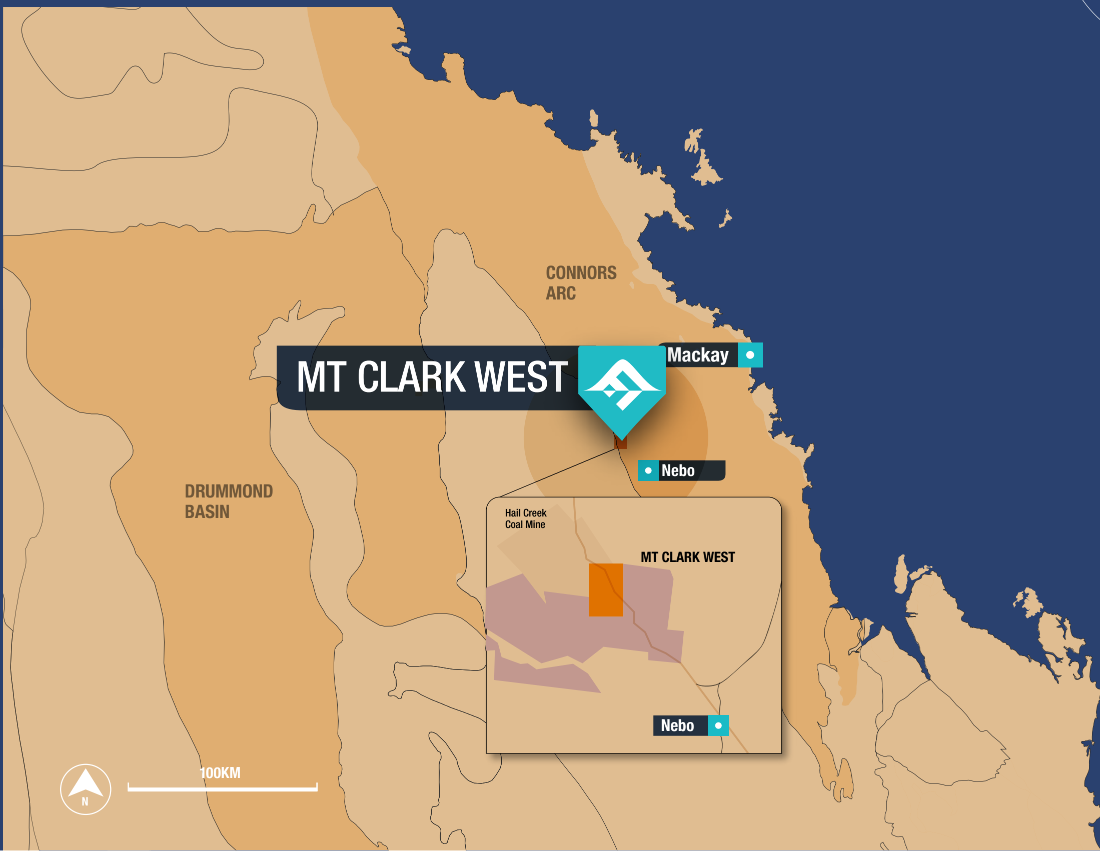
Above: Extensive Epithermal Vein System in Hill 212 expected to trend into Blue Grass Creek



Above: Altered interpretation from Aster and Landsat satellite data

OPERATING REVIEW AUSTRALIA

MOUNT CLARK WEST COPPER GOLD PROJECT



The Mount Clark West Copper Gold Project comprises one tenement (EPM 26008), which covers an area of 1,912 ha. The project is located 24 km northwest of Nebo, in central Queensland, approximately 100 km west-southwest of Mackay.

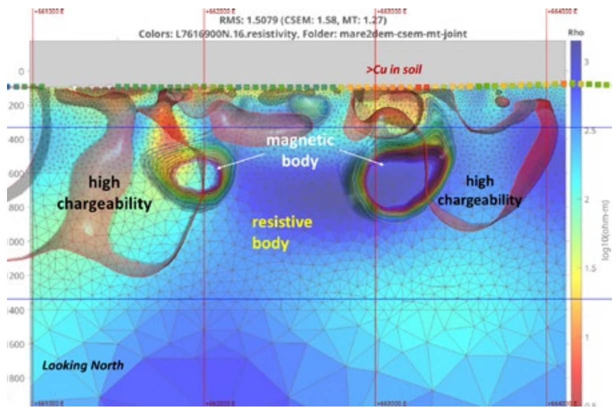
Far East Gold has entered into an Earn-In Agreement with Ellenkay for the Mount Clark West Copper Gold project that secures Far East Gold up to 90% economic interest. The Mount Clark West Copper Gold Project represents a potential large copper gold porphyry system at depth.

Exploration and previous drilling has identified stockwork veining and alteration, sugestive of being proximal to a buried mineralized porphyry deposit.

There are two very strong, discrete and remanently magnetised anomalies to the south of the tenement. These anomalies may indicate strong magnetite-biotite alteration which could be associated with gold-silver or other polymetallic mineralisation on the outer periphery of the system. A similar geophysical signature is observed at the Mt Leyshon mine in Queensland.

Operations by the Company on the Mount Clark West Copper Gold Project in FY 2023 included:

- On 22 August 2022 the Company completed a MIMDAS Induced Polarisation (IP) survey.
- The MIMDAS survey comprised a total of eight lines for a total of 21 line kilometres at 400m spacing. The MIMDAS survey provided geophysical data readings on the tenement to depths of greater than 700m.
- Assay results were received for 214 soil samples collected in the same location as the MIMDAS survey. These soil samples were taken to further define geochemical zonation within the targeted mineral system and to aid in the interpretation of the processed MIMDAS survey results when received.
- The Company has defined an Exploration Target of 400Mt – 650Mt at a grade of 0.4% - 0.6% Cu Eq for the project. *The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource for the project.*



Above: Altered interpretation from Aster and Landsat satellite data

OPERATING REVIEW

TENEMENT SCHEDULE

LOCATION	PROJECT	TENEMENT DETAILS	NATURE OF INTEREST AS AT 30 JUNE 2023
Queensland, Australia	Hill 212 Gold Project	Exploration Permit for Minerals 26217	90% interest under up-front Earn in Agreement – can be increased to 100% upon vendor election to take 2% net smelter royalty
Queensland, Australia	Mount Clark West Copper Gold Project	Exploration Permit for Minerals 26008	90% interest under up-front Earn in Agreement – can be increased to 100% upon vendor election to take 2% net smelter royalty
Queensland, Australia	Blue Grass Creek Gold Project	Exploration Permit for Minerals 27794	90% interest under up-front Earn in Agreement – can be increased to 100% upon vendor election to take 2% net smelter royalty
Aceh, Indonesia	Woyla Copper Gold Project	6th Generation Contract of Work	51% interest. Under terms of the CSPA will increase to 80% upon completion of maiden JORC resource estimate and Indonesian Government Feasibility Study - can be increased to 100% upon vendor election to take 2% net smelter royalty
East Java, Indonesia	Trenggalek Copper Gold Project	IUP – Operation and Production (Izin Usaha Pertambangan Operasi Produksi)	100% economic interest
Central Java, Indonesia	Wonogiri Copper Gold Project	IUP – Exploration (Izin Usaha Pertambangan Eksplorasi)	100% economic interest

GROUP FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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DIRECTORS' REPORT

The Directors' present their report, together with the financial statements, on the consolidated entity consisting of Far East Gold Ltd (the parent entity or Company) and the entities it controlled at the end of, or during the year ended 30 June 2023 (the Group).

Directors

The following persons were directors of Far East Gold Ltd during the whole of the year and up to the date of this report, unless otherwise stated:

Paul Walker

Shane Menere

Marc Denovan

Justin Werner

Dr Christopher Atkinson

Michael Thirnbeck

Principal activities

During the year, the principal activities of the Group consisted of concluding asset acquisition agreements, the commencement and continuation of permitting activities and mineral exploration and evaluation.

Dividends

There were no dividends paid, recommended, or declared in the current financial year (2022: Nil).

Operating and financial review

At 30 June 2023, the Group remains well funded to continue operations. The Group had net assets of $28,600,683 (2022: $25,083,659) and an excess of current assets over current liabilities of $2,302,739 (2022 $9,521,333). The Group reported a net loss after income tax of $2,772,145 (2022: $3,429,247).

Please refer to pages 6 to 20 of this Annual Report for further information on the Group with respect to a review of operations during the year ended 30 June 2023 and comments on the financial position, business strategies, likely developments, and prospects for future financial years.

Coronavirus (COVID-19) impacts

The Group continues to follow all recommendations from Queensland Health and the Australian and Indonesian Governments to provide a COVID-19 safe workplace.

Travel restrictions have impacted the Group by limiting travel to sites and this has delayed some activities, as well as travel to Indonesia to meet with officials which has delayed some permitting applications. These restrictions remain in place at reporting date.

Significant changes in the state of affairs

There were no significant changes to the state of affairs of the operation during the year.

Likely developments

The Group will continue to pursue its policy concluding asset acquisition agreements, the commencement and continuation of permitting activities and mineral exploration and evaluation during the next financial year.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Matters subsequent to the end of the financial year

The following outlines significant matters that have occurred after the end of financial year:

- Far East Gold raised an additional $6,889,500 in capital during August 2023 via a placement to professional and institutional investors of 27,558,000 fully paid ordinary shares at an issue price of $0.25.
- A total of 1,000,000 options with an exercise price of $0.40 were issued to a manager of the August 2023 placement. These carry a 3 year term.

Other than the matters noted above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Environmental regulation

The Group is subject to environmental regulations under laws of Queensland and Indonesia where it holds mineral exploitation and mining tenements. During the year, the Group's activities recorded no non-compliant issues.

DIRECTORS' REPORT

Information on directors

The Directors of the Company during or since the end of the financial year are as follows:

Paul Walker, Chairman of the Board	
Experience and expertise	Paul has over 30 years of experience in international business, capital raising and managing large-scale infrastructure and resource projects throughout the world. In 2009, Paul was the co-founder and Chairman of an Indonesian mining company that successfully acquired several exploration assets and brought into operation a coal mine in Kalimantan. Paul lectures at the University of Queensland's Business School – Strategy and Entrepreneurship Discipline, is a Member of the Australian Institute of Project Management and a Barrister-at-Law.

Shane Menere, Chief Executive Officer	
Experience and expertise	Shane is an expert in leading major projects from exploration to operation. He was the Australia Pacific region (APAC) President Director of a global mining R&D technology and equipment processing company. Shane has more than 25 years of experience in resource and infrastructure projects globally with over 15 years' experience working with some of the largest mine sites throughout Asia Pacific. He has a strong background in financial markets/investor relationships and has held board positions on several other Australian gold mining and exploration companies.

Marc Denovan, Chief Financial Officer	
Experience and expertise	Marc has a strong commercial and financial background gained in Australia and Papua New Guinea (PNG). Marc was CEO of Trukai Industries Ltd, the largest subsidiary of Ricegrowers Ltd (ASX:SGLLV). Prior to becoming CEO of Trukai Industries Ltd, Marc was their General Manager – Finance. Marc was formerly Chairman, Manufacturers Council of PNG and a Director of the Rural Industries Council (PNG). Before joining Ricegrowers Ltd, Marc was a Director at KPMG Australia where he spent 11 years specialising in Business Advisory and Taxation within the mining and property sectors.

Justin Werner, Non-Executive Director	
Experience and expertise	Justin has over 20 years' mining experience and 10 years' experience in capital markets. He has a very strong track record of mine discovery and development in Indonesia. He is currently the Managing Director of Nickel Mines Limited (ASX:NIC) which is Australia's largest pure Nickel producer (market capitalisation >AU$2Bn). He is also a non-executive director of ASX listed Alpha HPA (ASX:A4N).

Dr Christopher Atkinson, Non-Executive Director	
Experience and expertise	Chris is a geologist with over 30 years of international experience. Chris is a founding investor in several successful Exploration and Production start up ventures. Chris is a founding director of Worldwide Petroleum Services Pte Limited based in Singapore and acts as a non-executive board member for Rex International Holdings (SGX:REXI), their subsidiary companies Lime Petroleum in Norway and Masirah Oil in Oman. In 2018, Chris co-founded Helios Aragon, which is exploring for natural hydrogen and helium in onshore Spain. He is currently the Chairman and acting CEO of Sonoro Energy Limited (TSX-V:SNV).

Michael Thirnbeck Non-Executive Director	
Experience and expertise	Michael has over 30 years' of broad mining, corporate and commercial experience whilst managing numerous mineral development projects in Papua New Guinea, Indonesia and Australia. He is a successful gold explorer with direct involvement in +1 Moz gold discoveries on the Island of New Guinea. He can also bring special knowledge and experience to bear on projects or investments which span the Pacific, due to his close knowledge of several Southeast Asian jurisdictions and markets in Canada, Australia and Europe. Michael holds a Bachelor of Science (Geology and Mineralogy) with Honours from the University of Queensland, Brisbane. Michael is a past and present officer of mining corporations in Singapore, Indonesia and Australia and is a 30 year Member of the Australasian Institute of Mining and Metallurgy.

DIRECTORS' REPORT

Company Secretary

Ms Catriona Glover is a qualified lawyer with over 20 years' experience in corporate and commercial law with a focus on corporate governance and company secretarial advice for both listed and unlisted companies. Catriona has provided legal, corporate governance and company secretarial advice to a number of companies in a wide range of industries including mining, stockbroking, education, manufacturing, software as well as not-for-profit organisations.

Meetings of directors

The number of meetings of the Company's Board of Directors ("the Board") held during the year ended 30 June 2023 and the number of meetings, which the Directors were eligible to attend were:

	FULL BOARD		AUDIT AND RISK COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD
Paul Walker	7	7	-	-
Shane Menere	7	7	-	-
Marc Denovan	7	7	1	1
Justin Werner	6	7	1	1
Dr Christopher Atkinson	7	7	1	1
Michael Thirnbeck	7	7	-	-

DIRECTORS' REPORT

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional information; and
- Additional disclosures relating to key management personnel.

Principles used to determine the nature and amount of remuneration (audited)

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually.

Management may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was prior to the Group listing on the ASX, at the Annual General Meeting held on 10 December 2021, where the shareholders approved a maximum annual aggregate remuneration of $400,000.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of consulting fees, superannuation and non-monetary benefits, are reviewed annually by management based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include progress of exploration, licensing and permitting activities as well as leadership contribution. During the current year, no STI's were paid.

The long-term incentives ('LTI') include long service leave and options. Options are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Refer to the section 'Additional information' below for details of the earnings and total shareholders return in recent years.

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.51% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. The key management personnel of the Group consisted of the following directors of Far East Gold Limited:

NAME	POSITION	APPOINTMENT DATE
NON-EXECUTIVE DIRECTORS		
Justin Werner	Non-Executive Director	20 March 2020
Dr Christopher Atkinson	Non-Executive Director	1 April 2020
Michael Thirnbeck	Non-Executive Director	20 May 2022
EXECUTIVE DIRECTORS		
Paul Walker	Executive Chairman	20 March 2020
Shane Menere	Chief Executive Officer	20 March 2020
Marc Denovan	Chief Financial Officer	20 March 2020
OTHER KMP		
Jim Gultom	Country Director - Indonesia	20 March 2020

There have been no changes since the end of the year.

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		
2023	SALARY AND FEES $	NON-MONETARY $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY-SETTLED SHARES $	EQUITY-SETTLED OPTIONS $	TOTAL $
NON-EXECUTIVE DIRECTORS:							
J Werner	30,000	-	-	-	26,994	-	56,994
C Atkinson	30,000	-	-	-	-	-	30,000
M Thirnbeck	124,848	-	8,922	-	-	-	133,770
EXECUTIVE DIRECTORS:							
P Walker	125,000	-	-	-	26,994	-	151,994
S Menere	237,504	-	-	-	26,994	-	264,498
M Denovan	50,000	-	-	-	26,994	-	76,994
OTHER KEY MANAGEMENT PERSONNEL:							
J Gultom	175,008	-	-	-	-	-	175,008
	772,360	**-**	**8,922**	**-**	**107,976**	**-**	**889,258**

DIRECTORS' REPORT

Remuneration report (continued) (audited)

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS		
2022	SALARY AND FEES $	NON-MONETARY $	SHORT-TERM INCENTIVE $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY-SETTLED SHARES $	EQUITY-SETTLED OPTIONS $	TOTAL $
NON-EXECUTIVE DIRECTORS:								
J Werner	22,500	-	-	-	-	25,874	89,943	138,317
C Atkinson	15,000	-	-	-	-	-	44,971	59,971
M Thirnbeck*	12,598	-	-	679	-	-	-	13,277
EXECUTIVE DIRECTORS:								
P Walker	121,250	-	-	-	-	25,874	89,943	237,067
S Menere	171,876	-	-	-	-	25,874	89,943	287,693
M Denovan	27,121	-	-	-	-	25,874	89,943	142,938
OTHER KEY MANAGEMENT PERSONNEL:								
J Gultom	112,843	-	-	-	-	-	89,943	202,786
	483,188	**-**	**-**	**679**	**-**	**103,496**	**494,686**	**1,082,049**

* Represents remuneration from 20 May 2022 to 30 June 2022 since being appointed as a Director.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	FIXED REMUNERATION		AT RISK - STI		AT RISK - LTI	
NAME	2023	2022	2023	2022	2023	2022
NON-EXECUTIVE DIRECTORS:						
J Werner	53%	81%	-	-	47%	19%
C Atkinson	100%	100%	-	-	-	-
M Thirnbeck	100%	100%	-	-	-	-
EXECUTIVE DIRECTORS:						
P Walker	82%	89%	-	-	18%	11%
S Menere	90%	91%	-	-	10%	9%
M Denovan	65%	82%	-	-	35%	18%
OTHER KEY MANAGEMENT PERSONNEL:						
J Gultom	100%	100%	-	-	-	-

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Paul Walker

Title: Executive Chairman

Agreement commenced: 1 April 2020

Term of agreement: No fixed term

Details: Base annual fees of $125,000 as at 30 June 2023, 3 month termination notice by either party and confidentiality clauses. There are no fixed remuneration increases in the contract. Performance rights were granted for a period of six months to December 2021 in accordance with the service contract for services performed prior to IPO. Each grantee is granted performance rights to the value of the monthly service value as set out in the service contract. The performance rights vested immediately on grant as there are no other vesting conditions. The performance rights were only able to be exercised on IPO of the company and will be issued a quantity of shares equal to the value of the issued performance rights at the IPO share issue price. There were no other conditions attached to the performance rights.

Name: Shane Menere

Title: Director and Chief Executive Officer

Agreement commenced: 1 April 2020

Term of agreement: No fixed term

Details: Base annual fees of $237,500 as at 30 June 2023, 3 month termination notice by either party and confidentiality clauses. There are no fixed remuneration increases in the contract. Performance rights were granted for a period of six months to December 2021 in accordance with the service contract for services performed prior to IPO. Each grantee is granted performance rights to the value of the monthly service value as set out in the service contract. The performance rights vested immediately on grant as there are no other vesting conditions. The performance rights were only able to be exercised on IPO of the company and will be issued a quantity of shares equal to the value of the issued performance rights at the IPO share issue price. There were no other conditions attached to the performance rights.

Name: Marc Denovan

Title: Director and Chief Financial Officer

Agreement commenced: 1 April 2020

Term of agreement: No fixed term

Details: Base annual fees of $50,000 as at 30 June 2023, 3 month termination notice by either party and confidentiality clauses. There are no fixed remuneration increases in the contract. Performance rights were granted for a period of six months to December 2021 in accordance with the service contract for services performed prior to IPO. Each grantee is granted performance rights to the value of the monthly service value as set out in the service contract. The performance rights vested immediately on grant as there are no other vesting conditions. The performance rights were only able to be exercised on IPO of the company and will be issued a quantity of shares equal to the value of the issued performance rights at the IPO share issue price. There were no other conditions attached to the performance rights.

Name: Jim Gultom

Title: Country director

Agreement commenced: 1 October 2020

Term of agreement: No fixed term

Details: Base annual fees of $175,000 as at 30 June 2023, 3 month termination notice by either party and confidentiality clauses. There are no fixed remuneration increases in the contract.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Use of remuneration consultants

No remuneration consultants were engaged in the year ended 30 June 2023. During the financial year ended 30 June 2022, the consolidated entity, through the Board, engaged AltoPartners Australia, remuneration consultants, to review its existing remuneration policies and provide remuneration benchmarking services. This has resulted in alignment of key management personnel remuneration with industry peers. AltoPartners Australia was paid $16,375 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without the Boards approval, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Share-based compensation

Performance rights

No Performance Rights have been issued during the year ended 30 June 2023. Details of Performance Rights are set out below:

NAME	DATE	RIGHTS	FV AT GRANT DATE	ISSUE PRICE	$	EXPIRY DATE	NOTE
P Walker	8-Nov-21	500,000	$0.10	$0.10	50,000	31-Dec-24	(i)
	8-Nov-21	200,000	$0.10	$0.10	20,000	31-Dec-24	(ii)
	8-Nov-21	300,000	$0.058	$0.10	17,467	31-Dec-24	(iii)
J Werner	8-Nov-21	500,000	$0.10	$0.10	50,000	31-Dec-24	(i)
	8-Nov-21	200,000	$0.10	$0.10	20,000	31-Dec-24	(ii)
	8-Nov-21	300,000	$0.058	$0.10	17,467	31-Dec-24	(iii)
S Menere	8-Nov-21	500,000	$0.10	$0.10	50,000	31-Dec-24	(i)
	8-Nov-21	200,000	$0.10	$0.10	20,000	31-Dec-24	(ii)
	8-Nov-21	300,000	$0.058	$0.10	17,467	31-Dec-24	(iii)
M Denovan	8-Nov-21	500,000	$0.10	$0.10	50,000	31-Dec-24	(i)
	8-Nov-21	200,000	$0.10	$0.10	20,000	31-Dec-24	(ii)
	8-Nov-21	300,000	$0.058	$0.10	17,467	31-Dec-24	(iii)

i. There are 3 performance conditions; Define a new JORC Mineral Resource Estimate; Increase the overall JORC Mineral Resource Estimate across all projects by a minimum increase of 0.5Moz AuEq and Transition to a mining license for either the Woyla or Wonogiri projects.
If 1 of these conditions is met, 50% of these right performance rights will vest. If 2 of these conditions are met, 100% of these right performance rights will vest.

ii. The Share price increases 100% above list price based on the 20-day Volume-Weighted Average Price.

iii. Environment, social, governance, health and safety objectives are met. These are measured and vest equally over 3 years.
Each year, there is 100% allocation if no breach, 67% allocation if there is one breach, 33% allocation if there are two breaches and no allocation if there are more than two breaches.

On 16 January 2023, 800,000 performance rights from (ii) and 400,000 from (iii) were exercised.

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

NAME	NUMBER OF OPTIONS GRANTED	GRANT DATE	VESTING DATE AND EXCERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE
J Werner	2,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045
C Atkinson	1,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045
P Walker	2,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045
S Menere	2,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045
M Denovan	2,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045
J Gultom	2,000,000	8-Nov-21	8-Nov-21	31-Dec-24	$0.25	$0.045

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Additional information (audited)

In considering the consolidated entity's performance and benefits for shareholder return, the Board have regard to the following indices in respect of the current and previous year:

	2023	2022
Share price at financial year end ($)	0.290	0.285
Total dividends declared (cents per share)	-	-
Basic earnings per share (cents per share)	(0.01)	(0.03)

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Additional disclosures relating to key management personnel (audited)

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

NAME	BALANCE AT THE START OF THE YEAR	PERFORMANCE RIGHTS EXCERCISED	ADDITIONS	DISPOSALS / OTHER	BALANCE AT THE END OF THE YEAR
ORDINARY SHARES					
J Werner	14,275,000	300,000	-	-	14,575,000
C Atkinson	6,012,500	-	-	-	6,012,500
P Walker	7,575,000	300,000	15,000	-	7,890,000
S Menere	11,500,000	300,000	633,000	-	12,433,000
M Thirnbeck	65,000	-	20,000	-	85,000
M Denovan	2,725,000	300,000	60,000	-	3,085,000
J Gultom	2,110,000	-	-	-	2,110,000
	44,262,500	**1,200,000**	**728,000**	**-**	**46,190,500**

Option holding

No options were issued during the year.

NAME	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
OPTIONS OVER ORDINARY SHARES					
Justin Werner	2,000,000	-	-	-	2,000,000
Chris Atkinson	1,000,000	-	-	-	1,000,000
Paul Walker	2,000,000	-	-	-	2,000,000
Shane Menere	2,000,000	-	-	-	2,000,000
Marc Denovan	2,000,000	-	-	-	2,000,000
Jim Gultom	2,000,000	-	-	-	2,000,000
	11,000,000	-	-	-	11,000,000

DIRECTORS' REPORT

Remuneration report (continued) (audited)

Performance rights

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

NAME	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED/ FORFEITED/ OTHER	BALANCE AT THE END OF THE YEAR
PERFORMANCE RIGHTS OVER ORDINARY SHARES					
Justin Werner	1,000,000	-	(300,000)	-	700,000
Chris Atkinson	-	-	-	-	-
Paul Walker	1,000,000	-	(300,000)	-	700,000
Shane Menere	1,000,000	-	(300,000)	-	700,000
Marc Denovan	1,000,000	-	(300,000)	-	700,000
Jim Gultom	-	-	-	-	-
	4,000,000	-	(1,200,000)	-	2,800,000

Other transactions with key management personnel and their related parties

There were no other transactions with key management personnel and their related parties during the financial year.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Shares under option

Unissued ordinary shares of Far East Gold Limited under option at the date of this report are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
8 November 2021 - Options	31-Dec-2024	$0.25	12,000,000
21 August 2023 – Options	21-Aug-2026	$0.40	1,000,000

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceeds on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the company who are former Partners of KPMG

There are no officers of the Company who are former partners of KPMG.

Non-audit services

No non-audit services were performed during the year ended 30 June 2023. Refer to Note 21 for Remuneration of auditors.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

The report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

____

Paul Walker
Chairman

29 September 2023

Brisbane

AUDITORS INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Far East Gold Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Far East Gold Ltd for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

KPMG

KPMG

M J Jeffery
Partner

Brisbane
29 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	2023	2022
		$	$
Interest Income		893	114
Expenses			
Consulting costs		(622,629)	(807,093)
Geology and feasibility expense		(45,228)	(18,811)
Share based payments expense	29	(107,977)	(760,154)
Professional fees		(460,292)	(187,780)
Finance costs	5	(6,063)	(10,332)
Depreciation	5	(66,614)	(41,727)
Listing and share registry expenses		(29,106)	(430,508)
Impairment of exploration and evaluation expenses		-	(277,865)
Project acquisition costs	5	-	(841,539)
Reclamassi refund		-	375,360
Foreign exchange (losses)/gain		(80,113)	112,930
Employee benefits expense	5	(615,384)	(336,357)
Other Expenses		(739,632)	(205,485)
Total Expenses		(2,773,038)	(3,429,361)
Loss before income tax expense		**(2,772,145)**	**(3,429,247)**
Income tax expense	6	-	-
Loss after income tax expense		**(2,772,145)**	**(3,429,247)**
Other comprehensive income, net of tax			
Foreign currency translation reserve		161,500	24,665
Total comprehensive loss		**(2,610,645)**	**(3,404,582)**
Loss attributable to:			
Owners of the Company		(2,495,333)	(3,429,247)
Non-controlling interest		(276,812)	-
		(2,772,145)	**(3,429,247)**
Total comprehensive loss attributable to:			
Owners of the Company		(2,369,682)	(3,404,582)
Non-controlling interest		(240,963)	-
		(2,610,645)	**(3,404,582)**

		CENTS	CENTS
Basic loss per share	28	(0.01)	(0.03)
Diluted loss per share	28	(0.01)	(0.03)

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

	NOTES	2023	2022
		$	$
Current assets			
Cash and cash equivalents	7	3,933,048	9,098,456
Trade and other receivables	8	108,329	135,983
Other assets	9	596,971	545,698
Total current assets		**4,638,348**	**9,780,137**
Non-current assets			
Property, plant and equipment	10	133,928	30,257
Right of use asset	11	25,316	64,309
Exploration and evaluation assets	12	25,442,999	15,506,953
Other assets		730,312	7,319
Total non-current assets		**26,332,555**	**15,608,838**
Total assets		**30,970,903**	**25,388,975**
Current Liabilities			
Trade and other payables	13	2,207,244	212,061
Provisions	14	8,582	5,276
Short-term borrowings		89,940	-
Lease liability	15	29,843	41,467
Total current liabilities		**2,335,609**	**258,804**
Non-current liabilities			
Provisions	14	34,611	16,461
Lease liability	15	-	30,051
Total non-current liabilities		**34,611**	**46,512**
Total liabilities		**2,370,220**	**305,316**
Net assets		**28,600,683**	**25,083,659**
Equity			
Issued Capital	17	35,345,315	29,229,115
Reserves	16	1,109,438	972,318
Non-controlling interest	19	2,626,590	2,867,553
Accumulated losses		(10,480,660)	(7,985,327)
Total equity		**28,600,683**	**25,083,659**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED	NOTES	ISSUED CAPITAL	RESERVES	ACCUMULATED LOSSES	NON-CONTROLLING INTEREST	TOTAL EQUITY
		$	$	$	$	$
Balance as at 1 July 2021		6,880,318	187,499	(4,556,080)	-	2,511,737
Loss for the reporting period		-	-	(3,429,247)	-	(3,429,247)
Other comprehensive income (Restated*)		-	24,665	-	-	24,665
Total comprehensive income for the year		**-**	**24,665**	**(3,429,247)**	**-**	**(3,404,582)**
Transactions with owners:						
Issue of shares	17	22,348,797	-	-	2,867,553	25,216,350
Share-based payments	29	-	760,154	-	-	760,154
Balance as at 30 June 2022		**29,229,115**	**972,318**	**(7,985,327)**	**2,867,553**	**25,083,659**
Balance as at 1 July 2022		29,229,115	972,318	(7,985,327)	2,867,553	25,083,659
Loss for the reporting year		-	-	(2,495,333)	(276,812)	(2,772,145)
Other comprehensive income		-	125,651	-	35,849	161,500
Total comprehensive loss for the year		-	125,651	(2,495,333)	(240,963)	(2,610,645)
Transactions with owners:						
Contributions of equity, net of transaction costs	17	6,019,692	-	-	-	6,019,692
Exercise of performance rights		96,508	(96,508)			-
Share based payments	29	-	107,977	-	-	107,977
Balance as at 30 June 2023		**35,345,315**	**1,109,438**	**(10,480,660)**	**2,626,590**	**28,600,683**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	2023	2022
		$	$
Cash flows from operating activities			
Payments to suppliers and employees		(1,350,011)	(2,432,127)
Payments for project acquisitions		-	(841,539)
Receipts from other operating activities		27,654	256,199
Interest received		893	114
Net cash used in operating activities	27	**(1,321,464)**	**(3,017,353)**
Cash flows from investing activities			
Payment for property, plant and equipment		(131,292)	(28,440)
Exploration and evaluation expenditure		(9,777,515)	(1,706,140)
Net cash used in investing activities		**(9,908,807)**	**(1,734,580)**
Cash flows from financing activities			
Proceeds from the issue of share capital	17	6,019,692	11,137,672
Repayment of lease liabilities		(47,738)	(42,662)
Proceeds from borrowings		89,940	-
Net cash flows from financing activities		**6,061,894**	**11,095,010**
Cash and cash equivalents at the beginning of the financial year		9,098,456	2,709,933
Net (decrease)/increase in cash and cash equivalents		(5,168,377)	6,343,077
Effects of exchange rate changes on cash and cash equivalents		2,969	45,446
Cash and cash equivalents at the end of the financial year	7	**3,933,048**	**9,098,456**

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying Notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Reporting entity

The financial statements cover Far East Gold Ltd as a consolidated entity consisting of Far East Gold Ltd and the entities it controlled at the end of, or during, the reporting period. The Financial Statements represent 12 months to the year ended 30 June 2023.

The financial statements are presented in Australian dollars, which is Far East Gold Ltd's functional and presentation currency.

Far East Gold Ltd is a limited Company incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18/324 Queen Street
Brisbane QLD 4000

The principal activities of the Group consisted of concluding asset acquisition agreements, the commencement and continuation of permitting activities and mineral exploration and evaluation.

The financial statements were approved by the Directors on 29 September 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. New or amended Accounting Standards and interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. This did not have a significant impact on the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 26.

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Far East Gold Ltd ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Far East Gold Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'the Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Significant accounting policies (continued)

d. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

e. Foreign currency transactions

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the year. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

f. Revenue

The consolidated entity recognises revenue as follows:

Interest

Interest is recognised as it is earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

The Company has not generated revenue as the principal activity consisted of mineral exploration and evaluation.

g. Income tax

The income tax expense or benefit is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset. The benefit of tax losses will be realised in a future period where there is sufficient taxable income and the Company continues to comply with the relevant legislation to carry such losses forward.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

h. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or ther e is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

i. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Significant accounting policies (continued)

j. Exploration and evaluation assets

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as intangible exploration and evaluation assets on an area of interest basis, less any impairment losses. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

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

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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 to developing mine properties.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

k. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, the asset is impaired.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

l. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	15 – 40% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Significant accounting policies (continued)

m. Leases

For any new contracts entered into, the consolidated entity considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the consolidated entity assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the consolidated entity;
- the consolidated entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the consolidated entity has the right to direct the use of the identified asset throughout the period of use.

Right-of-use assets

At lease commencement date, the consolidated entity recognises a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the consolidated entity, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The consolidated entity depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

At the commencement date, the consolidated entity measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The consolidated entity has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

o. Restoration, rehabilitation and environmental expenditure

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. The provision for site restoration is determined by discounting the expected future costs. Those costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are recognised prospectively.

p. Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Significant accounting policies (continued)

q. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the period in which the changes occur.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

r. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

s. Issued capital

Ordinary shares are classified as equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 2. Significant accounting policies (continued)

t. 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 tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the consolidated 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

u. Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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

A number of new standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to AASB 137)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to AASB 16)

w. Comparative figures

The comparative period covers the 12-month period to 30 June 2022. No comparatives have been adjusted to conform to changes in presentation for the current financial year.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

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

Impairment of plant and equipment

The consolidated entity assesses impairment of plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. The consolidated entity also capitalises costs for Earn in agreements if it is probable that the earn in conditions will be met. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made (in accordance with AASB 6).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Acquisitions

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consolidated entity assessed whether transactions referred to in Note 30 that occurred during the year were business combinations per the definitions prescribed by AASB 3 Business Combinations. These were assessed to not meet the definition of a business as they did not include the required inputs, processes or outputs.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia and Indonesia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level as well as the geographic level.

The consolidated entity does not have any products/services it derives revenue from.

Management currently identifies the consolidated entity as having two operating segments, being exploration and development of mine projects in Australia and exploration and development of mine projects in Indonesia. All significant operating decisions are based upon analysis of the consolidated entity as two segments.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 4. Operating segments (continued)

Segment information provided to CODM

	REPORTABLE SEGMENT			
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
2023			$	$
Segment revenue	-	-	893	**893**
EBITDA	(506,706)	(1,614,774)	(577,988)	**(2,699,468)**
Depreciation	(966)	(65,648)	-	**(66,614)**
Impairment	-	-	-	**-**
Finance costs	(99)	(5,964)	-	**(6,063)**
Segment loss before income tax	**(507,771)**	**(1,686,386)**	**(577,988)**	**(2,772,145)**

	REPORTABLE SEGMENT			
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
2022			$	$
Segment revenue	-	-	114	**114**
EBITDA	(554,631)	(2,038,722)	(505,970)	**(3,099,323)**
Depreciation	(877)	(40,850)	-	**(41,727)**
Impairment	(277,865)	-	-	**(277,865)**
Finance costs	(1,695)	(8,637)		**(10,332)**
Segment loss before income tax	**(835,068)**	**(2,088,209)**	**(505,970)**	**(3,429,247)**

EBITDA represents the earnings of the Group before interest, tax, depreciation and amortisation and impairment.

Location of revenue, assets and liabilities

	REPORTABLE SEGMENT			
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
2023			$	$
Revenue	-	-	893	**893**
Non-current assets	1,934,910	24, 397,645	-	**26,332,555**
Segment assets	1,953,853	25,084,002	3,933,048	**30,970,903**
Segment liabilities	(147,153)	(2,223,067)	-	**(2,370,220)**

	REPORTABLE SEGMENT			
	AUSTRALIA	INDONESIA	CORPORATE	TOTAL
2022			$	$
Revenue	-	-	114	**114**
Non-current assets	713,781	14,895,057	-	**15,608,838**
Segment assets	760,449	15,530,070	9,098,456	**25,388,975**
Segment liabilities	(174,242)	(131,074)	-	**(305,316)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 5. Expenses

	2023	2022
	$	$
Loss before income tax includes the following specific expenses		
Employee benefits		
Wages and salaries	369,922	254,456
Superannuation and Indonesia Pension Plan	87,033	24,442
Other employee benefits expense	158,429	57,459
Total employee benefits expense	**615,384**	**336,357**
Project acquisition costs		
Acquisition Trenggalek	-	732,687
Acquisition Wonogiri	-	45,472
Acquisition Woyla	-	27,859
Acquisition Hill 212	-	21,638
Acquisition Bluegrass Creek	-	2,459
Acquisition Mt Clark West	-	11.424
Total project acquisition costs	**-**	**841,539**
Depreciation		
- Right-of-use assets	38,993	38,094
- Property, plant and equipment	27,621	3,633
Total depreciation	**66,614**	**41,727**
Finance costs		
Interest expense - Lease	5,964	10,332
Interest expense – Other	99	-
Total finance costs	**6,063**	**10,332**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 6. Income tax expense

	2023	2022
	$	$
Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense	**-**	**-**

Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss before tax	(2,772,145)	(3,429,247)
Prima facie income tax benefit at the Australian rate of 25%	(693,036)	(857,312)
Decrease in income tax benefit due to:		
- non-deductible expenses	40,305	414,210
- difference in tax rates	-	-
- effect of DTA for tax losses not brought to account	652,731	443,102
Income tax expense/(benefit)	-	-

Unrecognised deferred tax assets		
Tax losses	1,287,260	634,528
Change in tax rates from 26% to 25%	-	(7,363)
	1,287,260	627,165

There is no expiry date for Australian tax losses. Indonesian tax losses expire within 5 years.

Note 7. Cash and cash equivalents

	2023	2022
	$	$
Cash on hand	12,855	1,576
Cash at bank	3,920,193	9,096,880
Total	**3,933,048**	**9,098,456**

Note 8. Trade and other receivables

	2023	2022
	$	$
GST receivable	20,983	40,465
Other receivables	87,346	95,518
Total	**108,329**	**135,983**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other assets

	2023	2022
	$	$
Prepayments	596,971	545,698
Total	**596,971**	**545,698**

Note 10. Property, plant & equipment

	2023	2022
	$	$
Plant and equipment – at cost	184,696	49,518
Less: Accumulated depreciation	(50,768)	(19,261)
Total	**133,928**	**30,257**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below..

	PLANT AND EQUIPMENT	TOTAL
	$	$
Opening balance – 1 July 2021	5,450	5,450
Additions	28,440	28,440
Depreciation expense	(3,633)	(3,633)
Disposals	-	-
Closing balance – 30 June 2022	**30,257**	**30,257**
Opening balance – 1 July 2022	30,257	30,257
Additions	131,292	130,741
Depreciation expense	(27,621)	(27,070)
Disposals	-	-
Closing balance – 30 June 2023	**133,928**	**133,928**

Note 11. Right-of-use assets

	2023	2022
	$	$
Right-of-use assets – Land and buildings	114,366	114,366
Less: Accumulated depreciation	(89,050)	(50,057)
Total	**25,316**	**64,309**

There were no additions to the right-of-use assets during the year.

The consolidated entity leases land and buildings for its office with the current lease expiring in February 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 12. Exploration and evaluation assets

	2023	2022
	$	$
Exploration and evaluation – at cost	25,442,999	15,506,953
Total	**25,442,999**	**15,506,953**

The reconciliation of the written down value for the reporting period is set out below:

	2023	2022
	$	$
Opening balance	15,506,953	-
Additions	9,936,046	15,784,818
Impairment	-	(277,865)
Closing balance	**25,442,999**	**15,506,953**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent upon successful development and commercial exploitation or sale of the respective areas of interest.

The acquisition of projects for which exploration and evaluation assets were recognised during the period prior to IPO were subsequently impaired. The impairment expense recognised was in relation to the Hill 212 Gold Project, Mount Clark West Copper Gold Project and Blue Grass Creek Gold Project. This is within the Australian reporting segment (Note 4).

Note 13. Trade and other payables

	2023	2022
	$	$
UNSECURED LIABILITIES		
Trade payables	1,908,246	78,242
Accrued expenses	74,277	118,486
Other payables	224,721	15,333
Total	**2,207,244**	**212,061**

Note 14. Provisions

	2023	2022
	$	$
Employee provisions – current	8,582	5,276
Employee provisions – non-current	34,611	16,461
Total	**43,193**	**21,737**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 15. Lease liabilities

	2023	2022
	$	$
Lease liabilities – current	29,843	41,467
Lease liabilities – non-current	-	30,051
Total	**29,843**	**71,518**

Note 16. Reserves

	2023	2022
	$	$
Share based payment reserve	956,623	945,154
Foreign currency translation reserve	152,815	27,164
Total	**1,109,438**	**972,318**

	2023	2022
	$	$
SHARE BASED PAYMENT RESERVE		
Opening balance	945,154	185,000
Performance rights exercised	(96,508)	-
Share based payment expense	107,977	760,154
Total	**956,623**	**945,154**

	2023	2022
	$	$
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening balance	27,164	2,499
Foreign currency translation	125,651	24,665
Closing balance	**152,815**	**27,164**

Nature and purpose of reserves

Share Based Payments Reserve

The share-based payments reserve is used to recognise the grant date fair value of performance rights and options issued but not exercised separately within equity.

Foreign Currency Translation Reserve (FCTR)

The FCTR comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 17. Equity – Issued Capital

During the year ended 30 June 2023, the Group issued capital through a Placement and a Share Purchase Plan. The Placement was completed on 29 November 2022 and resulted in 4,211,000 share issued at a price of $0.50 per security for a total inflow of $2,105,500. The Share Purchase Plan was completed on 20 December 2022 and resulted in 8,800,000 shares issued at a price of $0.50 per security for a total inflow of $4,400,000. Transaction costs of $485,808 were incurred in respect of the capital raises during the period. 1,200,000 performance rights were exercised during the period. $96,508 had been recognised in reserves over the vesting period and has been recognised in share capital.

	2023	2022	2023	2022
	NO. OF SHARES	NO. OF SHARES	$	$
Issued Capital				
Ordinary shares – fully paid	230,028,835	215,817,835	35,345,315	29,229,115

Movements in ordinary share capital is set out as follows:

	NO. OF SHARES	VALUE
	#	$
Opening balance – 1 July 2021	98,084,710	6,880,318
Issue of shares on IPO – 28 March 2022 at $0.20	58,672,500	11,734,500
Issue of Shares on IPO for exercise of Share Based Payments	3,005,000	
Issue of shares for Wonogiri asset – 28 March 2022 at $0.20	38,055,625	7,611,125
Issue of shares for Woyla asset – 28 March 2022 at $0.20	15,000,000	3,000,000
Issue of shares Hill 212 asset – 28 March 2022 at $0.20	500,000	100,000
Issue of shares for Blue Grass Creek asset – 28 March 2022 at $0.20	500,000	100,000
Issue of shares for Mt Clark West asset – 28 March 2022 at $0.20	2,000,000	400,000
Capital raising costs	-	(596,828)
Closing balance – 30 June 2022	**215,817,835**	**29,229,115**
Opening balance – 1 July 2022	215,817,835	29,229,115
Issue of shares through Placement – 29 November 2022 at $0.50	4,211,000	2,105,500
Issue of shares through a Share Purchase plan – 20 December 2022 at $0.50	8,800,000	4,400,000
Transfer from reserves upon exercise of performance rights	1,200,000	96,508
Capital raising costs	-	(485,808)
Closing balance – 30 June 2023	**230,028,835**	**35,345,315**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 18. Dividends

There were no dividends paid, recommended, or declared during the year (2022: Nil).

Note 19. Non-controlling interest

	2023	2022
	$	$
Issued Capital	2,867,553	2,867,553
Reserves	35,849	-
Retained earnings	(276,812)	-
Total	**2,626,590**	**2,867,553**

Note 20. Financial Instruments

Financial risk management objectives

Risk management is carried out under policies set by the Board of directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

The Board monitors and manages the financial risk relating to the operations of the consolidated entity. The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

Market Risk

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

	2023	2022
	$	$
At balance date, the Group had the following exposures to Indonesian Rupiah (IDR).		
Cash at bank	44,740	393,436
Current assets	86,924	95,096
Current liabilities	(1,434,558)	(22,407)

The Group minimises its exposure to foreign currency gains/losses on working capital balances by minimising the net balance held in foreign currency. The exposure to foreign currency movement arising from foreign current working capital balances held within the consolidated entity is summarised below:

	2023	2022
	$	$
Impact on profit or loss before tax from 1% increase in foreign currency rate		
Indonesian Rupiah	(19,738)	(6,699)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20. Financial Instruments (continued)

The Group incurs operating costs in IDR and AUD. To mitigate the exchange rate risk of short-term volatility of the AUD and IDR exchange rate, the Group holds cash balances in both currencies.

Price risk

The consolidated entity does not currently have any significant exposure to price risk.

Interest rate risk

The Group's main interest rate risk arises from cash. Cash at variable rates expose the Group to cash flow interest rate risk. No hedging instruments are used. As at the reporting date, the Group had cash and cash equivalents of $3,933,045 (2022: $9,098,456) subject to variable interest rates of 0% (2022: 0%). At 30 June 2023, if interest rates had changed by +/- 1% from the year-end rates with all other variables held constant the impact would be immaterial.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group held cash and cash equivalents of AUD$3,933,048 at 30 June 2023 (2022: $9,098,456). The cash and cash equivalents are held with banks and financial institutions with credit risk ratings of BBB-/STABLE to A-1+ based on Standard & Poor's ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Generally, trade receivables are impaired when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cas h equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The carrying value of financial assets and liabilities approximate fair value due to their nature.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

FY 2023

	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	REMAINING CONTRACTUAL MATURITIES
	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	1,908,246	-	-	-	1,908,246
Other payables	-	224,721	-	-	-	224,721
Short term borrowings	-	89,949	-	-	-	89,940
Interest bearing						
Lease liabilities	12%	31,600	-	-	-	31,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 20. Financial Instruments (continued)

FY 2022

	WEIGHTED AVERAGE INTEREST RATE	1 YEAR OR LESS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	REMAINING CONTRACTUAL MATURITIES
	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	78,242	-	-	-	78,242
Other payables	-	15,333	-	-	-	15,333
Short term borrowings	-	-	-	-	-	-
Interest bearing						
Lease liabilities	12%	47,401	-	-	-	47,401

Note 21. Remuneration of auditors

During the reporting period, the following fees were paid or payable for services provided by KPMG, the auditor of the Company.

	2023	2022
	$	$
Audit services – KPMG		
Audit or review of the financial statements	95,000	94,191
Other services – Related practices of KPMG		
Investigative accountancy services in relation to IPO	-	98,702

Note 22. Contingencies

Native title claims

The consolidated entity does not believe it has any contingent liability arising from any possible Native title claims.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 23. Commitments

- Trenggalek Copper Gold Project acquisition - make a further vendor payment of $575,000.
- Hill 212 earn-in agreement – the Group acquired a 90% interest in the project up front and to maintain this interest has an expenditure commitment of $2,700,000 by 1 November 2024. If not met, the interest retained in the project will be based on expenditures to commitment date.
- Blue Grass Creek earn-in agreement – the Group acquired a 90% interest in the project up front and to maintain this interest has an expenditure commitment of $900,000 by 1 November 2024. If not met, the interest retained in the project will be based on expenditures to commitment date.
- Mount Clark West earn-in agreement – the Group acquired a 90% interest in the project up front and to maintain this interest has an expenditure commitment of $1,000,000 by 1 November 2024. If not met, the interest retained in the project will be based on expenditures to commitment date.
- Woyla Copper Gold Project – In accordance with the terms of the acquisition agreements for the Woyla project, the Group agreed to settle existing shareholder loans of USD$7,177,245 after the point in time which a decision to mine is made. These will be repaid out of net income from the project so long as there is sufficient net income from the project and may be redeemed in either cash, capitalized contribution by the vendors to future costs or as consideration shares in FEG at a 30-day value weighted average price.

Note 24. Related party transactions

Key Management Personnel

Compensation of the consolidated entity's key management personnel include consulting fees, non-cash benefits (share-based payments) and bonuses.

	2023	2022
	$	$
Short-term employee benefits	772,360	483,188
Post-employment benefits	8,922	679
Long-term benefits	-	-
Share-based payments	107,976	598,182
Total	**889,258**	**1,082,049**

As at 30 June 2023, $5,000 (2022: $2,500) inclusive of GST was payable to key management personnel.

There were no loans owing by key management personnel of the consolidated entity, including their close family members and entities related to them, during the reporting period ended 30 June 2023 (2022: Nil). There were no other transactions with key management personnel, including their close family members and entities related to them, during the reporting period ended 30 June 2023 (2022: Nil).

Detailed remuneration disclosures are included in the remuneration report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 25. Group entities

The consolidated financial statements for the consolidated entity incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 2.

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2023	2022
		%	%
Far East Gold (212) Pty Ltd	Australia	100%	100%
Far East Gold (MCW) Pty Ltd	Australia	100%	100%
Far East Gold (BGC) Pty Ltd	Australia	100%	100%
Far East Gold (Australia) Pty Ltd	Australia	100%	100%
Wonogiri Pty Ltd	Australia	100%	100%
Trenggalek Pty Ltd	Australia	100%	100%
Woyla Pty Ltd	Australia	100%	100%
PT Far East Minerals Indonesia	Indonesia	100%	100%
PT Sumber Mineral Nusantara	Indonesia	100%	-

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 2:

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2023	2022
		%	%
PT Alexis Perdana Mineral	Indonesia	45% (i)	45% (i)
Woyla Aceh Ltd	Cayman Islands	64%	64%
PT Woyla Aceh Minerals	Indonesia	51.2%	51.2%

i. The Group holds 100% of voting rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 26. Parent entity

Set out below is the supplementary information with respect to the parent entity (Far East Gold Ltd).

Statement of profit or loss and other comprehensive income

	2023	2022
	$	$
Loss after income tax	(1,948,745)	(3,273,298)
Total comprehensive income	**(1,948,745)**	**(3,273,298)**

Statement of financial position

	2023	2022
	$	$
Total current assets	3,928,924	8,751,266
Total non-current assets	22,631,851	13,617,209
Total Assets	**26,560,775**	**22,368,475**
Total current liabilities	147,153	133,777
Total non-current liabilities	-	-
Total Liabilities	**147,153**	**133,777**
Net Assets	**26,413,622**	**22,234,698**
Issued Capital	35,345,315	29,229,115
Reserves	956,623	945,154
Accumulated losses	(9,888,316)	(7,939,571)
Total equity	**26,413,622**	**22,234,698**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries;

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments

The parent entity had no capital commitments as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 27. Cashflow information

Reconciliation of loss after income tax to net cash used in operating activities

	2023	2022
Loss after income tax expense for the year	(2,772,145)	(3,429,247)
Adjustments for:		
Depreciation	66,614	41,727
Share-based payments	107,977	760,154
Net finance costs	6,063	(10,449)
Impairment expense	-	277,865
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	27,654	(119,161)
Decrease in other assets	(774,266)	(523,334)
Increase/(decrease) in trade and other payables and short term loans	1,995,183	(36,645)
Increase in provisions	21,456	21,737
Net cash from operating activities	(1,321,464)	(3,017,353)

Note 28. Earnings per share

	2023	2022
Loss after income tax attributable to the owners of Far East Gold Limited ($)	(2,495,333)	(3,429,247)
Weighted average number of ordinary shares used in calculating basic earnings per share (#)	223,480,367	128,727,578
Weighted average number of ordinary shares and dilutive potential ordinary shares used in calculating diluted earnings per share (#)	223,480,367	128,727,578

	CENTS	CENTS
Basic earnings per share	(0.01)	(0.03)
Diluted earnings per share	(0.01)	(0.03)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 29. Share-based payments

Set out below is the number of performance rights and options granted, fair value of the securities granted and the share-based payments expense recognised for the year.

FY 2023

OPTIONS AND PERFORMANCE RIGHTS ISSUED		NUMBER OF SECURITIES GRANTED	FAIR VALUE OF SECURITIES GRANTED	FAIR VALUE OF SHARE BASED EXPENSES FOR THE YEAR
			$	$
Share based payments	(i)	-	-	-
Options	(ii)	-	-	-
Performance rights Tranche 1	(iii)	2,000,000	0.100	44,337
Performance rights Tranche 2	(iv)	800,000	0.058	38,160
Performance rights Tranche 3	(v)	1,200,000	0.100	25,480
				107,977

FY 2022

OPTIONS AND PERFORMANCE RIGHTS ISSUED		NUMBER OF SECURITIES GRANTED	FAIR VALUE OF SECURITIES GRANTED	FAIR VALUE OF SHARE BASED EXPENSES FOR THE YEAR
			$	$
Share based payments	(i)	585,000	0,200	117,000
Options	(ii)	12,000,000	0.045	539,657
Performance rights Tranche 1	(iii)	2,000,000	0.100	55,662
Performance rights Tranche 2	(iv)	800,000	0.058	31,708
Performance rights Tranche 3	(v)	1,200,000	0.100	16,127
				760,154

i. The consolidated entity has not granted further performance rights to Board members and the Indonesian Country manager in the current period. Performance rights are granted in lieu of cash payments for services performed prior to IPO.

Performance rights were granted prior to June 2023 in accordance with the service contracts with each Board member and the Indonesian Country manager. Each grantee is granted performance rights to the value of the monthly service value as set out in the service contract. The performance rights vest immediately on grant as there are no other vesting conditions. The performance rights may only be exercised on IPO of the company and will be issued a quantity of shares equal to the value of the issued performance rights at the IPO share issue price. There are no other conditions attached to the performance rights.

The fair value of the performance rights granted is measured at the grant date and recognised immediately as the performance rights vest immediately. The fair value of the performance rights is measured at each grant date taking into account the terms and conditions upon which the performance rights were granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 29. Share-based payments (continued)

	EXCERCISABLE VALUE OF PERFORMANCE RIGHTS ISSUED	WEIGHTED-AVERAGE FAIR VALUE OF PERFORMANCE RIGHTS ISSUED	FAIR VALUE OF PERFORMANCE RIGHTS ISSUED
	$	$	$
Year ended 30 June 2022	117,000	1.000	117,000
Year ended 30 June 2023	-	-	-

ii. The consolidated entity has not granted Options in this reporting period. Each Option may be exercised on or before 31 December 2024 into one Share at an exercise price of $0.25.

The consolidated entity has granted performance rights to certain Board members. On meeting the vesting conditions the performance rights are converted to Shares. The Board members must be serving at the time the rights vest. The rights expire on 31 December 2024. The following vesting conditions apply:

iii. There are 3 performance conditions; Define a new JORC Mineral Resource Estimate; Increase the overall JORC Mineral Resource Estimate across all projects by a minimum increase of 0.5Moz AuEq and Transition to a mining license for either the Woyla or Wonogiri projects. If 1 of these conditions is met 50% of these right performance rights will vest. If 2 of these conditions are met 100% of these right performance rights will vest.

iv. The Share prices increases of 100% above list price based on 20 day Volume-Weighted Average Price.

v. Environment, social, governance, health and safety objectives are met. These are measured and vest equally over 3 years. Each year there is 100% allocation if no breach, 67% allocation if there is one breach, 33% allocation if there are two breaches and no allocation if there are more than two breaches.

For the options granted during the previous financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

OPTIONS AND PERFORMANCE RIGHTS ISSUED	SHARE PRICE AT GRANT DATE	EXCERCISE PRICE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE RATE	FV AT GRANT DATE
	$	$	%	%	%	$
Options	0.10	0.25	100	-	0.9041	0.045
Performance rights Tranche 1	0.10	-	100	-	0.9041	0.100
Performance rights Tranche 2	0.10	-	100	-	0.9041	0.058
Performance rights Tranche 3	0.10	-	100	-	0.9041	0.100

All performance rights listed in the above table were granted 8 November 2021 and expire 31 December 2024.

External valuations were obtained to value the options and performance rights. Performance rights tranches 1 and 3 were valued using the Black Scholes option valuation methodology. Non-market vesting conditions were not considered when determining fair value at grant date. Tranche 2 was valued using Monte Carlo simulations where the average value was simulated over 100,000 iterations. The inputs into these models are disclosed in the above table.

During the year 800,000 performance rights from Tranche 2 and 400,000 performance rights from Tranche 3 were exercised in accordance with the vesting conditions. Refer to note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 30. Acquisitions

Trenggalek Copper Gold Project

On 10 May 2021 the Company entered a Conditional Share Purchase Agreement (CSPA) to acquire 100% economic interest in the Trenggalek Gold Project in Indonesia. This transaction was not accounted for as a business combination under AASB 3 as the entity being acquired was not assessed to have met the definition of a business. It has therefore been treated as an asset acquisition. Trenggalek Pty Ltd was incorporated to acquire PT Sumber Abadi Nusantara and PT Sumber Mineral Nusantara as part of this transaction.

The acquisition of the Trenggalek Copper Gold Project occurred in 2 stages:

Stage 1 completed upon making the initial CSPA payment to the vendors of $250,000 along with providing the reclamation guarantee and the post mining guarantee to the Indonesia Government.

Stage 2 100% of the economic interest in the project acquired upon completion of the stage 2 acquisition payment of $1,075,000.

Costs incurred prior to the completion of stage 2 were accounted for as project acquisition costs in the statement of profit or loss within the period which they occurred and do not form part of consideration.

Stage 2 completed on 2 June 2023. The total consideration payable was $1,075,000. At balance date, $575,000 remains outstanding with $250,000 due on 15 July 2023 and a further $325,000 being due on 15 November 2023.

Assets and liabilities acquired as part of the acquisition are as follows:

ASSETS AND LIABILITIES ACQUIRED	AMOUNT
	$
Exploration and evaluation assets	523,586
Assets (Excl E&E)	767,253
Liabilities	(215,839)
Total	1,075,000

Woyla Copper Gold Project

On 10 June 2021 the Company entered a Conditional Share Purchase Agreement (CSPA) to acquire up to an 80% interest in the Woyla Gold Project in Indonesia. This transaction was not assessed to be a business combination under AASB 3. Woyla Pty Ltd was incorporated to acquire Woyla Aceh Limited and PT Woyla Aceh Minerals as part of this transaction.

The acquisition of the Woyla Gold Project will occur in 2 stages:

Stage 1 the Group acquired 51.2% of the project by issuing $3,000,000 in shares at a price of 20c per share on 28 March 2022 upon the Company listing on the ASX. Transaction costs of $8,580 were incurred on acquisition.

Stage 2 a further 29.8% of the project will be acquired when the Group, at its cost, provides to the vendors, a Definitive Feasibility Study for the project which must include a resource estimate to a JORC Code standard.

Assets and liabilities acquired as part of the acquisition are as follows:

ASSETS AND LIABILITIES ACQUIRED	AMOUNT
	$
Exploration and evaluation assets	5,852,472
Assets (Excl E&E)	58,974
Non-controlling interest	(2,867,553)
Liabilities	(22,659)

The Group's interest in the Woyla project can increase to 100% if the vendor elects to take 2% Net Smelter Royalty.

As part of the agreement, within five years of stage one completion, the Group will issue to the vendors or their appointees 10,000,000 fully paid ordinary shares after the date of confirmation, by public announcement, that the Woyla Contract Area contains, in aggregate, at least 1,000,000 ounces of gold to a JORC Code mineral resource estimate applying a cut-off grade of 0.5 g/t gold.

Wonogiri Copper Gold Project

On 26 October 2020 the company entered into a Conditional Share Purchase Agreement (CSPA) to acquire 100% economic interest in the Wonogiri Copper Gold Project. Wonogiri Pty Ltd was created to acquire the interest in PT Alexis Perdana Minerals

The Group acquired the project upon the Company listing on the ASX. At the time of listing, the Group paid the vendors cash payments totalling $111,125 and issuing shares to the vendors of $7,611,125 at the IPO share price, with transaction costs of $7,235.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 30. Acquisitions (continued)

Assets and liabilities acquired as part of the acquisition are as follows:

ASSETS AND LIABILITIES ACQUIRED	AMOUNT
	$
Exploration and evaluation assets	7,489,980
Assets (Excl E&E)	262,164
Liabilities	(22,659)

Hill 212 Gold Project

The Group acquired 90% of the project by issuing $400,000 in shares at a price of 20c per share on 28 March 2022 upon the Company listing on the ASX through a farm-in arrangement. This was recognised on the balance sheet as $400,000 of exploration and evaluation assets

To maintain it's 90% interest, the Group is required to complete three phases of expenditure totalling $2,700,000 before 1 November 2024 and commit to fund a Pre-Feasibility Study. The phase 1 commitment is to spend $250,000 before 1 November 2022 and commit to the phase 2 commitment. Under the phase 2 commitment, the Group needs to spend a further $250,000 before 1 November 2023 and commit to phase 3. Under phase 3, the Group needs to spend a further $2,200,000 before 1 November 2024 and commit to the completion of a Pre-Feasibility Study. The Group's interest will increase to 100% if the vendors elected to convert their interest into a 2% Net Smelter Royalty. If however, the Group does not meet the phases 1 to 3 commitments, the ownership of tenement will revert to back to the Vendors. If the Group meets the phases 1 to 2 expenditure and commitments to phase 3 the group will retain 49% of the tenement.

Mount Clark West Copper Gold Project

The Group acquired 90% of the project by issuing $100,000 in shares at a price of 20c per share on 28 March 2022 upon the Company listing on the ASX through a farm-in arrangement. This was recognised on the balance sheet as $100,000 of exploration and evaluation assets

To maintain it's 90% interest, the Group is required to complete three phases of expenditure totaling $1,000,000 before 1 November 2024 and commit to fund a Pre-Feasibility Study. The phase 1 commitment is to spend $185,000 before 1 November 2022 and commit to the phase 2 commitment. Under the phase 2 commitment, the Group needs to spend a further $225,000 before 1 November 2023 and commit to phase 3. Under phase 3, the Group needs to spend a further $590,000 before 1 November 2024 and commit to the completion of a Pre-Feasibility Study. The Group's interest will increase to 100% if the vendors elected to convert their interest into a 2% Net Smelter Royalty. If however, the Group does not meet the phases 1 to 3 commitments, the ownership of tenement will revert to back to the Vendors. If the Group meets the phases 1 to 2 expenditure and commitments to phase 3 the group will retain 49% of the tenement.

Blue Grass Creek Copper Gold Project

The Group acquired 90% of the project by issuing $100,000 in shares at a price of 20c per share on 28 March 2022 upon the Company listing on the ASX through a farm-in arrangement. This was recognised on the balance sheet as $100,000 of exploration and evaluation assets

To maintain it's 90% interest, the Group is required to complete three phases of expenditure totaling $988,000 before 1 November 2024 and commit to fund a Pre-Feasibility Study. The phase 1 commitment is to spend $26,000 before 1 November 2022 and commit to the phase 2 commitment. Under the phase 2 commitment, the Group needs to spend a further $62,000 before 1 November 2023 and commit to phase 3. Under phase 3, the Group needs to spend a further $900,000 before 1 November 2024 and commit to the completion of a Pre-Feasibility Study. The Group's interest will increase to 100% if the vendors elected to convert their interest into a 2% Net Smelter Royalty. If however,

the Group does not meet the phases 1 to 3 commitments, the ownership of tenement will revert to back to the Vendors. If the Group meets the phases 1 to 2 expenditure and commitments to phase 3 the group will retain 49% of the tenement.

Note 31. Events after the reporting date

Matters subsequent to the end of the reporting period are discussed in the Directors report above.

The following outlines significant matters that have occurred after the end of financial year:

- Far East Gold raised an additional $6,889,500 in capital during August 2023 via a placement to professional and institutional investors of 27,558,000 fully paid ordinary shares at an issue price of $0.25.
- A total of 1,000,000 options with an exercise price of $0.40 were issued to a manager of the August 2023 placement. These carry a 3 year term.

Other than the matters noted above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Far East Gold Ltd ('the Company'):

   a. The consolidated financial statements and notes that are set out on pages 35 to 63 and the Remuneration Report on page 25 to 32 in the Directors' Report, are 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 performance, for the year ended on that date; and

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

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2022 from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2023.

3. The directors draw attention to Note 2(b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

Paul Walker
Chairman

Dated at Brisbane on 29th day of September 2023.

AUDITORS REPORT

Independent Auditor's Report

To the shareholders of Far East Gold Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Far East Gold Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- 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 ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

AUDITORS REPORT

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Exploration and evaluation assets ($25,442,999)

Refer to Note 12 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Exploration and evaluation assets (E&E) are a key audit matter due to: • the significance of the balance (being 82% of total assets); • the audit effort to evaluate the Group's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis of the value of E&E. In assessing the conditions allowing capitalisation of relevant expenditure, we focused on: • documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention and capacity to continue the relevant exploration and evaluation activities; • the Group's determination of whether E&E are expected to be recouped through successful development and exploitation of the areas of interest (areas), or alternatively, by its sale. In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities where significant capitalised E&E exists. In addition to the assessments above, we paid particular attention to the ability of the Group to fund the continuation of activities.	Our procedures included: • We evaluated the Group's accounting policy to recognise E&E assets using the criteria in the accounting standard. • We assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration expenditure planned for those for consistency with documentation such as acquisition agreements, and planned expenditure noted within the corporate budgets for each area of interest. • For each area of interest, we assessed the Group's current rights to tenure by checking the ownership of the relevant license to government registries and evaluating agreements in place with other parties where applicable. We also tested for compliance with conditions, such as minimum expenditure requirements. • We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard. • We evaluated Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing exploration and evaluation in certain areas. We corroborated this through interviews with key finance personnel.

AUDITORS REPORT

In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.	• We obtained corporate budgets identifying areas with existing funding. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. • We analysed the Group's determination of recoupment through successful development and exploitation of the area of interest by evaluating the Group's documentation of planned activities including corporate budgets for each area of interest.

Other Information

Other Information is financial and non-financial information in Far East Gold Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Corporate Directory, Chairman's Letter, FY2023 Highlights, Operating review, Additional Information and Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Far East Gold Ltd for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 25 to 32 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

M J Jeffery
Partner

Brisbane
29 September 2023

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 27 September 2023.

Substantial holders

Substantial holders in the company are set out below:

	NUMBER HELD	% OF TOTAL SHARES ISSUED
ERG INTERNATIONAL INVESTMENTS BV	16,000,000	8.86%
ELOQUENT ENTERPRISES LIMITED	15,000,000	8.31%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,853,793	6.01%

Issued Capital

Share capital comprises of 180,606,210 Ordinary Fully Paid Shares and 76,980,625 shares escrowed until March 2024 of the company with 1,302 share holders of ordinary fully paid shares.

Other Unlisted Securities on Issue

CLASS OF SECURITY	UNITS	HOLDERS
Unlisted Options, exercised price $0.25, expiry 31 December 2024	12,000,000	7
Performance rights, measurement date 31 December 2024	2,800,000	4

Distribution of Equity Security Shareholders

HOLDING RANGES	HOLDERS	TOTAL UNITS	% ISSUED SHARE CAPITAL
above 0 up to and including 1,000	44	27,366	0.02%
above 1,000 up to and including 5,000	271	768,857	0.42%
above 5,000 up to and including 10,000	178	1,521,955	0.85%
above 10,000 up to and including 100,000	608	24,948,245	13.81%
above 100,000	201	153,339,964	84.90%
Totals	1,302	180,606,210	100.00%

ADDITIONAL INFORMATION

Voting Rights

All fully paid ordinary shares carry one vote per share. There are no voting rights attached to options or performance rights until exercised.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

POSITION	HOLDER NAME	HOLDING	% IC
1	ERG INTERNATIONAL INVESTMENTS BV	16,000,000	8.86%
2	ELOQUENT ENTERPRISES LIMITED	15,000,000	8.31%
3	Directors Holdings	10,907,500	6.04%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,853,793	6.01%
5	PENG LIM OON	10,000,000	5,54%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,335,248	4.06%
7	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	4,056,042	2.25%
8	CITICORP NOMINEES PTY LIMITED	3,333,602	1.85%
9	BNP PARIBAS NOMINEES PTY LTD	3,125,206	1.73%
10	MICHAELANGELO FRANCISCO MORAN	3,000,000	1.66%
11	MR RUSSELL LEON LEARY & MRS BELINDA JAYNE LEARY	2,610,000	1.45%
`12	MR KENNETH JOSEPH HALL	2,482,503	1.37%
13	MR PENG LIM OON	2,000,000	1.11%
14	BNP PARIBAS NOMS PTY LTD	1,836,394	1.02%
15	MR JAMES WILLIAM ALGER	1,550,000	0.86%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,500,000	0.83%
17	FERGUSON CORPORATION PTY LTD	1,277,724	0.71%
18	MRS NOELA RUNGE	1,250,000	0.69%
19	MR ADAM PATRICK HALL	1,150,000	0.64%
20	**JOCULAR INVESTMENTS PTY LTD**	**1,125,000**	**0.62%**
	Total	**100,393,012**	**55.59%**
	Total issued capital - selected security class(es)	**180,606,210**	**100.00%**

FAR EAST
GOLD

Level 18/324 Queen
Street Brisbane QLD 4000

ph: +61 7 3067 3368
e: info@fareast.gold

WWW.FAREAST.GOLD