

BROOKMOUNT EXPLORATIONS INC

and Controlled Entities

Consolidated Financial Statements

For The Years Ended 30 November 2022 and 2021

and

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Report No.: 001/2.0536/IFRS/02/1116-1/1/VI/2025

To the Shareholders and the Boards of Commissioners and Directors of
Brookmount Explorations, Inc

Opinion

We have audited the consolidated financial statements of Brookmount Explorations, Inc and its controlled entities (the "Company"), which comprise the statements of financial position as at 30 November 2022 and 30 November 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 30 November 2022 and 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company and its controlled entities in accordance with the relevant ethical principles set forth in the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We determined that there are no key audit matters.

Other Information Accompanying the Consolidated Financial Statements and the Auditor's Report

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with International Standards on Auditing established by the International Auditing and Assurance Standards Board (IAASB).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's and its controlled entities' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled entities' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its controlled entities audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Syarief Basir & Rekan

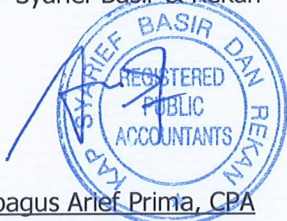
Registered Public Accountants
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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jakarta, Indonesia

June 18, 2025

KAP Syarief Basir & Rekan



Tubagus Arief Prima, CPA
Licensed Public Accountants

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Consolidated Statement of Financial Position
As at 30 November 2022

	Note	November 2022 \$	November 2021 \$
Assets			
Cash and cash equivalents	5	183,443	68,071
Trade receivables and other receivables	6	29,468,334	22,663,955
Inventories		8,870	13,504
Total current assets		29,660,647	22,745,530
Property, plant and equipment	7	611,282	745,442
Total non-current assets		611,282	745,442
Total assets		30,271,929	23,490,972
Liabilities			
Trade payables	8	63,029	6,559
Accrued expenses	9	117,562	75,668
Convertible notes	10	711,711	582,080
Borrowings from directors		75,009	227,702
Total current liabilities		967,311	892,009
Total liabilities		967,311	892,009
Equity			
Issued capital			
Authorized: \$0.001 par value, 2,000,000,000 shares authorized			
Issued and outstanding: 41,063,718 (2021: 17,795,181)		337,037	313,769
Additional Paid in Capital		4,937,828	3,381,589
Retained earnings		26,338,647	19,143,697
Convertible debt option reserve		(15,092)	(17,010)
Foreign currency translation reserve		(2,293,802)	(223,082)
Total equity		29,304,618	22,598,963
Total liabilities and equity		30,271,929	23,490,972

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the fiscal year ended 30 November 2022

	Notes	12 months ended 30 November 2022 \$	12 months ended 30 November 2021 \$
Continuing operations			
Revenue	3	14,123,655	13,647,316
Cost of sales	4	(4,934,795)	(4,895,189)
Depreciation and amortization expense		(68,877)	(70,232)
Selling, general and administrative expenses		(1,624,120)	(2,978,336)
Finance costs		(289,814)	(283,565)
Other expenses		(11,099)	-
Profit before income tax		7,194,950	5,419,994
Tax expense		-	-
Net profit from continuing operations		7,194,950	5,419,994
Other comprehensive income/(loss)		(2,070,720)	(224,183)
Total comprehensive income/(loss) for the period		5,124,230	5,195,811

**Consolidated Statement of Changes in Equity
For the year ended 30 November 2022 and 2021**

	Share Capital			Convertible Debt Option Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total Equity \$
	Shares	Amount \$	Additional Paid in Capital \$				
Balance at 30 November 2020	12,513,865	308,487	1,058,930	(3,170)	1,101	13,723,703	15,089,051
Profit for the year	-	-	-	-	-	5,419,994	5,419,994
New Share issuance (22,500 shares @ USD0.901/Share)	22,500	23	20,250	-	-	-	20,273
New Share issuance (50,000 shares @ USD0.740/Share)	50,000	50	36,950	-	-	-	37,000
New Share issuance (120,000 shares @ USD0.800/Share)	120,000	120	95,880	-	-	-	96,000
New Share issuance (500,000 shares @ USD0.915/Share)	500,000	500	457,000	-	-	-	457,500
New Share issuance (1,000 shares @ USD0.801/Share)	1,000	1	799	-	-	-	800
New Share issuance (87,816 shares @ USD0.175/Share)	87,816	88	15,280	-	-	-	15,368
New Share issuance (4,500,000 shares @ USD0.378/Share)	4,500,000	4,500	1,696,500	-	-	-	1,701,000
Convertible notes issuance	-	-	-	(13,840)	-	-	(13,840)
Other comprehensive loss	-	-	-	-	(224,183)	-	(224,183)
Balance at 30 November 2021	17,795,181	313,769	3,381,589	(17,010)	(223,082)	19,143,697	22,598,963

Consolidated Statement of Changes in Equity
For the year ended 30 November 2022 and 2021

	Share Capital			Convertible Debt Option Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total Equity \$
	Shares	Amount \$	Additional Paid in Capital \$				
Balance at 30 November 2021	17,795,181	313,769	3,381,589	(17,010)	(223,082)	19,143,697	22,598,963
Profit for the year	-	-	-	-	-	7,194,950	7,194,950
New Share issuance (127,306 shares @ USD0.121/Share)	127,306	127	15,240	-	-	-	15,367
New Share issuance (882,912 shares @ USD0.125/Share)	882,912	883	109,481	-	-	-	110,364
New Share issuance (800,000 shares @ USD0.114/Share)	800,000	800	90,400	-	-	-	91,200
New Share issuance (1,500,000 shares @ USD0.105/Share)	1,500,000	1,500	156,000	-	-	-	157,500
New Share issuance (127,306 shares @ USD0.043/Share)	127,306	127	5,283	-	-	-	5,410
New Share issuance (433,456 shares @ USD0.043/Share)	433,456	433	17,988	-	-	-	18,421
New Share issuance (416,667 shares @ USD0.120/Share)	416,667	417	49,583	-	-	-	50,000
New Share issuance (1,500,000 shares @ USD0.200/Share)	1,500,000	1,500	298,500	-	-	-	300,000
New Share issuance (150,000 shares @ USD0.142/Share)	150,000	150	21,150	-	-	-	21,300
New Share issuance (416,666 shares @ USD0.120/Share)	416,666	417	49,583	-	-	-	50,000
New Share issuance (500,000 shares @ USD0.114/Share)	500,000	500	56,500	-	-	-	57,000
New Share issuance (1,750,000 shares @ USD0.049/Share)	1,750,000	1,750	84,000	-	-	-	85,750
New Share issuance (400,000 shares @ USD0.018/Share)	400,000	400	6,600	-	-	-	7,000
New Share issuance (2,617,241 shares @ USD0.015/Share)	2,617,241	2,617	35,333	-	-	-	37,950
New Share issuance (500,000 shares @ USD0.055/Share)	500,000	500	27,000	-	-	-	27,500
New Share issuance (2,617,241 shares @ USD0.015/Share)	2,617,241	2,617	35,333	-	-	-	37,950
New Share issuance (416,666 shares @ USD0.120/Share)	416,666	417	49,583	-	-	-	50,000
New Share issuance (400,000 shares @ USD0.113/Share)	400,000	400	44,600	-	-	-	45,000
New Share issuance (2,796,402 shares @ USD0.014/Share)	2,796,402	2,796	36,665	-	-	-	39,461
New Share issuance (416,675 shares @ USD0.114/Share)	416,675	417	47,084	-	-	-	47,501
New Share issuance (1,666,666 shares @ USD0.12/Share)	1,666,666	1,667	198,333	-	-	-	200,000
New Share issuance (833,333 shares @ USD0.001/Share)	833,333	833	-	-	-	-	833
New Share issuance (2,000,000 shares @ USD0.062/Share)	2,000,000	2,000	122,000	-	-	-	124,000
Convertible notes issuance	-	-	-	1,918	-	-	1,918
Other comprehensive loss	-	-	-	-	(2,070,720)	-	(2,070,720)
Balance at 30 November 2022	41,063,718	337,037	4,937,828	(15,092)	(2,293,802)	26,338,647	29,304,618

Consolidated Statement of Cash Flows
For the year ended 30 November 2022

	12 months ended 30 November 2022	12 months ended 30 November 2021
	\$	\$
	\$	\$
Cash flows from operating activities		
Receipts from customers	7,320,108	5,760,108
Payments to suppliers	(5,701,763)	(5,551,151)
Payments to employees	(152,693)	15,349
Net cash generated by operating activities	1,465,652	224,306
Cash flows from investing activities		
Purchase of property, plant & equipment	-	(199,055)
Proceed from disposal of property, plant & equipment	65,283	-
Net cash generated by / (used in) investing activities	65,283	(199,055)
Cash flows from financing activities		
Proceeds from issue of convertible notes	64,456	272,730
Repayments of convertible notes	-	(16,234)
Proceeds from issue of share	590,701	-
Net cash provided by financing activities	655,157	256,496
Net increase in cash and cash equivalents	2,186,092	281,747
Effects of exchange rate changes on cash and cash equivalents	(2,070,720)	(224,184)
Cash and cash equivalents at the beginning of financial year	68,071	10,508
Cash and cash equivalents at the end of financial year	183,443	68,071

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2022 AND 30 NOVEMBER 2021

The consolidated financial statements and notes represent those of Brookmount Explorations Inc and Controlled Entities (“the Group”).

The financial statements were authorised for issue on June 18, 2025 by the directors of the Group.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as appropriate for for-profit oriented entities.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Principles of Consolidation

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Brookmount Explorations Inc) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and statement of profit or loss and other comprehensive income.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

b. Income Tax – continued

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (i) the initial recognition of goodwill; or
- (ii) the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- (i) is not a business combination; and
- (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (i) a legally enforceable right of set-off exists; and
- (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Uncertainty over income tax treatment

Where there is uncertainty over an income tax event, the Group determines if the uncertain tax position needs to be assessed on an entity-by-entity basis or as a group. The Group assesses the probability that the relevant tax authority will accept the treatment of the uncertain tax event.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Group establishes provisions estimated based on either the expected value method or the most likely amount, depending on which is expected to better predict the resolution of the uncertainty.

The Group submit tax returns to local and provincial agencies in Indonesia but does not generate revenue in the US and as such, is not required to submit a US tax return. Uncertain tax positions taken on the Group's tax returns will be accounted for as liabilities for unrecognized tax benefits. The Group will recognize interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses in the statements of operations.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

c. Fair Value of Assets and Liabilities – continued

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the consolidated financial statements.

Fair Value of Financial Instruments

The Group adopted IFRS 13 *Fair Value Measurements* for assets and liabilities measured at fair value on a recurring basis. IFRS 13 establishes a common definition for fair value to be applied in accordance with the International Financial Reporting Standards that requires the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, IFRS 13 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions

The Group analyses all financial instruments with features of both liabilities and equity under IFRS for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying amounts reported in the consolidated statement of financial position for cash, and accounts payable, approximate their estimated fair values based on the short-term maturity of these instruments.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(l) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Capital lease	33%
Buildings	10%
Machineries	10-20%
Vehicles	20%
Office equipment	33-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

e. Property, Plant and Equipment – continued

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in IFRS 15 *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which IFRS 3 *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, the change in credit risk is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Compound financial instruments

Compound instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under IFRS 9: *Financial Instruments*:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of IFRS 15 *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in consolidated financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the consolidated statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the consolidated statement of financial position to recognise the loss allowance.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in IFRS 16 *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars, which is the Parent Entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the consolidated statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

i. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the consolidated statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the consolidated statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

- the date when the Group can no longer withdraw the offer for termination benefits; and
- when the Group recognises costs for restructuring pursuant to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on

the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

The Group recognizes all employee share-based compensation as a cost in the consolidated financial statements. Equity-classified awards principally related to stock options, restricted stock units (“RSUs”) and performance stock units (“PSU”), are measured at the grant date fair value of the award. The Group determines grant date fair value of stock option awards using the Black-Scholes option-pricing model. The fair value of restricted stock awards is determined using the closing price of the Group’s common stock on the grant date. For service based vesting grants, expense is recognized over the requisite service period based on the number of options or shares expected to ultimately vest. For performance-based vesting grants, expense is recognized over the requisite period until the performance obligation is met, assuming that it is probable. No expense is recognized for performance-based grants until it is probable the vesting criteria will be satisfied. Forfeitures are estimated at the date of grant and revised when actual or expected forfeiture activity differs materially from original estimates.

Stock-based payments to non-employees are re-measured at each reporting date and recognized as services are rendered, generally on a straight-line basis. The Group believes that the fair values of these awards are more reliably measurable than the fair values of the services rendered.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

l. Revenue and Other Income

Revenue recognition

Revenue generated by the Group is categorised into the gold mining segment: sale of gold.

Gold mining segment

Sale of gold

The Group is now an operator of producing gold properties in the Republic of Indonesia.

Revenue is recognized from a sale when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, risk and the title has been transferred to the customer and collection of the sales price is reasonably assured.

A receivable is recognised when the items are delivered, as at this point the consideration is unconditional since only time needs to pass before the payment is due and payable.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

n. Environmental Costs

Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Group's commitments to plan of action based on the then known facts.

o. Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) is presented net of applicable income taxes in the accompanying consolidated statements of changes in equity and profit or loss and other comprehensive income (loss). Statements of profit or loss and other comprehensive income (loss) is comprised of revenues, expenses, gains, and losses that under IFRS are reported as separate components of equity instead of net income (loss).

p. Comparative Figures

When required by Accounting Standards, 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 presented.

q. New and Amended Accounting Policies Adopted by the Group

The Group continually assesses any new accounting pronouncements to determine their applicability to the Group. Where it is determined that a new accounting pronouncement affects the Group's financial reporting, the Group undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Group's financials properly reflect the change. The Group currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

r. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the consolidated 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.

Key estimates

Useful lives

The Group determines the estimated useful lives and related depreciation and amortization charges for its property and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Fair value measure of shares issued and convertible notes

The calculation of the fair value of shares issued requires significant estimate to be made in regards to several variables. The estimations made are subject to variability that may alter the overall fair value determined.

Convertible notes payable are analysed at issue date to determine balance sheet classification, issue discounts or premiums, and embedded or derivative features. Embedded or derivative features are evaluated in accordance with accounting guidance for derivative securities and, if the features give rise to separate accounting, we make an election to account for the notes at cost or at fair value.

If fair value accounting is elected, on the issue date we record the difference between the issue price of the notes and their fair value as a gain or loss in the consolidated statement of profit or loss and other comprehensive income. We re-measure the fair value at each reporting date and record again (upon a decrease in fair value) or loss (upon an increase in fair value) for the change in fair value. Fair value is determined using a Black Scholes valuation model with; inputs to the model include the market value of the underlying stock, a life equal to the contractual life of the notes, incremental borrowing rates that correspond to debt with similar credit worthiness, estimated volatility based on the historical prices of our trading securities, and we make assumptions as to our abilities to test and commercialize our product(s), to obtain future financings when and if needed, and to comply with the terms and conditions of the notes. Following an analysis of their embedded and derivative features and a projection of the volatility of their effective interest rates under the cost method, we elected to utilize fair value accounting for the convertible notes payable we issued on during the year ended 30 November 2022. Management believes the fair value method of accounting provides a more appropriate presentation of these liabilities than would be provided under the cost method.

Key judgements

(i) Performance obligations under IFRS 15 *Revenue from Contracts with Customers*

To identify a performance obligation under IFRS 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

NOTE 3: REVENUE

The Group produces and sells gold from its mining operation located in the Republic of Indonesia at its Talawaan Mine, and has recognised the following amounts relating to revenue in the statement of profit or loss.

	12 months ended 30 November 2022	12 months ended 30 November 2021
Continued operations		
Revenue from contracts with customers	\$14,123,655	\$13,647,316
	<u>\$14,123,655</u>	<u>\$13,647,316</u>

The Group sells its gold to numerous gold shops in the province where it operates in Indonesian Rupiah. As gold can be sold through numerous gold market traders worldwide, the Group is not economically dependent on a limited number of customers for its product.

NOTE 4: Cost of Sales

	12 months ended 30 November 2022	12 months ended 30 November 2021
Changes in inventories	\$4,934,795	\$4,895,189
	<u>\$4,934,795</u>	<u>\$4,895,189</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at the end of the financial years as shown in the statement of cash flows is reconciled to items in the balance sheets as follows:

	30 November 2022	30 November 2021
Cash at bank	\$183,443	\$ 68,071
	<u>\$183,443</u>	<u>\$ 68,071</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

	30 November 2022	30 November 2021
Trade receivables	\$832	-
Other receivables ¹	\$29,467,502	\$ 22,663,955
	<u>\$29,468,334</u>	<u>\$ 22,663,955</u>

¹Under the Talawaan operating agreement, cash generated from the mine operation was being held by our operating partner on behalf of BMXI.

NOTE 7: PROPERTY, PLANT & EQUIPMENT

	Depreciable Life (in years)	At 30 November 2021			At 30 November 2022		
		Cost \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Accumulated Depreciation \$	Net Book Value \$
Capital Lease*	3	415,945	(113,742)	302,203	379,162	(103,683)	275,479
Buildings	10	160,494	(43,000)	117,494	146,301	(53,827)	92,474
Machineries	5-10	388,327	(90,592)	297,735	353,987	(126,535)	227,452
Vehicles	5	52,335	(25,698)	26,637	47,707	(32,967)	14,740
Office Equipment	2-3	3,032	(1,660)	1,373	3,400	(2,263)	1,137
		<u>1,020,133</u>	<u>(274,692)</u>	<u>745,442</u>	<u>930,557</u>	<u>(319,275)</u>	<u>611,282</u>

*Lease of land has not been depreciated.

NOTE 8: TRADE PAYABLE

	<u>30 November 2022</u>	<u>30 November 2021</u>
Trade payables	3,029	6,559
Amount owed to Leonite Capital	60,000	
	<u>\$ 63,029</u>	<u>\$ 6,559</u>

NOTE 9: Accrued Expenses

	<u>30 November 2022</u>	<u>30 November 2021</u>
Accrued interest	117,562	75,668
	<u>\$ 117,562</u>	<u>\$ 75,668</u>

NOTE 10: CONVERTIBLE NOTES**2021**

Lender	Opening Balance \$	Additions \$	Repayments/ Conversion \$	Finance Costs \$	Closing Balance \$
Leonite Capital	108,648	333,032	(23,110)	163,510	582,080
Total	<u>108,648</u>	<u>333,032</u>	<u>(23,110)</u>	<u>54,862</u>	<u>582,080</u>

2022

Lender	Opening Balance \$	Additions \$	Repayments/ Conversion \$	Finance Costs \$	Closing Balance \$
Leonite Capital	582,080	-	(25,452)	60,000	616,628
AES Capital	-	95,083	-	-	95,083
Total	<u>582,080</u>	<u>95,083</u>	<u>(25,452)</u>	<u>60,000</u>	<u>711,711</u>

Leonite Capital

In August 2020, the company issued Senior Secured Convertible Promissory Note with the Principal sum of up to USD 568,181.82 or so much as has been advanced in one or more tranches. The notes bear interest at a rate equal to the greater of (i) variable rate of interest published from time to time by the Wall Street Journal plus six percent (6%), and (ii) twelve per cent (12%) per annum. The maturity date for each Tranche shall be at the end of the period that begins from the date each Tranche is advanced, and ends 9 (nine) months thereafter. The notes give the holder the right to accrue and unpaid interest to the note into common shares of the company at fixed conversion price of \$0.75 per share. In relation to the notes, the company issued to the holder warrants exercisable for 50,000 common share of the company. The warrant shall have a term of one hundred twenty (120) months, be exercisable at a price of \$1.00 per share and shall contain full-ratchet anti-dilution protection provisions.

As the conversion feature will result in changes in the number of share that might be issued by the company on conversion of the convertible note, the number of shares to be delivered and the amount of the liability extinguished at all of the conversion dates are predetermined at the outset. It is appropriate to view the conversion feature as a series of European options, each of which would result in the delivery of a fixed amount of the financial liability for a fixed number of shares, therefore, it is classified as an equity instrument.

The warrant feature may be settled by the holder exchanging a fixed amount of cash (\$1.00) for a fixed number of the company's equity instruments (1 share) therefore, it is also classified as an equity instrument.

The value of the liability component and the equity conversion component were determined at the date the instrument was issued.

The fair value of the liability component, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 12%.

AES Capital

In August 2022, the company issue Convertible Redeemable Note with the aggregate principal face amount of Ninety-Seven Thousand Dollars (USD 97,000). The notes bear interest at four percent (4%) per annum. The maturity date shall be 3 February 2023. The notes give the holder the right at any time to convert all or any amount of the principal amount outstanding into common shares of the company at fixed conversion price of \$0.01 per share.

As the conversion feature will result in changes in the number of share that might be issued by the company on conversion of the convertible note, the number of shares to be delivered and the amount of the liability extinguished at all of the conversion dates are predetermined at the outset. It is appropriate to view the conversion feature as a series of European options, each of which would result in the delivery of a fixed amount of the financial liability for a fixe number of shares, therefore, it is classified as an equity instrument.

The value of the liability component and the equity conversion component were determined at the date the instrument was issued.

The fair value of the liability component, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 4%.

NOTE 11: SEGMENT INFORMATION

The Group operates predominantly in one industry and one geographical segment, those being gold mining and Indonesia, respectively.

NOTE 12: CAPITAL AND LEASING COMMITMENTS

There was no capital or leasing expenditure at 30 November 2022 (30 November 2021, Nil)

NOTE 13: CONTINGENCIES

From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. There are no pending significant legal proceedings to which the Group is a party for which management believes the ultimate outcome would have a material adverse effect on the Company's consolidated financial position.

NOTE 14: RELATED PARTY TRANSACTIONS

Subsidiary

SL Holdings which is incorporated in British Virgin Island is wholly owned subsidiary of Brookmount Explorations, Inc.

Outstanding balances with related parties

The following balances are outstanding at reporting date in relation to transactions with related parties:

	30 November 2022	30 November 2021
Amount receivable from director	\$75,009	\$ 227,702
	<u>\$75,009</u>	<u>\$ 227,702</u>

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial period and the date of these consolidated financial statements any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operation of the company, the results of those operations, or the state of affairs of the company, in future financial years.