GOLDEN HORSE MINERALS LIMITED
(formerly Altan Rio Minerals Limited)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

March 31, 2024
(Unaudited and Prepared by Management)

Notice of Non-review of Condense Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

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GOLDEN HORSE MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024
(Expressed in Canadian Dollars) (Unaudited)

	Notes	March 31, 2024 $ (Unaudited)	December 31, 2023 $ (Audited)
ASSETS			
Current			
Cash and cash equivalents	5	1,530,985	1,933,580
Receivables		84,378	77,514
Prepayments and deposits	6	688,359	365,701
		2,303,722	2,376,795
Non-Current Assets			
Plant and equipment		30,931	32,623
Deferred exploration and evaluation costs	7	7,439,374	7,214,594
		7,470,305	7,247,217
Total Assets		**9,774,027**	**9,624,012**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables	8	1,316,040	931,705
Provisions	9	264,676	251,746
Total Current Liabilities		**1,580,716**	**1,183,451**
Total Liabilities		**1,580,716**	**1,183,451**
Shareholders' Equity (Deficiency)			
Share capital	11	29,282,543	27,669,774
Subscriptions received	11	---	918,449
Subscriptions receivable		(19,943)	(15,000)
Share based payments reserve	11	2,633,346	1,621,257
Accumulated losses		(23,237,013)	(21,490,209)
Foreign exchange reserve		(465,622)	(263,710)
		8,193,311	**8,440,561**
Total Liabilities and Shareholders' Equity		**9,774,027**	**9,624,012**

The accompanying notes are an integral part of these consolidated financial statements.

Approved and authorized by the Board of Directors on May 29, 2024.

"Graeme Sloan"	Director	*"John Jones"*	Director
Graeme Sloan		John Jones	

GOLDEN HORSE MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Expressed in Canadian Dollars) (Unaudited)

	Notes	Three months ended	
		March 31, March 2024 $ (Unaudited)	**March 31, March 2023 $ (Unaudited)**
Expenses			
Employee expenses		(175,198)	(12,199)
Share based payments	4	(1,012,089)	(36,076)
Exploration and evaluation costs expensed	7	---	---
Foreign exchange gain / (loss)	3	7,842	---
Other operational expenses	4	(602,859)	(79,513)
Total expenses		(1,782,304)	(127,788)
Interest income		8,120	1,192
Interest expense		(7,113)	(9,927)
Net finance expenses		1,007	(8,735)
Other income	4	12,915	---
Net profit / (loss) for the period		**(1,768,382)**	**(136,523)**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss			
Translation adjustment		(201,911)	(79,822)
Total comprehensive profit / (loss) for the period		**(1,970,293)**	**(216,345)**
Basic and diluted profit / (loss) per common share		(0.011)	(0.0013)
Basic and diluted – weighted average number of common shares outstanding		163,591,837	108,653,214

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN HORSE MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Expressed in Canadian Dollars) (Unaudited)

	Notes	March 31, 2024 $ (Unaudited)	March 31, 2023 $ (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss for the period		(1,768,382)	(136,523)
Items not involving cash:			
Share based compensation		1,012,089	36,076
Depreciation		1,047	---
Change in non-cash working capital items:			
Receivables		(6,864)	(26,264)
Accounts payable and accrued liabilities		397,265	(14,322)
Prepaid expenses and deposits		---	289
Net cash from / (used in) operating activities		(364,845)	(140,744)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Exploration and evaluation and assets acquisition		(224,781)	(295,976)
Prepaid expenses and deposits		(322,658)	---
Received from / (paid to) related parties		---	(96,871)
Net cash used in investing activities		(547,439)	(392,847)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds from share issuances		689,377	---
Share subscriptions received		---	1,018,410
Net cash from financing activities		689,377	1,018,410
Change in cash and cash equivalents for the period		(222,907)	484,819
Impact of foreign exchange on cash		(179,688)	(15,776)
Cash and cash equivalents, beginning of period		1,933,580	127,323
Cash and cash equivalents, end of period	5	**1,530,985**	**596,366**

The accompanying notes are an integral part of these consolidated financial statements.

GOLDEN HORSE MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Expressed in Canadian Dollars) (Unaudited)

	Note	Number of Shares	Share Capital	Subscriptions Received	Subscriptions Receivable	Reserves	Accumulated Losses	Foreign Exchange Reserve	Total Shareholders' Equity (Deficiency)
			$	$	$	$	$	$	$
Balance at December 31, 2022 (Audited)		**108,653,214**	**24,167,228**	**181,520**	**(15,000)**	**2,415,624**	**(22,554,882)**	**(1,166,939)**	**3,027,551**
Loss for the period		---	---	---	---	---	(961,840)	---	(961,840)
Shares issued for prior year's subscriptions	11	3,076,923	181,520	(181,520)	---	---	---	---	---
Shares issued for private placement	11	35,444,328	2,429,512	---	---	---	---	---	2,429,512
Share issuance costs		---	(194,579)	---	---	---	---	---	(194,579)
Subscriptions received for shares not issued		---	---	918,449	---	---	---	---	918,449
Shares issued for mineral property acquisition	11	12,372,820	1,081,350	---	---	---	---	---	1,081,350
Share based payments expense	11	---	---	---	---	1,232,146	---	---	1,232,146
Transfer of equity instruments expired / forfeited	11	---	---	---	---	(2,026,513)	2,026,513	---	---
Realisation of foreign currency reserve on deconsolidation		---	---	---	---	---	---	741,380	741,380
Translation adjustment		---	4,743	---	---	---	---	161,849	166,592
Balance at December 31, 2023 (Audited)		**159,547,285**	**27,669,774**	**918,449**	**(15,000)**	**1,621,257**	**(21,490,209)**	**(263,710)**	**8,440,562**
Loss for the period		---	---	---	---	---	(1,768,382)	---	(1,768,382)
Shares issued for prior year's subscriptions	11	9,419,990	918,449	(918,449)	(4,943)	---	---	---	(4,943)
Shares issued for private placement	11	7,167,219	698,804	---	---	---	---	---	698,804
Share issuance costs		---	(4,484)	---	---	---	---	---	(4,484)
Shares issued for mineral property acquisition	11	---	---	---	---	---	---	---	---
Share based payments expense	11	---	---	---	---	1,012,089	---	---	1,012,089
Transfer of equity instruments expired / forfeited	11	---	---	---	---	---	---	---	---
Translation adjustment		---	---	---	---	---	21,576	(201,912)	(180,336)
Balance at March 31, 2024 (Unaudited)		**176,134,494**	**29,282,543**	**---**	**(19,943)**	**2,633,346**	**(23,237,013)**	**(465,622)**	**8,193,311**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Golden Horse Minerals Limited (formerly Altan Rio Minerals Limited) (the "**Company**"), a limited liability company registered in British Columbia, Canada, is a mineral exploration company listed on the TSX Venture Exchange (the "**Exchange**") under the symbol "GHML" and is engaged in the acquisition, exploration of mineral projects in Western Australia.

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

Going Concern

The 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.

For the period ended March 31, 2024, the Group recorded a net loss of $1,768,382 (March 2023: loss of $136,523), net cash used in operating activities of $364,845 (March 2023: $140,744) and net cash used in investing activities of $547,439 (March 2023: $392,847). The Group had a net working capital surplus of $723,006 (December 2023: 1,193,344), trade and other payables of $1,316,040 (December 2023: $931,705), current provisions of $264,676 (December 2023: 251,746) and no loans and borrowings (December 2023: Nil).

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 three months 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.

(Expressed in Canadian Dollars) (Unaudited)

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

The consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries ("**Group**"). All intercompany transactions and balances have been eliminated upon consolidation. The Company's subsidiaries are listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Altan Rio Holdings Canada Limited	Canada	100%	Holding company
Altan Rio Minerals (Aust) Pty Ltd	Australia	100%	Project exploration

Notes:

a) Altan Rio Limited was incorporated in British Virgin Islands, was a subsidiary of Altan Rio Holdings Limited and was dissolved on July 4, 2023.

b) GS Minerals Corp. Ltd was incorporated in Bermuda and was a subsidiary of Altan Rio Limited. On August 29, 2023, the Company was notified by The Registrar of Companies, Bermuda, that the Company was struck off.

c) 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.

d) 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.

On deconsolidation of the above companies, the Group realised a foreign exchange loss of $746,137 in the consolidated statement of profit and loss and other comprehensive income for the year ended December 31, 2023.

Revenue and other income

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account to the buyer.

Costs of sales

Costs of sales is a component of cost of goods sold and includes direct costs incurred for logistics and processing.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Functional and presentation currency

The functional currency 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 three months ended March 31, 2024 and the year ended December 31, 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. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). The Company's presentation currency is the Canadian dollar ("$").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 - 60 days.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. 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.

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.

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.

Measurement

<u>Financial assets at FVTOCI</u>
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).

<u>Financial assets and liabilities at amortized cost</u>
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.

<u>Financial assets and liabilities at FVTPL</u>
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).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

The Company's financial assets and liabilities are classified as follows:

	Classification
Cash	Amortized cost
Receivables	Amortized cost
Due from related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Due to related parties	Amortized cost

Financial instruments measured at fair value are summarized into the following fair value hierarchy as follows:

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

The carrying values of financial liabilities approximate their fair values due to the short-term nature of these instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income (loss) per share

The Group presents basic and diluted income (loss) per share data for its common shares. Basic income (loss) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted income (loss) is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding which have been issued for no consideration in relation to the dilutive potential ordinary shares, which comprise stock options, share purchase warrants, performance rights and inducement shares granted to employees, contract personnel, shareholders and corporate entities engaged by the Group, that are expected to be exercised.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

4. REVENUES AND EXPENSES

Other income

	March 31, 2024 $	March 31, 2023 $
Sundry income	12,915	---
Total	**12,915**	**---**

(Expressed in Canadian Dollars) (Unaudited)

4. REVENUES AND EXPENSES (continued)

Other operational expenses

	March 31, 2024 $	March 31, 2023 $
Professional fees	313,610	35,490
Rent	24,840	12,779
Consulting and management fees	109,039	(8,620)
Travel and accommodation	9,442	5,767
Filing fees	42,123	1,575
Directors' fees	---	20,387
Insurance	38,029	15,258
Advertising and promotion	4,834	(21,977)
Depreciation	1,047	---
Office and general expenses	59,895	18,854
Total	**602,859**	**79,513**

Share based payments (a)	1,012,089	36,076
Total	**1,012,089**	**36,076**

a) Refer to Note 11 for additional information in relation to the share-based compensation including terms and key inputs to the valuation model.

5. CASH AND CASH EQUIVALENTS

	March 31, 2024 $	December 31, 2023 $
Cash and cash equivalents	1,530,985	1,933,580

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.

6. PREPAYMENTS AND DEPOSITS

	March 31, 2024 $	December 31, 2023 $
Current		
Project acquisitions (a)	679,288	356,165
Other prepayments	9,071	9,536
Total	**688,359**	**365,701**

a) During the quarter, the Company made a cash payment of A$200,000 to purchase Enterprise Metals Limited's ("**Enterprise Metals**") wholly owned of E77/2652 which is not part of the binding agreement to wholly acquire Enterprise Metals Bullfinch North Tenement Option and Sale Agreement ("Option Agreement") for the Bullfinch North lithium and gold project. The Company will also assume the 1% net smelter royalty over E77/2652 already in place with a third party.

6. PREPAYMENTS AND DEPOSITS (continued)

b) On June 12, 2023, the Company announced that it had entered into an exclusive six-month option agreement to acquire the Hakes Find project ("**Hakes Find Agreement**"), 10km from Southern Cross township in the central portion of the Southern Cross Greenstone Belt. The Company paid an option fee of A$25,000 in June 2023, extended the term of the Hakes Find Agreement by six months to 25 May 2024 by way of cash payment of A$25,000 in December 2023 and can extend by a further six months for an additional A$25,000. The option exercise price is A$100,000 cash and A$175,000 in common shares in the capital of the Company ("**Shares**") (up to 2,467,500 Shares based the volume weighted average price ("**VWAP**") for Company Shares in the period 30 days prior to issue and adjusted using the C$/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 a conditional sale agreement to acquire Torque Metals Limited ("**Torque**") Bullfinch Gold project ("**Bullfinch Agreement**"), located 34km from the Southern Cross township within the Yilgarn Mineral Field, Western Australia and adjacent to the Company's existing tenements. Key terms of the Bullfinch Agreement are as follows:

- The Company made a cash payment of A$100,000 to Torque upon execution of the Bullfinch Agreement;
- Conditional upon the proposed secondary listing of the Company on the Australian Securities Exchange ("**ASX**") and assignment of Torque's Bullfinch obligations on or before 15 December 2023 ("**End Date**") (the Company extended the End Date to March 15, 2024, by a cash payment of A$25,000 in February 2024 and the End Date was further extended to June 17, 2024, by a cash payment of A$25,000 in March 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 up to 7,929,097 Shares at the same issue price per Share as Shares issued under the proposed secondary listing on ASX;
- During the period until the earlier of completion or the End Date, the Company shall be responsible for all expenditure commitments associated with maintaining the tenements comprising the Bullfinch Project in good standing, failing which the Bullfinch Agreement shall terminate; and
- 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 (or entities associated with them) to acquire a series of projects which are located approximately 30km north of the town of Bullfinch. Key terms of the agreements are as follows:

- Ennuin Project - The Company made a cash payment of A$100,000 in August 2023, 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 within 6 months of execution of the agreement (March 1, 2024), plus a 1.5% gross smelter royalty capped at A$800,000. The Company elected to extend the term of the agreement by 6 months (to August 1, 2024) with a cash payment of A$50,000 in February 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;

(Expressed in Canadian Dollars) (Unaudited)

6. PREPAYMENTS AND DEPOSITS (continued)

- Copperhead Project – The Company made a cash payment of A$50,000 in August 2023 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 within 6 months of execution of the agreement (March 1, 2024), plus a 1.5% Gross Smelter Royalty capped at A$800,000. The Company elected to extend the term of the agreement by 6 months (to August 31, 2024) with a cash payment of A$50,000 in February 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.

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 made a cash payment of A$90,000 in July 2023 and 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 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**"). 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 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 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$1,000,000.

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.

7. DEFERRED EXPLORATION AND EVALUATION COSTS

	Southern Cross $	Total $
Balance, December 31, 2022	**4,621,150**	**4,621,150**
Exploration costs	469,127	469,127
Acquisition costs (a)	2,062,867	2,062,867
Exploration costs written off	---	---
Foreign exchange movements	61,450	61,450
Balance, December 31, 2023	**7,214,594**	**7,214,594**
Exploration costs	365,365	365,365
Acquisition costs (a)	1,913	1,913
Exploration costs written off	---	---
Foreign exchange movements	(142,498)	(142,498)
Balance, March 31, 2024	**7,439,374**	**7,439,374**

(Expressed in Canadian Dollars) (Unaudited)

7. DEFERRED EXPLORATION AND EVALUATION COSTS (continued)

a) On February 22, 2023, the Company announced that it had entered into an option agreement to purchase a 90% interest in exploration licence E77/2691 ("**Western E Agreement**") in the Southern Cross region, 370 kilometers east of Perth, Western Australia. Key terms of the Western E Agreement are as follows:

- The option exercise price is A$250,000 cash plus A$250,000 worth of Shares in the Company, calculated at a 30-day VWAP. For accounting purposes, the fair value of the Shares on date of control has been utilised. The Shares were issued to the vendors on March 7, 2023 (refer Note 11 for additional information) and the cash consideration was paid to the vendors on February 20, 2023;
- The Company will free carry the vendor at 10% through to a decision to mine. If a decision to mine is made the vendor will have 30 days to contribute or dilute to 1.5% Gross Smelter Royalty;
- Both parties have reciprocal 30 day right to purchase the other parties' interest if they are prepared to accept an offer for their rights, title, and interest on arm's length terms;
- The Company will maintain the tenement and keep it in good standing during the option period, or prior to notifying the Vendor of its intention not to exercise the option, whichever occurs first; and
- The vendor may convert its retained 10% interest in the tenement into a 1.5% gross smelter royalty on all metals and minerals extracted from the tenement. If the vendor wishes to sell the Interest or the Royalty (as applicable), the Company will have a right of first refusal to purchase the applicable interest.

On December 8, 2022, the Company announced that it was acquiring the remaining 20% of 14 key tenements that were subject to an earn in arrangement with Surveyor Resources Pty Ltd ("**Surveyor Resources**"), a company controlled by a director of the Company. Surveyor Resources agreed to both (i) waive all remaining conditions to the Company's 80% earn-in interest in the Southern Cross North gold project (the "**Southern Cross North Project**") and (ii) sell the remaining 20% interest in the Southern Cross North Project to the Company for $1,000,000 ("**Consideration**").

On July 4, 2023, the Company announced that it has satisfied all conditions, including the issue of Shares for its acquisition of 100% of the Southern Cross North Project. The Consideration was satisfied by the issuance of 10,000,000 Shares (at a deemed value of $0.085 per Share) and 10,000,000 warrants, each warrant exercisable for one additional Share at an exercise price $0.14 for a period of 4 years (refer Note 11 for additional information).

The Company has investigated title to all of its Western Australian exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in Western Australia.

8. TRADE AND OTHER PAYABLES

	March 31, 2024 $	December 31, 2023 $
Current		
Trade payables	1,316,040	931,705
Total	**1,316,040**	**931,705**

(Expressed in Canadian Dollars) (Unaudited)

9. PROVISIONS

	March 31, 2024 $	December 31, 2023 $
Current		
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 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 Note 17 for additional information.

10. RELATED PARTY TRANSACTIONS

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 three months ended March 31, 2024 are as follows:

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

(Expressed in Canadian Dollars) (Unaudited)

11. SHARE CAPITAL & RESERVES

Authorized share capital

There is unlimited number of common and preferred voting shares without nominal or par value.

Issued share capital

The following movements in issued capital occurred during the reporting period:

Common shares	Number of Shares	Issue Price	$
Opening balance as at December 31, 2022	108,653,214		24,167,228
Issue of shares – Placement (January 6, 2023)	3,076,923	$0.060	181,520
Issue of shares – Western E acquisition (March 7, 2023)	2,372,820	$0.098	231,350
Issue of shares – Placement (May 2, 2023)	20,000,000	$0.060	1,193,967
Issue of shares – Surveyor acquisition (July 4, 2023)	10,000,000	$0.085	850,000
Issue of shares - Placement (August 18, 2023)	15,444,328	$0.080	1,235,545
Less issue costs	---	---	(189,836)
Closing balance as at December 31, 2023	**159,547,285**		**27,669,774**
Issue of shares – Placement (January 2, 2024)	16,587,209	$0.0975	1,617,253
Less issue costs	---	---	(4,484)
Closing balance as at March 31, 2024	**176,134,494**		**29,282,543**

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.

Share based payments reserve

The following movements in the share based payments reserve occurred during the period:

	$
Closing balance at 31 December 2022	2,415,624
Share based payments expense	344,778
Capital raising costs – Savoy	128,705
Acquisition – Surveyor	758,663
Transfer to accumulated losses following expiry / forfeiture of equity instruments	(2,026,513)
Closing balance at 31 December 2023	**1,621,257**
Share based payments expense	1,012,089
Closing balance at 31 March 2024	**2,633,346**

Stock options

The Company established a stock option plan (the "**Plan**") for directors, employees, and consultants of the Company. From time to time, Shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of Shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed Shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years.

All stock options issued are subject to vesting terms. Options issued to officers and/or consultants might be subjected to a vest term depending on date of grant and nature of service.

(Expressed in Canadian Dollars) (Unaudited)

11. SHARE CAPITAL & RESERVES (continued)

A summary of stock option activities is as follows:

	Number of Options	**Weighted Average Exercise Price**
Outstanding options, December 31, 2022	7,950,000	$0.170
Options granted (a)	10,050,000	$0.0975
Options expired / forfeited	(3,575,000)	$0.180
Outstanding options, December 31, 2023	14,425,000	$0.12
Options granted	---	---
Options expired / forfeited	---	---
Outstanding options, March 31, 2024	**14,425,000**	**$0.12**

As at March 31, 2024, the following stock options were outstanding and exercisable:

Number of Stock Options	**Exercise Price**	**Expiry Date**	**Number of Stock Options Exercisable**
1,200,000	$0.090	June 26, 2024	1,200,000
500,000	$0.090	(b) October 9, 2024	500,000
600,000	$0.200	(b) October 9, 2024	600,000
2,075,000	$0.200	April 21, 2026	2,075,000
10,050,000	$0.0975	(a) November 30, 2028	---
14,425,000			**4,375,000**

a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced that it granted an aggregate of 10,050,000 stock options to acquire Shares to certain employees, officers, consultants, directors and non-executive directors of the Company. These options were subsequently approved and valued on December 29, 2023 at the Annual General Meeting ("**AGM**"). The estimated fair value of the stock options of $0.114 was determined using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 3.65% and expected life of 5 years. The options vest in full upon the Company's listing to the ASX.

b) Mr Kerry Griffin resigned as a Director of the Company on October 10, 2023. The Company and Mr Griffin agreed to change the terms of 1,100,000 options issued to Mr Griffin, such that the options expire 12 months on October 9, 2024. The fair value of the options at the date of modification was determined to be $67,909. This has resulted in an incremental fair value change of $8,937.

Warrants

A summary of share purchase warrant activities is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Outstanding warrants, December 31, 2022	22,130,660	$0.16
Warrants granted (a) (b)	12,000,000	$0.14
Expired	(13,289,940)	$0.15
Outstanding warrants, December 31, 2023	20,840,720	$0.16
Warrants granted	---	---
Expired	---	---
Outstanding warrants, March 31, 2024	**20,840,720**	**$0.16**

(Expressed in Canadian Dollars) (Unaudited)

11. SHARE CAPITAL & RESERVES (continued)

As at March 31, 2024, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date	Number of Warrants Exercisable
1,037,035	$0.180	January 11, 2025	1,037,035
7,803,685	$0.180	April 1, 2025	7,803,685
2,000,000	$0.150	August 18, 2025	2,000,000
10,000,000	$0.140	July 4, 2027	10,000,000
20,840,720			**20,840,720**

a) On December 8, 2022, the Company announced that it was acquiring the remaining 20% of 14 key tenements that were subject to an earn in arrangement with Surveyor Resources (refer Note 7 for additional information) and on July 4, 2023, the Company announced that it has satisfied all conditions, including the issue of Shares as the Consideration for its acquisition of 100% of the Southern Cross North Project. The Consideration was satisfied by the issuance of 10,000,000 Shares and 10,000,000 warrants, each warrant exercisable for one additional Share at an exercise price $0.14 for a period of 4 years. The estimated fair value of the warrants was determined using the Black-Scholes option pricing model of $0.076 with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 3.91% and expected life of 4 years.

b) On August 18, 2023 the Company announced that it had issued 15,444,328 Shares by way of placement at an issue price of $0.08, raising $1,235,545. The Company paid a finder's fees in connection with the placement to Savoy Capital Partners Pty Ltd which included 2,000,000 broker warrants, each such broker warrant being exercisable to acquire one Share at a price of $0.15 until August 18, 2025. The estimated fair value of the warrants was $0.064 determined using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, volatility of 169%, risk-free rate of 4.1% and expected life of 2 years.

Performance Rights

A summary of performance rights activities is as follows:

	Number of Rights	Weighted Average Exercise Price
Outstanding performance rights, December 31, 2022	---	---
Performance rights granted (a)	15,916,294	---
Performance rights expired	---	---
Outstanding performance rights, December 31, 2023	15,916,294	---
Performance rights granted	---	---
Performance rights expired	---	---
Outstanding performance rights, March 31, 2024	**15,916,294**	**---**

As at March 31, 2024, the following performance rights were outstanding and exercisable:

Number of Performance Rights	Exercise Price	Expiry Date	Number of Performance Rights Exercisable
12,543,728	---	November 30, 2027	---
1,686,283	---	November 30, 2028	---
1,686,283	---	November 30, 2029	---
15,916,294			**---**

(Expressed in Canadian Dollars) (Unaudited)

11. SHARE CAPITAL & RESERVES (continued)

a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced the issue of an aggregate of 15,916,294 performance rights redeemable for Shares to certain employees, officers, consultants, directors and non-executive directors of the Company. These performance rights were subsequently approved and granted at the AGM on December 29, 2023. The estimated fair value of the performance rights was determined using the Share price on grant date of $0.12. The performance right vest in tranches over 12, 24 and 36 months from the date of grant and upon the Company's listing to the ASX.

Inducement Shares

A summary of inducement shares activities is as follows:

	Number of Rights	Weighted Average Exercise Price
Outstanding inducement shares, December 31, 2022	---	---
Inducement shares granted (a)	3,180,000	---
Inducement shares expired	---	---
Outstanding inducement shares, December 31, 2023	3,180,000	---
Inducement shares granted	---	---
Inducement shares expired	---	---
Outstanding inducement shares, March 31, 2024	**3,180,000**	**---**

As at March 31, 2024, the following inducement shares were outstanding and exercisable:

Number of Inducement Shares	Exercise Price	Expiry Date	Number of Inducement Shares Exercisable
1,363,334	---	November 30, 2027	---
908,333	---	November 30, 2028	---
908,333	---	November 30, 2029	---
3,180,000			**---**

a) On December 1, 2023 pursuant to its equity incentive plan, the Company announced that it granted an aggregate of 3,180,000 inducement shares to certain employees and officers of the Company. These inducement shares were subsequently approved and granted at the AGM on December 29, 2023. The estimated fair value of the inducement shares was determined using the Share price on grant date of $0.12. The inducement shares vest in tranches over 12, 24 and 36 months from the date of grant and upon the Company's listing to the ASX.

(Expressed in Canadian Dollars) (Unaudited)

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2023 $ (Audited)	**December 31, 2022 $ (Unaudited)**
Loss for the period	(961,840)	(1,092,680)
Income tax rate	25%	27.5%
Expected income tax (recovery)	(240,460)	(300,957)
Change in statutory, foreign tax, foreign exchange and other	(170,774)	32,723
Permanent differences	86,195	138,000
Share issue cost	---	---
Change in unrecognized deductible temporary differences	325,039	130,234
Total income tax expense / (benefit)	---	---

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023 $	**Expiry Date Range**	**December 31, 2022 $**	**Expiry Date Range**
Temporary Differences				
Exploration and evaluation assets	(2,983,043)	No expiry date	92,000	No expiry date
Share issue costs	301,836	2040 to 2044	112,000	2040 to 2044
Non-capital losses available for future period	9,452,627	2030 to 2041	8,490,789	2030 to 2041

Tax attributes which may be available to offset against taxable income in future years, are subject to review, and potential adjustment, by tax authorities. No income tax is payable by the Group. The directors have considered it prudent not to bring to account the future income tax benefit of income tax losses and exploration deductions until it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

13. SUPPLEMENTAL CASH FLOW DISCLOSURE

The following non-cash transactions were incurred for the period ended:

	March 31, 2024 $	**December 31, 2023 $**
Shares issued for debt	---	---
Shares issued for mineral properties	---	1,081,350
Warrants issued for mineral properties	---	758,663
Exploration expenses in accounts payable	469,752	561,061
	469,752	**2,401,074**

(Expressed in Canadian Dollars) (Unaudited)

14. SEGMENTED INFORMATION

The Company operates in one business segment, the exploration of exploration and evaluation assets. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making.

The Company's capital assets are located in the following geographic locations:

	March 31, 2024 $	December 31, 2023 $
Exploration and evaluation assets		
Australia	7,439,374	7,214,594
	7,439,374	**7,214,594**

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes to the Company's capital management approach during the three months ended March 31, 2024. The Company is not subject to any externally imposed requirements.

16. 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, the Company will need to raise additional funds to meet its obligations as they come due. The Company is exposed to liquidity risk.

(Expressed in Canadian Dollars) (Unaudited)

16. FINANCIAL INSTRUMENTS (continued)

a) *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.

Consolidated – March 2024	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-derivatives						
Non-interest bearing						
Trade payables	---	1,316,040	---	---	---	1,316,040
Other payables	---	---	---	---	---	---
Total non-derivatives		**1,316,040**	**---**	**---**	**---**	**1,316,040**
Derivatives						
	---	---	---	---	---	---
Total Derivatives		**---**	**---**	**---**	**---**	**---**

Consolidated – December 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-derivatives						
Non-interest bearing						
Trade payables	---	931,705	---	---	---	931,705
Other payables	---	---	---	---	---	---
Total non-derivatives		**931,705**	**---**	**---**	**---**	**931,705**
Derivatives						
	---	---	---	---	---	---
Total Derivatives		**---**	**---**	**---**	**---**	**---**

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.

16. FINANCIAL INSTRUMENTS (continued)

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.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		**Liabilities**	
Consolidated	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**December 31, 2023**
Australian dollars	11,034,914	10,159,359	1,025,095	781,478
	11,034,914	10,159,359	1,025,095	781,478

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 loss for the three months ended March 31, 2024 by approximately $69,372 (2023 $8,000).

17. 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 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
	1,354,543	**1,490,149**

17. COMMITMENTS AND CONTINGENCIES (continued)

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. Refer to Note 6 for additional information.

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. Refer to Note 6 for additional information.

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.

Refer to Note 6 for additional information.

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. Refer to Note 6 for additional information.

17. COMMITMENTS AND CONTINGENCIES (continued)

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**"). 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 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 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$1,000,000.

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 (refer to Note 9 for additional information).

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 for additional information).

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.

18. USE OF ESTIMATES

Critical Judgments

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined as disclosed above.

Key Sources of Estimation Uncertainty

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

<u>Estimation of fair value of share-based payments</u>
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.

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation assets</u>
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.

19. 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.

19. SUBSEQUENT EVENTS (continued)

- 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.

Refer to Note 6 for additional information.

- 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 (refer to Note 6 for additional information).
- 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. Refer to Note 17 for further information.