



TEMPUS

R E S O U R C E S

ABN 70 625 645 338

TEMPUS RESOURCES LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2023
EXPRESSED IN AUSTRALIAN DOLLARS

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2023**



	Notes	For the three months ended		For the nine months ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		\$	\$	\$	\$
Other income		(562)	17	73,105	314
Flow-through share premium recovery	6	12,133	92,936	251,555	537,018
Directors' and employee benefits expense		(49,097)	(55,399)	(150,850)	(266,898)
Legal and other professional fees		(141,006)	(211,438)	(440,582)	(634,478)
Regulatory fees		(59,647)	(63,244)	(204,816)	(246,478)
Advertising and marketing expenses		(136,594)	(63,302)	(477,853)	(199,335)
Ecuador claim		-	-	60,987	-
Depreciation expense		(5,354)	(7,510)	(17,819)	(26,246)
Share based payments	9(ii)	-	25,974	(64,721)	(266,306)
Interest expense		(432)	(1,077)	(1,642)	(4,035)
Foreign exchange gain/loss		(118,634)	(3,632)	90,913	(27,062)
Other expenses		(101,064)	(85,136)	(261,732)	(202,946)
Loss before income tax		(600,257)	(371,811)	(1,143,455)	(1,336,452)
Income tax expense		-	-	-	-
Loss for the period		(600,257)	(371,811)	(1,143,455)	(1,336,452)
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		286,743	(197,982)	(390,289)	(163,710)
Total other comprehensive income/(loss)		286,743	(197,982)	(390,289)	(163,710)
Total comprehensive loss for the period		(313,514)	(569,793)	(1,533,744)	(1,500,162)
Loss attributable to:					
Non-controlling interests		(29)	(2)	123	(823)
Members of the parent		(600,228)	(371,809)	(1,143,578)	(1,335,629)
		(600,257)	(371,811)	(1,143,455)	(1,336,452)
Total comprehensive loss attributable to:					
Non-controlling interests		(29)	(2)	123	(823)
Members of the parent		(313,485)	(569,791)	(1,533,867)	(1,499,339)
		(313,514)	(569,793)	(1,533,744)	(1,500,162)
Loss per share					
- Basic loss per share (cents)		(0.24)	(0.30)	(0.52)	(1.13)
- Diluted loss per share (cents)		(0.24)	(0.30)	(0.52)	(1.13)

The accompanying notes form part of this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 MARCH 2023**



	Notes	31 March 2023 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents		278,849	1,113,789
Trade and other receivables		56,920	118,410
Other assets		435,784	217,208
Total current assets		771,553	1,449,407
Non-current assets			
Exploration and evaluation	5	21,692,955	16,855,006
Other assets		331,818	337,793
Right of use asset		48,349	109,537
Property, plant and equipment		32,956	-
Total non-current assets		22,106,078	17,302,336
Total assets		22,877,631	18,751,743
LIABILITIES			
Current liabilities			
Trade and other payables		663,688	796,075
Provisions	7(a)	311,916	305,469
Flow-through premium liability	6	70,479	224,092
Lease liabilities		51,566	107,890
Total current liabilities		1,097,649	1,433,526
Non-current liabilities			
Provisions	7(b)	3,077,188	2,596,687
Total non-current liabilities		3,077,188	2,596,687
Total liabilities		4,174,837	4,030,213
Net assets		18,702,794	14,721,530
EQUITY			
Issued capital	8	24,978,936	20,120,765
Reserves	9	2,378,747	2,629,313
Accumulated losses		(8,629,195)	(8,002,731)
Equity attributable to owners of the Company		18,728,488	14,747,347
Non-controlling interest		(25,694)	(25,817)
Total equity		18,702,794	14,721,530

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2023



For the nine months ended 31 March 2023

	Issued Capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Non- controlling interest \$	Total \$
Balance at 1 July 2022	20,120,765	2,256,775	372,538	(8,002,731)	(25,817)	14,721,530
Loss for the period	-	-	-	(1,143,578)	123	(1,143,455)
Other comprehensive income	-	-	(390,289)	-	-	(390,289)
Total comprehensive (loss) / income for the period	-	-	(390,289)	(1,143,578)	123	(1,533,744)
Issue of capital (net of costs)	4,954,606	592,116	-	-	-	5,546,722
Flow-through premium (Note 6)	(96,435)	-	-	-	-	(96,435)
Transfer to retained earnings upon the expiry of options	-	(517,114)	-	517,114	-	-
Share based payments	-	64,721	-	-	-	64,721
Balance at 31 March 2023	24,978,936	2,396,498	(17,751)	(8,629,195)	(25,694)	18,702,794

For the nine months ended 31 March 2022

Balance at 1 July 2021	14,499,424	1,630,271	(212,040)	(6,169,498)	(24,994)	9,723,163
Loss for the period	-	-	-	(1,335,629)	(823)	(1,336,452)
Other comprehensive income	-	-	(163,710)	-	-	(163,710)
Total comprehensive (loss) / income for the period	-	-	(163,710)	(1,335,629)	(823)	(1,500,162)
Issue of capital (net of costs)	6,166,761	-	-	-	-	6,166,761
Flow-through premium	(1,008,994)	-	-	-	-	(1,008,994)
Share based payments	(262,000)	528,306	-	-	-	266,306
Balance at 31 March 2022	19,395,191	2,158,577	(375,750)	(7,505,127)	(25,817)	13,647,074

The accompanying notes form part of this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2023**



Notes	31 March 2023 \$	31 March 2022 \$
Cash flows from operating activities		
Interest received	4,656	314
Payments to suppliers and employees	(1,653,049)	(1,769,055)
Interest paid	(1,537)	(2,322)
Net cash outflow from operating activities	(1,649,930)	(1,771,063)
Cash flows from investing activities		
Payments for exploration and evaluation	(4,555,104)	(3,595,977)
Purchase of property, plant and equipment	(43,511)	-
Net cash outflow from investing activities	(4,598,615)	(3,595,977)
Cash flows from financing activities		
Proceeds from issue of shares	5,811,330	6,276,900
Share issue costs paid	(314,279)	(300,126)
Lease liability repayments	(2,370)	(26,133)
Net cash inflow from financing activities	5,494,681	5,950,641
Net (decrease)/ increase in cash held	(753,864)	583,601
Cash at the beginning of the financial period	1,113,789	1,018,950
Effect of exchange rate changes on cash and cash equivalents	(81,076)	(76,249)
Cash at the end of the financial period	278,849	1,526,302

The accompanying notes form part of this interim financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023

1. Corporate information

These condensed consolidated interim financial statements (“financial statements”) represent those of Tempus Resources Limited (the “Company”) and its controlled entities (the “Consolidated Entity” or “Group”) at the end of, or during the three and nine months ended 31 March 2023. The financial statements are presented in Australian dollars, which is Tempus Resources Limited’s functional and presentation currency. Foreign operations are translated into Australian dollars using the exchange rates at the reporting date.

Tempus Resources Limited is a listed public company limited by shares, listed on the Australian Stock Exchange (ASX:TMR) and the TSX-Venture Exchange (TSXV: TMRR), incorporated in Australia and with a registered office at Level 2, 22 Mount Street, Perth, Western Australia, 6000, Australia.

Management’s Responsibility for Condensed Consolidated Interim Financial Statements

The accompanying condensed consolidated interim financial statements of the Group are the responsibility of the Management of the Group. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and reflect management’s best estimate and judgements based on currently available information. Management is also responsible for a system of internal controls, which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognised, and that financial information is relevant and reliable. The Board of Directors are responsible for ensuring that management fulfils its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors, comprised of independent Directors, meets periodically with management and the Consolidated Entity’s independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual and interim financial statements and provides a recommendation to the Board of Directors on their approval.

These condensed consolidated financial statements were authorised by the Board of Directors of the Company on May 12, 2023.

2. Principal activities

The principal activity of the group during the period was mineral exploration, with gold projects located in Canada and Ecuador.

3. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements is a general-purpose financial report that has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report and should be read in conjunction with the audited annual financial report for the year ended 30 June 2022.

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those adopted and disclosed in the Group’s audited annual financial report for the year ended 30 June 2022 and are in accordance with International Financial Reporting Standards (IFRS) issued by the Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (Interpretations Committee).

Critical accounting judgements, estimates and assumptions

The Management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share based payment transactions

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

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of the provision.

Tax claim provision

A provision has been made for the present value of anticipated costs associated with amounts payable on an open tax claim. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Due to the uncertainty associated with such tax claims, there is a possibility that the final outcome may differ significantly at a future date.

Flow-through share premium liability (FTS)

The Group may from time to time, issue flow-through common shares to finance its exploration program. The accounting policy outlined below has been adopted from 1 July 2021. The consolidated financial statements have been prepared incorporating retrospective application of a voluntary change in accounting policy relating to flow-through share arrangements. Management believes that the change in accounting policy will better align to industry practice and provide more relevant and reliable information to the users of the consolidated financial statements.

Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors.

On issuance, the Group bifurcates the flow-through share proceeds into: (i) share capital, for the fair value of common shares without a flow-through feature (based on quoted trading prices), and (ii) a flow-through share premium liability, for the amount investors pay for the flow-through feature (in excess of the quoted trading price of the common shares).

Upon expenditures being incurred, the Group derecognises the liability on a pro-rata basis to the expenditures incurred. The reduction of the flow-through share premium previously recorded is recognised as other income. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act).

The Group may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Canadian Income Tax Act ("ITA") and Canadian Income Tax flow-through regulations. When applicable, this tax is accrued as a financial expense until paid. A renouncement is made on a prospective basis, which then permits recognition of the liability when expenditures are being incurred.

A deferred tax liability is recognised for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalised as an asset in the statement of financial position and its tax base.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, for the nine months ended 31 March 2023, the Group incurred a loss of \$1,143,455 (31 March 2022: \$1,336,452) and had net cash outflows from operating and investing activities of \$1,649,930 (31 March 2022: \$1,771,063) and \$4,598,615 (31 March 2022: \$3,595,977). These factors indicate a material uncertainty, which may cast significant doubt as to whether the Group will continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, as it plans to issue additional equity securities to raise further working capital. The Directors are confident the Group will be successful in sourcing further capital to fund the ongoing operations of the Group.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that the Group is unable to achieve the matters set out above to enable the Group to have sufficient funding for ongoing operations, capital and debt repayment requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts of classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

New and revised accounting standards and interpretations

The Group 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

4. Segment information

The Group operates within three geographical segments within mineral exploration and extraction being Australia, Canada and Ecuador. The segment information provided to the chief operating decision maker is as follows:

Three months ended 31 March 2023	Corporate and Exploration activities AUSTRALIA \$	Corporate and Exploration activities CANADA \$	Exploration Activities ECUADOR \$	Consolidated \$
Other income	286	11,285	-	11,571
Total other income				<u>11,571</u>
Segment result before income tax	(413,116)	(187,141)	-	(600,257)
Loss before income tax				<u>(600,257)</u>
At 31 March 2023				
Segment assets	2,142,185	17,145,708	3,589,738	22,877,631
Total assets				<u>22,877,631</u>
Segment liabilities	121,499	3,365,092	688,246	4,174,837
Total Liabilities				<u>4,174,837</u>
Three months ended 31 March 2022	Corporate and Exploration activities AUSTRALIA \$	Corporate and Exploration activities CANADA \$	Exploration activities ECUADOR \$	Consolidated \$
Other income	9	92,944	-	92,953
Total other income				<u>92,953</u>
Segment result before income tax	(275,005)	(96,806)	-	(371,811)
Loss before income tax				<u>(371,811)</u>
At 30 June 2022				
Segment assets	2,045,732	13,955,580	2,750,431	18,751,743
Total assets				<u>18,751,743</u>
Segment liabilities	248,112	3,385,294	396,807	4,030,213
Total liabilities				<u>4,030,213</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)**

Nine months ended 31 March 2023	Corporate and Exploration activities AUSTRALIA	Corporate and Exploration activities CANADA	Exploration activities ECUADOR	Consolidated
	\$	\$	\$	\$
Other income	2,179	322,481	-	324,660
Total other income				<u>324,660</u>
Segment result before income tax	(1,089,217)	(54,238)	-	(1,143,455)
Loss before income tax				<u>(1,143,455)</u>
At 31 March 2023				
Segment assets	2,142,185	17,145,708	3,589,738	22,877,631
Total assets				<u>22,877,631</u>
Segment liabilities	121,499	3,365,092	688,246	4,174,837
Total liabilities				<u>4,174,837</u>
Nine months ended 31 March 2022				
	Corporate and Exploration activities AUSTRALIA	Corporate and Exploration activities CANADA	Exploration activities ECUADOR	Consolidated
	\$	\$	\$	\$
Other income	49	537,283	-	537,332
Total other income				<u>537,332</u>
Segment result before income tax	(1,654,444)	317,992	-	(1,336,452)
Loss before income tax				<u>(1,336,452)</u>
At 30 June 2022				
Segment assets	2,045,732	13,955,580	2,750,431	18,751,743
Total assets				<u>18,751,743</u>
Segment liabilities	248,112	3,385,294	396,807	4,030,213
Total liabilities				<u>4,030,213</u>

Consolidated	
31 March 2023	30 June 2022
\$	\$

5. Exploration and evaluation

A summary of the exploration and evaluation asset is as follows:

Opening balance	16,855,006	11,493,499
Expenditure incurred during the period ¹	4,504,689	4,488,256
Impairments	(14,679)	-
Changes in rehabilitation	533,368	152,435
Foreign exchange movements	(185,429)	720,816
Closing balance	<u>21,692,955</u>	<u>16,855,006</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

\$

¹ Expenditure incurred during the 9 month period ended 31 March 2023
 A summary of the exploration and evaluation expenditure incurred:

Assays	167,480
Camp expenses	55,495
Consulting fees	829,416
Drilling	2,749,070
Other	645,725
Wages & contractors	57,503
Expenditure incurred during the period	<u>4,504,689</u>

	Consolidated	
	31 March 2023	30 June 2022
	\$	\$
6. Flow-through premium liability		
Opening Balance	224,092	-
Flow-through share premium liability recognised (i)	96,435	1,013,978
Flow-through expenditure incurred	(251,555)	(803,407)
Foreign exchange movements	1,507	13,521
Closing balance	<u>70,479</u>	<u>224,092</u>

(i) On 23 December 2022, the Group issued 8,835,000 flow-through shares at a price of \$0.066 per flow-through share for gross proceeds of \$582,016. The Group recorded a flow-through premium liability \$96,435 on issuance of these flow-through shares. The Group is committed to spend these flow-through funds by 31 December 2023.

During the nine-month period ended 31 March 2023, the Group spent approximately \$250,952 of flow-through funds and accordingly recorded a flow-through premium recovery of \$27,463 in the statement of profit or loss and other comprehensive income. The remaining liability from last financial year was recovered during the nine-month period. Total flow-through share premium recognised for the nine-month period was \$251,555.

The flow-through premium liability balance as at March 31, 2023 of \$70,479 arose in connection with the flow-through share offering the Group completed on 23 December 2022. The reported amount is the remaining balance of the premium from issuing the flow-through shares. The flow-through premium recovery is recognised in the statement of profit or loss and other comprehensive income based on the amount of qualifying flow-through expenditures incurred by the Group.

As at 31 March 2023, the Group had incurred approximately \$250,952 of qualifying Canadian Exploration Expenditure ("CEE") and accordingly, recognised flow-through premium recoveries of \$70,479 in relation to the flow-through placement in December 2022. As at 31 March 2023, the Group has a remaining commitment to incur qualifying CEE of \$332,401.

	Consolidated	
	31 March 2023	30 June 2022
	\$	\$
7. Provisions		
(a) Current		
Ecuador provision (i)	306,552	300,243
Other provisions	5,364	5,226
	<u>311,916</u>	<u>305,469</u>

(i) Relates to a claim for tax liabilities associated with a portion of the Rio Zarza licence that was sold by Condor Gold pre acquisition. During the year ended 30 June 2022, the Ecuador tax authority issued a resolution requiring the group to pay \$USD 420,142. The Group intends to dispute the amount through legal proceedings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the nine-months. A deposit of \$60,987 was paid to the courts in October 2022 in regard to the Ecuador tax claim.

	Consolidated	
	31 March	30 June
	2023	2022
	\$	\$
(b) Non-Current		
Rehabilitation - Blackdome		
Opening balance	2,596,687	2,325,778
Changes in rehabilitation estimate	533,368	280,376
Foreign exchange movements	(52,867)	(9,467)
	3,077,188	2,596,687

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

	Consolidated	
	31 March	30 June
	2023	2022
	\$	\$
8. Issued capital		
Ordinary shares – fully paid (i)	24,978,936	20,120,765
	24,978,936	20,120,765

(i) Ordinary shares

Date	No. of shares	Issue price	
		\$	\$
Opening balance: 1 July 2022	135,592,569		20,120,765
– 4 August 2022 – Capital Raising	20,338,885	0.05	1,016,944
– 5 September 2022 – Entitlement Offer	38,148,166	0.05	1,907,408
– 6 September 2022 – Entitlement Offer	39,817,561	0.05	1,990,878
– 29 September 2022 – Public Relations Services	3,000,000	0.05	150,000
– 1 December 2022 – Shares issued under exploration agreement	606,061	0.065	39,394
– 23 December 2022 – Flow Through Placement Part 1	8,835,000	0.066	582,016
– 23 December 2022 – Flow Through Placement Part 2	3,000,000	0.055	164,690
– Capital raising costs	-		(993,159)
Closing balance: 31 March 2023	249,338,242		24,978,936

The Group completed a private placement through the issuance of 3,000,000 non-flow-through shares at a price of \$0.055 per non-flow-through shares for gross proceeds of \$164,690 and 8,835,000 flow-through shares at a price of \$0.066 per flow-through share for gross proceeds of \$582,016.

The Group recorded a flow-through premium liability of \$96,435 on issuance of the flow-through shares. The Group is committed to spend these flow-through funds by December 31, 2023. During the nine-month period ended March 31, 2023, the Group spent \$250,952 of these flow-through funds and accordingly recorded a premium recovery of \$251,555 on the statement of profit or loss and other comprehensive income and a flow-through premium liability of \$70,479 as at 31 March 2023.

The Group incurred \$993,159 of capital raising costs. The Group issued 16,618,450 unlisted options valued at \$592,116 to brokers for their services for the capital raisings during the nine-months and accordingly recorded as a non-cash capital raising cost. Refer to Note 9 for further disclosure regarding the valuation of the unlisted options.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

9. Reserves	Consolidated	
	31 March 2023	30 June 2022
	\$	\$
Foreign currency reserve (i)	(17,751)	372,538
Share based payments reserve (ii)	2,396,498	2,256,775
	<u>2,378,747</u>	<u>2,629,313</u>

(i) Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

(ii) Share based payments reserve

Reconciliation of share based payments reserve

	Consolidated	
	31 March 2023	30 June 2022
	\$	\$
Opening balance	2,256,775	1,630,271
– Options – recognised in equity (share issue costs)	592,116	279,624
– Performance rights – recognised as an expense	-	(11,380)
– Options – recognised as an expense	64,721	358,260
– Transfer to retained earnings upon the expiry of options	(517,114)	-
Closing balance	<u>2,396,498</u>	<u>2,256,775</u>

Performance rights

Performance rights outstanding at reporting date:

	Consolidated	
	31 March 2023	30 June 2022
	#	#
Opening balance	600,000	3,226,000
Performance rights issued during the period	-	400,000
Performance rights lapsed/forfeited during the period	-	(2,400,000)
Performance rights expired during the period	(200,000)	(626,000)
Closing balance	<u>400,000</u>	<u>600,000</u>

Options

During the nine-month period, the Group granted 128,358,062 options, with a total fair value of \$656,838. This includes the following:

- 1,600,000 options to management personnel as part of an option incentive plan, with a total fair value of \$64,721.
- 110,139,612 listed options issued as free-attaching options in connection with the entitlement offer in September.
- 16,618,450 listed options were issued to brokers, for services provided, with a total fair value of \$592,117.

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

For the options issued during the nine-month period, a Black Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of Options	Value per Option	Total Value	Vesting terms
		\$	\$	%	%	%	#	\$	\$	
04/08/2022	05/09/2025	0.057	0.05	-	-	-	20,338,885	-	-	Immediately
23/08/2022	12/09/2025	0.074	0.12	100	3.30	-	1,600,000	0.0405	64,721	Immediately
05/09/2022	05/09/2025	0.060	0.05	-	-	-	38,148,166	-	-	Immediately
06/09/2022	05/09/2025	0.061	0.05	-	-	-	39,817,561	-	-	Immediately
06/09/2022	05/09/2025	0.061	0.075	100	3.28	-	16,000,000	0.0361	577,895	Immediately
23/12/2022	23/12/2024	0.057	0.099	-	-	-	8,835,000	-	-	Immediately
23/12/2022	23/12/2024	0.057	0.099	-	-	-	3,000,000	-	-	Immediately
23/12/2022	23/12/2024	0.057	0.099	100	3.27	-	618,450	0.0230	14,221	Immediately
							<u>128,358,062</u>		<u>656,837</u>	

Options outstanding at reporting date:

Grant date	Expiry date	Exercise price	31 March 2023	30 June 2022
		\$	#	#
3 August 2018	3 August 2022	0.25	-	4,000,000
22 June 2020	25 June 2023	0.15	3,000,000	3,000,000
7 July 2020	10 September 2023	0.37	100,000	100,000
30 November 2020	14 December 2023	0.29	1,500,000	1,500,000
30 November 2020	14 December 2023	0.37	1,500,000	1,500,000
18 December 2020	18 December 2022	0.274	-	283,800
14 May 2021	14 May 2023	0.165	362,264	362,264
20 April 2021	12 November 2024	0.20	1,500,000	1,500,000
14 May 2021	12 November 2024	0.20	1,500,000	1,500,000
16 August 2021	3 December 2024	0.32	1,500,000	1,500,000
1 September 2021	3 December 2024	0.31	1,080,000	1,080,000
10 November 2021	12 November 2024	0.25	1,000,000	1,000,000
12 November 2021	3 December 2024	0.17	1,000,000	1,000,000
18 November 2021	3 December 2024	0.31	1,360,000	1,360,000
6 April 2022	6 April 2024	0.12	5,090,757	5,090,757
6 April 2022	6 April 2024	0.12	424,706	424,706
17 June 2022	29 June 2025	0.12	2,700,000	2,700,000
4 August 2022	5 September 2025	0.05	20,338,885	-
23 August 2022	12 September 2025	0.05	38,148,166	-
5 September 2022	5 September 2025	0.05	39,817,561	-
6 September 2022	5 September 2025	0.08	16,000,000	-
6 September 2022	5 September 2025	0.12	1,600,000	-
23 December 2022	23 December 2024	0.098	3,000,000	-
23 December 2022	23 December 2024	0.098	8,835,000	-
23 December 2022	23 December 2024	0.098	618,450	-
			<u>151,975,789</u>	<u>27,901,527</u>

10. Commitments for expenditure

Capital

There are no capital commitments at 31 March 2023 (30 June 2022: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH 2023 (CONTINUED)

Exploration and evaluation

The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	31 March 2023	30 June 2022
	\$	\$
The Group has tenement rental and expenditure commitments payable of:		
- No later than 12 months	248,134	239,190
- Between 12 months and 5 years	1,634,138	1,586,111
- More than 5 years	533,073	681,513
	<u>2,415,345</u>	<u>2,506,814</u>

Flow-through exploration expenditure

During the nine-month period, the Group issued 8,835,000 flow-through ordinary shares to raise \$582,016 (before costs). As at 31 March 2023, \$332,401 remains unspent. The Group has a commitment to expend these funds by 31 December 2023.

11. Dividends

There were no dividends paid, recommended or declared during the nine-months.

12. Events after the reporting date

There are no subsequent events after reporting date.

Management are not aware of any matters or circumstances that have arisen since the end of the nine-months which 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.

13. Contingent assets and liabilities

Contingent assets

The Group had no contingent assets as at 31 March 2023 and 30 June 2022.

Contingent liabilities

The Group acquired a 100% interest in No. 75 Corporate Ventures Ltd in the prior year. No. 75 Corporate Ventures Ltd holds 100% interest in the rights over the Blackdome project in Canada. There is significant uncertainty as to what future liabilities will arise in relation to potential closure and rehabilitation costs, contingent on determination of costs through completion of the closure and reclamation plans required by the Ministry of Energy, Mines and Low Carbon Innovation (EMLCI) in Canada. All known costs that currently can be reliably measured have been recognised in provisions as disclosed in Note 5(b). The outcome and costs resulting from the approved rehabilitation plan as required by Ministry of Energy, Mines and Low Carbon Innovation (EMLCI), cannot be measured sufficiently at this time.

The Group's subsidiary, Condor Gold S.A., recognised a claim for tax liabilities in regards to a portion of the Rio Zarza licence that was sold by Condor Gold pre acquisition. There is significant uncertainty as to what future liabilities will arise in relation to this claim as the matter is still preliminary and is contingent on the outcome determined by the courts, affecting the amount required to settle the claim which cannot be measured with sufficient reliability at this time. All known costs that currently can be reliably measured have been recognised as a liability, as disclosed in Note 5(a). As more information is obtained regarding the claim from the courts, judgements and estimates may increase or decrease the possible impact on the Group's financial statements.

The Group had no other contingent liabilities as at 31 March 2023 and 30 June 2022.