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ABN 82 111 005 282

INTERIM FINANCIAL REPORT for the half-year ended 31 December 2022

The information contained in this condensed report is to be read in conjunction with Dragon Mountain Gold Limited's 2022 annual report and announcements to the market by Dragon Mountain Gold Limited during the half-year period ending 31 December 2022

DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2022

Corporate Directory

Current Directors

Robert Gardner	<i>Executive Chairman</i>
Jay Stephenson	<i>Non-executive Director (Appointed 31 December 2016)</i>
Dimitri Bacopanos	<i>Non-executive Director (Appointed on 2 July 2021)</i>

Company Secretary

Jay Stephenson

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Perth WA 6000

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West Perth WA 6872

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Facsimile: +61 (0)8 9481 1947

Email: info@dragonmountain.com.au

Website: www.dragonmountain.com.au

Securities Exchange

Australian Securities Exchange

Street: Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code: DMG

Corporate Adviser

Wolfstar Group Pty Ltd

Street: Barringtons House
283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (0)8 9246 0666

Share Registry

Computershare Registry Services

Street: Level 11, 172 St Georges Terrace
Perth WA 6000

Postal: GPO Box D182
Perth WA 6840

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Auditor

Moore Australia Audit (WA)

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Solicitors to the Company

Steinepreis Paganin










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**INTERIM FINANCIAL REPORT
31 DECEMBER 2022**

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Directors' Report

Your Directors present their report together with the summary of the financial information of Dragon Mountain Gold Limited (**the Company**) and its controlled entity (**the Consolidated Entity or the Group**) for the half-year ended 31 December 2022.

1. Directors

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

-  Mr Robert Gardner *Executive Chairman*
-  Mr Jay Stephenson *Non-executive Director (appointed 31 December 2016)*
-  Mr Dimitri Bacopanos *Non-executive Director (appointed on 2 July 2021)*

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

2. Review of Operations

The Group holds an interest in the Cawse Project and the Avalon Project, each comprising 26 tenements and 7 tenements respectively.

On 9 November 2022, the Company announced that it had acquired a package of 23 Prospecting Licences covering 40km² located within the Cawse Envelope.

The Company considers that these tenements may be highly prospective for gold that are within the Gordon's Project on the granite ultramafic boundary alongside our existing Cawse interest South of Ora Banda Road.

The tenements were acquired through a share purpose agreement from Sleeklines Holdings Pty Ltd. In consideration for acquiring 100% of the issued capital of Sleeklines Holdings Pty Ltd, the Company has issued the vendors 1,000,000 Shares in the Company and made a cash payment of \$300,000 as a reimbursement for exploration costs on the tenements incurred by Sleeklines Holdings Pty Ltd.

These three projects are the primary focus of the Group.

The Group had \$881,076 in cash reserves at the end of the period. Directors are continuing to manage the Group's cash flow in this difficult capital raising environment for junior exploration companies.

2.1. Operating results

The loss of the Company for the half-year amounted to \$295,255 (30 June 2022: \$438,238).

2.2. Financial position

The net asset position of the Company has increased by \$2,359,892 to \$1,672,353 at 31 December 2022 (30 June 2022: \$(687,539)).

As at 31 December 2022, the Company's cash and cash equivalents decreased from 30 June 2022 by \$732,122 to \$881,076 and had working capital of \$786,709 (30 June 2022: \$(1,064,666) working capital deficit).

3. Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2022 has been received and can be found on page 4 on the half-year report.



ROBERT GARDNER

Chairman

Dated this 15 March 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DRAGON MOUNTAIN GOLD LIMITED**

As auditor for the review of Dragon Mountain Gold Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2023.

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Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Continuing operations			
Revenue	1.1	6,400	1,553
Accounting and audit fees		(23,894)	(35,059)
Computers and communications		(1,223)	(2,553)
Depreciation	2.2	(43,428)	(46,034)
Employee benefits expenses	2.1	(60,000)	(212,031)
Financing costs	2.3	(199)	(3,039)
Share based payments expenses	7.4	(42,324)	-
Insurance		(25,680)	(12,992)
Occupancy expenses		-	(180)
Professional fees		(62,179)	(22,900)
Regulatory expenses		(40,907)	(92,917)
Other expenses		(1,821)	(12,086)
Loss before tax		(295,255)	(426,152)
Income tax benefit / (expense)		-	-
Loss from continuing operations		(295,255)	(438,238)
Net loss for the half-year		(295,255)	(438,238)
Other comprehensive income, net of income tax			
⊕ Items that will not be reclassified subsequently to profit or loss		-	-
⊕ Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		-	-
Other comprehensive income for the year, net of tax		0	
Total comprehensive loss attributable to members of the parent entity		(295,255)	(438,238)
loss for the period attributable to:			
⊕ Non-controlling interest		-	-
⊕ Owners of the parent		(295,255)	(438,238)
Total comprehensive loss attributable to:			
⊕ Non-controlling interest		-	-
⊕ Owners of the parent		(295,255)	(438,238)
Earnings per share:			
Basic loss per share (cents per share)	11.3	(0.08)	(0.17)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	5.1	881,076	1,613,198
Trade and other receivables	5.2	29,682	27,552
Other current assets	5.3	86,295	10,140
Total current assets		997,053	1,650,890
Non-current assets			
Capitalised exploration and evaluation expenditure	6.1	883,229	331,284
Plant and equipment	6.2	2,415	2,760
Right of use assets		-	43,083
Total non-current assets		885,644	377,127
Total assets		1,882,697	2,028,017
Current liabilities			
Trade and other payables	5.4	210,344	2,697,755
Short-term lease liabilities	6.3.3	-	17,801
Total current liabilities		210,344	2,715,556
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		210,344	2,715,556
Net assets		1,672,353	(687,539)
Equity			
Issued capital	7.1	35,694,626	33,081,803
Foreign Exchange Reserves	7.3	1,040	1,040
Share based payment reserve	7.4	42,324	-
Accumulated losses		(34,065,637)	(33,770,382)
Total equity		1,672,353	(687,539)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2022

Note	Issued Capital	Accumulated Losses	Foreign Exchange Translation Reserve	Share-Based Payment reserve	Non- controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	33,081,803	(33,116,944)	1,040	-	-	(34,101)
Loss for the half-year attributable to the owners of the parent	-	(438,238)	-	-	-	(438,238)
Other comprehensive income for the half-year attributable to the owners of the parent	-	-	-	-	-	-
Total comprehensive loss for the half-year attributable to the owners of the parent	-	(438,238)	-	-	-	(438,238)
Transaction with owners, directly in equity						
Shares issued during the year	-	-	-	-	-	-
Balance at 31 December 2021	33,081,803	(33,555,182)	1,040	-	-	(472,339)
Balance at 1 July 2022	33,081,803	(33,770,382)	1,040	-	-	(687,539)
Loss for the half-year attributable to the owners of the parent	-	(295,255)	-	-	-	(295,255)
Other comprehensive income for the half-year attributable to the owners of the parent	-	-	-	-	-	-
Total comprehensive loss for the half-year attributable to the owners of the parent	-	(295,255)	-	-	-	(295,255)
Shares issued during the half-year	2,612,823					2,612,823
Options Issued during the half-year				42,324		42,324
Balance at 31 December 2022	35,694,626	(34,065,637)	1,040	42,324	-	1,672,353

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2022

Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Receipts from government grants	-	-
Payments to suppliers and employees	(539,569)	(55,579)
Interest received	6,400	1,553
Net cash used in operating activities	(533,169)	(54,026)
Cash flows from investing activities		
Payments for exploration expenditure	(241,935)	(280,745)
Repayment of loan	(300,000)	-
Net cash used in investing activities	(541,935)	(280,745)
Cash flows from financing activities		
Proceeds from share issue	342,992	-
Cash held in trust	-	233,000
Net cash provided by financing activities	342,992	-
Net decrease in cash held	(732,112)	(334,771)
Cash and cash equivalents at the beginning of the year	1,613,198	818,599
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
Cash and cash equivalents at the end of the period	881,086	483,828

5.1

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

In preparing the 2022 interim financial statements, Dragon Mountain Limited has grouped notes into sections under the same key categories as used in the 30 June 2022 Annual Report:

 Section A: How the numbers are calculated.....	10
 Section B: Unrecognised Items	17
 Section C: Other Information.....	18

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- (b) analysis and sub-totals, including segment information
- (c) information about estimates and judgements made in relation to particular items.

NOTE 1 Revenue and other income

Note

	31 December 2022	31 December 2021
	\$	\$
1.1 Revenue		
☺ Interest revenue	6,400	1,553
Total revenue	6,400	1,553

NOTE 2 Loss before income tax

31 December

31 December

	2022	2021
	\$	\$
The following significant revenue and (expense) items are relevant in explaining the financial performance:		
2.1 Employee benefits:		
☺ Wages and salaries	55,525	208,858
☺ Superannuation expenses	4,475	3,173
Total personnel expenses	60,000	212,031
2.2 Depreciation		
☺ Depreciation	43,428	46,034
Total depreciation expenses	43,428	46,034
2.3 Financing costs		
☺ Financing costs	199	3,039
Total financing costs	199	3,039

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 3 Business combinations

On 9 November 2022, Dragon Mountain Gold Limited acquired a 100% interest in the business of Sleeklines Holding Limited under an asset sale agreement. This transaction constitutes a business combination under AASB 3.

Acquisition consideration

The consideration for the acquisition of Sleeklines Holdings Limited consisted of the cash consideration of 1,000,000 fully paid ordinary shares in Dragon Mountain Gold Limited at \$0.01 per share.

	30 November 2022 \$
Cash	-
Exploration Assets	310,010
Total Assets	310,010
Liabilities	
Shareholder loans	(300,010)
Total Liabilities	(300,010)
Net Assets	10,000

The consideration for the acquisition of Sleeklines Holdings Limited consisted of the cash consideration of 1,000,000 fully paid ordinary shares in ASX:DMG.

The Fair Value of consideration issued on 9 November 2022 was \$10,000 which was by reference to be fair value of the net assets acquired

	30 November 2022 \$
Fair value of Assets Acquired	10,000
Consideration provided for assets acquired	
Ordinary shares	10,000

In accordance with the company's accounting policy at note 6.1 the acquired exploration and evaluation expenditure has been expensed.

Significant Accounting Judgement

Asset Acquisition not constituting a business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transactions and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill arise on the acquisition and transaction costs to the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgment is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is a integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

Management determined that the acquisition of Sleeklines holdings Pty Ltd was an asset acquisition.

Fair value of asset acquisition

During the financial year 1,000,000 ordinary shares were issued in consideration of Sleeklines Holdings Pty Ltd. The fair value of consideration was by reference to the fair value of assets and liabilities acquired in accordance with AASB 2. The fair value of the shares granted by Dragon Mountain Gold Ltd was \$10,000.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 4 Financial assets and financial liabilities

4.1 Cash and cash equivalents

	31 December 2022	30 June 2022
	\$	\$
Cash at bank	881,076	1,613,198
	881,076	1,613,198

4.2 Trade and other receivables

	31 December 2022	30 June 2022
	\$	\$
Current		
Value-added tax receivable	29,682	27,468
Other receivables	-	84
	29,682	27,552

4.2.1 Value-added tax (VAT) is a generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST) and in China (VAT).

4.3 Other assets

	31 December 2022	30 June 2022
	\$	\$
Current		
Prepayments	14,152	10,140
GST Paid	72,143	-
	86,295	10,140

4.4 Trade and other payables

	31 December 2022	30 June 2022
	\$	\$
Current		
<i>Unsecured</i>		
Trade payables	80,710	797,035
Other creditors and accruals	129,634	372,735
Related party rent payable	-	275,000
Trust account – share application	-	1,252,985
	210,344	2,697,755

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 5 Non-financial assets and non-financial liabilities

5.1 Capitalised exploration and evaluation expenditure

Non-current

Exploration expenditure capitalised:

- Exploration and evaluation phase at cost

Net carrying value

Movements in Carrying Amounts

Balance at the beginning of year

Expenditure during the period

Acquisition of Sleeklines Holdings Pty Ltd

Carrying amount at the end of year

	31 December 2022 \$	30 June 2022 \$
	883,229	331,284
	883,229	331,284
	331,284	-
	241,935	331,284
	310,010	-
	883,229	331,284

5.2 Plant and equipment

Non-current

Furniture and fittings

Accumulated depreciation

Office equipment

Accumulated depreciation

Leasehold improvements

Accumulated amortisation

Software

Accumulated depreciation

Total plant and equipment

	31 December 2022 \$	30 June 2022 \$
	16,458	16,740
	(14,204)	(14,204)
	2,254	2,536
	54,087	54,087
	(53,926)	(53,863)
	161	224
	211,499	211,499
	(211,499)	(211,499)
	-	-
	4,940	4,940
	(4,940)	(4,940)
	-	-
	2,415	2,760

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 5 Non-financial assets and non-financial liabilities (cont.)

4.3 Leases

5.3.1 Right of use asset

Leased building

Accumulative depreciation

5.3.2 Movements in carrying amounts

Carrying amount at the beginning of period

Additions

Depreciation expense

Carrying amount at the end of period

5.3.3 Lease liabilities

Current

Short-term lease liabilities

Non-Current

Long-term lease liabilities

Total Lease liabilities

	31 December 2022 \$	30 June 2022 \$
Leased building	913,089	913,089
Accumulative depreciation	(913,089)	(870,006)
	-	43,083
Carrying amount at the beginning of period	43,083	136,964
Additions	-	-
Depreciation expense	(43,083)	(93,881)
Carrying amount at the end of period	-	43,083
Short-term lease liabilities	-	17,801
	-	17,801
Long-term lease liabilities	-	-
	-	-
Total Lease liabilities	-	-

NOTE 6 Equity

6.1 Issued capital

Note

Fully paid ordinary shares at no par value 7.1.1

6.1.1 Ordinary shares

At the beginning of the period

Capital Raise at \$0.02

Shares issued on Debt Conversion

Shares issued to Acquire Sleeklines Holdings Limited

At reporting date

	31 December 2022 No.	30 June 2022 No.	31 December 2022 \$	30 June 2022 \$
Fully paid ordinary shares at no par value	394,671,665	263,530,515	35,694,626	33,081,803
	6 months to 31 December 2022 No.	12 months to 30 June 2022 No.	6 months to 31 December 2022 \$	12 months to 30 June 2022 \$
At the beginning of the period	263,530,515	263,530,515	33,081,803	33,081,803
Capital Raise at \$0.02	79,800,000		1,596,000	
Shares issued on Debt Conversion	50,341,150		1,006,823	
Shares issued to Acquire Sleeklines Holdings Limited	1,000,000	-	10,000	-
At reporting date	394,671,665	263,530,515	35,694,626	33,081,803

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Notes to the condensed consolidated financial statements

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NOTE 6 Equity (cont.)

6.2 Options

Options	Note	31 December	30 June	31 December	30 June
		2022	2022	2022	2022
		No.	No.	\$	\$
Incentive Options		14,000,000		42,324	
At beginning of the period		-	-	-	-
Options issued/(lapsed) during the year		-	-	-	-
Options Exercisable at \$0.03 each expiring 23/11/2025		14,000,000	-	42,324	-
At reporting date		14,000,000	-	42,324	-

6.3 Foreign Exchange Reserves

	Note	31 December	30 June
		2022	2022
		\$	\$
Foreign exchange reserve	7.3.1	1,040	1,040
		1,040	1,040

6.3.1 Foreign exchange translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign controlled subsidiary.

6.4 Share Based Payment Reserves

	Note	31 December	30 June
		2022	2022
		No.	No.
Share Based Payment Reserve	7.3.1	42,324	-
Gross Share-based payments		42,324	-

a. Share-based payment arrangement in effect during the half-year

i. Incentive options

Number of Incentive Options	Date of Expiry	Milestone	Vesting Terms
14,000,000	23 November 2025	N/A	Immediately

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 6 Equity (cont.)

ii. **Fair value of incentive options granted during the period**

The fair value of the performance rights granted is deemed to represent the value of the services received over the vesting period.

These values were calculated using the Black-Scholes option pricing model, applying the following inputs to performance rights issued this year:

Grant date:	23 Nov 2022
Grant date share price:	\$0.01
Share price target:	N/A
Number of performance rights issued:	14,000,000
Expiry Date	23 November 2025
Expected share price volatility:	83.7%
Risk-free interest rate:	3.27%
Value per option	\$0.003

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

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SECTION B. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 7 Events subsequent to reporting date

There are no subsequent events that have arisen since 31 December 2022 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 8 Contingent liabilities

There are no contingent liabilities as at 31 December 2022 (30 June 2022: nil).

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

SECTION C. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

NOTE 9 Earnings per share (EPS)

	Note	31 December 2022 \$	31 December 2021 \$
9.1 Reconciliation of earnings to profit or loss			
Loss for the year attributable to owners of the Company		(295,255)	(438,238)
Loss attributable to non-controlling equity interest (NCI)		-	-
Loss used in the calculation of basic EPS		(295,255)	(438,238)
		31 December 2022 \$	31 December 2021 \$
9.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		379,721,813	263,530,515
		31 December 2022 ¢	31 December 2021 ¢
9.3 Earnings per share			
Basic EPS (cents per share)	11.3.1	(0.08)	(0.17)

9.3.1 The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group, and the company has no dilutionary equity instruments on issue as at 31 December 2022 (2021: nil).

NOTE 10 Operating segments

10.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia (2020: Australia). The Group operates predominantly in the minerals exploration and evaluation industry.

Due to its reduced activity, the Group currently operates materially in one business segment and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2022

NOTE 11 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

11.1 Basis of preparation

11.1.1 Statement of compliance

The half-year financial report is a general purpose financial report that have been prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include notes of the type normally included in the annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 13 March 2023 by the directors of the Company.

11.1.2 Going concern

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

The Group incurred a net loss of (295,255) during the half year ending 31 December 2022 and, as of that date, the Group had net assets of \$1,672,353 with a working capital Surplus of \$786,709.

The ability of the Group to continue its planned activities and maintain its going concern status is dependent on being able to raise additional funds as required. The Directors continue to be focused on meeting the Company's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- Given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- The fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

Should the Group be unable to raise the amount of funding required and should the continued support from related party creditors not be forthcoming, there is material uncertainty that the Group will be able to continue as a going concern, and therefore whether it will be able to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTE 11 Statement of significant accounting policies

11.1.3 Comparative figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is prepared.

11.1.4 New and amended Standards adopted by the Group

A number of new standards, amendments to standards and interpretations issued by AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

11.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgement made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

11.2.1 Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2022 annual report.

NOTE 12 COMPANY DETAILS

The registered office of the Company is:

Address:

Street: 182 Claisebrook Road
Perth WA 6000

Postal: PO Box 52
West Perth WA 6872

Website: www.dragonmountain.com.au

E-mail: info@dragonmountain.com.au

The principal place of business is:

Finance and Administration Office:

Street: Barringtons House
283 Rokeyby Road

Postal: PO Box 1288
Subiaco WA 6904

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

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DRAGON MOUNTAIN GOLD LIMITED

AND CONTROLLED ENTITIES

ABN 82 111 005 282

INTERIM FINANCIAL REPORT 31 DECEMBER 2022

Directors' Declaration

The directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 14, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and;
 - (c) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half-year ended on that date of the Consolidated Group.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001* and is signed for and on behalf of the directors by:



ROBERT GARDNER

Chairman

Dated this 15 March 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DRAGON MOUNTAIN GOLD LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Dragon Mountain Gold Limited (the company) and its controlled entities (the group or consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

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

Basis for Conclusion

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

Responsibility of the Directors for the Half-Year Financial Report

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

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DRAGON MOUNTAIN GOLD LIMITED (CONTINUED)****Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

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

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2023.

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