

31 October 2022

ASX ANNOUNCEMENT
2022 Annual Report

Western Gold Resources Limited (ASX:WGR) ("**WGR**" or "**the Company**") is pleased to attach its Annual Report for the year ended 30 June 2022.

This announcement has been authorised for release by Mr Mark Pitts, Company Secretary, Western Gold Resources Limited.

For further information please contact:

Gary Lyons
Chairman

Warren Thorne
Managing Director

Mark Pitts
Company Secretary

E: garylions@heiniger.com.au E: warrent@westerngoldresources.com.au E: markp@endeavourcorp.com.au



WESTERN GOLD

RESOURCES LIMITED

**Annual
Report**

2022



ABN

54 139 627 446

DIRECTORS**Mr GARY LYONS**

Non-executive Chairman

Dr WARREN THORNE

Managing Director

Mr PATRICK BURKE

Non-executive Director

Mr TECK SIONG WONG

Non-executive Director

COMPANY SECRETARY**Mr MARK PITTS****REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS**

Level 4, 46 Colin Street, West Perth WA 6005

SHARE REGISTRY**AUTOMIC GROUP**

Level 5/191 St Georges Terrace
Perth WA 6000

AUDITORS**STANTONS**

40 Kings Park Road
West Perth WA 6005

COMPANY INFORMATION

Incorporated in Western Australia, 24
September 2009

SECURITIES EXCHANGE LISTING

The securities of Western Gold Resources are listed on the Australian Securities Exchange ([ASX:WGR](#))



Contents

	Page
Corporate Directory	2
Chairman's Letter	4
Review of Operations	5
Competent Persons Statements	21
Annual Mineral Resource Statement	22
Directors' Report	24
Auditor's Independence Declaration	34
Consolidated Statement of Profit or Loss and Other Comprehensive Income	35
Consolidated Statement of Financial Position	36
Consolidated Statement of Cash Flows	37
Consolidated Statement of Changes in Equity	38
Notes to the Consolidated Financial Statements	39
Directors' Declaration	55
Independent Auditor's Report	56
Tenement Schedule	60
ASX Additional Information	61



Chairman's Letter

Dear Shareholders,

It is with pleasure that I present the 2022 Annual Report for Western Gold Resources Limited (Western Gold).

Following our quotation in July 2021 the team hit the ground running and have undertaken an impressive array of field work on our tenements. The attached Operations Report highlights some of this work and outlines the next steps your Company is planning.

Of particular note was the 19,685 meters drilled across our project areas which extended existing mineralisation and in the case of the Brilliant Shear Zone uncovered the potential of REE's and pegmatites.

Managing Director, Dr Warren Thorne engaged with CSIRO to apply world leading soil sampling techniques which provided new data analytics and targeting for mineral exploration and improved the prospects for future discoveries.

Our field work and planned drill programs remains focused and technically driven and the Board believes that tremendous exploration upside exists along the relatively under-explored 25km of the Joyners Find Greenstone belt within the Gold Duke Project, which sits adjacent to the prolific Norseman- Wiluna Greenstone belt.

It is our intention to continue our exploration of the assets to improve and expand the existing mineral resource.

On behalf of the Directors, I would like to thank the Western Gold team for their work to date and encourage all shareholders to follow our progress closely. Next year promises to be very active and exciting for the Company and I thank shareholders for their ongoing support.

Yours faithfully



Gary Lyons
Chairman

Review of Operations

EXECUTIVE SUMMARY

Western Gold Resources Limited ("Western Gold") or (the "Company") is pleased to provide a review of its operating activities for the year ended 30 June 2022.

The highlights for the year include:



- Completion of 284 RC holes for 19,685m across the Eagle, Comedy King, Brilliant, Wren and Gold King prospects

- Exploration drill program intercepts multiple shallow pegmatites in five (5) holes over a 200m strike length within the Brilliant Prospect with assay results from two pegmatites intersected containing strong peaks of up to 920ppm Rubidium, 593ppm Tantalum and 170ppm Niobium. ¹

- Partnership to use CSIRO's world-leading expertise to analyse soil sample assay data and provide new data analytics and targeting for mineral exploration, improving the prospects of future discoveries

- Completion of Sub-Audio Magnetics (SAM) survey interpretation and targeting over 7.7km of Brilliant and Joyners shear zones, host to most significant gold resources on the project. ²

- New and highly prospective Nickel-PGE targets identified. The targets have coincident Nickel-PGE geochemical and geophysical anomalism and are located on interpreted major geological structures. ³

- Extensive Au anomaly identified at the Top Knot greenfield prospect, 1200m in strike length of 25-50m width, supported by the presence of shallow historic workings and anomalous gold values from rock chip sampling. ⁴



¹ ASX announcement 26 May 2022

² ASX announcement 11 November 2021

³ ASX announcement 11 July 2022

⁴ ASX announcement 17 February 2022



Review of Operations

GOLD DUKE PROJECT

The Gold Duke Project (the **Project**) is located approximately 35 to 45 km southwest of the township of Wiluna (Figure 1) and 750 km northeast of Perth in the Northern Goldfields region of Western Australia. Access to the site is gained either via the partly sealed Wiluna – Meekatharra Road (Goldfields Highway) or via the unsealed Wiluna – Sandstone road (Ullalla Road) accessed from the Goldfields Highway.

The Project consists of 7 granted mining leases occupying a total area of 85.8 km². The mining leases are all held by GWR and are subject to a Deed of Co-operation between GWR and Wiluna West Gold.

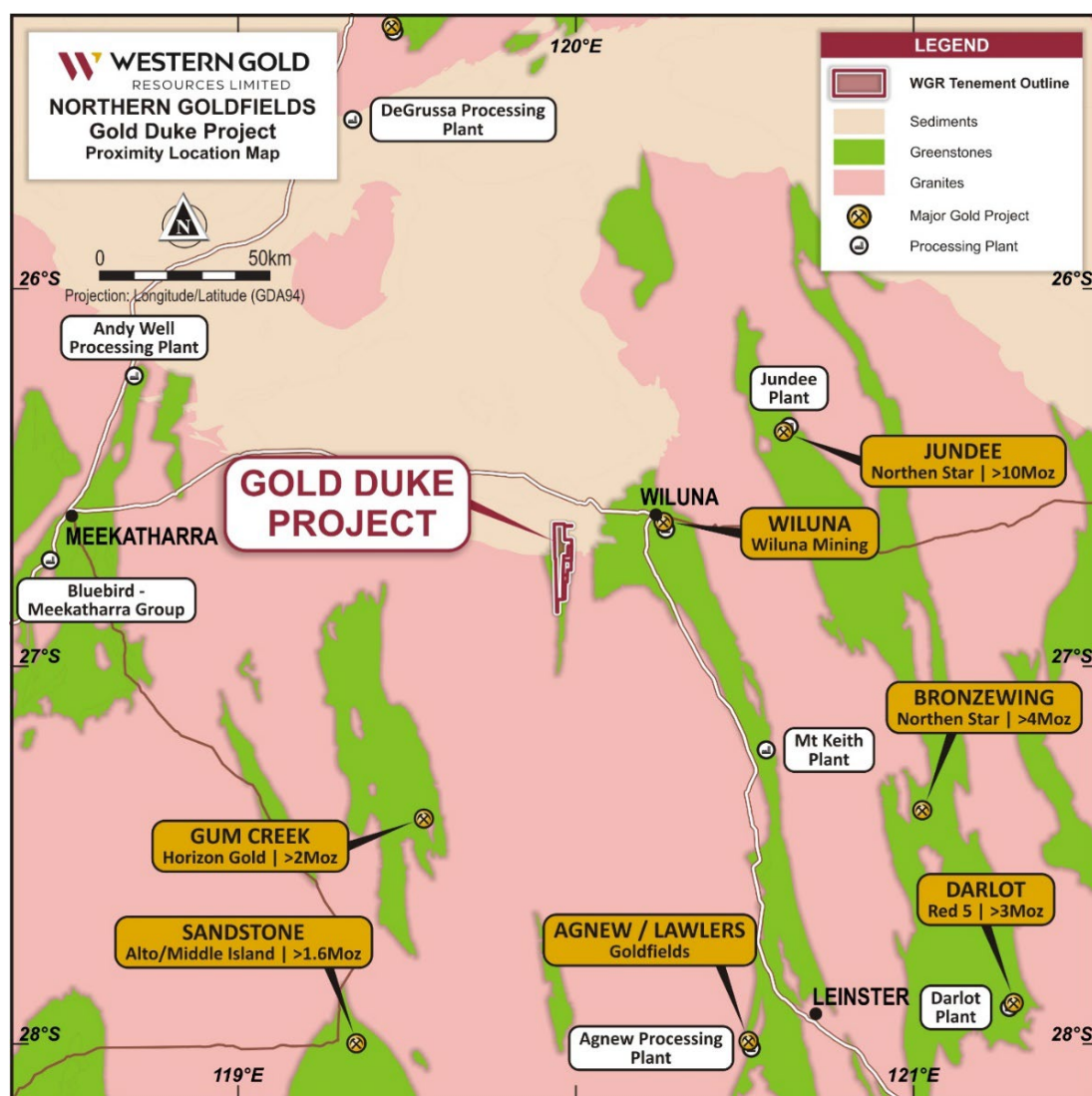


Figure 1. Location of Gold Duke Project with nearby regional gold mines and processing plants

The Project covers 25 km of strike over the Joyner's Find Greenstone Belt and is comprised of several deposits which are all located on granted mining leases and subject to a Native Title Agreement. This belt of Archaean rocks is located on the northern margin of the Yilgarn Block 35km to the west of the northern part of the highly productive Norseman - Wiluna Greenstone Belt. To the north, Proterozoic sediments belonging to the Yerrida Basin overlie the northern end of the greenstone belt. Much of the gold mineralisation within the project area is related to the two major structural features, the Joyner's Shear Zone and the Brilliant Shear Zone (Figure 2).

Review of Operations

During the reporting period, exploration was focused on:

1. Extensional and infill RC drilling of known resources;
2. Exploration drilling of high priority geochemical targets;
3. Ground geophysics to assist in the targeting of structures interpreted to control gold mineralisation; and
4. Surface geochemical programs (rock-chip and soil samples to unlock exploration potential of the greenstone belt

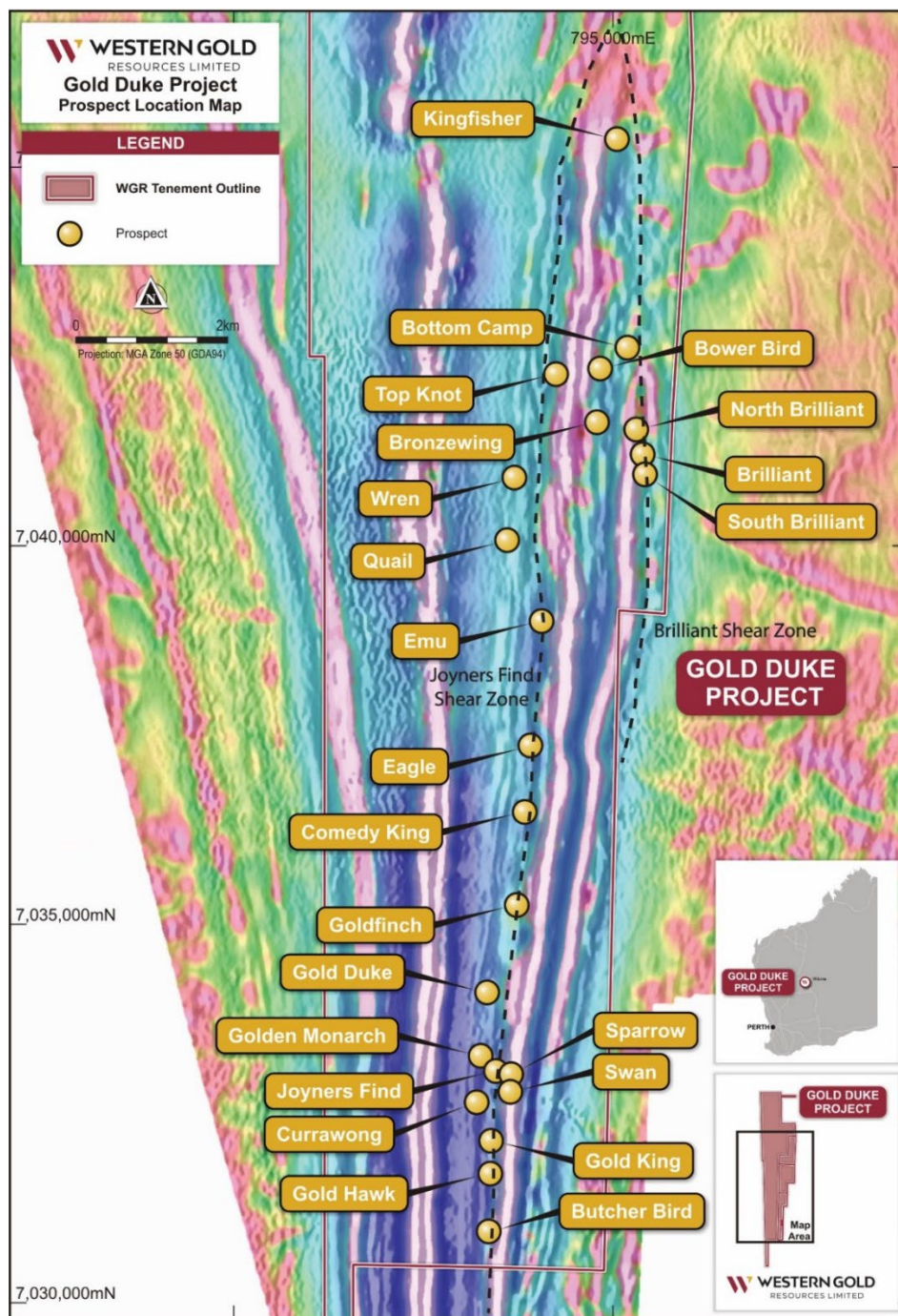


Figure 2. Gold Duke project displaying prospects on TMI

Review of Operations

Eagle

The Eagle deposit currently has an Indicated and Inferred Mineral Resource estimate of 790,000t @ 1.80 g/t for 45,000 ounces (Table 1). A total of 100 RC drill holes for 7,963 m were drilled at Eagle over a strike length of 850 m testing southerly-plunging high-grade gold shoots hosted within a package of vertical to steep westerly dipping banded iron formation units ("BIF") hosted, and highly weathered mafic and ultramafic rocks. Drilling infilled the pattern to a nominal 20 m north and 10 m east spacing, as well as testing northern and southern extensions to the known mineralisation (Figure 3). (ASX announcement 29 July 2022)

Significant intercepts include:

- 10m @ 6.97 g/t Au from 78m (including 2m @ 23.36 g/t Au) (WGRC0242)
- 6m @ 11.66 g/t Au from 58m (including 2m @ 27.04 g/t Au) (WGRC0299)
- 11m @ 3.80 g/t Au from 26m (including 2m @ 13.56 g/t Au) (WGRC0214)
- 7m @ 4.76 g/t Au from 29m (including 2m @ 12.37 g/t Au) (WGRC0218)
- 4m @ 17.28 g/t Au from 110m (including 2m @ 31.58 g/t Au) (WGRC0337)

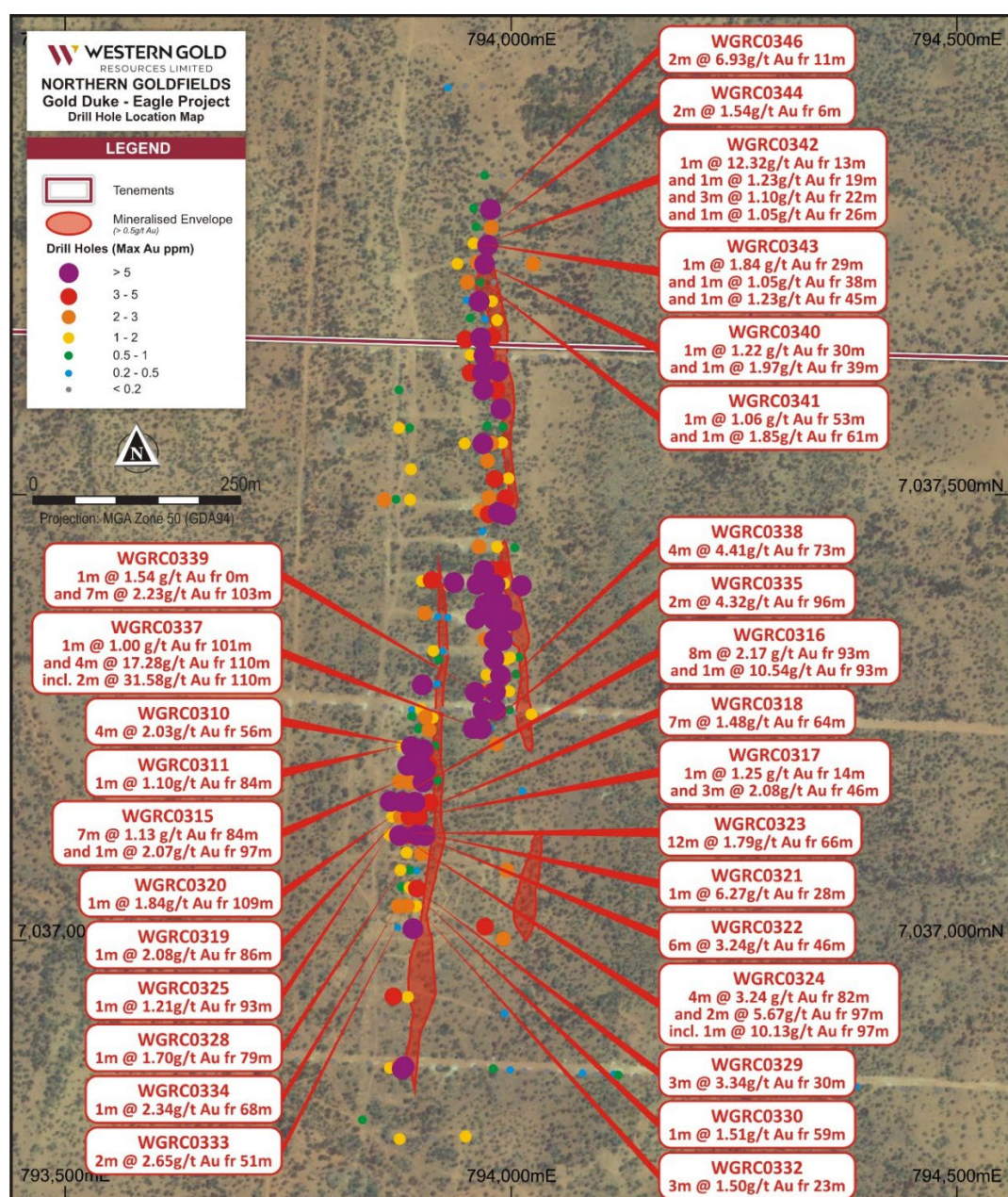


Figure 3— Eagle Prospect Section displaying selected significant high-grade RC results

Review of Operations

The drilling extended the mineralised envelop (Figure 3) by both 150m to the north and south and to the south. The Eagle deposit is open to the north and south and WGR is currently awaiting approvals to test these areas.

Comedy King

The Comedy King deposit contains a JORC (2012) Inferred Mineral Resource estimate of 260,000 tonnes at 1.5 g/t Au for 12,000 oz (refer to Table 1).

A total of 37 RC drill holes for 2,360m were drilled to test 1300m of strike (to the north and south of the historic Comedy King shaft (Figure 4). Drilling targeted hematite-goethite altered BIF as well as silicified ultramafics with extensive quartz veining. (ASX announcement 29 April 2022)

Significant intercepts include:

- 2m @ 7.63 g/t Au from 44m (including 1m @ 14.05 g/t Au) (WGRC0237)
- 2m @ 1.85 g/t Au from 17m and 1m @ 3.85g/t Au from 24m (WGRC0226)
- 3m @ 1.12 g/t Au from 5m (WGRC0231)

The high-grade intercept in WGRC0237 drilled under the historic Comedy King shaft to target the southern plunge of the ore shoot intersected 2m @ 7.63 g/t Au from 44m (including 1m @ 14.05 g/t Au) hosted within brecciated chert and hematite-goethite altered BIF. Further drilling aimed to intersect the quartz-hosted gold mineralisation to the north and south of the shaft failed to intersect significant mineralisation suggesting that mineralisation may plunge steeper to the southwest than previously expected.

Exploration RC drilling on 80m spaced lines to the south of the Comedy King intersected narrow high-grade intercepts within hematite-goethite altered BIF. Downhole televiewer data collected from the drilling and field mapping will be used for a structural review of the drill hole to assess further targets.

Blob

A total of 9 RC drill holes for 744m were drilled at the Blob prospect (Figure 4) to test a 300 x 150m soil geochemical anomaly with a peak of 130ppb. An east-west line of drilling intersected a sequence of predominantly ultramafics with minor BIF and chert. WGRC0277 intersected 1m @ 1.39g/t (43-44m) within sheared ultramafics. No further work is planned at the prospect at this stage with the exploration budget directed towards higher priority targets. (ASX announcement 29 April 2022)



Joyners Find

A drilling program of 5 RC holes for 446m tested mineralisation hosted within both the northerly-trending BIF unit as well as the NNW-trending quartz vein (Figure 5). (ASX announcement 29 July 2022)

Significant intercepts include:

- 7m @ 2.33 g/t Au from 98m (WGRC0309)
- 2m @ 5.33 g/t Au from 37m and 1m @ 2.45 from 45m (WGRC0308)
- 1m @ 5.28 g/t Au from 47m (WGRC0313)

Two drill holes, WGRC0308 and WGRC0309 (Figure 6) targeted mineralisation associated with a NW trending quartz vein. Drilling intersected a broad zone of wall rock chlorite-talc alteration and quartz-sericite veining. The intersection 7m @ 2.33 g/t Au in WGRC 0309 is especially interesting and it suggests a wider zone of mineralisation below the historical workings.



Review of Operations

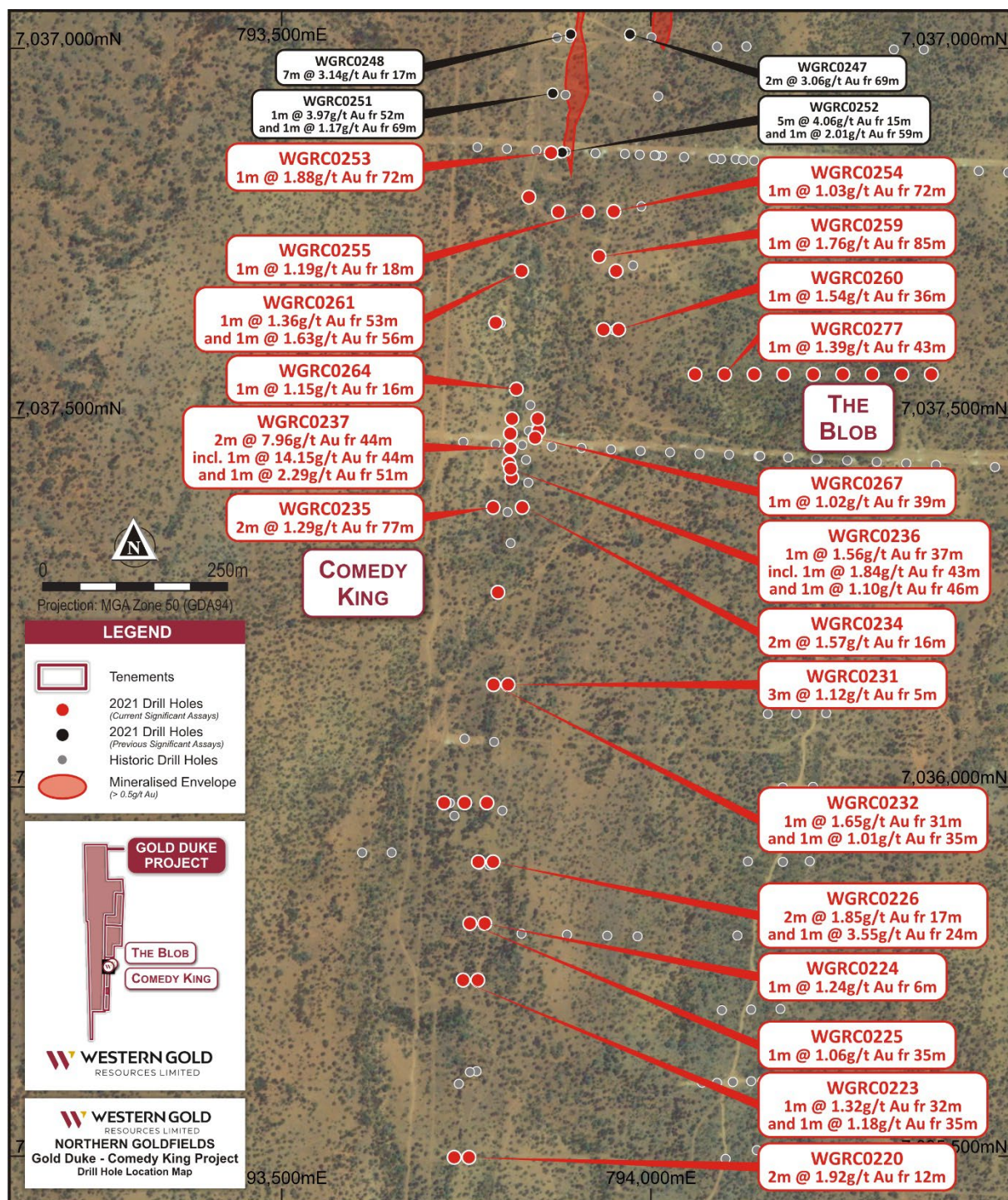


Figure 4 – Comedy King deposit and Blob prospect showing displaying significant RC drilling assays

Three holes were drilled to test mineralisation within the western BIF unit (Figure 6) with 1m @ 5.29 g/t Au from 47m (WGRC0313) the best intercept. The drilling results indicate that the high-grade shoots within the BIF plunge southerly and the current drilling missed the anticipated target.

Review of Operations

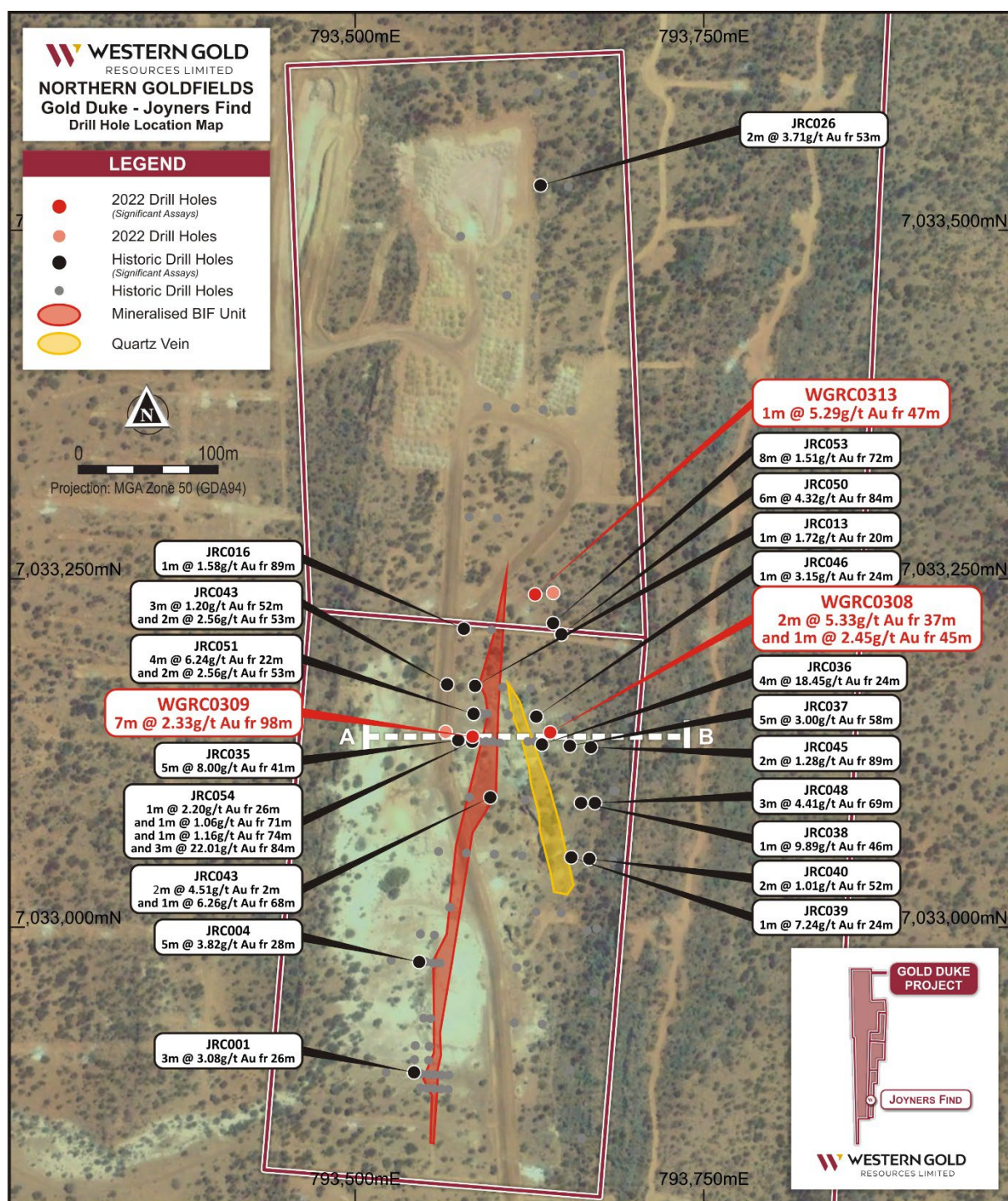


Figure 5 – Joyners Find showing displaying significant RC drilling results

Brilliant

A total of 35 RC drill holes for 3214 m were completed to primarily test the Brilliant Shear Zone (BSZ) at the Brilliant and Brilliant North prospects for gold mineralisation. Drilling infilled the pattern to a nominal 20 m north and 10 m east spacing, as well as testing northern and southern extensions to the known gold mineralisation

As part of the drilling program, numerous REE-enriched pegmatites were intersected over a strike length of 200m. Pegmatites of predominantly albite-muscovite-quartz mineralogy were identified in 6 RC drillholes. The pegmatites are hosted within ultramafic rocks proximal to the easterly granite contact. Initial interpretation suggests that the pegmatites are controlled by NW trending faults. (ASX announcement 29 July 2022)

Review of Operations

Two of the drillhole intercepts (WGRC0359 and WGRC0366) were submitted to Nagrom laboratory for LCT analysis to determine if the pegmatites were mineralised. The results from the two drillholes show significant enrichment of Rb, Ta, and Nb with peaks of up to 920ppm Rubidium, 593ppm Tantalum and 170ppm Niobium. (ASX announcement 26 May 2022)

Gold-copper assay results from the RC drilling program (Figure 6) were received after the end of the reporting year, with significant intercepts including:

- 7m @ 5.56 g/t Au from 63m (including 1m @ 10.32 g/t Au) (WGRC0373)
- 5m @ 5.85 g/t Au from 20m (including 1m @ 22.94 g/t Au) (WGRC0371)
- 9m @ 4.37 g/t Au from 53m (WGRC0369)
- 4m @ 4.25 g/t Au and 0.47% Cu from 111m (WGRC0350)
- 9m @ 2.22 g/t Au from 26m (WGRC0368)
- 11m @ 1.82 g/t Au from 45m, (WGRC0370)

At Brilliant North, drilling has returned encouraging results below and along strike of the historic shallow workings. The drilling defined numerous steeply dipping high-grade gold lodes and confirms the potential of the prospect that remains open to the north and south.

Drilling at Brilliant defined drilling two mineralised zones within a package of sheared altered (carbonate-chlorite-sericite) ultramafics and hematite-altered BIF. The drilling supports historic RC and RAB drilling as well as defining broad footwall mineralisation below historic workings. The new drilling assisted in further understanding the controls of mineralisation resulting in a significant change to the previous interpretation.

Also, of significance are results from WGRC0350 that contained visible chalcopyrite, chrysocolla and azurite (see ASX announcement 6 April 2022).



High-grade results of 4m @ 4.25 g/t Au and 0.47% Cu from 111m supports WGR belief that the BSZ has significant exploration upside along its 5km strike length.

The concealed Kingfisher North prospect lies 5km north of the Brilliant Project within the BSZ and is interpreted to be an Au-Cu intrusive target that will be drill tested in Q3, 2022 as part of a WA Government EIS Co-funded drilling grant of \$118,500 (See ASX announcement 28 October 2021). WGR are currently finalizing approvals to test the BSZ north of Brilliant and at the Kingfisher North prospects.

Gold King

The Gold King prospect contains a JORC (2012) Indicated and Inferred Mineral Resource estimate of 580,000 tonnes at 1.9 g/t Au for 36,000 oz (refer to Table 1). Subsequent to the year ended 30 June 2022, the Company announced drilling of 77 holes for 4,958m (Figure 1) at the Gold King and Wren prospects (see ASX announcement 6 May 2022).

Review of Operations

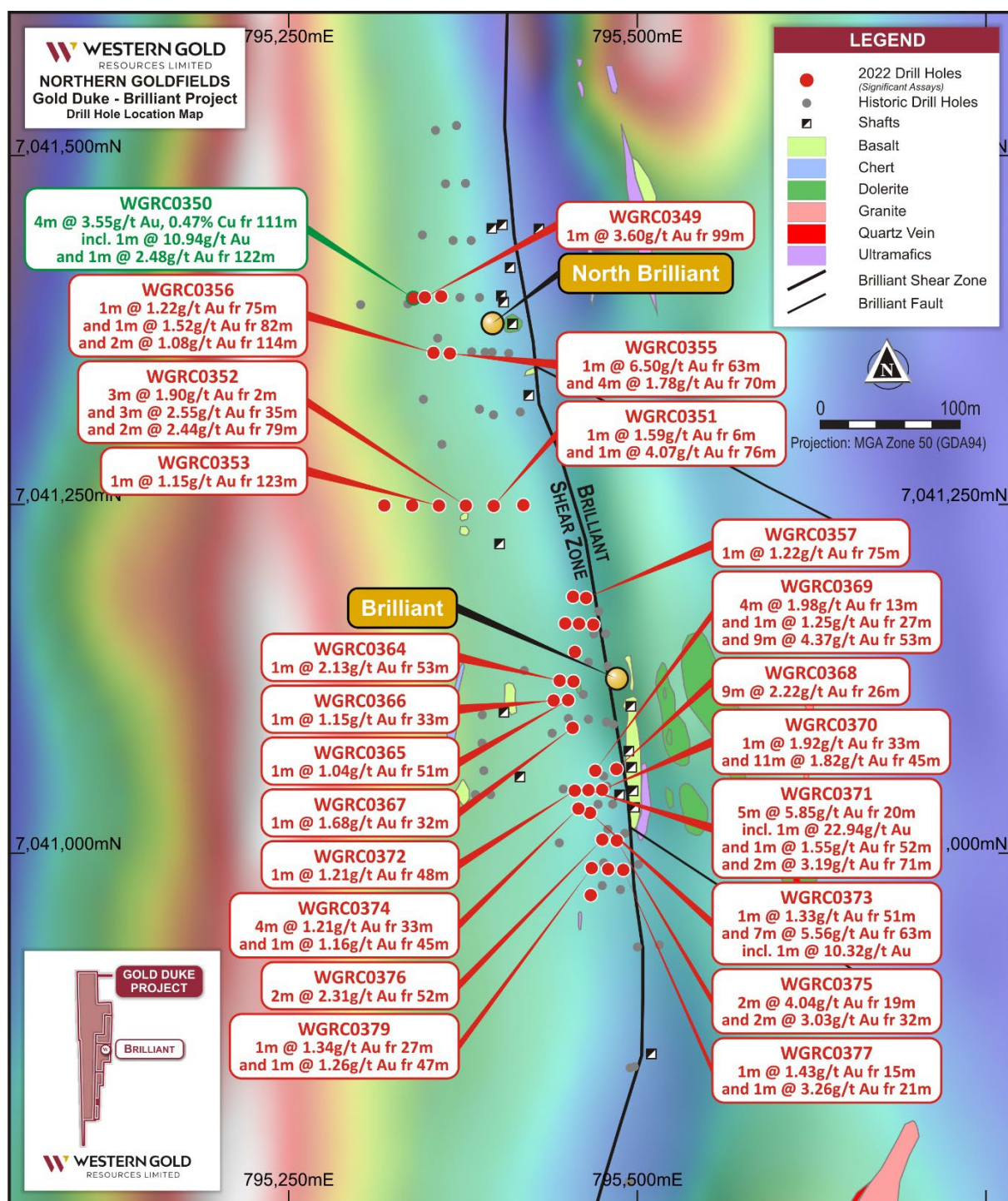


Figure 6 Brilliant and Brilliant North prospect showing displaying RC drilling results, outcrop geology, historic working on TMI.

Gold mineralisation at the Gold King prospect is associated with quartz veining within hematite-goethite altered BIF and ultramafic talc-chlorite schists at the BIF-ultramafic contact. The drilling program at Gold King (M53/1018) was aimed infilling the previous 40x 20m patten of drilling conducted by various previous explorers (see Prospectus dated 18 May 2021).

A total of 64 RC drill holes for 3832 m were completed to test the Gold King prospect. Drilling infilled the pattern to a nominal 20 m north and 15 m east spacing, as well as testing northern, southern and depth extensions to the known mineralisation.

Review of Operations

Significant intercepts include:

- 6m @ 8.89 g/t Au from 56m (including 2m @ 18.48 g/t Au) (WGRC0402)
- 3m @ 9.07 g/t Au from 21m (including 2m @ 12.91 g/t Au) (WGRC0424)
- 8m @ 2.89 g/t Au from 13m (including 1m @ 16.89 g/t Au) (WGRC0403)
- 5m @ 3.95 g/t Au from 60m (including 1m @ 10.10 g/t Au) (WGRC0421)
- 2m @ 10.82 g/t Au from 47m (including 1m @ 18.05 g/t Au) (WGRC0416)
- 2m @ 9.55 g/t Au from 52m (including 1m @ 16.77 g/t Au) (WGRC0439)
- 11m @ 1.78 g/t Au from 49m (WGRC0447)

The highest-grade intercepts were within hematite-goethite altered BIF unit and are commonly repeated in the central and northern portions of the orebody (Figure 8). Mineralisation within the surrounding ultramafics is generally narrower (1-3m) and common along the BIF-ultramafic contacts. The intersection of higher grades of 6m @ 8.89 g/t Au from 56m, including 2m @ 18.48 g/t Au (WGRC0402) and 5m @ 3.95 g/t Au from 60m (including 1m @ 10.10 g/t Au (WGRC0421) suggests that higher-grade shoots within the orebody plunge steeply to the south (Figure 7). (ASX announcement 25 August 2022)

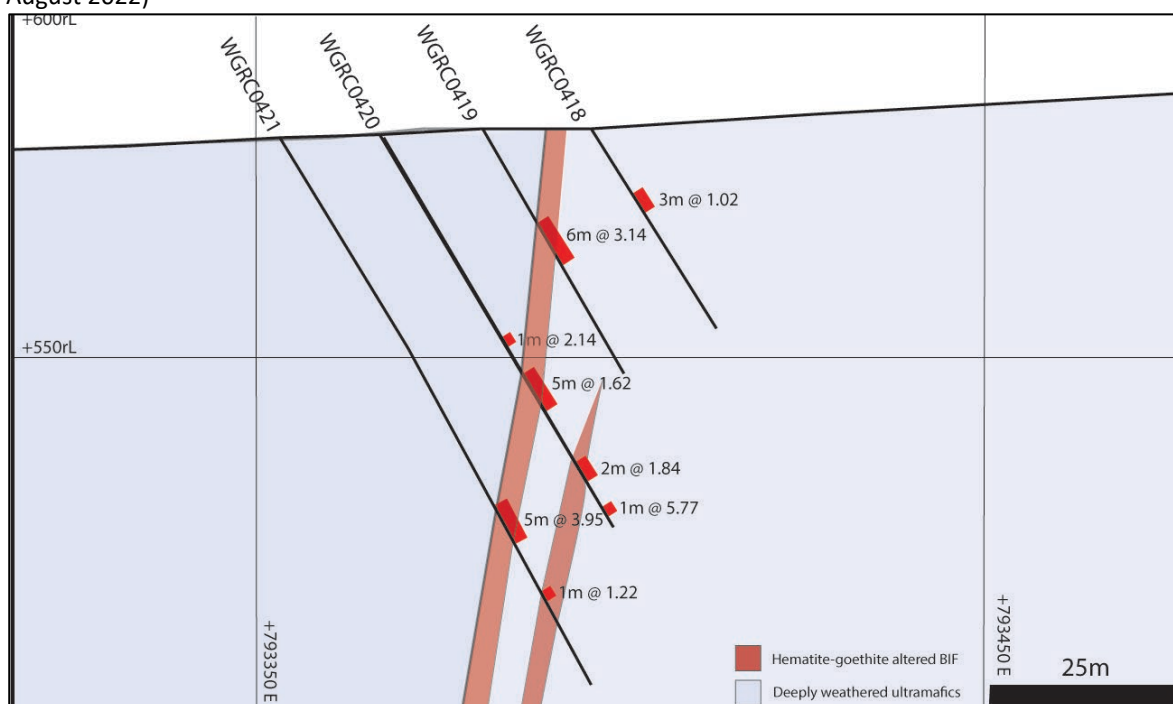


Figure 7 Gold King sections prospect (7032200 mN) displaying RC drilling results

Wren

The Wren prospect contains a JORC (2012) Inferred Mineral Resource estimate of 110,000 tonnes at 2.4 g/t Au for 8,000 oz (refer to Table 1).

The prospect consists of two historic shafts and several small pits. Gold mineralisation is hosted primarily within a north-trending quartzite unit with associated quartz and quartz-hematite veins that form both layer-parallel and cross-cutting vein networks. Locally, quartz-vein breccias with extensive rock wall hematite alteration are present.

As part of WGR's regional exploration program, A WGR rock chip program identified a 700m long anomaly along a northerly trending ridge with Au assays up to 3.56g/t Au (see ASX Announcement 22 September 2021).

A total of 13 RC drill holes for 1126 m were completed (Figure 8) to test this the geochemical anomaly as well as previous drilling that included 3m at 33.75 g/t Au from 39m including 1 m at 96.00 g/t Au (CR136; see Prospectus dated 18 May 2021). Drilling was completed on a pattern with 40 m north and 10 m east spacing (Figure 8). All significant intercepts are listed in Table 2 and include:

- 2m @ 2.40 g/t Au from 7m and 2m @ 3.26 g/t Au from 14m (WGRC0385)
- 2m @ 2.26 g/t Au from 49m (WGRC0389)

Review of Operations

Of particular interest is the shallow gold intercepts of 2m @ 2.40 g/t Au from 7m and 2m @ 3.26 g/t Au from 14m (WGRC0385) hosted within ultramafic units (Figure 8) indicating that the most northern holes were drilled to far to the east and mineralisation remains open to the north. (ASX announcement 25 August 2022)

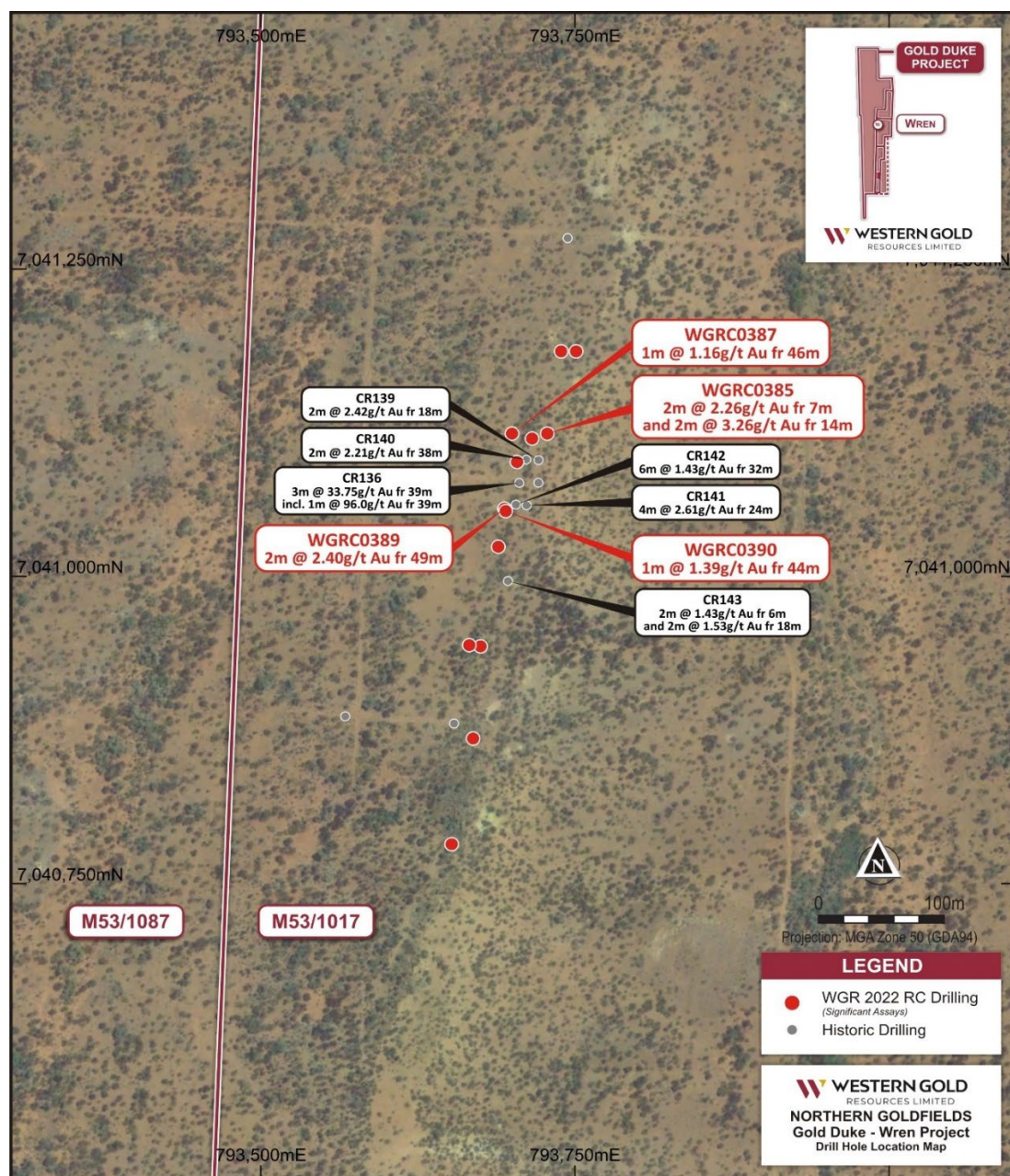


Figure 8 Wren 2022 RC Drilling collars and significant results

Target Generation – SAM Survey

A Sub-Audio Magnetic (SAM) survey has commenced over the 7.7km of strike length of the Joyner's and Brilliant Shear zones with the primary objective being to map structural and lithological detail in the bedrock. The survey has been arranged into three blocks (Figure 9), the Brilliant and Bottom Camp block, the Kingfisher block, and the Wren block. All three blocks are northerly portions of the Brilliant and Joyner's Find Shear zones, host to most significant gold resources on the project. Of particular interest is the use of SAM to map below the Permian cover in the north of the Kingfisher block.

Review of Operations

The survey identified:

- Ten targets at the Wren block with a strike length of 3km with top four targets are coincident with historic workings, geochemical anomalism, and extensions to known deposits;
- Eighteen priority targets with nine (9) new High-Priority Targets at the Brilliant-Kingfisher blocks with a strike length of 5km;
- The Kingfisher SAM survey block defined the concealed Kingfisher North Au-Cu intrusive target and alteration halo that will be drill tested in Q2, 2022 as part of a WA Government EIS Co-funded drilling grant of \$118,500 (See ASX announcement 28 October 2021);
- SAM survey also highlighted numerous targets not previously known.

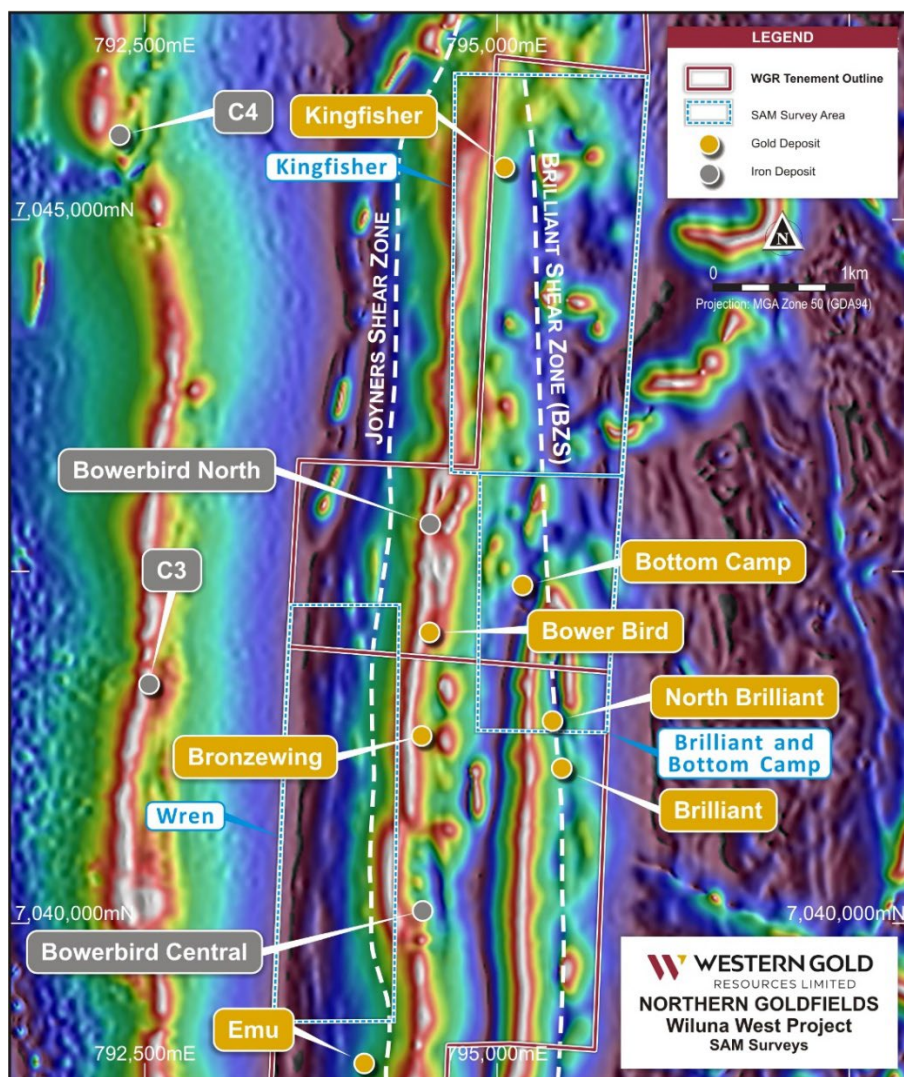


Figure 9. SAM Survey Blocks over the Brilliant and Joyners Find Shear zones, deposit locations (on TMI)

Target Generation – Nickel

A total of 1,014 soil samples were collected and submitted to Labwest in Perth for Ultrafine+ Analysis with this geochemical program forming part of the regional CSIRO soil research initiative (see ASX announcement 16th October 2021). Soil sampling was conducted on a 200m line spacing by 25m sample intervals, with infill 100m by 25m lines, testing extensions of targets defined by previous exploration results and geophysical surveys (see ASX announcement 11th November 2021). Initial interpretation of the Ultrafine gold and multi-element results has generated 4 high-priority targets at two new prospects, Duran's and Big Z's (Figure 10) (refer ASX announcement 11 July 2022).

Review of Operations

Duran's Prospect

The Duran's Prospect is hosted within ultramafics of the Joyner's Find Shear Zone and is located to the west of the Eagle deposit (Figure 1). Three targets, A, B and C (Figure 6) have been defined within a broader +320ppm Ni contour (Figure 10) with Pt+Pd values of >15ppb. The anomalies are coincident with a northerly trending high magnesium (>5%) ultramafic unit:

Target A

- 500m x 125m anomaly with maximum values up to 939ppm Ni, 23ppb Pd, 13ppb Pt and 1710 ppm Cr that remains open to the north. An interpreted north-west trending fault offsets Target A and Target B.

Target B

- 800m x 125m anomaly with maximum values of 672ppm Ni, 13ppb Pd, 29ppb Pt and 1890ppm Cr.

Target C

- 400m x 175m anomaly with maximum values of 435ppm Ni, 11ppb Pd, 11ppb Pt. The anomaly remains open to south.

Big Z's Prospect

The Big Z's prospect is within the Brilliant Shear Zone and located to the north of the Brilliant North deposit Target D is located along the contact of a folded high Mg (>5% Mg) ultramafic and gabbro unit and is defined within a broader +320ppm Ni contour and Pt+Pd values of >15ppb (Figure 10).

Target D

- 800m x 125m anomaly with maximum values of 435ppm Ni, 17ppb Pd, 14ppb Pt and 1100ppm Cr.

Target Generation – Gold

WGR completed 426 UFF+ soil samples over the Wren project area with samples spaced 25m apart on lines 200m apart (25m x 200m). Samples were analysed using the UltraFine+ method (LabWest Minerals Analysis Pty Ltd, Malaga, WA) to fully assess the soil properties and relationships (to the geochemistry) to improve the chances of future discovery. The UFF+ data indicates that structural breaks which were interpreted from the gold contours and are also evident in contours for some of the other elements (Figure 11). These consist of:

- Structural cross-breaks trending 315o.
- Top Knot Shear trending 040o associated with the main gold anomaly. This shear parallels the western contact of one of the ultramafics.



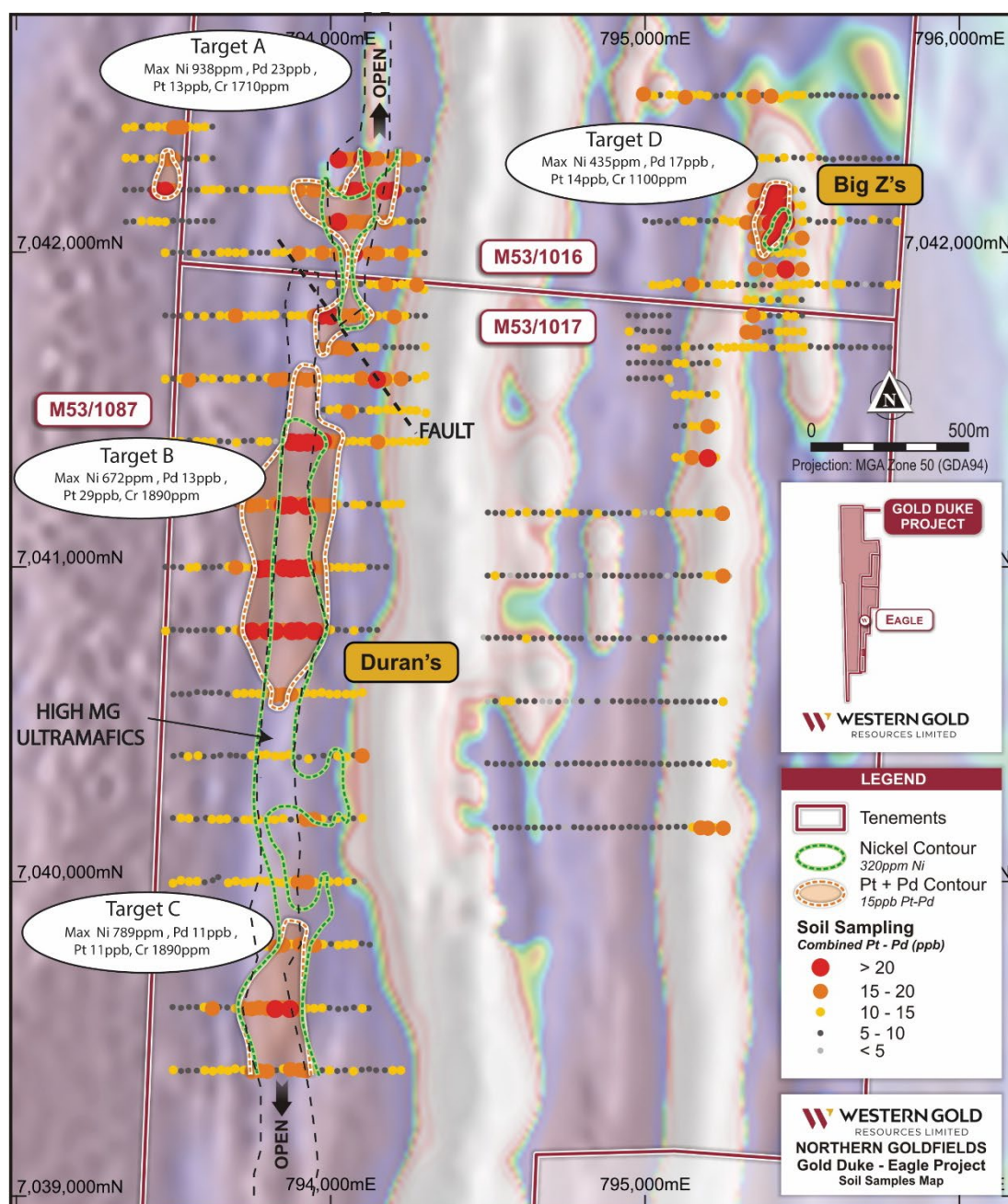


Figure 10. UFF+ soil geochemistry Ni-Pt Pd anomalies over TMI image

- The major gold anomaly feature which follows the Top Knot Shear" is outlined by the 25 ppb contour. The anomaly is 1200m in strike length and is open off the sampling grid to the NE. The Au geochemistry highlights a clear extensive anomaly of 25-50m width which is well constrained.
- North of the Quail prospect, where previous rock chip results up to 1.59 g/t, including samples with visible gold (See ASX announcement 22nd September 2021), a 600m Au north-trending anomaly extends along a steeply west-dipping chert ridge
- To the north of Wren, a series of NW-trending Au anomalies are interpreted to be structurally controlled by NW-trending faults.

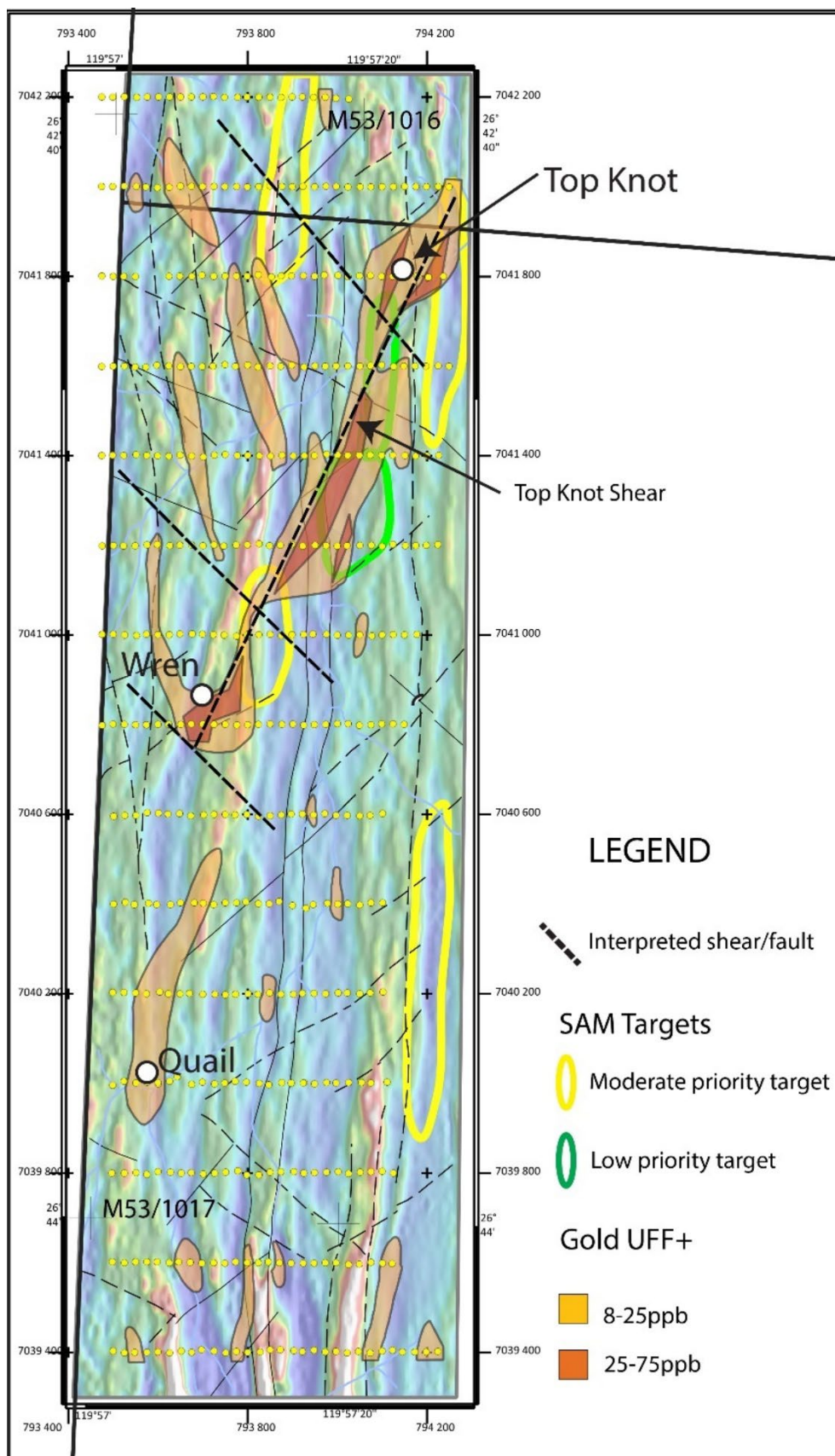


Figure 11. UFF+ soil geochemistry Au anomalies over MMC 1VD E Shaded (L) image

Review of Operations

Next Steps

The Company is in the process of finalising its planning for exploration in the fourth quarter which involves:

- A targeted AC drill program over coincident structural-geochemical targets at the prospective Kingfisher North, Brilliant North and Top Knot Prospects generated from UFF soil sampling programs and Sub-audio magnetic geophysical survey interpretation.
- Moving-loop ground EM survey at Duran's and Big Z's nickel targets. RC drilling of conductors to follow shortly after.
- Submission of mining approvals for Gold King prospect to add to the existing mining approvals at the Golden Monarch, Eagle, and Emu prospects.



Governance Framework

The Board of Western Gold Resources Limited (WGR) has responsibility for corporate governance for the Company and its subsidiaries (the Group) and has implemented policies, procedures and systems of control with the intent of providing a strong framework and practical means for ensuring good governance outcomes which meet the expectations of all stakeholders.

The Corporate Governance Statement, dated 30 June 2022 and approved by the Board on 24 October 2022, sets out corporate governance practices of the Group which, taken as a whole, represents the system of governance. The framework for corporate governance follows the 4rd Edition of the ASX Corporate Governance Council's Principles and Guidelines. The Directors have implemented policies and practices which they believe will focus their attention and that of their Executives on accountability, risk management and ethical conduct. The Board will continue to review its policies to ensure they reflect any changes within the Group, or to accepted principles and good practice.

Where the Board considers the Group is not of sufficient size or complexity to warrant adoption of all the recommendations set out in the ASX Corporate Governance Council's published guidelines, these instances have been highlighted.

This Corporate Governance Statement, together with governance policies and committee charters, is available on our website at <https://westerngoldresources.com.au/corporate-governance/>.

Competent Person Statement

The information in this report which relates to Exploration Results is based on information compiled by Dr Warren Thorne, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of the company. Dr Thorne who is an option-holder, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves” (JORC Code). Dr Thorne consents to inclusion in the report of the matters based on this information in the form and context in which it appears.



Where the Company refers to previous Exploration Results and to the Mineral Resource estimate included in its Prospectus dated 18 May 2021 and in previous announcements, it notes that the relevant JORC 2012 disclosures are included in the Prospectus and those previous announcements and it confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all information in relation to the Exploration Results and material assumptions and technical parameters underpinning the Mineral Resource estimate within those announcements continues to apply and has not materially changed.

Annual Mineral Resources Statement

AS OF 30 JUNE 2022

The Company's Mineral Resource Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates.

The Company governs its activities in accordance with industry best-practice. The resource reports and supporting data were subjected to internal analysis and peer-review before release.

Mineral Resources

During the financial year, the Company undertook a review of its existing Mineral Resources for the purposes of meeting the listing requirements of ASX. In April 2021 Optiro, having been engaged by the Company, prepared a maiden JORC 2012 MRE of **4,570,000 tonnes at 2.0 g/t Au for 293,000 oz Au**.

JORC Status	Year	Prospect	Classification	Tonnes	Grade (g/t Au)	Ounces
JORC 2012 at 0.5 g/t cut-off	2019	Golden Monarch	Measured	30,000	3.0	3,000
			Indicated	380,000	2.1	26,000
			Inferred	390,000	2.1	26,000
			Subtotal	800,000	2.2	55,000
		Eagle	Indicated	110,000	2.8	10,000
			Inferred	680,000	1.6	35,000
			Subtotal	790,000	1.8	45,000
		Emu	Inferred	600,000	2.2	42,000
		Joyners Find	Inferred	90,000	2.6	7,000
	2021	Bottom Camp	Inferred	640,000	1.6	33,000
		Bowerbird	Inferred	230,000	2.4	17,000
		Brilliant	Inferred	210,000	3.1	21,000
		Bronzewing	Inferred	110,000	2.7	9,000
		Comedy King	Inferred	260,000	1.5	12,000
		Gold Hawk	Inferred	150,000	1.5	7,000
		Gold King	Inferred	580,000	1.9	36,000
		Wren	Inferred	110,000	2.4	8,000
		Total JORC 2012	Measured	30,000	3.0	3,000
			Indicated	490,000	2.3	36,000
			Inferred	4,050,000	2.0	254,000
			Combined	4,570,000	2.0	293,000

Table 1 Gold Duke Project – JORC 2012 Mineral Resource Estimate

Review of Material Changes

The Company's JORC 2012 compliant Mineral Resource estimate (MRE) is unchanged from the MRE published in the 2021 Annual Mineral Resource Statement.



Annual Mineral Resources Statement

Governance and Internal Controls

The Company ensures good governance in relation to resource estimation through the use of third-party resource consultants and internal review in accordance with industry best practice. All reported resource estimates were generated by reputable, independent consulting firms.

All drill hole data is stored in-house within a commercially available purpose designed database management system and subjected to industry standard validation procedures. Quality control on resource drill programs have been undertaken to industry standards with implementation of appropriate drilling type, survey data collection, assay standards, sample duplicates and repeat analyses.

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources estimates and for ensuring that the appropriate controls are applied to such calculations.

The Company confirms it is not aware of any new information or data since the Mineral Resource was declared that materially affects the information included in this Mineral Resource Statement.

Resource	Mineral Resource	Organization	ASX Reporting
Project	Competent Person		Date
Gold Duke Project	Paul Blackney	Optiro Pty Ltd	18 May 2021



COMPETENT PERSON STATEMENT

The information in this Annual Mineral Resources Statement is based on, and fairly represents information and supporting documentation reviewed by Dr Warren Thorne, who is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of the Company. Dr Thorne who is an option holder, has sufficient experience relevant to the style of mineralisation and activity which he is undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Dr Thorne consents to the inclusion in this document of the matters based on the information in the form and context in which it appears.



Directors' Report

The Directors present their report on the Group, comprising Western Gold Resources Limited (formerly Western Gold Resources Pty Ltd) (referred to in these financial statements as “the Company” or “WGR”) and its wholly owned subsidiary (the “Group”), together with the financial report for the year ended 30 June 2022 and the audit report thereon. The Company was a wholly owned subsidiary of GWR Group Limited for the period from 1 July 2021 to 13 July 2021.

1 DIRECTORS

The names and details of the Company's directors in office during the financial year or since the end of the financial year are set out below.

Unless otherwise indicated, all Directors held their position as a Director throughout the entire year and up to the date of this report.

GARY LYONS

Non-Executive Chairman

Mr Lyons is a successful and well-respected Perth based businessman; being a shareholder and the Managing Director of the Heiniger Group's Australasian operations for the last 32 years.

Mr Lyons is also Chairman of GWR and is a member of both the GWR Audit & Risk Management Committee and the GWR Remuneration Committee. Mr Lyons is also Chairman of ASX listed Tungsten Mining NL and E-Metals Limited.

WARREN THORNE

Managing Director

Dr Thorne is a geologist with over 20 years' experience mainly associated with gold, iron ore, copper and manganese within Western Australia, Queensland, Brazil and West Africa.

Dr Thorne has extensive experience in all stages of regional and near-mine exploration project management, from conceptual targeting and ground acquisition through to resource definition drilling programs and open cut mining geology.

Dr Thorne has held senior exploration and project management roles with a variety of major Australian and international companies including Mineral Resources Ltd, Rio Tinto Iron Ore, Hancock Prospecting

PATRICK BURKE

Non-Executive Director

Mr Burke has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX, NASDAQ and AIM listed companies.

Mr Burke's legal expertise is in corporate, commercial and securities law in particular, capital raisings, mergers and acquisitions and IPOs. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

Mr Burke is also Non-Executive Chairman of Province Resources Limited, Lycaon Resources Limited, Meteoric Resources NL and Torque Minerals Limited, and a non-executive director of Triton Minerals Limited. During the previous three years, Mr Burke has also been a director of Mandrake Resources Limited, Koppa Resources Limited, Vanadium Resources Limited and Transcendence Technologies Limited.

TECK SIONG WONG

Non-Executive Director

Mr Wong is a Malaysian based businessman with considerable international experience having worked in Hong Kong, the United Kingdom and now in Malaysia and Indonesia after graduating with a Bachelor of Business degree from Swinburne University (Melbourne).



Directors' Report

Mr Wong is involved with the iron ore mining industry in Indonesia. He was previously involved in the sales and export of steel related products and was a director of a retail chain business in the United Kingdom, previously known as JW Carpenter Ltd. Mr Wong was working in the OEM plastic manufacturing industry in Hong Kong prior to taking up a position in the steel industry in Malaysia.

Mr Wong is an alternate director of GWR and is also a non-executed director of ASX listed Tungsten Mining NL and eMetals Limited.

2 COMPANY SECRETARY

MARK PITTS

Mr Pitts is a Fellow of Chartered Accountants Australia and New Zealand and a graduate member of the Australian Institute of Company Directors. He has more than 30 years' experience in statutory reporting and business administration.

Mr Pitts has been directly involved with and consulted to a number of public companies holding senior financial management positions. He is a Director of the corporate advisory firm Endeavour Corporate providing company secretarial support, corporate and compliance advice to a number of ASX listed public companies.

3 DIVIDENDS

No dividends have been paid or declared by the Company since the incorporation of the Company.

4 PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was the exploration and evaluation of mineral resources.

5 OPERATING AND FINANCIAL REVIEW

GROUP OVERVIEW

During the financial year, the Group's operations have been focused on the exploration of its Wiluna West Gold Projects.

On 13 July 2021, the Company's shares, which were previously held in their entirety by GWR Group Limited ("GWR"), were distributed to GWR's shareholders via an in-specie distribution. Subsequently, the Company issued 35,000,000 shares to participants in the initial public offering of the securities of the Company ("IPO"), and 10,250,000 shares to seed capital investors who had, during the previous financial year, provided the seed capital for the purposes of the IPO. The IPO itself raised \$7,000,000 before costs. Finally, on 21 July 2021, the Group was admitted to the official list of the Australian Securities Exchange.

BOARD & MANAGEMENT CHANGES

During the year, there have been no changes to the Board of Directors, nor senior management.

IMPACT OF COVID-19 PANDEMIC

During the year, as a result of the improvement in conditions, the Group has fully resumed its exploration operations, while still maintaining appropriate health and safety measures to ensure the wellbeing of its staff, contractors, and suppliers. These measures will continue throughout the financial year ended 30 June 2022.

OPERATING RESULTS FOR THE YEAR

The net loss of the Group for the year ended 30 June 2022 was \$4,008,155 (2021: profit of \$2,051,060). This result includes exploration and evaluation expenditures of \$3,464,770 (2021: \$311,397).

Included in the result for the year ended 30 June 2021 was a one-off item, being a gain of \$3,612,121 from the forgiveness of the loan from the ultimate parent entity, GWR Group Limited. The quantum of the gain for the current year was \$36,679.

FINANCIAL POSITION

The Company's net assets at the end of the year totalled \$2,459,517 (2021: \$25,344).

6 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.



Directors' Report

7 LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to continue exploration of its exploration projects.

8 ULTIMATE PARENT ENTITY

During the comparative year and up until 13 July 2021, Western Gold Resources Limited was a wholly owned subsidiary of GWR Group Limited, which was the Ultimate Parent Entity to the Group. On 13 July 2021, GWR distributed the shares it held in Western Gold Resources Limited to its own shareholders via an in-specie distribution, at which point Western Gold Resources Limited ceased to have an Ultimate Parent Entity.

9 ENVIRONMENTAL REGULATION

The exploration activities of the Group are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements up to the date of this report. The directors believe that the Group has adequate systems in place for the management of its environmental responsibilities and are not aware of any breaches of the regulations during the period covered by this report.

10 INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of key management personnel in the shares and unlisted share options of the Company were:

Directors	Ordinary shares	Share Options
	Number	Number
Directors		
G Lyons	715,851	2,500,000
W Thorne	-	2,500,000
P Burke	-	2,500,000
T S Wong	2,613,851	2,500,000
Other executives		
M Pitts	133,518	-

11 OPTIONS

As at the date of this report, the Company has the following ordinary shares under option:

	Exercise price	Expiry date	Unlisted options outstanding	Vested and exercisable
	\$		Number	Number
Unlisted director options	\$0.25	1 July 2024	10,000,000	10,000,000
Unlisted broker options	\$0.25	28 February 2024	3,000,000	3,000,000
Total options on issue			13,000,000	13,000,000

12 INDEMNIFICATION AND INSURANCE OF DIRECTORS AND AUDITORS

The Group has paid premiums to insure the Directors against liabilities incurred in the conduct of the business of the Group and has provided right of access to Group records. In accordance with common commercial practice, the insurance policy prohibits disclosure of the amount of the premium and the nature of the liability insured against.



Directors' Report

13 REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2022 outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term 'executive' encompasses executive directors and senior executives of the Parent and the Group.

13.1 DETAILS OF KEY MANAGEMENT PERSONNEL

Non-executive directors

G Lyons	Chairman
P Burke	Director
TS Wong	Director

Executive directors

W Thorne	Managing Director
----------	-------------------

Other executives

M Pitts	Company Secretary
---------	-------------------

13.2 REMUNERATION PHILOSOPHY

The performance of the Group depends upon the quality of its key personnel. To prosper, the Group must attract, motivate and retain high skilled directors and executives. Due to the nature of the Group's business activities the overall level of compensation does not focus on the earnings of the Company.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre personnel; and
- link rewards to shareholder value.

13.3 REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of executive and non-executive director remuneration is separate and distinct.

13.4 NON-EXECUTIVE DIRECTOR REMUNERATION

Objective:

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure:

The Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders.



Directors' Report

Non-executive directors, excluding consulting fees are remunerated by way of fees and statutory superannuation. The fees for non-executive directors were previously set by the board at \$400,000 in aggregate.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors are remunerated by way of fees and statutory superannuation but no other retirement benefits. Non-executive directors are also reimbursed for all reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

Non-executive directors are also paid consulting fees related to their participation in Executive Committee meetings and the provision of other services.

Non-executive directors participate in share option plans. No such securities were issued during the year.

No remuneration consultants were engaged for the reporting years ended 30 June 2022 and 30 June 2021.

The remuneration of non-executive directors for the reporting years ended 30 June 2022 and 30 June 2021 is detailed in Tables 1 and 2 of this Remuneration Report.

13.5 EXECUTIVE REMUNERATION

Objective:

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure:

In determining the level and make up of executive remuneration, the Board may engage external consultants as needed to provide independent advice. No remuneration consultants were engaged during the year.

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration comprising Short ('STI') and Long ('LTI') term incentives.

Directors and executives participate in share option plans. No such securities were issued during the year.

The proportion of fixed remuneration and variable remuneration of Directors and executives for the reporting years ended 30 June 2022 and 30 June 2021 is detailed in Tables 1 and 2 of this Remuneration Report.

13.6 FIXED REMUNERATION

Objective:

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of individual performance, relative comparative remuneration in the market and, where appropriate, external advice.

Structure:

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. Presently, executives fixed remuneration comprises only payment of salary and statutory superannuation.

The fixed remuneration component of Directors and executives for the years ended 30 June 2022 and 30 June 2021 is detailed in Tables 1 and 2 of this Remuneration Report.

13.7 VARIABLE REMUNERATION — SHORT TERM INCENTIVE (STI)

Objective:

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure:

Actual STI payments granted to each executive depend on the Board's assessment of the individual's performance and the performance of their business unit. The aggregate of annual STI payments available for executives across the Group is subject to the approval of the Board.



13.8 VARIABLE REMUNERATION — LONG TERM INCENTIVE (LTI)

Objective:

The objective of the LTI program is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

Structure:

LTI grants to executives may be delivered in the form of share options or performance rights.

10,000,000 options exercisable at \$0.25 on or before 1 July 2024 were issued to the directors during the year ended 30 June 2021.

No options were granted during the current year.

13.9 EMPLOYMENT CONTRACTS

The details of agreements are provided below.

Warren Thorne

Dr Thorne is the Managing Director and his remuneration, excluding share-based payments, annual and long service leave allowances, is \$240,000 (2021: \$240,000), plus superannuation contributions. Pursuant with his employment agreement, either the Company or Dr Thorne may terminate with three months' notice in writing to the other party.

The agreement with Dr Thorne also includes provision for bonus payments upon the satisfaction of certain key performance indicators as follows:

- \$250,000 payable upon delineation by the Company of a JORC Resource of at least 500,000oz at a minimum grade of 2 g/t at the Wiluna West Gold Project; and
- \$250,000 payable upon commercial gold production by the Company from the Wiluna West Gold Project.

Both of these bonuses are payable in shares, of which the number is to be determined by reference to the volume-weighted average price of the entity's securities on the ASX for the five trading days prior to the announcement of the event giving rise to the bonus.

Directors' Report

TABLE 1 – REMUNERATION TABLE FOR THE YEAR ENDED 30 JUNE 2022

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are:

Year Ended 30 June 2022	Primary			Post-employment	Equity Compensation	Total	Proportion of remuneration performance related %	Value of options and rights as proportion of remuneration %
	Salary & fees \$	Consulting fees \$	Other short-term benefits \$	Superannuation benefits \$	Options and Rights \$			
Directors								
Executive								
W Thorne	240,000	-	18,456	23,568	-	282,024	-	-
Non-executive								
G Lyons	35,000	-	-	3,500	-	38,500	-	-
P Burke	38,500	-	-	-	-	38,500	-	-
T S Wong	38,500	-	-	-	-	38,500	-	-
Total - Directors	352,000	-	18,456	27,068	-	397,524	-	-
Other Key Management Personnel								
M Pitts	61,000	-	-	-	-	61,000	-	-
Total – all key management personnel	413,000	-	18,456	27,068	-	458,524	-	-



Directors' Report

TABLE 2 – REMUNERATION TABLE FOR THE YEAR ENDED 30 JUNE 2021

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are:

Year Ended 30 June 2021	Primary			Post-employment	Equity Compensation	Total	Proportion of remuneration performance related	Value of options and rights as proportion of remuneration
	Salary & fees	Consulting fees	Other short-term benefits	Superannuation benefits	Options and Rights			
Directors	\$	\$	\$	\$	\$	\$	%	%
Executive								
W Thorne	67,385	-	-	6,125	250,000	323,510	-	77%
Non-executive								
G Lyons	-	-	-	-	250,000	250,000	-	100%
P Burke	-	50,000	-	-	250,000	300,000	-	83%
T S Wong	-	-	-	-	250,000	250,000	-	100%
M Wilson	-	-	-	-	-	-	-	-
K L Lee	-	-	-	-	-	-	-	-
Total - Directors	67,385	50,000	-	6,125	1,000,000	1,123,510	-	89%
Other Key Management Personnel								
M Pitts	-	43,906	-	-	-	43,906	-	-
S Borck	-	-	-	-	-	-	-	-
Total – all key management personnel	67,385	93,906	-	6,125	1,000,000	1,167,416	-	86%



Directors' Report

13.10 EQUITY INSTRUMENTS

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

Details of Shares held in the Company at reporting date (number).

	Balance at beginning of year or on appointment	Paid as Remuneration	On exercise of options	Other net changes ¹	Balance at end of year or on ceasing office
Directors					
G Lyons	-	-	-	715,851	715,851
W Thorne	-	-	-	-	-
P Burke	-	-	-	-	-
T S Wong	-	-	-	2,613,851	2,613,851
Other executives					
M Pitts	-	-	-	133,518	133,518
Total	-	-	-	3,463,220	3,463,220

1 – Represents the number of shares granted to each individual through the in-specie distribution from GWR Group Limited.

OPTION HOLDINGS FOR KEY MANAGEMENT PERSONNEL

Details of vesting profiles of the options granted as remuneration to Key Management Personnel of the Company are detailed below (number).

	Balance at beginning of year or on appointment	Granted as compensation during the year	Exercised during the year	Other changes during the year	Balance at end of year or on ceasing office	Exercisable at the end of the year
Directors						
G Lyons	2,500,000	-	-	-	2,500,000	2,500,000
W Thorne	2,500,000	-	-	-	2,500,000	2,500,000
P Burke	2,500,000	-	-	-	2,500,000	2,500,000
T S Wong	2,500,000	-	-	-	2,500,000	2,500,000
Other executives						
M Pitts	-	-	-	-	-	-
Total	10,000,000	-	-	-	10,000,000	10,000,000

OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL

No options were granted to Key Management Personnel during the current year. The 10,000,000 options granted during the previous year vested upon the Company's admission to the official list of the Australian Securities Exchange in July 2021.

10,000,000 options exercisable at \$0.25 each on or before 1 July 2024 were granted during the previous year. These options were granted to the directors of the Company, however, were not exercisable until the completion of the Initial Public Offering of securities and listing of the entity's securities on the official list of the Australia Securities Exchange was successful. Furthermore, if the above conditions were unsuccessful, the options were to be cancelled.



Directors' Report

The fair value of these options was determined by reference to the Black-Scholes option pricing model. The key inputs and valuations are summarised as follows:

	Director Options
Underlying security spot price on grant date (a)	\$0.20
Exercise price	\$0.25
Grant date	12 March 2021
Expiration date	1 July 2024
Vesting date (b)	12 March 2021
Life (years)	3.31
Remaining life (years)	2.00
Volatility	85%
Risk-free rate	0.10%
Expected dividend yield	-
Number of options (c)	10,000,000
Valuation per option	\$0.10
Total value	\$1,000,000

(a) – The Company was unlisted at the date these securities were issued, and therefore the price utilised was the price of the initial public offering of securities, being \$0.20.

(b) – The options vested immediately, however in accordance with the requirements of the IPO they were unable to be exercised until the completion of the IPO and the listing of the Company's shares on the ASX.

DETAILS OF OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

There were 10,000,000 options granted as compensation held at reporting date by Key Management Personnel (2021: 10,000,000), as noted above.

SHARES ISSUED ON EXERCISE OF OPTIONS

No shares were issued to Key Management Personnel upon exercise of options during the year (2021: nil).

SHARES PAID AS REMUNERATION

No shares were issued to Key Management Personnel as remuneration during the year (2021: nil).

END OF REMUNERATION REPORT

14 PROCEEDINGS ON BEHALF OF THE COMPANY

During and since the end of the financial year, the Company nor its directors are Party to any proceedings.

15 NON-AUDIT SERVICES

The Company's auditors provided non-audit services to the Company during the year ended 30 June 2021 as set out in Note 18 to the financial report. There were no non-audit services provided to the Company during the year ended 30 June 2022.

16 AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 34 and forms part of the Directors Report for the year ended 30 June 2022.

Signed at Perth this 28th day of September 2022 in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.



Gary Lyons
Chairman

Auditor's Independence Declaration



PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road,
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

28 September 2022

The Directors
Western Gold Resources Limited
Level 4,
46 Colin Street,
West Perth, WA 6005

Dear Directors

RE: WESTERN GOLD RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Western Gold Resources Limited.

As the Audit Director for the audit of the financial statements of Western Gold Resources Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Authorised Audit Company)

Martin Michalik
Director

Liability limited by a scheme approved under Professional Standards Legislation



Stantons is a member of the Russell
Bedford International network of firms



Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2022

		For the year ended 30 June	
		2022	2021
	Note	\$	\$
<i>Revenue</i>			
Gain on forgiveness of loan	12	36,679	3,612,121
<i>Expenses</i>			
Personnel expenses	4	(255,736)	(73,510)
Corporate compliance expenses	4	(231,382)	(136,614)
Consulting expenses		(41,930)	(4,000)
Occupancy expenses		(23,917)	-
Share based payments	16	-	(1,000,000)
Exploration expenditure	9	(3,464,770)	(311,397)
Depreciation expense		(1,820)	-
Finance expenses		(397)	-
Other expenses		(24,882)	(35,540)
<i>Total Expenses</i>	4	<u>(4,044,834)</u>	<u>(1,561,061)</u>
<i>Profit / (loss) before income tax</i>		(4,008,155)	2,051,060
Income tax benefit/(expense)	21	-	-
<i>Profit / (loss) for the Year</i>		<u>(4,008,155)</u>	<u>2,051,060</u>
<i>Other Comprehensive Income</i>		-	-
<i>Total Comprehensive profit / (loss) for the year</i>		<u>(4,008,155)</u>	<u>2,051,060</u>
Basic and Diluted Earnings / (loss) per share (cents per share)	17	(5.76)	5.68

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,132,627	31,253
Trade and other receivables	7	222,768	-
Prepayments	8	-	254,022
Total Non-Current Assets		2,355,395	285,275
Non-Current Assets			
Exploration and evaluation expenditure	9	549,000	549,000
Property, plant & equipment		15,534	4,471
Total Non-Current Assets		564,534	553,471
TOTAL ASSETS		2,919,929	838,746
LIABILITIES			
Current Liabilities			
Trade and other payables	10	421,087	330,681
Employee leave liabilities	11	19,437	-
Loan from GWR Group Limited	12	-	463,624
Total Current Liabilities		440,524	794,305
Non-Current Liabilities			
Rehabilitation provision	13	19,888	19,097
Total Non-Current Liabilities		19,888	19,097
TOTAL LIABILITIES		460,412	813,402
NET ASSETS		2,459,517	25,344
EQUITY			
Issued capital	14	16,560,328	10,400,000
Reserves	15	1,282,000	1,000,000
Accumulated losses		(15,382,811)	(11,374,656)
TOTAL EQUITY		2,459,517	25,344

The accompanying notes form part of these financial statements.



Consolidated Statement of Cash Flows

For the year ended 30 June 2022

		For the year ended 30 June	
	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(695,072)	(67,028)
Payments for exploration and evaluation		(3,464,770)	-
Net cash flows used in operating activities	6	(4,159,842)	(67,028)
Cash flows from investing activities			
Purchase of property, plant & equipment		(12,883)	-
Net cash flows used in investing activities		(12,883)	-
Cash flows from financing activities			
Proceeds from the issue of shares		7,000,000	-
Seed capital received in advance		-	213,200
Repayment of loan to GWR Group Limited	12	(426,945)	(106,213)
Payment of share issue costs		(298,956)	(8,706)
Net cash flows provided by financing activities		6,274,099	98,281
Net increase in cash and cash equivalents		2,101,374	31,253
Cash and cash equivalents at beginning of year		31,253	-
Cash and cash equivalents at end of the year	6	2,132,627	31,253

The accompanying notes form part of these financial statements.



Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2020	10,400,000	-	(13,425,716)	(3,025,716)
Profit for the year	-	-	2,051,060	2,051,060
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,051,060	2,051,060
Share based payments	-	1,000,000	-	1,000,000
At 30 June 2021	10,400,000	1,000,000	(11,374,656)	25,344
Loss for the year	-	-	(4,008,155)	(4,008,155)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(4,008,155)	(4,008,155)
Issue of shares	7,213,200	-	-	7,213,200
Share based payments – share issue costs	(282,000)	282,000	-	-
Other share issue costs	(770,872)	-	-	(770,872)
At 30 June 2022	16,560,328	1,282,000	(15,382,811)	2,459,517

The accompanying notes for part of these financial statements.



Notes to the Consolidated Financial Statements

1 CORPORATE INFORMATION

Western Gold Resources Limited (formerly Western Gold Resources Pty Ltd) (the "Company") is a company domiciled in Australia. The Company's registered office is Level 4, 46 Colin Street, West Perth WA 6005. The ultimate parent entity of the Company was GWR Group Limited until 13 July 2022.

The financial report of the Group comprising Western Gold Resources Limited and its wholly owned subsidiary for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 28 September 2022.

Western Gold Resources Limited is a for profit company limited by shares incorporated in Australia.

The Company's principal activity is exploration and extraction of mineral resources.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for held for sale investments, which have been measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Going Concern

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

At 30 June 2022 the Group had net assets of \$2,459,517 (30 June 2021: \$25,344) and cash and cash equivalents of \$2,132,627 (2021: \$31,253). The Group incurred a loss after tax for the year of \$4,008,155 (2021: gain of \$2,051,060). The Group recorded cash outflows from operating and investing activities of \$4,172,725 (2021: \$67,028).

Whilst not immediately required, the Group may need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads.

The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders or placements to new and existing investors. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

However, should the above planned activities to raise or conserve capital not be successful, there exists a material uncertainty surrounding the Group's ability to continue as a going concern and, therefore, realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

(c) New accounting standards and interpretations

In the year ended 30 June 2022, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and Entities (including special purpose entities) controlled by the Group (its subsidiaries). 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 financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.



Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (continued)

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the group controls another entity.

Unrealised gains or transactions between the group and its associates are eliminated to the extent of the group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

(e) Exploration, evaluation and development expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(f) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Plant and equipment

Plant and equipment assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely motor vehicles and plant and equipment – depreciated over 2 to 5 years (2021: 2 to 5 years).

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(i) Employee entitlements

Wages, salaries, annual leave, and long service leave

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of employee's services up to that date.

Superannuation

The Group contributes to defined contribution superannuation funds for its employees. The cost of these contributions is expensed as incurred. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(j) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Income Tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

(k) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.



Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

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

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.



Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments (continued)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(n) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. The Group determines and presents operating segments based on the information internally provided to the Board. During the years ended 30 June 2022 and 30 June 2021, the Group operated within 1 reportable and geographical segment, being mineral exploration in Western Australia.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Earnings/Loss per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

Exploration and evaluation expenditure

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (refer note 2(e)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure under accounting policy 2(e), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the statement of profit or loss and other comprehensive income in accordance with accounting policy 2(f).

As at 30 June 2022, capitalised exploration and evaluation totalled \$549,000 (2021: \$549,000).

Deferred taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base level of future taxable profits together with future tax planning strategies.



Notes to the Consolidated Financial Statements

4 EXPENSES

	30 June 2022 \$	30 June 2021 \$
(a) Expenses incurred during the year include		
Salaries, wages and directors' fees	237,697	67,385
Superannuation	15,284	6,125
Other employment expenses	2,755	-
Insurance	59,935	-
Company secretarial	55,000	-
Share registry, ASX and ASIC fees	44,731	96,236
Accounting and Audit	53,295	40,378
Other corporate compliance expenses	18,421	-
Consulting expenses	41,930	4,000
Occupancy expenses	23,917	-
Share based payments	-	1,000,000
Exploration expenses	3,464,770	311,397
Depreciation expense	1,820	-
Finance expenses	397	-
IT expenses	6,815	22,029
Other expenses	18,067	13,511
Total expenses	4,044,834	1,561,061

5 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed (2021: \$Nil).

6 CASH AND CASH EQUIVALENTS

	30 June 2022 \$	30 June 2021 \$
Cash at bank and in hand	2,132,627	31,253
	2,132,627	31,253
Reconciliation from the net profit / (loss) after tax to the net cash flows from operations:		
Net profit / (loss)	(4,008,155)	2,051,060
Adjustments for:		
Share based payments	-	1,000,000
Forgiveness of loan	(36,679)	(3,612,121)
Depreciation	1,820	-
Changes in assets and liabilities relating to operating activities:		
(increase)/decrease in trade and other receivables	(222,768)	-
(increase)/decrease in prepayments	-	(254,022)
(decrease)/increase in trade and other payables	86,503	121,716
(decrease)/increase in employee leave liabilities	19,437	-
(decrease)/increase in loan from GWR Group Limited	-	626,339
Net cash from operating activities	(4,159,842)	(67,028)



Notes to the Consolidated Financial Statements

7 TRADE AND OTHER RECEIVABLES

	30 June 2022 \$	30 June 2021 \$
GST refundable	163,191	-
Other receivables	59,577	-
	<u>222,768</u>	<u>-</u>

Receivables are non-interest bearing and generally 30-day terms and trading terms are being followed by debtors. An allowance for expected credit losses is recognised when there is objective evidence that it is impaired. No allowance for expected credit losses is required. At the reporting date there were no trade and other receivables that were past due or impaired.

8 PREPAYMENTS

	30 June 2022 \$	30 June 2021 \$
Prepaid IPO costs	-	254,022
	<u>-</u>	<u>254,022</u>

Prepaid IPO costs were as a result of the completion of the IPO on 16 July 2021, subsequently been recognised as capital raising costs as a reduction against issued capital during the year ended 30 June 2022.

9 EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2022 \$	30 June 2021 \$
Reconciliation:		
Balance at the beginning of the year	549,000	549,000
Balance at the end of the year	<u>549,000</u>	<u>549,000</u>

During the year, the Group incurred \$3,464,770 (2021: \$311,397) of exploration and evaluation expenditure which, in accordance with the accounting policy described in Note 2(e) was expensed as incurred.

The ultimate recovery of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest at an amount greater than or equal to carrying value.

10 TRADE AND OTHER PAYABLES

	30 June 2022 \$	30 June 2021 \$
Trade Payables and accruals	421,087	117,481
Seed capital funds received in advance	-	213,200
	<u>421,087</u>	<u>330,681</u>

During the previous year the Company received \$213,200 in seed capital funding relating to the initial public offering of the Company's securities. On 16 July 2021, 10,250,000 ordinary shares were issued in satisfaction of this amount.

11 EMPLOYEE LEAVE LIABILITIES

	30 June 2022 \$	30 June 2021 \$
Annual leave liabilities	19,437	-
	<u>19,437</u>	<u>-</u>



Notes to the Consolidated Financial Statements

12 LOAN FROM GWR GROUP LIMITED

	30 June 2022 \$	30 June 2021 \$
Reconciliation:		
Balance at the beginning of the year	463,624	3,555,619
Loan balance repaid	(426,945)	(106,213)
Increase in loan owing due to costs paid by GWR Group Limited	-	626,339
Loan balance forgiven	(36,679)	(3,612,121)
Balance at the end of the year	-	463,624

GWR Group Limited, the ultimate parent entity of the Group until 13 July 2022, made no payments on behalf of the Group during the year ended 30 June 2022 (2021: \$626,339).

13 REHABILITATION PROVISIONS

	30 June 2022 \$	30 June 2021 \$
Rehabilitation provision – Wiluna West Gold exploration activities	19,888	19,097
	<u>19,888</u>	<u>19,097</u>

14 ISSUED CAPITAL

	30 June 2022 \$	30 June 2022 No. of shares	30 June 2021 \$	30 June 2021 No. of shares
Ordinary Shares:				
Issued and fully paid	16,560,328	81,375,000	10,400,000	36,125,000
Movement in ordinary shares on issue:				
At 1 July	10,400,000	36,125,000	10,400,000	52,000,000
Consolidation of capital (a)	-	-	-	(15,875,000)
Issue of shares for cash – seed capital (b)	213,200	10,250,000	-	-
Issue of shares for cash – initial public offering (c)	7,000,000	35,000,000	-	-
Options issued as share issue costs (Note 16)	(282,000)	-	-	-
Other share issue costs paid	(770,872)	-	-	-
At 30 June	<u>16,560,328</u>	<u>81,375,000</u>	<u>10,400,000</u>	<u>36,125,000</u>

(a) On 12 March 2021 the Company consolidated its share capital on an approximate 1.44 to 1 basis.

(b) The funds for these seed capital ordinary shares were received during the year ended 30 June 2021, and were recognised as liabilities until the issue of the shares during the current half-year on 16 July 2021. These shares were issued at an average price of \$0.0208 per share.

(c) Initial Public Offering of shares was completed at \$0.20 per share on 16 July 2021.

The shares do not have a par value.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.



Notes to the Consolidated Financial Statements

14 ISSUED CAPITAL (CONT'D)

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of any dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

15 RESERVES

	Note	For the year ended 30 June	
		2022 \$	2021 \$
Share based payments reserve		1,282,000	1,000,000
		<u>1,282,000</u>	<u>1,000,000</u>
<i>Movements:</i>			
Balance at 1 July		1,000,000	-
Options issued to directors (Note 16)		-	1,000,000
Options issued to brokers as share issue costs (Note 16)		282,000	-
Balance at 30 June		<u>1,282,000</u>	<u>1,000,000</u>

(a) Summary of options

The following table illustrates the number and weighted average exercise prices (WAEPs) of, and movements in, share options on issue throughout the year:

	For the year ended 30 June			
	2022 No.	2022 WAEP	2021 No.	2021 WAEP
Outstanding at 1 July	10,000,000	\$0.25	-	-
Granted during the year	3,000,000	\$0.25	10,000,000	\$0.25
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
At 30 June	<u>13,000,000</u>	<u>\$0.25</u>	<u>10,000,000</u>	<u>\$0.25</u>
Exercisable at 30 June	<u>13,000,000</u>	<u>\$0.25</u>	<u>-</u>	<u>-</u>

The following table illustrates the number of options and those that have vested and are exercisable at the year-end:

	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Remaining contractual life
Unlisted options					
Unlisted director options	10,000,000	10,000,000	\$0.25	1 July 2024	2.00 years
Unlisted broker options	3,000,000	3,000,000	\$0.25	28 Feb 2024	1.67 years



Notes to the Consolidated Financial Statements

16 SHARE BASED PAYMENTS

		For the year ended 30 June	
		2022	2021
	Note	\$	\$
Unlisted options issued to directors		-	1,000,000
Unlisted options issued to brokers (a)		282,000	-
Total share-based payments		282,000	1,000,000

- (a) The value of these options has been expensed against the costs of raising capital, as they relate directly to the capital raising mandate between the Company and Lead Managers of the Initial Public Offering of the entities securities.

Options issued during the year were valued using the Black-Scholes option pricing model. The following inputs were used in the measurement of the fair values at grant date of the share-based payments noted above:

	Broker Options	Director Options
Fair value at grant date	\$0.094	\$0.10
Share price at grant date	\$0.20	\$0.20
Exercise price	\$0.25	\$0.25
Expected volatility	87.5%	85%
Option life	2.6 years	3.3 years
Expected dividends	-	-
Risk-free interest rate	0.15%	0.10%
Number of options issued	3,000,000	10,000,000
Total value	\$282,000	\$1,000,000

The underlying share price on grant date for both issues was assumed to be \$0.20, as the Company was unlisted on the grant date and therefore the offer price of the initial public offering of securities was used.

17 EARNINGS PER SHARE

	30 June 2022 \$	30 June 2021 \$
Profit / (loss) used in calculating basic and diluted earnings / (loss) per share	(4,008,155)	2,051,060
	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share	69,591,740	36,125,000
	Cents	Cents
Basic and diluted earnings / (loss) per share	(5.76)	5.68

All potential ordinary shares were considered anti-dilutive.

18 AUDITORS' REMUNERATION

	30 June 2022 \$	30 June 2021 \$
The auditor of the Company is Stantons International		
Amounts received or due and receivable for:		
• Audits of financial reports	29,365	30,000
• Preparation of the investigating accountants report	-	10,000
	29,365	40,000



Notes to the Consolidated Financial Statements

19 RELATED PARTIES

SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30 June 2022	30 June 2021
Wiluna West Gold Pty Ltd	Mineral Exploration	Australia	100%	100%

Western Gold Resources Limited is the head entity of the Group. GWR Group Limited was the Ultimate Parent Entity of the Western Gold Resources Limited Group until 13 July 2022.

OTHER TRANSACTIONS WITH RELATED PARTIES

During the current year, amounts totalling \$10,106 were paid to Endeavour Corporate Pty Ltd, a Company Associated with Mr Mark Pitts, for accounting and administration services (2021: \$Nil). As at 30 June 2022, a total of \$107 was payable.

Other than the transactions noted above and those with the GWR Group Limited as disclosed in Note 12, were no other transactions with related parties (2021: Nil).

20 KEY MANAGEMENT PERSONNEL DISCLOSURES

	Note	For the year ended 30 June	
		2022	2021
		\$	\$
Compensation of Key Management Personnel			
Short term benefits		431,456	161,291
Long term benefits		-	-
Post-employment benefits		27,068	6,125
Equity-based compensation		-	1,000,000
		<u>458,524</u>	<u>1,167,416</u>

21 INCOME TAXES

	For the year ended 30 June	
	2022	2021
	\$	\$
A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:		
Accounting profit/(loss) before income tax	(4,008,155)	2,051,060
At the statutory income tax rate of 25% (2021: 26%)	(1,002,039)	533,276
Non-assessable income	(9,170)	-
Effect of temporary differences that would be recognised directly in equity	(263,218)	-
Tax losses recognised	-	(533,276)
Tax loss and temporary differences not brought to account as a deferred tax asset	1,274,427	-
Income tax expense / (benefit)	<u>-</u>	<u>-</u>
Weighted average rate of tax	<u>-</u>	<u>-</u>
Recognised in the statement of profit or loss and other comprehensive income:		
Current tax expense / (benefit)	-	-
Deferred tax expense / (benefit)	<u>-</u>	<u>-</u>
Total income tax expense / (benefit)	<u>-</u>	<u>-</u>



Notes to the Consolidated Financial Statements

21 INCOME TAXES (CONT'D)

	Note	For the year ended 30 June	
		2022	2021
		\$	\$
Unrecognised deferred tax assets and liabilities as at 30 June 2022 comprise:			
<i>Unrecognised deferred tax assets</i>			
Trade and other payables		3,750	-
Provisions		4,972	-
Employee benefits		4,859	-
Unused tax losses		1,050,271	-
Other future deductions		210,575	-
		<u>1,274,427</u>	<u>-</u>
Set-off of deferred tax liabilities		-	-
Net unrecognised deferred tax asset		<u>1,274,427</u>	<u>-</u>

Net deferred tax assets have not been recognised because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits.

There were no unrecognised deferred tax assets or liabilities reported for the year ended 30 June 2021 as the Group was part of a tax consolidated group, of which GWR Group Limited is the head entity. The Group left the GWR Group Limited tax consolidated group on 13 July 2021.

22 COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Group has discretionary minimum annual tenement expenditure requirements and lease rentals of \$546,725 (2021: Nil). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements

23 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial instruments consists solely of accounts payable.

Derivatives are not used by the Group for hedging purposes. The Group does not speculate in the trading of derivative instruments.

TREASURY RISK MANAGEMENT

The Group's Board of Directors meet when required to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to minimise potential adverse effects on financial performance. Risk Management initiatives are addressed by the Board when required.

FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Group is exposed to through its financial instruments is liquidity risk and interest rate risk.

LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows.

INTEREST RATE RISK

The Group's exposure to market interest rates relates primarily to the Group's interest-bearing cash and cash equivalents. Trade and other receivables disclosed in note 7 and Trade and other payables disclosed in note 10 are non-interest bearing. The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.



Notes to the Consolidated Financial Statements

23 FINANCIAL INSTRUMENTS (CONT'D)

NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Assets and liabilities included in the Statement of Financial Position are carried at amounts that approximate their fair values. Please refer to Note 2 for the methods and assumptions adopted in determining net fair values for investments. The follow table details the Group's contractual maturities of its financial assets and liabilities:

	Carrying Amount \$	Less than 1 year \$	Maturity 1 to 5 years \$	More than 5 years \$
Year ended 30 June 2022				
Cash and cash equivalents	2,132,627	2,132,627	-	-
Trade and other receivables	222,768	222,768	-	-
Total Financial Assets	2,355,395	2,355,395	-	-
Trade and other payables	421,087	421,087	-	-
Total Financial Liabilities	421,087	421,087	-	-
Year ended 30 June 2021				
Cash and cash equivalents	31,253	31,253	-	-
Total Financial Assets	31,253	31,253	-	-
Trade and other payables	330,681	330,681	-	-
Loan to GWR Group Limited	463,624	463,624	-	-
Total Financial Liabilities	794,305	794,305	-	-

SENSITIVITY ANALYSIS

LIQUIDITY RISK

The Company has performed sensitivity analysis relating to its exposure to liquidity risk at balance date and has determined that increases and decreases are not material to the Company.

INTEREST RATE RISK

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date and has determined that increases and decreases are not material to the Company.

24 PARENT ENTITY DISCLOSURES

FINANCIAL POSITION

	30 June 2022 \$	30 June 2021 \$
Assets		
Current assets	2,558,222	285,275
Non-current assets	361,707	553,472
Total Assets	2,919,929	838,747
Liabilities		
Current liabilities	440,524	2,043,976
Non-current liabilities	19,888	-
Total Liabilities	460,412	2,043,976
Net Assets / (Liabilities)	2,459,517	(1,205,229)



Notes to the Consolidated Financial Statements

24 PARENT ENTITY DISCLOSURES (CONT'D)

	Note	30 June 2022 \$	30 June 2021 \$
Equity			
Issued capital		16,560,328	10,400,000
Reserves		1,282,000	1,000,000
Accumulated losses		(15,382,811)	(12,605,229)
Total Equity / (Deficiency of Equity)		2,459,517	(1,205,229)

FINANCIAL PERFORMANCE

	Note	For the year ended 30 June 2022 \$	2021 \$
Loss for the year		(2,777,582)	(1,252,279)
Other Comprehensive Income		-	-
Total Comprehensive Loss		(2,777,582)	(1,252,279)

COMMITMENTS AND CONTINGENCIES

The Parent Entity had no Commitments or Contingencies at 30 June 2022 (2021: Nil).

GUARANTEES

The Company has not entered into any guarantees in relation to the debts of its subsidiaries.

25 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of Western Gold Resources Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

26 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.



Directors' Declaration

In the opinion of the Directors of Western Gold Resources Limited ('the Company'):

1. In the opinion of the directors:

- (a) The financial statements and notes of Western Gold Resources Limited for the financial year ended 30 June 2022 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year then ended; and
 - (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

Signed in accordance with a resolution of directors.



Gary Lyons
Chairman

28 September 2022



PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTERN GOLD RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Gold Resources Limited ("the Company") and its subsidiary (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have defined the matter described below to be a key audit matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Liability limited by a scheme approved under Professional Standards Legislation

Stantons is a member of the Russell
Bedford International network of firms





Key Audit Matters	How the matter was addressed in the audit
<p>Share based payments reserve <i>(Refer to Note 16 to the financial statements)</i></p> <p>During the year, the Company awarded 3 million share options. The options were granted to service providers and were not subject to any vesting conditions, other than the performance of the services.</p> <p>The Group recognised a share-based payment expense of \$282,000 which was recorded in capital raising costs.</p> <p>Share based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> - The complexities involved in the recognition; and - The judgment involved in determining the inputs used in the valuation. <p>Management used the Black-scholes option valuation model to determine the fair value of the options granted. This process involved estimation and judgments to determine the fair value of the equity instruments granted.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> i. Evaluating the agreements to identify the key terms and conditions of the share-based payment issued, and relevant vesting conditions, in accordance with AASB 2 Share Based Payment; ii. Verifying the inputs and examining the assumptions used in the Group's valuation of share options granted; iii. Challenging management's assumptions in relation to the treatment as a capital raising cost; iv. Assessing the fair value of the calculation through re-performance using appropriate inputs; and v. Assessing the disclosures made by the Group in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' 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 Group's 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 financial report 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 to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's 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.

Independent Auditor's Report



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 33 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Western Gold Resources Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
28 September 2022

Tenement Schedule

Western Gold Resources Limited has an interest in the tenements summarised in Table 2 below through its wholly owned subsidiary Wiluna West Gold Pty Ltd.

The Tenements are all granted mining tenements within their first 21 year term and are held by GWR Group Limited.

Tenement	Status	Holder	Nature of interest
Mining Licences			
M53/971-I	Granted	GWR Group Limited 100%	Subject to Deed of Co-operation with GWR ¹
M53/972-I	Granted	GWR Group Limited 100%	" "
M53/1016-I	Granted	GWR Group Limited 100%	" "
M53/1017-I	Granted	GWR Group Limited 100%	" "
M53/1018-I	Granted	GWR Group Limited 100%	" "
M53/1087-I	Granted	GWR Group Limited 100%	" "
M53/1096 I	Granted	GWR Group Limited 100%	" "
Miscellaneous Licences			
L53/115, L53/146, L53/147-148, L53/177-179 and L53/190	Granted	GWR Group Limited 100%	" "

¹ Wiluna West Gold Pty Ltd (a wholly owned subsidiary of the Company), has entered into a Deed of Co-operation with GWR Group Limited which provides for the co-ordination of their respective activities within the Wiluna West Iron Project and Gold Duke Project areas. The Company has been granted full, free and exclusive rights to exercise the mineral rights to all minerals other than iron ore in the tenement area.

The Company has assumed all obligations under a Gold Royalty Deed in relation to a royalty on gold recovered from the land the subject of M 53/1016- 1, M 53/1017-1 and M 53/1018-1, payable to George Francis Lee (Lee) and David Jones Roberts (Roberts), the original vendors of these tenements.



ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 17 October 2022.

The total number of shares on issue is 81,375,000.

Each fully paid ordinary share entitles the holder to one vote at general meetings of shareholders and is entitled to dividends when declared.

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

Ordinary Fully Paid Shares

Distribution	Number of shareholders	Securities held	% of issued capital
1 – 1,000	207	22,388	0.03%
1,001 – 5,000	160	549,060	0.67%
5,001 – 10,000	159	1,183,730	1.45%
10,001 – 100,000	241	8,130,293	9.99%
More than 100,000	71	71,489,529	87.85%
Totals	838	81,375,000	100.00%

There are 402 shareholders holding less than a marketable parcel of ordinary shares.

B. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Ordinary Shares - Quoted	
	Number of shares	% of Shares
CITICORP NOMINEES PTY LIMITED	24,598,449	30.23%
INCOR HOLDINGS LIMITED	9,437,500	11.60%
ANTELE HOLDING LIMITED	3,204,793	3.94%
BLUEBAY INVESTMENTS GROUP CORPORATION LTD	2,613,851	3.21%
BNP PARIBAS NOMS PTY LTD <DRP>	2,223,159	2.73%
TRIBECA NOMINEES PTY LTD	2,132,308	2.62%
SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	2,036,648	2.50%
REYNAUD INTERNATIONAL LIMITED	2,000,000	2.46%
HUNAN VALIN STEEL CO LTD	1,718,050	2.11%
ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C>	1,490,586	1.83%
SEAN GERARD ODOHOE	1,057,692	1.30%
SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	1,021,082	1.25%
MR MANUSHA RATNAYAKE	989,253	1.22%
SIMWISE DEVELOPMENTS PTY LTD	821,586	1.01%
ALISSA BELLA PTY LTD <THE C&A TASSONE SUPER A/C>	725,000	0.89%
MR GARY LYONS & MS TATJANA CUSMANO <LYONS SUPER FUND A/C>	715,851	0.88%
DATUK CHIN AN LAU	710,909	0.87%
MR MICHAEL REGINALD WILSON	669,058	0.82%
TA SECURITIES HOLDINGS BERHAD	635,494	0.78%
BLUE MANGO ENTERPRISES PTY LTD <BLUE MANGO FAMILY A/C>	603,000	0.74%
Total	59,404,269	73.00%



ASX Additional Information

C. SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Holder of Relevant Interest	Issued Ordinary Shares	
	Number of shares	% of shares
Antelle Holding Ltd and associated entities	15,295,852	18.79%
Incor Holdings Limited	9,437,500	11.60%

D. UNQUOTED SECURITIES

Options over Unissued Shares

Description	Exercise Price	Expiry Date	Number of Holders	Number of Options
Director Options	25 cents	1 July 2024	4	10,000,000
Broker Options	25 cents	28 February 2024	4	3,000,000
				13,000,000

E. VOTING RIGHTS

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

There are no voting rights in respect of options or performance rights over unissued shares.

F. RESTRICTED SECURITIES

There are 9,353,391 ordinary fully paid shares on issue which are subject to escrow agreements until 23 July 2023.

There are also 13,000,000 unlisted options on issue that are subject to escrow agreements and are restricted until 23 July 2023.

G. ON MARKET BUY BACK

There is no current on market buy back

H. USE OF FUNDS

Pursuant to the requirements of ASX Listing Rule 4.10.19 the Company has used funds raised from its Initial Public Offer (IPO) in a manner that is consistent with the prospectus and objectives outlined in the IPO document.





KEEP OUT
OPEN SHAFT



Western Gold Resources Limited
ASX | WGR
ABN | 54 139 627 446
Annual Report | 2022