

**GOLDEN HORSE MINERALS LIMITED**  
(Formerly Altan Rio Minerals Limited)

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian dollars)

**September 30, 2023**  
**(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 SEPTEMBER 30, 2023**  
(Expressed in Canadian Dollars) (Unaudited)

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	1,477,861	127,323
Receivables (Note 5)	61,212	14,071
Prepayments and deposits	152,165	59,300
	<u>1,691,238</u>	<u>200,694</u>
<b>Non-Current Assets</b>		
Mineral properties (Note 6)	6,454,793	4,621,150
Plant and equipment	32,672	---
<b>Total Assets</b>	<b><u>8,178,703</u></b>	<b><u>4,821,844</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	513,584	1,120,575
Loans and borrowings (Note 7)	---	313,797
Related party payables (Note 8)	55,187	359,921
<b>Total Current Liabilities</b>	<b><u>568,771</u></b>	<b><u>1,794,293</u></b>
<b>Total Liabilities</b>	<b><u>568,771</u></b>	<b><u>1,794,293</u></b>
<b>Shareholders' Equity (Deficiency)</b>		
Share capital (Note 9)	27,943,737	24,167,228
Subscriptions received (Note 9)	---	181,520
Subscriptions receivable	(15,000)	(15,000)
Share premium reserve	2,415,624	2,415,624
Accumulated losses	(21,214,141)	(22,554,882)
Foreign exchange reserve	(1,520,288)	(1,166,939)
	<u>7,609,932</u>	<u>3,027,551</u>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>8,178,703</u></b>	<b><u>4,821,844</u></b>

Approved and authorized by the Board of Directors on November 29, 2023.

<u>"Graeme Sloan"</u>	Director	<u>"John Jones"</u>	Director
Graeme Sloan		John Jones	

**GOLDEN HORSE MINERALS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS**  
**AS AT SEPTEMBER 30, 2023**  
(Expressed in Canadian Dollars) (Unaudited)

	Three months ended		Nine months ended	
	September 30, 2023 \$ (Unaudited)	September 30, 2022 \$ (Unaudited)	September 30, 2023 \$ (Unaudited)	September 30, 2022 \$ (Unaudited)
<b>Income</b>				
Sales of gold	---	---	4,015,787	---
Cost of sales	---	---	(2,264,642)	---
Gross profit	---	---	1,751,145	---
<b>Expenses</b>				
Advertising and promotion	5,515	---	(8,385)	9,095
Consulting and management fees	3,974	9,707	4,543	161,165
Depreciation	687	---	687	---
Directors' fees (Note 8)	---	18,840	(27,019)	55,673
Filing fees	19,600	2,551	35,743	37,959
Foreign exchange gain (loss)	3,416	---	(268)	4,883
Insurance	---	---	15,258	19,190
Interest expense	---	13,225	22,075	26,382
Loss on debt settlement	---	---	---	5,816
Motor vehicle expenses	4,777	---	4,777	---
Office and general expenses	61,948	7,156	92,981	42,665
Professional fees	232,317	11,707	434,167	42,875
Rent	22,140	11,373	56,834	33,807
Finance costs	---	---	50,106	---
Share based compensation	---	36,878	---	109,431
Travel and accommodation	11,874	1,532	35,038	19,117
Wages and benefits	116,029	11,890	230,688	37,928
Change in fair value of warrant liability	---	---	(12,205)	---
Total expenses	482,277	124,859	935,020	605,986
Interest income	6,170	---	9,771	23
Sale of services	20,201	---	20,201	---
Discounts received	(1,597)	---	5,649	---
Forgiven liabilities	---	---	439,434	---
<b>Net profit / (loss) for the period</b>	<b>(457,503)</b>	<b>(124,859)</b>	<b>1,291,180</b>	<b>(605,963)</b>
<b>Other Comprehensive Income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation adjustment	(85,251)	11,151	(353,349)	(235,963)
<b>Total comprehensive profit / (loss) for the period</b>	<b>(542,754)</b>	<b>(113,708)</b>	<b>937,831</b>	<b>(841,805)</b>
Basic profit / (loss) per common share	(0.004)	(0.001)	0.006	(0.006)
Diluted profit / (loss) per common share	(0.003)	(0.001)	0.006	(0.006)
Basic and diluted – weighted average number of common shares outstanding	162,352,498	108,653,214	162,352,498	108,653,214

**GOLDEN HORSE MINERALS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS**  
**AS AT SEPTEMBER 30, 2023**  
(Expressed in Canadian Dollars) (Unaudited)

	<b>Nine months ended September 30, 2023 \$ (Unaudited)</b>	<b>Nine months ended September 30, 2022 \$ (Unaudited)</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Profit / (loss) for the year	1,291,180	(605,963)
Items not involving cash:		
Finance cost	50,106	---
Depreciation	683	---
Share based compensation	---	109,431
Change in non-cash working capital items:		
Receivables	(48,541)	77,475
Prepaid expenses and deposits	(145,608)	67
Accounts payable and accrued liabilities	(589,142)	(6,819)
Due to/from related parties	(334,448)	216,220
Net cash from / (used in) operating activities	224,230	(209,589)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Exploration and evaluation and assets acquisition	(822,794)	(673,906)
Plant and equipment acquisition	(33,355)	---
Net cash used in investing activities	(856,149)	(673,906)
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from share issuances	2,363,640	706,782
Subscriptions received (Note 9)	(316,015)	---
Net cash provided by financing activities	2,047,625	706,782
<b>Change in cash for the period</b>	<b>1,415,706</b>	<b>(176,713)</b>
<b>Impact of foreign exchange on cash</b>	<b>(65,168)</b>	<b>(9,438)</b>
<b>Cash, beginning of period</b>	<b>127,323</b>	<b>192,114</b>
<b>Cash, end of period</b>	<b>1,477,861</b>	<b>5,963</b>

**GOLDEN HORSE MINERALS LIMITED**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

AS AT SEPTEMBER 30, 2023

(Expressed in Canadian Dollars) (Unaudited)

	Number of shares	Amount	Subscriptions Received	Subscriptions Receivable	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficiency)
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at December 31, 2021</b>	<b>99,889,294</b>	<b>23,154,177</b>	<b>336,270</b>	<b>(15,000)</b>	<b>2,003,234</b>	<b>(21,520,936)</b>	<b>(1,077,429)</b>	<b>2,880,316</b>
Loss for the period	---	---	---	---	---	(1,092,580)	---	(1,092,580)
Shares issued for private placement	7,726,885	927,224	(154,750)	---	---	---	---	772,474
Share issuance costs	---	(38,617)	---	---	---	---	---	(38,617)
Shares issued for debt settlement	1,037,035	124,444	---	---	---	---	---	124,444
Share based payments	---	---	---	---	412,390	---	---	412,390
Translation adjustment	---	---	---	---	---	58,635	(89,510)	(30,875)
<b>Balance at December 31, 2022</b>	<b>108,653,214</b>	<b>24,167,228</b>	<b>181,520</b>	<b>(15,000)</b>	<b>2,415,624</b>	<b>(22,554,881)</b>	<b>(1,166,939)</b>	<b>3,027,551</b>
Profit for the period	---	---	---	---	---	1,291,180	---	1,291,180
Shares issued for private placement	38,521,251	2,611,032	(181,520)	---	---	---	---	2,429,512
Share issuance costs	---	(65,874)	---	---	---	---	---	(65,874)
Shares issued for mineral property acquisition	12,372,820	1,231,350	---	---	---	---	---	1,231,350
Translation adjustment	---	---	---	---	---	49,560	(353,348)	(303,788)
<b>Balance at September 30, 2023</b>	<b>159,547,285</b>	<b>27,943,736</b>	<b>---</b>	<b>(15,000)</b>	<b>2,415,624</b>	<b>(21,214,141)</b>	<b>(1,520,287)</b>	<b>7,609,932</b>

## **GOLDEN HORSE MINERALS LIMITED**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

(Expressed in Canadian Dollars) (Unaudited)

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#### **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” (formerly “AMO”) 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 nine months ended September 30, 2023, the Group:

- incurred a net profit of \$1,291,180;
- incurred net cash from operating activities of \$224,230;
- had a net working capital surplus of \$1,122,467;
- had trade and other payables of \$513,584; and
- no borrowings.

The ability of the Group to continue as a going concern is dependent on the Group securing additional funding through the issue of equity or the raising of debt.

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

Management has prepared a cash flow forecast for a period of 12 months beyond the sign off date of this financial report and believes there are sufficient funds to meet the Group’s working capital requirements. 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 following reasons:

- The Group has a proven history of successfully raising capital;
- 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; and
- Cash spending can be reduced or slowed below its current rate if required.

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

## GOLDEN HORSE MINERALS LIMITED

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars) (Unaudited)

## 2. BASIS OF PRESENTATION

### Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The accounting policies adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim period, except for those policies disclosed in Note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2023.

## 3. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements.

### 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:

- 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 on July 4, 2023.
- 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 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.



**GOLDEN HORSE MINERALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars) (Unaudited)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****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 of 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.

**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 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. CASH AND CASH EQUIVALENTS**

	September 30, 2023 \$ (Unaudited)	December 31, 2022 \$ (Audited)
Cash on hand	1,477,861	127,323

**5. RECEIVABLES**

The Company's receivables are broken down as follows:

	September 30, 2023 \$ (Unaudited)	December 31, 2022 \$ (Audited)
Advances receivable	128	128
Taxes receivable	61,084	13,943
<b>Total</b>	<b>61,212</b>	<b>14,071</b>

**6. EXPLORATION AND EVALUATION ASSETS**

	Southern Cross \$	Chandman-Yol \$	Total \$
<b>Balance, December 31, 2021</b>	<b>3,986,598</b>	<b>127,297</b>	<b>4,113,895</b>
Exploration costs	662,770	---	662,770
Foreign exchange movements	(28,218)	---	(28,218)
Exploration costs written off	---	(127,297)	(127,297)
<b>Balance, December 31, 2022</b>	<b>4,621,150</b>	<b>---</b>	<b>4,621,150</b>
Exploration costs	409,477	---	409,477
Acquisition costs	1,649,086	---	1,649,086
Foreign exchange movements	(234,890)	---	(234,890)
<b>Balance, September 30, 2023</b>	<b>6,454,793</b>	<b>---</b>	<b>6,454,793</b>

## GOLDEN HORSE MINERALS LIMITED

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars) (Unaudited)

#### 6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

On July 4, 2023 the Company announced that it had satisfied all conditions for its previously announced acquisition of 100% of 14 key tenements in the Southern Cross region of Western Australia from Surveyor Resources. Consideration of \$1,000,000 was satisfied through the issue of 10,000,000 shares (at a deemed value of \$0.10 per share) and 10,000,000 warrants, each warrant exercisable for one additional common share at an exercise price \$0.14 and expiring on July 4, 2027 (Note 9).

On February 22, 2023, the Company announced that it had executed an option agreement to purchase a 90% interest in exploration licence E77/2691 (“**Agreement**”), more than doubling the Company’s tenement area in the Southern Cross region, located approximately 370 kilometers east of Perth, Western Australia. Key terms of the Agreement are as follows:

- The option exercise price is A\$250,000 cash plus A\$250,000 worth of fully paid ordinary 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 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.
- 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.

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. Chandman-Yol is located 1,050 kilometers from the Capital City of Ulaanbaatar in Mongolia. BraveHeart Resources LLC and Altan Rio Mongolia LLC held the Chandman-Yol and are no longer subsidiaries of Company and as cease to remain within the Group.

#### 7. LOANS AND BORROWINGS

On May 5, 2021, the Company entered into a loan agreement with Lionel Street Pty Ltd (“**Lionel**”), pursuant to which the Company was able to borrow up to A\$500,000. The loan interest rate was 12.5%, payable monthly in arrears and was secured by a promissory note. Lionel advanced the Company A\$200,000 on May 5, 2021 and advanced A\$150,000 on June 1, 2021. On June 28, 2023 the Company settled the Lionel loan in full.

In connection with these advances, the Company issued 2,407,248 bonus warrants to Lionel, each such bonus warrant entitling Lionel to acquire one common share of the Company (each a bonus warrant share). The estimated fair value of the Bonus Warrants was determined using the Black-Scholes option pricing model (Note 9).

	September 30, 2023	December 31, 2022
	\$	\$
	(Unaudited)	(Audited)
<b>Current</b>		
Loans and Borrowings	---	313,797

## GOLDEN HORSE MINERALS LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(Expressed in Canadian Dollars) (Unaudited)

### 8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

As at September 30, 2023, an amount of \$45,946 (December 2022 - \$27,268) is owed to Kerry Griffin, a Director of the Company, for geological consulting services. Mr Griffin resigned as a Director of the Company on 10 October 2023.

As at September 30, 2023, an amount of \$8,621 (December 2022 - \$70,263 (included in trade and other payables)) is owed to Robert Williams, an officer of the Company, for accounting services.

As at September 30, 2023, an amount of \$nil (December 2022 - \$28,876) is owed to Surveyor Resources Pty Ltd ("**Surveyor Resources**"), a company controlled by a director of the Company.

As at September 30, 2023, an amount of \$nil (December 2022 - \$29,878 (included in loans payable)) included in advances payables is owed to John Jones, a Director of the Company.

As at September 30, 2023, an amount of \$nil (December 2022 - \$4,443) is owed to Brian Cole, a Director of the Company. Mr Cole resigned as a Director of the Company on 10 April 2023.

As at September 30, 2023, an amount of \$nil (December 2022 - \$298,208) is owed to Jones Partners Pty Ltd, a company controlled by a Director of the Company.

These transactions were incurred in the normal course of operations, on an arms length basis. The payables are non-interest bearing and due on demand.

#### 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 nine months ended September 30, 2023 are as follows:

	<b>9 months to September 30, 2023</b>	<b>12 months to December 31, 2022</b>
	\$	\$
	(Unaudited)	(Audited)
Management and consulting fees	145,276	113,624
Director fees	---	77,547
Share-based compensation	---	325,408
Total	145,276	516,579

### 9. SHARE CAPITAL, OPTIONS AND WARRANTS

#### Authorized share capital

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

**GOLDEN HORSE MINERALS LIMITED****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

(Expressed in Canadian Dollars) (Unaudited)

**9. SHARE CAPITAL, OPTIONS AND WARRANTS (cont'd...)****Issued share capital**

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

	Number of Shares	Issue Price	\$
Common shares			
Opening balance as at December 31, 2021	99,889,294		23,154,176
Issue of shares (January 11, 2022)	1,037,035	\$0.12	124,444
Issue of shares (April 1, 2022)	7,726,885	\$0.12	927,226
Less issue costs	---	---	(8,618)
<b>Closing balance as at December 31, 2022</b>	<b>108,653,214</b>		<b>24,197,228</b>
Issue of shares (January 6, 2023)	3,076,923	\$0.060	183,486
Issue of shares (March 7, 2023)	2,372,820	\$0.098	231,350
Issue of shares (May 2, 2023)	20,000,000	\$0.060	1,192,000
Issue of shares (July 4, 2023)	10,000,000	\$0.100	1,000,000
Issue of shares (August 18, 2023)	15,444,328	\$0.080	1,235,546
Less issue costs	---	---	(95,874)
<b>Closing balance as at September 30, 2023</b>	<b>159,547,285</b>		<b>27,943,736</b>

- a) On July 4, 2023 the Company announced that it had satisfied all conditions for its previously announced acquisition of 100% of 14 key tenements in the Southern Cross region of Western Australia from Surveyor Resources. Consideration was satisfied through the issue of 10,000,000 shares (at a deemed value of \$0.10 per share) and 10,000,000 warrants, each warrant exercisable for one additional common share at an exercise price \$0.14 and expiring on July 4, 2027 (refer below).
- b) On August 18, 2023 the Company announced that it had raised gross proceeds of \$1,235,546 through the sale of 15,444,328 shares at a price of \$0.08 per share. The Company paid a finder's fees in connection with the placement to Savoy Capital Partners Pty Ltd, consisting of, in the aggregate: (i) a cash payment of A\$75,578, and (ii) 2,000,000 broker warrants, each such broker warrant being exercisable to acquire one share at a price of \$0.15 and expiring on August 18, 2025.

**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.

	Number of Options	Weighted Average Exercise Price
Outstanding options, December 31, 2021	5,700,000	\$0.17
Options granted	5,000,000	\$0.20
Options expired	(2,750,000)	\$0.12
<b>Outstanding options, December 31, 2022</b>	<b>7,950,000</b>	<b>\$0.17</b>
Options granted	---	---
Options expired	2,075,000	\$0.20
<b>Outstanding options, September 30, 2023</b>	<b>5,875,000</b>	<b>\$0.17</b>

**GOLDEN HORSE MINERALS LIMITED**

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**9. SHARE CAPITAL, OPTIONS AND WARRANTS (cont'd...)**

As at September 30, 2023, the following stock options were outstanding and exercisable:

Number of Stock Options	Exercise Price	Expiry Date
1,700,000	\$0.09	June 26, 2024
1,500,000	\$0.19	December 22, 2023
2,675,000	\$0.20	April 21, 2026
<b>5,875,000</b>		

**Warrants**

A summary of share purchase warrant activities is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, December 31, 2022	19,723,412	\$0.163
Granted	12,000,000	\$0.140
Expired	---	---
<b>Outstanding warrants, September 30, 2023</b>	<b>31,723,412</b>	<b>\$0.155</b>

As at September 30, 2023, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
10,882,692	\$0.150	October 1, 2023
1,037,035	\$0.18	January 11, 2025
7,803,685	\$0.180	April 1, 2025
2,000,000	\$0.015	August 18, 2025
10,000,000	\$0.014	July 4, 2027
<b>31,723,412</b>		

- a) On July 4, 2023 the Company announced that it had satisfied all conditions for its previously announced acquisition of 100% of 14 key tenements in the Southern Cross region of Western Australia from Surveyor Resources. Consideration was satisfied through the issue of 10,000,000 shares (at a deemed value of \$0.10 per share) (refer above), and 10,000,000 warrants, each warrant exercisable for one additional common share at an exercise price \$0.14 and expiring on July 4, 2027.
- b) On August 18, 2023, the Company issued 2,000,000 warrants, each warrant exercisable for one additional common share at an exercise price \$0.15 and expiring on August 18, 2025.
- c) On August 18, 2023 the Company announced that it had raised gross proceeds of \$1,235,546 through the sale of 15,444,328 shares at a price of \$0.08 per share. The Company paid a finder's fees in connection with the placement to Savoy Capital Partners Pty Ltd, consisting of, in the aggregate: (i) a cash payment of A\$75,578, and (ii) 2,000,000 broker warrants, each such broker warrant being exercisable to acquire one share at a price of \$0.15 and expiring on August 18, 2025.
- d) In connection with the Lionel loan (Note 7), the Company issued 2,407,248 share purchase warrants to Lionel (the "**Bonus Warrants**") with a fair value of \$292,619. The estimated fair value of the Bonus Warrants was determined using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, volatility of 261.51%-369.83%, risk-free rate of 0.29% and expected life of 2 years. Each Bonus Warrant entitles Lionel to acquire one common share of the Company (each a "**Bonus Warrant Share**") on the following terms and conditions:
  - 1,363,569 Bonus Warrant Shares at \$0.135 per share with an expiry date of May 5, 2023; and
  - 1,043,679 Bonus Warrant Shares at \$0.13 per share with an expiry date of May 5, 2023.

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**10. INCOME TAXES**

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

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Profit / (loss) for the year	1,748,683	(861,015)
Expected income tax (recovery)	462,597	(227,773)
Change in statutory, foreign tax, foreign exchange and other	22,738	93,660
Permanent differences	138,000	138,000
Share issue cost	---	---
Change in unrecognized deductible temporary differences	(623,334)	(3,888)
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:

	<b>2023</b>	<b>Expiry Date</b>	<b>2022</b>	<b>Expiry Date</b>
	<b>\$</b>	<b>Range</b>	<b>\$</b>	<b>Range</b>
<b>Temporary Differences</b>				
Exploration and evaluation assets	92,000	No expiry date	92,000	No expiry date
Share issue costs	112,000	2040 to 2044	112,000	2040 to 2044
Non-capital losses available for future period	6,742,052	2030 to 2041	8,490,735	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.

**11. SUPPLEMENTAL CASH FLOW DISCLOSURE**

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Shares issued for debt	---	124,444
Exploration expenses in accounts payable	75,208	523,951
	<u>75,208</u>	<u>648,395</u>

## GOLDEN HORSE MINERALS LIMITED

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## 12. 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 Australia and during the nine months ended September 30, 2023, the Group has actively undertaken exploration, evaluation and development in Australia. Reportable segments are represented as follows:

	September 30, 2023 \$ (Unaudited)	December 31, 2022 \$ (Audited)
Exploration and evaluation assets		
Australia	6,454,793	4,621,150
	<b>6,454,793</b>	<b>4,621,150</b>

## 13. 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 nine months ended September 30, 2023. The Company is not subject to any externally imposed requirements.

## 14. 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 Canadian 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, the Australian Taxation Office and due from related parties. 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 September 30, 2023, the Company has cash of \$1,477,861 (December 31, 2022: \$127,323) to settle current liabilities of \$568,771 (December 31, 2022: \$1,794,293). 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.

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**14. FINANCIAL INSTRUMENTS (cont'd...)**a) *Financing arrangements*

Unused borrowing facilities at the reporting date:

	<b>September 30, 2023 C\$ (Unaudited)</b>	<b>December 31, 2022 C\$ (Audited)</b>
Loan	---	137,715
	<b>---</b>	<b>137,715</b>

The loan facility may be drawn at any time in amounts of A\$150,000, on five business days' advance written notice to the lender.

**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.

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

	<b>Assets</b>		<b>Liabilities</b>	
	<b>September 30, 2023 \$ (Unaudited)</b>	<b>December 31, 2022 \$ (Audited)</b>	<b>September 30, 2023 \$ (Unaudited)</b>	<b>December 31, 2022 \$ (Audited)</b>
<b>Consolidated</b>				
Australian dollars	8,333,834	4,901,853	688,568	1,028,512
	<b>8,333,834</b>	<b>4,901,853</b>	<b>688,568</b>	<b>1,028,512</b>

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.



## **GOLDEN HORSE MINERALS LIMITED**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars) (Unaudited)

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#### **14. FINANCIAL INSTRUMENTS (cont'd...)**

##### **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 period ended September 30, 2023 by approximately \$500 (December 2022 loss \$9,750).

#### **15. CONTINGENCIES**

As at September 30, 2023 the Company has contingent liabilities comprising \$409,071. This amount was due to the write off of disputed Trade and Other Payables in excess of two years (December 31, 2022 the Group had no material commitments or contingences). The Company has attempted to contact the creditors to resolve the disputed amounts, however no response has been received from the creditors during the period. Therefore, the Company has derecognized these amounts as Trade and Other Payables and recognized a contingent liability of \$409,071.

The Company's subsidiary companies GS Minerals Corp. Ltd, BraveHeart Resources LLC and Altan Rio Mongolia LLC have ceased to be subsidiaries of Company and no longer remain within the Group. The directors are of the opinion, that the Group will not have any material liabilities associated with these companies. Accordingly, no provision has been provided within these financial statements.

The Group has a portfolio of tenements located in 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.

#### **15. 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:

##### **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.

**GOLDEN HORSE MINERALS LIMITED**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**16. SUBSEQUENT EVENTS**

Mr Jonathan Lea was appointed as a Director of the Company on 10 October 2023.

Mr Paul Huet was appointed as a Director of the Company on 18 October 2023.

Mr Kerry Griffin resigned as a Director of the Company on 10 October 2023.

Mr Nick Madders resigned as Company Secretary of the Company on 10 October 2023.

Mr Martin Bouwmeester was appointed as Company Secretary of the Company on 10 October 2023.