GOLDEN HORSE MINERALS

GOLDEN HORSE MINERALS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Expressed in Canadian Dollars)

INTRODUCTION

This management's discussion and analysis of financial condition and results of operations (this "**MD&A**") focuses upon the activities, results of operations, liquidity and capital resources of Golden Horse Minerals Limited ("**Golden Horse**" or the "**Company**") and its wholly owned subsidiaries (collectively, the "**Group**"), for the three months ended March 31, 2023. In order to better understand this MD&A, it should be read in conjunction with the Company's audited consolidated financial statements and related notes for the period ended March 31, 2024. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and filed with appropriate regulatory authorities in Canada. This MD&A is current dated May 29, 2024 and dollar amounts contained in this MD&A are expressed in Canadian dollars, except as otherwise disclosed.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume; penalties and interest due in connection with any late tax filings; and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR+ with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents of the Company that do not form part and are not incorporated by reference into this MD&A including, but not limited to, all documents filed on the Company's SEDAR+ profile at www.sedarplus.com.

Qualified Person

Mr. Jonathan Lea is a Member of the Australian Institute of Mining and Metallurgy and is a Director of Golden Horse Minerals Limited and an independent Qualified Person as defined by National Instrument 43-101, is responsible for the technical content regarding the Southern Cross North Project contained in this document. Mr. Lea has reviewed and approved the technical disclosure in this MD&A.

CORPORATE OVERVIEW

The Company is a mineral exploration and development company listed on the TSX Venture Exchange under the symbol "GHML" and is engaged in the acquisition, exploration, and development of mineral projects in Western Australia, including the Company's signature project, the Southern Cross North project (the "**SCN Project**").

The Company's registered and records office address is 1700-666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8.

Our experienced technical team is supported by: Graeme Sloan Chairman and Interim CEO, who is a qualified Mining Engineer with over 35 years experience as Managing Director/CEO, Non-Executive Director, Chairman and Member of Audit, Risk, Sustainability Committees within the resource sector; Paul Huet, Non-Executive Director, who has extensive experience of capital markets and has served in all levels of engineering and operations of mining; John Jones AM, Non-Director, who has over 30 years of experience in the international mining sector; Jonathan Lea, Non-Executive Director, with over 35 years experience in all aspects of the minerals industry; James Harris, Non-Executive Director, with over 30 years of experience in the management of construction and engineering projects in Australia and overseas and has extensive experience as a director of various business; Josh Conner as COO, highly experienced executive with organisations within the resource industry and that undergo transformational growth; and Martin Bouwmeester, CFO, a highly experienced executive within the resource industry and Fellow Certified Practicing Accountant.

SUMMARY OF KEY EVENTS

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information that should be read in conjunction with the audited Consolidated Financial Statements and notes of the Company for the applicable year:

Summary of Results	March 31, 2024 $	December 31, 2023 $	December 31, 2022 $
Total revenue	---	4,059,767	---
Net loss for the period	1,768,382	961,840	1,092,580
Basic and diluted loss per Share	(0.01)	(0.01)	(0.01)
Current assets	2,303,722	2,376,795	200,694
Total assets	9,774,027	9,624,012	4,821,844
Total liabilities	1,580,716	1,183,451	1,794,293
Shareholders' equity	8,193,311	8,440,561	3,027,551

Net cash used in operating activities for the year totaled $0.36 million (March 31, 2023: $0.14 million) and net cash used in investing activities for the year totaled $0.55 million (March 31, 2023: $0.39 million), being primarily, payments for exploration and evaluation activities and prepayments related to project acquisitions.

Net cash provided by financing activities totaled $0.69 million (March 31, 2023: $1.02 million), being proceeds from the issue of Shares (before costs) (March 31, 2023: $1.02 million).

Cash on hand as at March 31, 2024 was $1.53 million (December 31, 2023: $1.93 million).

All Company announcements are filed on SEDAR+ and may be found at www.sedarplus.com or on the Company's Website at www.goldenhorseminerals.com.

SHARE CAPITAL

Share Capital

As at March 31, 2024, the Company had 176,134,494 common shares in the capital of the Company ("**Shares**") outstanding. As of the date of this MD&A, the Company has 183,341,252 Shares outstanding.

Options

As at March 31, 2024, the Company had 14,425,000 stock options outstanding. As at the date of this MD&A, the Company has 14,425,000 stock options outstanding.

Warrants

As at March 31, 2024, the Company had 20,840,720 common share purchase warrants outstanding. As of the date of this MD&A, the Company has 20,840,720 common share purchase warrants outstanding.

Performance Rights

As at March 31, 2024, the Company had 15,916,294 performance rights outstanding. As at the date of this MD&A, the Company has 15,916,294 performance rights outstanding.

Inducement Shares

As at March 31, 2024, the Company had 3,180,000 inducement shares outstanding. As at the date of this MD&A, the Company has 3,180,000 inducement shares outstanding.

OPERATIONS

The following summary of the Company's operations is qualified by the fact that the terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

Southern Cross Project, Australia

The SCN Project, located 360 km east of Perth, Western Australia, comprises of exploration, prospecting and mining tenements covering approximately 947 km^2 (including tenements to be acquired under the terms of Hakes Find Project, Ennuin Project, Copperhead Project and the Southern Cross South Project (refer below)) which are prospective for gold. The SCN Project is located on both crown and agricultural land immediately north of the town of Southern Cross, Australia, which provides a suitable base for exploration. Electrical transmission lines, water pipeline, bitumen roads, and mine haul roads traverse the SCN Project area, and a major highway and a national railway pass through Southern Cross. The regional mining centre of Kalgoorlie lies 220 km to the east. Two gold mineral processing facilities, operated by third parties, are located within 75 km of the SCN Project, at Marvel Loch and Westonia. These mills have existing arrangements in place for the toll treatment of gold mineralisation for third-party miners.

On June 19, 2023, the Company poured 1,578 ounces from the stockpile at historical Pilot Gold Mine. Approximately 35,600 tonnes of stockpile material were processed with the ore returning a head grade of 1.63g/t Au – slightly outperforming historical operations which typically returned grades around 1.5g/t Au. Processing occurred as expected under standard operating procedures, demonstrating the quality and consistency of mineralisation within the Southern Cross Greenstone Belt. Processing of the Pilot stockpile delivered total revenues of $4.0 million.

During the period, the Company continued its strategic land acquisition program.

As announced on January 8, 2024, the Company announced that it has entered into a binding agreement to wholly acquire Enterprise Metals Limited's ("**Enterprise Metals**") Bullfinch North Tenement Option and Sale Agreement ("**Option Agreement**") for the Bullfinch North lithium and gold project, located in the northern part of the Southern Cross Greenstone Belt ("**Bullfinch North**"). A second agreement covers the direct purchase of an exploration licence wholly owned by Enterprise Metals. The material terms of the Option Agreement acquisition are as follows:

OPERATIONS (CONT'D…)

Southern Cross Project, Australia *(cont'd)*

The Option Agreement includes tenements E77/2325, E77/2568, P77/4350, P77/4566, P77/4586 and P77/4587. The Company has also acquired substantially the same terms and conditions with Nickgraph Pty Ltd ("**Nickgraph**") directly (for a nominal option fee of A$1) as outlined in the Option Agreement.

The Company assumed Enterprise's obligations relating to the Option Agreement that provide that the Company has the right to exercise the Option to purchase Bullfinch North project by May 24, 2024, with a:

- a payment to Nickgraph of A$400,000 cash;
- the issue of Shares to Nickgraph to the value of A$400,000 and;
- all production subject to a 1.5% gross royalty capped at A$1 million.

With the lapsing of the option period on May 24, 2024 the direct Option Agreement between the Company and Nickgraph is now enlivened. The Company has until June 25, 2024 to exercise the Option with Nickgraph. This period may be extended by the Company to January 10, 2025 by payment of a A$100,000 to Nickgraph.

The Company has also agreed a cash payment of A$200,000 to purchase Enterprise Metals wholly owned of E77/2652 which is not part of the Option.

The Company will also assume the 1% net smelter royalty over E77/2652 already in place with a third party.

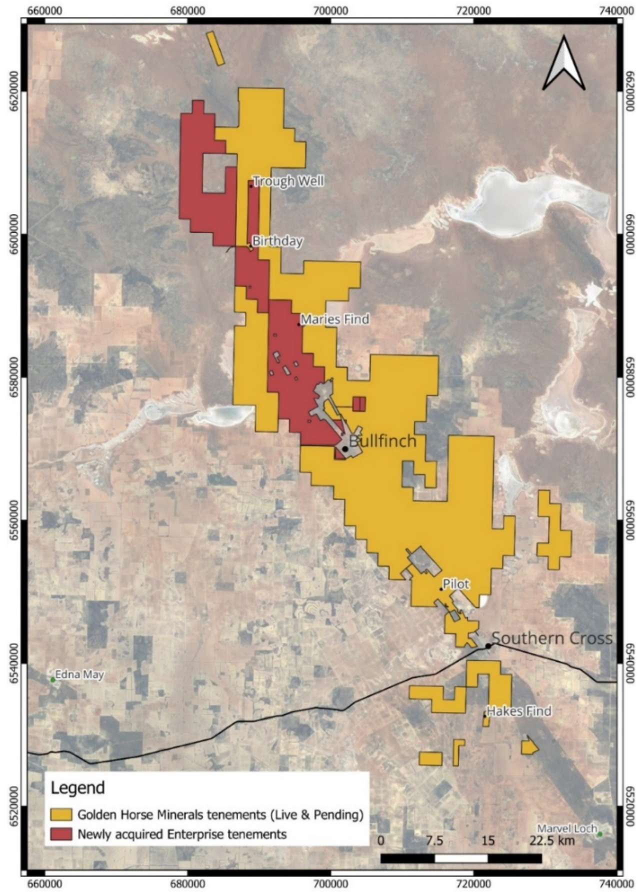

Figure 1: Location of new Bullfinch North tenements in the Southern Cross Greenstone Belt.

OPERATIONS (CONT'D…)

Southern Cross Project, Australia *(cont'd)*

Gold Prospectivity

The Company is systematically reviewing the historical data and coupled with field reconnaissance in order to assess and rank targets for further work. With over 40 years of documented exploration activity in the belt by multiple explorers and changing tenement areas the process is complex. The process is complicated by much of the pre- 2000 data is not in a digital format within the reports and defined in local grid coordinates. As a result of this work, the Company is compiling the most complete and accurate digital database of the area yet created using a single grid system.

The commencement of soil geochemistry surveys by the Company in late 2023 resulting in the confirmation of a significant soil anomaly at the Scorpio prospect (peak assay 724ppm Au) with other anomalous results requiring additional work to better define targets (refer TSX Venture Exchange April 2nd, 2024).

The combination of the data compilation and modern soil geochemistry practises continues to define numerous gold targets that will be prioritised and subsequently drill tested.

Lithium Prospectivity

As announced on March 13th 2024 and April 2nd 2024, in January 2024, soil sampling campaigns were completed at Radio North (four separate areas), Trough Well and Ennuin North (refer to Figure 2). The 846 samples from the six locations were submitted for assaying using the Ultrafine Assay Technique developed by the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") to better detect subtle anomalies under transported cover. Samples were assayed for 52 elements.

A summary of the Lithium work programs to-date include: -

- Highly encouraging soil geochemistry results and geological mapping extend potential lithium bearing pegmatite at Radio North, Trough Well and Ennuin Dome.
- Geochemistry results received to date outline a series of significant lithium anomalies (+60ppm) and have also encountered lithium pathfinder elements improving potential for significant discovery (refer to Figure 2).
- Maximum results were 84.4ppm Li at Radio North, 104ppm Li at Trough Well and 87.7ppm Li at Ennuin North.
- Geochemical sampling demonstrated to be a proven discovery tool in the Southern Cross greenstone belt with similar soil anomalies encountered during the discovery stage of the world-class Mt Holland lithium operations.
- The 40km belt from Radio North to Trough Well is considered to have excellent potential to host further pegmatites.
- Further in-fill soil sampling, mapping and data analysis planned to define drill targets, confirm existing targets and prepare the groundwork to test the entire belt for potential lithium mineralisation.

OPERATIONS (CONT'D…)

Southern Cross Project, Australia *(cont'd)*

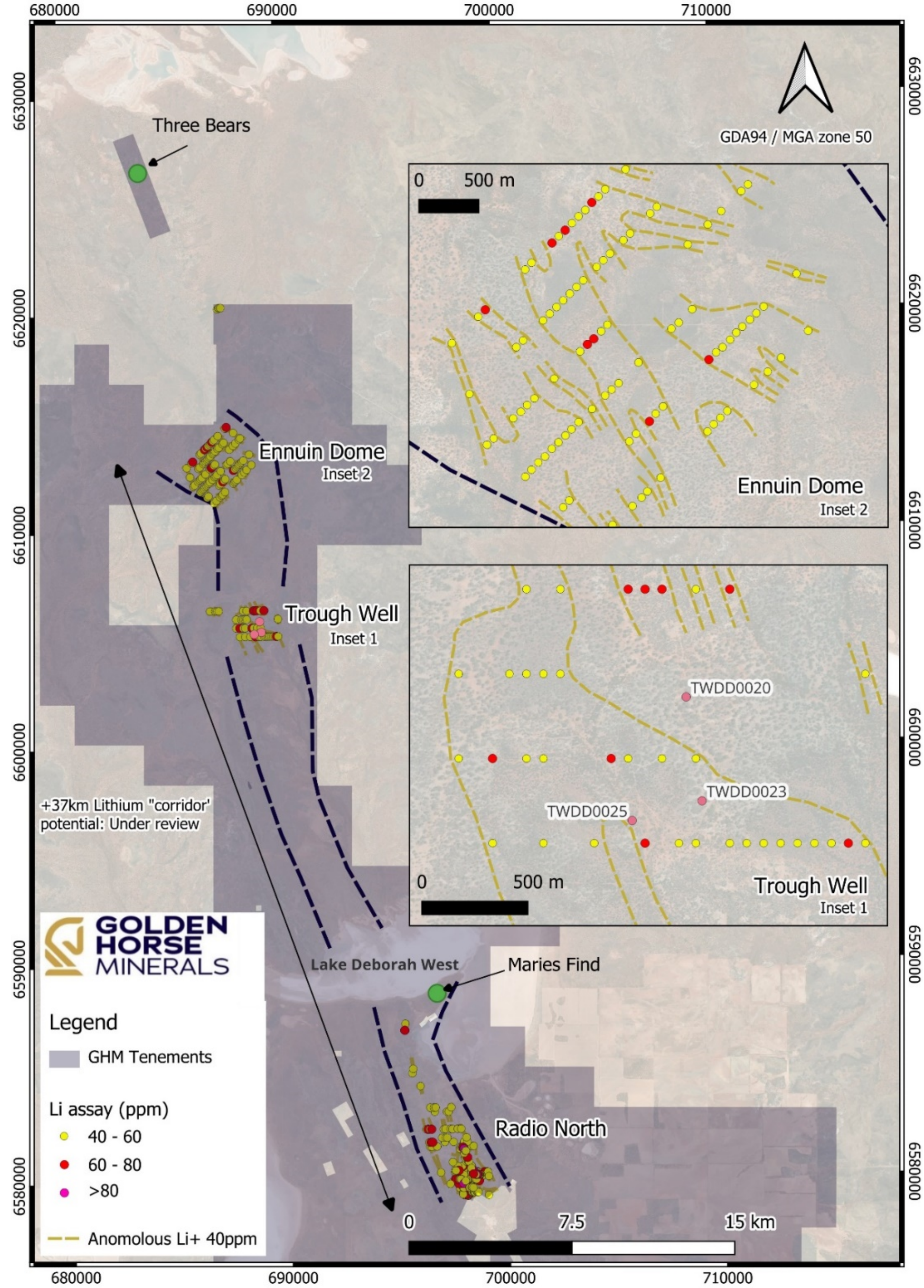

Figure 2: Lithium soil sampling results at Trough Well and Ennuin North.

OPERATIONS (CONT'D…)

Southern Cross Project, Australia *(cont'd)*

Geophysical Data Review

Geophysical Consultant Group Resource Potentials Pty Ltd ("**Respot**") was engaged in January 2024 to undertake a high-level review of the lithium potential of Golden Horse's tenure. The aim was to identify obvious lithium targets that could be identified through existing geophysical and geological data.

Respot completed a compilation and review of open-file and government geophysical survey data and undertook processing and imagery creation. Various filters were applied to generate a suite of georeferenced magnetic, radiometric, digital elevation and ground gravity images. Respot also reviewed all the available soil geochemistry and drill data to assist in prioritising targets. The output was a series of targets that require ground truthing and assessing. The main targeting tools used were distance from surrounding granites, demagnification zones (as evident at the Mt Holland lithium project to the south), anomalous potassium radiometric data (high K often associated with LCT pegmatite intrusions) and the gravity gradient (indicative of thickness of greenstone), used in conjunction with the existing geological and drilling data.

The review identified clusters of targets around Golden Horse's three initial targets (Radio North, Trough Well and Ennuin North) but also additional new areas shown in Figure 3. The new areas include one 4km west of the Radio North prospect and another immediately south of Bullfinch. These areas will be prioritised and reviewed as part of our ongoing lithium exploration plan.

Many of the pegmatites identified along the belt to date have a low relief surface expression and hence require on-ground coverage and soils programs to locate. This supports Golden Horse's belief that further pegmatite zones will be located using field mapping and a comprehensive soil geochemical coverage.

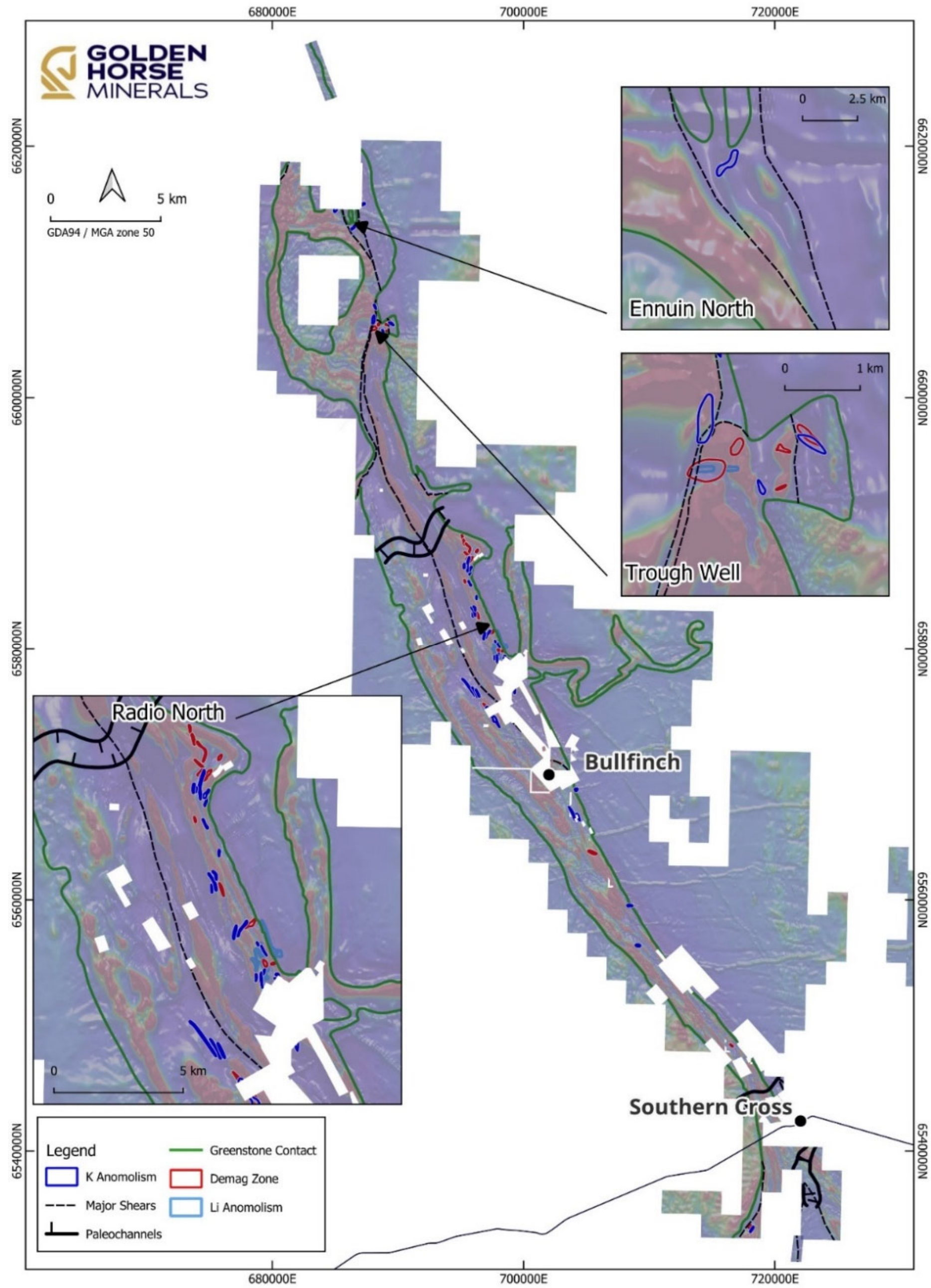

Figure 3: Targets defined by Geophysical Data Review for Field Validation.

OPERATIONS (CONT'D…)

On January 2, 2024, the Company announced that it closed its non-brokered private placement of Shares, raising aggregate gross proceeds of approximately $1.62 million through the issuance of 16.59 million Shares at an issue price of $0.0975 per Share.

MONGOLIAN OPERATIONS

No work was carried out by the Company on the Mongolian project and during the three months ended March 31, 2024 and the Company is no longer affiliated with the Mongolian project. Details are:

- Altan Rio Holdings Limited was incorporated in British Virgin Islands, was a subsidiary of Altan Rio Holdings Canada Limited and was dissolved on November 2, 2022.
- Altan Rio Limited was incorporated in British Virgin Islands, was a subsidiary of Altan Rio Holdings Limited and was dissolved following period end, on July 4, 2023.
- GS Minerals Corp. Ltd was incorporated in Bermuda and was a subsidiary of Altan Rio Limited. Following period end, on August 29, 2023, the Company was notified by The Registrar of Companies, Bermuda, that the Company has been struck off.
- BraveHeart Resources LLC was incorporated in Mongolia, was a subsidiary of GS Minerals Corp. Ltd and is no longer a subsidiary of the Company and as such, ceases to remain within the Group. Altan Rio Holdings Canada Limited ceased operations in Mongolia and given that GS Minerals Corp. Ltd has been dissolved, BraveHeart Resources LLC is no longer in the Group.
- Altan Rio Mongolia LLC was incorporated in Mongolia and was a subsidiary of Altan Rio Limited. Altan Rio Holdings Canada Limited ceased operations in Mongolia and given that Altan Rio Limited has been dissolved, Altan Rio Mongolia LLC is no longer in the Group.

It is important to note that there are possible obligations depending on future events in relation to cessation of operations at the Mongolian project and the ultimate outcome cannot be reasonably or accurately estimated at this time. The Company continues to work with its advisors to determine whether there are any material liabilities associated with ceasing operations in Mongolia. Ceasing operations in Mongolia allows Golden Horse to focus exclusively on its highly prospective multi-commodity tenement package in the of Southern Cross greenstone belt.

MANAGEMENT CHANGES

There were no management changes occurred during the three months ended March 31, 2024

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Overview

The Company continued to engage in regional consolidation, exploration activities associated with the SCN Project and strengthening the Company's balance sheet. These activities have been funded by the sale of gold and the Company's fundraising activities in the capital markets.

Exploration

The Company holds capitalized exploration and evaluation assets as follows:

Exploration and evaluation assets	March 31, 2024 $	December 31, 2023 $
Australia		
Acquisition costs	4,066,953	4,065,040
Exploration costs	3,583,784	3,218,419
Foreign exchange movements	(211,363)	(68,865)
Total	**7,439,374**	7,214,594

Expenses

The Company's net loss for the three months ended March 31, 2024, was $1,768,382 (2023 - $136,523). The loss increased primarily due to a $1,012,089 share-based payments expense related to the fair value of options, performance rights and inducement shares and an increase in professional, primarily due to costs incurred associated with the Company's ASX listing application.

During the three months ended March 31, 2024, the Company incurred $313,610 in professional fees (2023 – $35,490), $109,039 in consulting and management fees (2023 – credit $8,620), $7,842 in foreign exchange loss (2023 – $nil), $175,198 in wages (2023 – $12,199), $59,895 in office and general expenses (2023 – $18,854), $7,113 in interest (2023 – $9,927) and $1,012,089 in share-based compensation (2023 – $36,076). Wages increased primarily due to the employment of key executives, when compared to the prior period.

Office and general expenses consist of computer, telecommunications, transfer agent and filing fees, investor relations fees, motor vehicle expenses, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset. Interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Western Australia.

RISKS AND UNCERTAINTIES (CONT'D…)

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular environmental laws.

RISKS AND UNCERTAINTIES (cont'd…)

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Tax Penalties

The Company may be subject to potential penalties and interest for non-compliance with tax filing obligations related to its failure and the failure of its wholly owned subsidiary from making their respective income tax filings in Canada for several years. The imposition of potential penalties beyond what the Company has provided for in its annual financial statements could have a material adverse effect on the Company and the prospects.

The Company continues to work with its advisors to determine whether there are any material liabilities associated with ceasing operations in Mongolia.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand, and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

LIQUIDITY AND CAPITAL RESOURCES

Going Concern

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

The Company relies on equity financings for its working capital requirements and to fund its planned exploration and development activities.

For the period ended March 31, 2024, the Group recorded a net loss of $1,768,382 (March 2023: Loss of $136,523). As at March 31, 2024, the Company's cash and cash equivalents was $1,530,985 compared to $1,933,580 as at December 31, 2023. Working capital surplus as at December 31, 2023 was $723,006 compared to $1,193,344 as at December 31, 2023. Current liabilities at December 31, 2023 are $1,580,716 of which include a trade and other payables of $1,316,040 and current provisions of $264,676. Current liabilities at December 31, 2023 was $1,183,451 of which included a trade and other payables of $931,705 and current provisions of $251,746.

Current forecasts indicate that cash on hand as at March 31, 2024 will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group's tenements in good standing.

Accordingly, the Group will be required to raise additional equity, consider alternate funding options or a combination of the foregoing.

These factors indicate a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has a proven history of successfully raising capital. On January 2, 2024, the Company announced that it closed its non-brokered private placement of Shares, raising aggregate gross proceeds of $1,617,253 through the issuance of 16,587,209 Shares at an issue price of $0.0975 per Share. Subscriptions totalling $918,449 were received by the Company prior to December 31, 2023 and are included in the cash on hand balance as at December 31, 2023;
- The ASX dual listing progressing with a listing date to be announced following receipt of final regulatory and ASX approvals; and
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Accordingly, the financial statements for the year ended March 31, 2024 have been prepared on a going concern basis as, in the opinion of the directors, the Group will be in a position to continue to meet its operating costs and exploration expenditure commitments and pay its debts as and when they fall due for at least twelve months from the date of this report. However, the directors recognise that if sufficient additional funding is not raised from the issue of capital or through alternative funding sources, there is a material uncertainty as to whether the going concern basis is appropriate with the result that the Group may relinquish title to certain tenements and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters:

	Currency	Foreign Exchange Gain / (Loss)	Net Profit / (Loss)	Net Loss per Share (basic & fully diluted)
2024				
First Quarter	CAD	**7,482**	**(1,768,382)**	**(0.01)**
2023				
Fourth Quarter	CAD	(745,869)	(1,855,484)	(0.01)
Third Quarter	CAD	3,416	(457,503)	(0.01)
Second Quarter	CAD	(3,684)	1,487,670	0.01
First Quarter	CAD	---	(136,523)	(0.001)
2022				
Fourth Quarter	CAD	(102)	(486,617)	(0.01)
Third Quarter	CAD	---	(124,589)	(0.006)
Second Quarter	CAD	(4,901)	(228,014)	(0.005)

CONTRACTUAL AND OTHER OBLIGATIONS

Refer to Commitments and Contingencies (Acquisition commitments – Western Australia) for details of the proposed acquisitions by the Company.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

RELATED PARTY DISCLOSURE

As at March 31, 2024 and December 31, 2023, there were no amounts owing by the Company to related parties.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's board of directors and corporate officers. The remuneration of directors and other members of key management personnel during the period ended March 31, 2024 are as follows:

RELATED PARTY DISCLOSURE (CONT'D…)

	3 Months March 31, 2024 $ (Unaudited)	12 Months December 31, 2023 $ (Audited)
Management and consulting fees	183,659	318,715
Director fees	---	(21,463)
Share-based compensation	724,987	246,975
Total	**908,646**	**544,227**

CHANGES IN ACCOUNTING POLICIES AND OTHER CHANGES

Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and Altan Rio Holdings Canada Limited, for the 3 months ended March 31, 2024 and 2023 is the Canadian Dollar, and the functional currency of the Company's wholly owned subsidiary, Altan Rio Minerals (Aust) Pty Ltd is the Australian Dollar.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 3 to the condensed interim consolidated financial statements for the 3 months ended March 31, 2024. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Exploration and Evaluation Assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized based on specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

At each reporting period, capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. In addition to considerations in accordance with IFRS 6, management also considers the following factors in assessing impairment: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding, and the ability of the Company to bring its projects into production.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONT'D…)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Impairment of Long-Lived Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the carrying value and recoverability of exploration and evaluation assets, inputs used in the calculation of share-based compensation and agents' warrants and the valuation allowance applied to future income taxes. Actual results could differ from those estimates and would impact future results of operations and cash flows.

Significant estimates made by management affecting our consolidated financial statements include:

Deferred Tax Assets & Liabilities
The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONT'D…)

Estimation of fair value of share-based payments
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes model taking into account the assumptions.

Economic Recoverability and Probability of Future Economic Benefits of Exploration and Evaluation Assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Share-Based Compensation

The Company accounts for stock options, performance rights and inducement shares granted to directors, officers and employees at the fair value of the options granted. The fair value of options, performance rights and inducement shares granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value of stock options granted is recognized as an expense with a corresponding increase in equity over the relevant vesting period. The fair value is measured at grant date using the Black-Scholes option pricing model. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of stock options that are likely to vest and the expired portion of the vesting period. Upon exercise of stock options, the balance of the share-based payments reserve in relation to those options is transferred to retained earnings.

The fair value of performance rights granted to employees is recognized as an expense with a corresponding increase in equity over the relevant vesting period, being the period over which the performance condition and any service condition is achieved. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of performance rights that are likely to vest and the expired portion of the vesting period. The number of rights expected to vest is estimated based on the attaching conditions. The estimates are revised at the end of each reporting period and adjustments are recognized in profit or loss and equity.

The fair value of inducement shares granted to employees is recognized as an expense with a corresponding increase in equity over the relevant vesting period, being the period over which the performance condition and any service condition is achieved. The cumulative charge to profit or loss is calculated based on the grant date fair value, the best estimate of the number of performance rights that are likely to vest and the expired portion of the vesting period. The number of rights expected to vest is estimated based on the attaching conditions. The estimates are revised at the end of each reporting period and adjustments are recognized in profit or loss and equity.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONT'D…)

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded through profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTOCI, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Future Reclamation Costs

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of the Company's exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONT'D…)

The increase in the provision due to the passage of time is recognized as finance expense.

The Company currently does not have any significant future reclamation costs.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' deficiency which results from transactions and events from sources other than the Company's shareholders. The Company's and subsidiary's translation of its financial results to C$ is the only item currently affecting comprehensive income (loss) for the years presented.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

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

FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's cash are held at a large Australian financial institution in interest-bearing accounts. The Company has no investment in asset backed commercial paper. The Company's receivables consist mainly of sales tax receivable due from the Government of Canada and the Australian Taxation Office. The Company believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company has cash of $1,530,985 (December 31, 2023: $1,933,580) to settle current liabilities of $1,580,716 (December 31, 2023: $1,183,451). As disclosed in Note 1 in condensed interim consolidated financial statements for the 3 months ended March 31, 2024, the Company will need to raise additional funds to meet its obligations as they come due. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

a) *Interest rate risk*
The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) *Foreign currency risk*
The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, accounts payables and accrued liabilities, loans payable, and due to/from related parties that are denominated in Canadian dollars, and Australian dollars.

FINANCIAL INSTRUMENTS (CONT'D…)

c) *Price risk*
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company currently operates in Australia and has previously operated in Mongolia. The Company is exposed to risk from changes in the Australian dollar as well as Canadian dollar. There is nonmaterial expenditure in Mongolia. A simultaneous 10% fluctuation in the Australian dollar against the Canadian dollar would affect accumulated other comprehensive profit for the three months ended March 31, 2024 by approximately $69,372 (2023 $8,000).

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 183,341,252 Common Shares were issued and outstanding as of the date of this MD&A. The Company has 20,840,720 share purchase warrants outstanding as of the date of this MD&A. The Company has 14,425,000 stock options outstanding as of the date of this MD&A. The Company has 15,916,294 performance rights outstanding as of the date of this MD&A. The Company has 3,180,000 inducement shares outstanding as of the date of this MD&A.

PROVISIONS

	March 31, 2024 $	**December 31, 2023 $**
Taxation penalties and interest (a)	222,000	222,000
Employee benefits – annual leave	42,676	29,746
Total	**264,676**	**251,746**

a) As announced to the TSX Venture Exchange on April 29, 2024, the Group has identified that the Company and Altan Rio Holdings Canada Limited have not filed certain income tax and information returns with the Canada Revenue Agency ("**CRA**") for taxation years 2010 to 2022. As a result, although the Company does not believe that any income taxes are payable to the CRA, the Company may be liable for penalties and interest under the relevant income tax legislation. Following consultation with the Company's advisors, in the consolidated financial statements the Directors have provisioned $222,000 for potential penalties and interest for non-compliance with tax filing obligations. The ultimate outcome cannot be reasonably or accurately estimated at this time as there is potential for additional penalties for non-compliance with tax filing obligations and therefore the amount above is subject to change, pending CRA's assessment of the tax returns the results of any negotiations and agreement with the CRA in respect of amounts due.

Management is actively engaged in resolving this matter and working towards ensuring compliance with all applicable tax laws. The Company is working closely with its tax advisors to address the outstanding tax filings and following that, will also work closely with its tax advisors to negotiate the amount of any potential penalties and interest with the CRA. Refer to Commitments and Contingencies for further information.

COMMITMENTS AND CONTINGENCIES

Tenement commitments – Western Australia

The Group has a portfolio of tenements located in Western Australia, which all have a requirement for a certain level of expenditure each and every year in addition to annual rental payments for the tenements. Future minimum expenditure commitments as at 31 March for the tenements held, are as follows:

	March 31, 2024 $	December 31, 2023 $
Within one year	380,646	430,286
After one year but not more than five years	594,582	671,711
More than five years	379,314	388,152
Total	**1,354,543**	**1,490,149**

Acquisition commitments – Western Australia

On June 12, 2023, the Company announced that it had entered into the Hakes Find Agreement, to acquire a project 10km from Southern Cross township in the central portion of the Southern Cross Greenstone Belt. The option exercise price is A$100,000 cash and A$175,000 in Shares (based the VWAP for Company Shares in the period 30 days prior to issue and adjusted using the C$/A$ exchange rate posted by the Bank of Canada), plus a 1.5% royalty on the first 23,000 ounces of gold produced from the tenement.

On June 26, 2023, the Company announced that it had entered into the Bullfinch Agreement with Torque, to acquire a project located 34km from the Southern Cross township within the Yilgarn Mineral Field, Western Australia and adjacent to the Company's existing tenements. Conditional upon the proposed secondary listing of the Company on the ASX and assignment of Torque's Bullfinch obligations on or before June 17, 2024, the Company shall on completion, at its election either pay Torque a further A$650,000 cash, or issue Shares to Torque to the value of A$650,000 at the same issue price per Share as Shares issued under the proposed secondary listing on ASX. In the event that the Company does not complete the proposed secondary listing on ASX by the End Date, it may still elect to complete the transaction, in which circumstances it shall make payment of A$650,000 cash to Torque. A 1% net smelter royalty, subject to the Company's right to re-purchase the royalty at any time for A$1,700,000. Following quarter end, on May 16, 2024, the Company announced that following a review and field work, the Company agreed with Torque to terminate Bullfinch Agreement.

On August 1, 2023, the Company announced that it entered into an agreement with prospectors Vernon Strange and Kym McClaren to acquire a series of projects which are located approximately 30km north of the town of Bullfinch. Key commitments of the agreements are as follows:

- Ennuin Project - The Company will issue A$175,000 worth of Shares (1,739,562 Shares at an issue price of C$0.08843 per Share and an A$/C$ exchange rate of 0.879) and will pay A$150,000 cash upon the earlier of listing on the ASX or August 31, 2024. Following quarter end, on May 1, 2024 the Company issued 1,739,562 Shares and its remaining obligation under the agreement is to pay A$150,000 cash upon the earlier of listing on the ASX or August 1, 2024;
- Copperhead Project – The Company will issue A$250,000 worth of Shares (2,485,089 Shares at an issue price of C$0.08843 Share and an A$/C$ exchange rate of 0.879) and will pay A$200,000 cash upon the earlier of listing on the ASX or August 31, 2024. Following quarter end, on May 1, 2024 the Company issued 2,485,089 Shares and its remaining obligation under the agreement is to pay A$200,000 cash upon the earlier of listing on the ASX or August 1, 2024.

COMMITMENTS AND CONTINGENCIES (CONT'D…)

On August 1, 2023, the Company announced that it entered into an agreement to acquire two tenements located south of the Southern Cross township. The Company will issue A$300,000 worth of Shares (2,982,107 Shares at an issue price of C$0.08843 per Share and an A$/C$ exchange rate of 0.879). Following quarter end, on May 1, 2024 the Company issued 2,982,107 Shares, satisfying its purchase consideration obligations under the terms of the purchase agreement.

On January 8, 2024, the Company announced that it has entered into a binding agreement to wholly acquire Enterprise Metals Limited's Bullfinch North Tenement Option and Sale Agreement ("**Option Agreement**") for the Bullfinch North project. The material terms of the Option Agreement acquisition are as follows:

- The Option Agreement includes tenements E77/2325, E77/2568, P77/4350, P77/4566, P77/4586 and P77/4587. The Company has acquired the same terms and conditions with Nickgraph as outlined in the Option Agreement.
- The Company will assume Enterprise's obligations relating to the Option Agreement that provide that the Company has the right to exercise the Option to purchase Bullfinch North project by May 24, 2024, with a:
  - a payment to Nickgraph of AUD400,000 cash;
  - the issue of Shares to Nickgraph to the value of AUD400,000 and;
  - all production subject to a 1.5% gross royalty capped at AUD1,000,000.

The Company has also acquired substantially the same terms and conditions with Nickgraph directly as outlined in the Option Agreement. With the lapsing of the option period on May 24, 2024 the direct Option Agreement between the Company and Nickgraph is now enlivened. The Company has until June 25, 2024 to exercise the Option with Nickgraph. This period may be extended by the Company to January 10, 2025 by payment of a A$100,000 to Nickgraph.

Taxation – Canada

The Company recognizes that it has an ongoing obligation to comply with tax regulations in the jurisdictions in which it operates. The Group has identified that the Company and Altan Rio Holdings Canada Limited have not filed certain income tax and information returns with the CRA for taxation years 2010 to 2022. As a result, although the Company does not believe that any income taxes are payable to the CRA, Golden Horse may be liable for penalties and interest under the relevant income tax legislation. Following consultation with the Company's advisors, in the consolidated financial statements the directors have provisioned $222,000 for potential penalties and interest for non-compliance with tax filing obligations.

It is important to note that there is a possible obligation depending on future events in relation to non-compliance with tax filing obligations and the ultimate outcome cannot be reasonably or accurately estimated at this time as there is potential for additional penalties for non-compliance with tax filing obligations and therefore the amount above is subject to change, pending CRA's final assessment of the tax returns and the results of any negotiations and agreement with the CRA in respect of amounts due. Management is actively engaged in resolving this matter and working towards ensuring compliance with all applicable tax laws. The Company is working closely with its tax advisors to address the outstanding tax filings and following that, will also work closely with its tax advisors to negotiate the amount of any potential penalties and interest with the CRA.

Given that the provision is based on a number of assumptions and advice received, the Company considers it appropriate to disclose this contingent liability. The ultimate outcome cannot be reasonably or accurately estimated at this time.

Mongolia

No work was carried out by the Company on the Mongolian project and during the three months ended March 31, 2024 and the Company is no longer affiliated with the Mongolian project. BraveHeart Resources LLC and Altan Rio Mongolia LLC held the Chandman-Yol and are no longer subsidiaries of Company and cease to remain within the Group (refer to Note 3 of the condensed interim consolidated financial statements for the 3 months ended March 31, 2024 for additional information).

COMMITMENTS AND CONTINGENCIES (CONT'D…)

It is important to note that there are possible obligations depending on future events in relation to cessation of operations at the Mongolian project and the ultimate outcome cannot be reasonably or accurately estimated at this time. The Company continues to work with its advisors to determine whether there are any material liabilities associated with ceasing operations in Mongolia.

SUBSEQUENT EVENTS

- On May 6, 2024, the Company announced that it had issued an aggregate of 7,206,758 Shares in connection with certain of its previously announced tenement acquisitions within the Fraser Shear Zone, a prolific gold producing region of Western Australia near the town of Southern Cross.
  - Southern Cross South Project

    In respect of its acquisition of tenements P77/4593 and E77/2829 and the remaining 10% of E77/2691 not already owned by the Company, the Company issued 2,982,107 Shares, being in addition to a A$90,000 cash payment previously made to the vendor and the issuance of the 2% gross smelter royalty described in the Company's August 1, 2023 press release. The Company has now satisfied all of its obligations under the purchase agreement in respect of such tenements.
  - Copperhead Project

    In respect of its acquisition of the strategic Copperhead prospecting lease (P77/4357), located approximately 30km from the town of Bullfinch, Western Australia, the Company issued 2,485,089 Shares, being in addition to a series of previously made cash payments totalling A$100,000. The Company has also provided a 1.5% gross smelter royalty, which is capped at A$800,000, over such tenement. The remaining material obligation under the purchase agreement is to pay A$200,000 cash upon the earlier of listing on the ASX or August 1, 2024.
  - Ennuin Package

    In respect of its acquisition of the Ennuin Package, including tenements E77/2942, G77/123, L77/262, M77/450, P77/4629, P77/4630, and P77/4631, all located approximately 30km from the town of Bullfinch, Western Australia, the Company issued 1,739,562 Shares, being in addition to a series of previously made cash payments totalling A$150,000. The Company has also provided a 1.5% gross smelter royalty, which is capped at A$800,000, over such tenements. The remaining material obligation under the purchase agreement is to pay A$150,000 cash upon the earlier of listing on the ASX or August 1, 2024.
- On May 16, 2024, the Company announced that following a review and field work, the Company agreed with Torque to terminate Bullfinch Agreement, which the Company entered into in June 2023.
- On May 25, 2024, the Option Agreement pursuant to which the Company assumed Enterprise Metals' obligations lapsed. The direct option agreement between the Company and Nickgraph on substantially the same terms as the Option Agreement was enlivened on May 25, 2024.

Other than the disclosure above, there have not been any matter or circumstance that has arisen since the end of the year end that has significantly affected, or may significantly affect, the operations of the Group, the result of those operations or the state of affairs of the Group in future financial period.

ADDITIONAL INFORMATION

Additional information about the Company, including the audited consolidated financial statements, is available on the Company's profile on SEDAR+ at www.sedarplus.com.