



WEST COBAR METALS LIMITED

ABN 26 649 994 669

Annual Report

For the Year Ended 30 June 2023

West Cobar Metals Limited

ABN 26 649 994 669

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West Cobar Metals Limited

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CORPORATE DIRECTORY

Directors

Mr Matt Szwedzicki
Managing Director

Mr Robert Klug
Non-Executive Chairman

Mr Kevin Das
Non-Executive Director

Mr Ron Roberts
Non-Executive Director

Mr Mark Bolton
Non-Executive Director

Company Secretary

Mr Craig McNab

**Registered Office &
Principal Place of Business**

Level 8, 216 St Georges Terrace
Perth WA 6000

Postal Address

GPO Box 2517
Perth WA 6831

Website

www.westcobarmetals.com.au

Share Registry

Automic Registry Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Securities Exchange Listing

ASX Code: WC1

Country of Incorporation and Domicile

Australia

West Cobar Metals Limited

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DIRECTORS' REPORT

For the Year Ended 30 June 2023

The Directors present the following report on West Cobar Metals Limited ("the Company") and its wholly owned subsidiaries (together referred to hereafter as "the Group") for the financial year ended 30 June 2023.

Directors

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

Matt Szwedzicki	Managing Director (appointed as Managing Director on 22 June 2023)
Robert Klug	Non-Executive Chairman
Kevin Das	Non-Executive Director (resigned as Executive Director and revert as Non-Executive Director on 22 June 2023)
Ron Roberts	Non-Executive Director
Mark Bolton	Non-Executive Director (appointed on 8 February 2023)

Company Secretary

David McEntaggart resigned as Joint Company Secretary on 22 July 2022 with Craig McNab now being the sole Company Secretary.

Principal Activities

The principal activity of the Group during the financial year was the exploration of resource projects.

Operating Results

The loss of the Group for the year ended 30 June 2023 amounted to \$1,296,382 (2022: \$1,233,617).

Financial Position

As at 30 June 2023 the Group had a cash balance of \$2,326,982 (2022: \$3,166,739) and a net asset position of \$12,689,822 (2022: \$4,345,390).

Dividends Paid or Recommended

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2023.

Corporate Governance Statement

The Company has disclosed its corporate governance statement on the Company website at www.westcobarmetals.com.au.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the financial report.

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DIRECTORS' REPORT For the Year Ended 30 June 2023

Corporate

As at the date of this report the following securities were on issue.

ORDINARY SHARES	2023
	No.
Fully Paid Ordinary Shares	97,133,664

OPTIONS	2023
	No.
25 cents expiring on 3 June 2026	9,500,000
25 cents expiring on 28 March 2025	3,500,000
20 cents expiring on 4 November 2024	1,000,000
21.5 cents expiring on 4 November 2024	1,000,000
23 cents expiring on 4 November 2024	1,000,000
32 cents expiring on 6 May 2025	2,400,000
22.5 cents expiring on 22 November 2025	2,300,000

Review of Operations

Summary

- Salazar rare earth element (REE) project WA acquired and major aircore drill program completed to extend resources. REE extraction metallurgy advanced.
- Lithium project in Nevada established with two areas of mining claims..
- Tenement in the Northern Territory was acquired with lithium potential.
- Copper mineralisation model revised at Bulla Park NSW, aeromagnetic survey conducted, drill target developed.

PROJECTS

West Cobar is currently operating five distinct project areas:

1. Salazar REE Project, WA
2. Nevada Lithium Project, USA
3. West Cobar Copper-Gold Project, NSW
4. Hermit Hill Lithium Project, NT
5. Porphyry North Gold Project, WA

The Projects comprise of a portfolio of 14 mineral exploration licences (Australia) and 242 registered mining claims (USA), which together cover an area of approximately 2,398km².

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1. Salazar REE Project

Binding agreements were signed to acquire the Salazar Rare Earth Elements (REE) Clay Project, located 120km north-east of Esperance, WA (Figure 1). The Salazar acquisition was approved at the Shareholder meeting of 28th of October 2022.

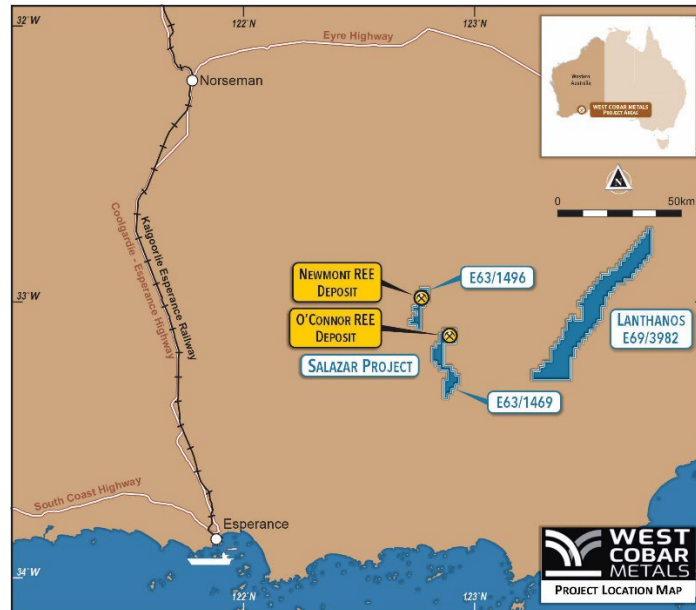


Figure 1 Location of Salazar REE Project tenements

During the year ended 30 June 2023, Salazar's Newmont deposit had a JORC (2012) compliant Inferred Mineral Resource¹ of 43.5Mt of 1192ppm TREO² (total rare earth oxide) and featured low levels of uranium and thorium. In August 2023, following the air core program (see below), the Newmont Mineral Resource was increased to 83Mt of 1117ppm TREO (Indicated + Inferred Resource) including 39Mt of 1216ppm TREO in the Indicated Mineral Resource classification³.

Metallurgical test work undertaken indicates the REE clay minerals are amenable to acid leach extraction at low temperatures and atmospheric pressure. The project is advanced with over eight years of test work, and studies completed with well-known research and technical institutions. The Newmont deposit also includes a high-grade alumina zone with an Inferred Mineral Resource¹ of 3.4Mt of 31% Al₂O₃.

The phase one air core program of 283 holes for a total of 9342m was designed to extend and infill the existing Inferred Mineral Resource at the Newmont deposit (Figure 2) as well as explore E63/1496 to the south of the Newmont deposit and part of the O'Connor prospect licence area (E63/1469).

Phase 1 results from Newmont included:⁴

- 34m of 2,337 ppm TREO from 7m in SZA 070
- 20m of 1,449 ppm TREO from 9m in SZA 077
- 33m of 1,264 ppm TREO from 16m in SZA 094

¹ Refer to West Cobar Metals' ASX announcement of 8 September 2022

² TREO (Total Rare Earth Oxide) = La₂O₃ + CeO₂ + Pr₆O₁₁ + Nd₂O₃ + Sm₂O₃ + Eu₂O₃ + Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃

³ Refer to West Cobar Metals' ASX announcement of 9 August 2023

⁴ Refer to West Cobar Metals' ASX announcement of 29 May 2023

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- **16m of 2,086 ppm TREO from 10m in SZA122**
- **14m of 4,329 ppm TREO from 19m in SZA 155**
- **29m of 1,476 ppm TREO from 4m in SZA178**
- **11m of 3,272 ppm TREO from 16m in SZA180**
- **4m of 7,437 ppm TREO from 64m in SZA 249**
- **32m of 2,005 ppm TREO from 11m in SZA 253**

Excellent high-grade, near surface REE intersections showing strong continuity were returned from drilling within and around the Newmont deposit. The infill drilling demonstrates the importance at Newmont of the underlying amphibolite as a major control on the formation and concentration of REE mineralisation. Deep historical RC and diamond drilling shows the amphibolite and adjoining felsic and intermediate gneiss to be mineralised with REEs in discrete vertical zones (Figure 3). These zones contain pegmatite dykes and quartz veining, and it is concluded that the control on the REEs is related to shears in the vicinity of gneiss/amphibolite contacts within a broad shear zone of particularly tight folding. This strong bedrock control, which is reflected in the aeromagnetic imagery, adds confidence to the interpreted continuity of REE mineralisation.

The clay mineralisation at Newmont has a magnet rare earth oxide content comprising about 25% of the basket.

In particular the Newmont deposit is relatively high in high value, heavy magnet REE content, comprising 3% dysprosium and 0.5% terbium.

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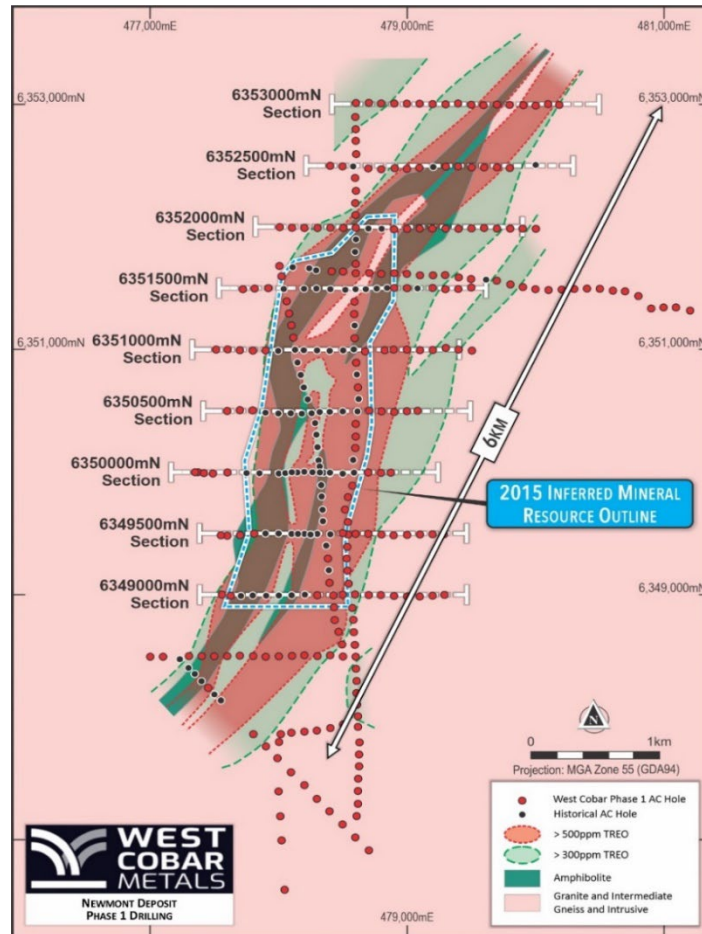


Figure 2: Phase 1 air core drill collars over Newmont deposit and approximate outlines of intersections >300ppm TREO and >500ppm TREO

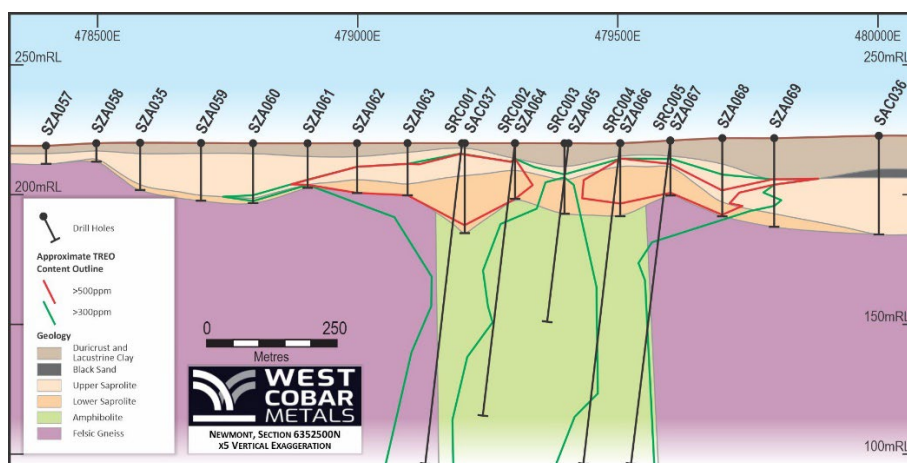


Figure 3: Newmont cross-section 6352500N. Schematic indication of bedrock extent of >300ppm TREO mineralisation from assays of deeper historical RC holes (SRC series).

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O'Connor Prospect

The air core drill program at O'Connor has validated the continuity of high REE grades and the shallow nature of the REE mineralisation at O'Connor. REE mineralisation varies between 2m to 31m thickness at a 600ppm cut off, from shallow depths of from 7m to 27m.

The O'Connor drilling had the following intersection results:

- 20m of 1,449 ppm TREO from 9m in SZA 077
- 12m of 1,717 ppm TREO from 10m in SZA 080
- 32m of 1,281 ppm TREO from 16m in SZA 081
- 14m of 2,260 ppm TREO from 7m in SZA 088
- 33m of 1,264 ppm TREO from 16m in SZA 094
- 22m of 1,655 ppm TREO from 26m in SZA105

Compared to Newmont, O'Connor which overlies granitic bedrock, is relatively higher in the light magnet rare earth oxides, neodymium and praseodymium.

Intersections are obtained over 600ppm TREO for every hole (about 240m spacing) over 3.5Km along the NE-SW line (Figure 4). This is related to a VTEM zone of higher conductivity indicating a widespread zone of continuous mineralisation.

An Inferred REE Mineral Resource was estimated for O'Connor after the year ended 30 June 2023 – an Inferred Mineral Resource of 107Mt of 1216ppm TREO was announced in August 2023⁵.

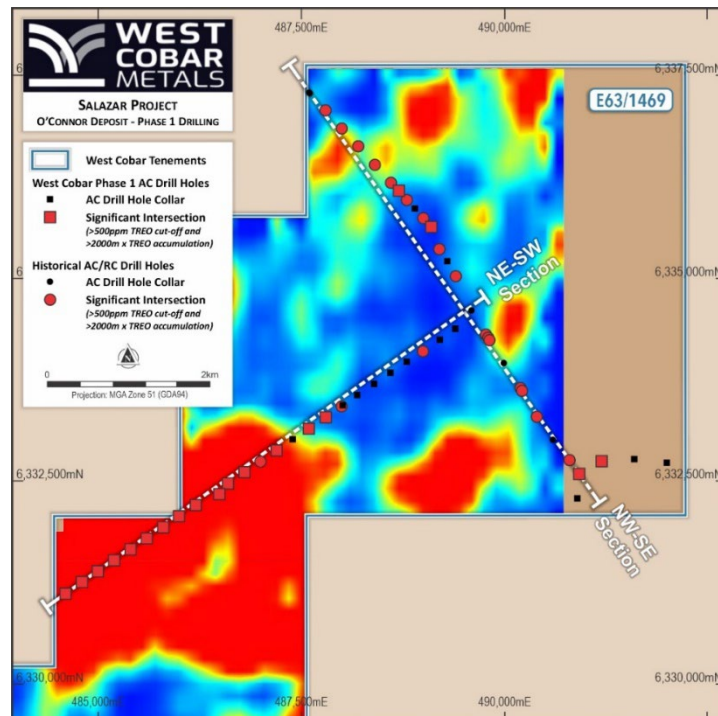


Figure 4: Program 1 air core collar, showing section lines, O'Connor, over available VTEM, -45m level slice.

⁵ Refer to West Cobar Metals' ASX announcement of 9 August 2023

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REE Processing and Metallurgy

Testwork to establish a viable and economic REE extraction methodology is ongoing.

The Australian Nuclear Science and Technology Organisation (ANSTO) has begun a program of metallurgical test work⁶ aimed at developing a viable flowsheet for the extraction of REE products from Salazar. Existing data demonstrates that the REEs in the saprolitic clays are leachable with hydrochloric acid, and more test work is being undertaken to optimise acid concentration, consumption and REE recoveries.

The ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals was engaged to undertake beneficiation studies for the Newmont Deposit. The studies will be administered through the University of Newcastle. The aim of the beneficiation studies is to optimise the front-end processing of rare earths and support project economic studies.

Nagrom was engaged in December 2022 to undertake scouting beneficiation test work on historic samples from the O'Connor prospect.

Lanthanos Resources Tenement (E69/3982) Acquisition

A binding agreement was signed to acquire Lanthanos Resources, owner of tenement E69/3982, which is located 150km north-east of Esperance, Western Australia (Figure 1). The acquisition provides a strategic increase in landholding with the addition of 575km² and over 70km strike of untested saprolitic clays.

2. Nevada Lithium Project, USA

Situated within the world class Nevada lithium district, the Nevada Lithium Project consists of the Montezuma Well and Big Smoky Valley claims areas which are considered prospective for large scale sedimentary-hosted lithium claystone deposits. The prospective areas are located in close proximity to the mining town of Tonopah and 350km southeast of the Tesla Gigafactory in Nevada (Figure 5).

⁶ West Cobar ASX announcement dated 12 April 2023

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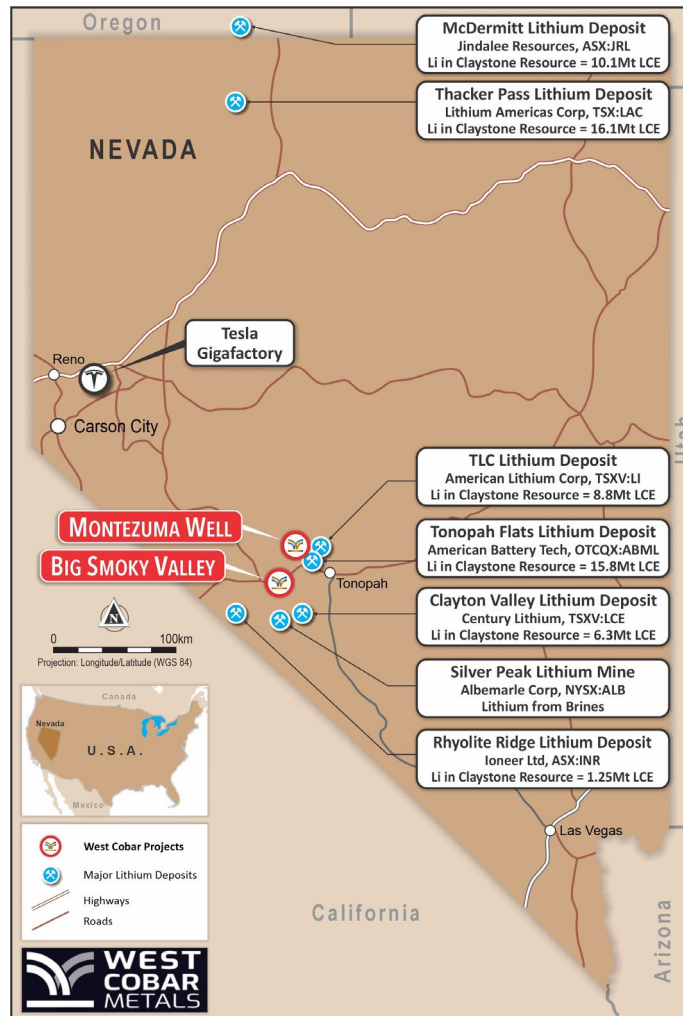


Figure 5 – West Cobar's claim areas and major claystone lithium deposits in Nevada, USA

West Cobar's prospective areas host similar geology to known major claystone hosted lithium deposits in the region, including TLC (American Lithium), Tonopah Flats (American Battery Technology Company), Rhyolite Ridge (Ioneer Limited) and Clayton Valley (Century Lithium).⁷

A reconnaissance field program was carried out during June 2023 which confirmed the prospectivity of West Cobar's claims.

A reverse circulation drill program of 11 holes is planned for October 2023 to test the shallow dipping host Siebert Formation for shallow lithium mineralisation. Bureau of Land Management approval has been obtained for the program.

⁷ West Cobar ASX announcement dated 24 March 2023

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Lithium Mineralisation in Southern Nevada

The southern part of Nevada contains lithium deposits in lake brines and Miocene age sedimentary claystones. Lithium claystone deposits form in arid conditions within a closed basin that is concentrated in ash-rich lacustrine rocks containing swelling clays such as smectite. Claystone within the Siebert Formation and coeval Esmeralda Formation hosts the TLC, Tonopah Flats and Clayton Valley lithium deposits.

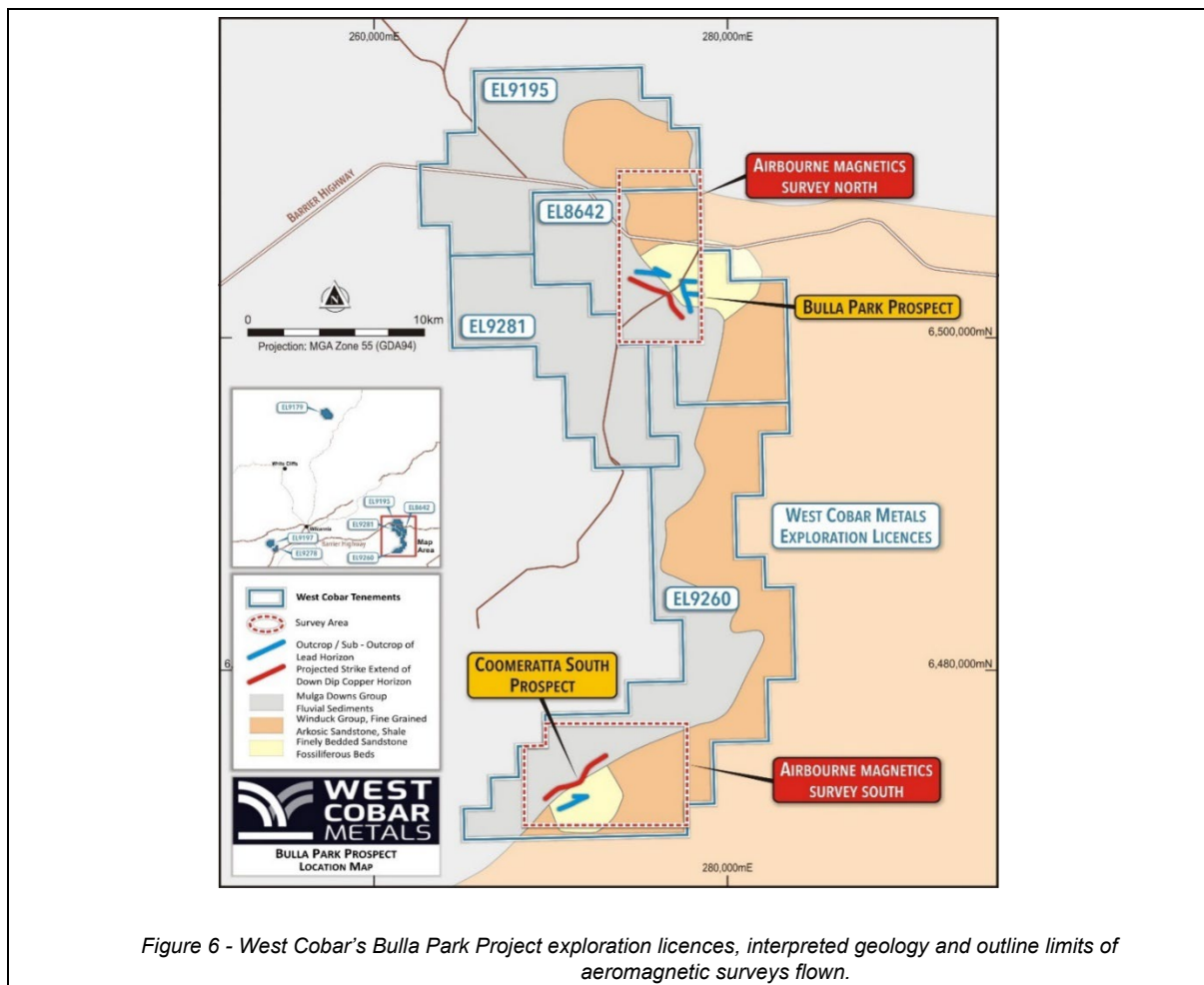
The host Siebert and Esmeralda Formations are of similar Miocene age (13 to 17 million years) and consist mainly of fluvial and lacustrine mudstones, sandstone and volcanic conglomerate. The source of the lithium concentrated in claystones is regarded to be largely by leaching of caldera-forming ignimbrite and from hydrothermal fluids containing lithium, controlled by caldera edge faults.

3. West Cobar Copper-Gold Project, NSW

Bulla Park Project

The Bulla Park Project comprises four granted exploration licences (EL 8642, EL 9195, EL 9281 and EL 9260) which collectively cover an area of 518km². The Bulla Park Project is located approximately 110km west of Cobar in central New South Wales and is accessible via sealed highways from Sydney to Cobar.

Field mapping and drill core relogging was carried out to establish drill targets at the Bulla Park Project and plan future exploration. Two low-level (35m flying height) aeromagnetic surveys of 50m line spacing were flown by Thomson Airborne over the Bulla Park and Coomeratta South Prospects (Figure 6).



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Seven diamond holes were drilled by West Cobar at the Bulla Park and Mountain Prospects at the end of 2021. Assays from drill holes BPD01, BPD02 and BPD03 all returned low grade copper intersections⁸ but confirmed an overall stratabound control for the copper mineralisation. The copper mineralisation discovered to date consists of dominant tetrahedrite, with minor chalcopyrite, bornite and stibnite disseminated in siltstones and sandstones of the Winduck Group.

The revised mineralisation model suggests that the widespread base metal mineralisation (including 135m grading 0.24% Cu, with 33m of 0.45% Cu, in historical drill hole⁹ 19CA002), the intense siderite alteration intersected in drill holes to date at Bulla Park, and surface geochemistry at Coomeratta South, reflect 'halos' around a higher-grade intrusive pipe or stockwork system, as is developed around some of the deposits elsewhere in the Cobar Basin.

The Coomeratta South prospect, 40km south of the Bulla Park prospect within the broader Bulla Park Project, contains anomalous lead and antimony values in stream sediments over an area of 5km by 3km.¹³ Reconnaissance and geological mapping delineated an area with anomalous lead (200ppm Pb to 0.15% Pb) in rock chips (non-quantitative portable XRF values) within an area of Winduck Group fossiliferous sandstone.

The copper mineralisation intersected at Bulla Park shows low but anomalous magnetic susceptibility in drill core. At Bulla Park the aeromagnetic imagery shows a distinct area of higher residual magnetics that when modelled includes the known copper mineralisation at its periphery. A diamond drill hole is planned to test this target in October 2023.

Cawkers Well Project

The Cawkers Well Project comprises two granted exploration licences (EL 9197 and EL 9278) which collectively cover an area of 154km². The Cawkers Well Project is located approximately 140km east of Broken Hill and 60km south-east of Wilcannia.

As a result of an impasse with a critical landowner, the Company was unable to access this project for its planned exploration. The Board followed the prescribed process for mediation and arbitration in NSW but in September 2023 announced that the Company was terminating the process and surrendering the majority of the tenement area¹⁰.

Nantilla Project

The Nantilla Project comprises one granted exploration licence (EL 9179) with an area of 176km². It covers adjacent aeromagnetic and gravity anomalies and lies approximately 290km north-east of Broken Hill and 260km north-west of Cobar.

Access negotiations for the Nantilla Project have continued during 2022/23. Once concluded a detailed magnetic survey and drill program is planned.

4. Hermit Hill Lithium Project, NT

The Hermit Hill Project comprises a significant landholding (667km²) within the emerging, underexplored lithium province in the Northern Territory. The Hermit Hill Project is located approximately 150km south-southwest of Darwin in the Northern Territory. The licence area covers 664km² in the Litchfield Province, roughly 100km south-southwest of Core Lithium's Finnis Lithium Project and Lithium Plus Minerals' Lei lithium prospect, and 30km west of Ragusa Minerals' Tank Hill lithium discovery (Figure 7).

⁸ As announced to ASX on 17 December 2021

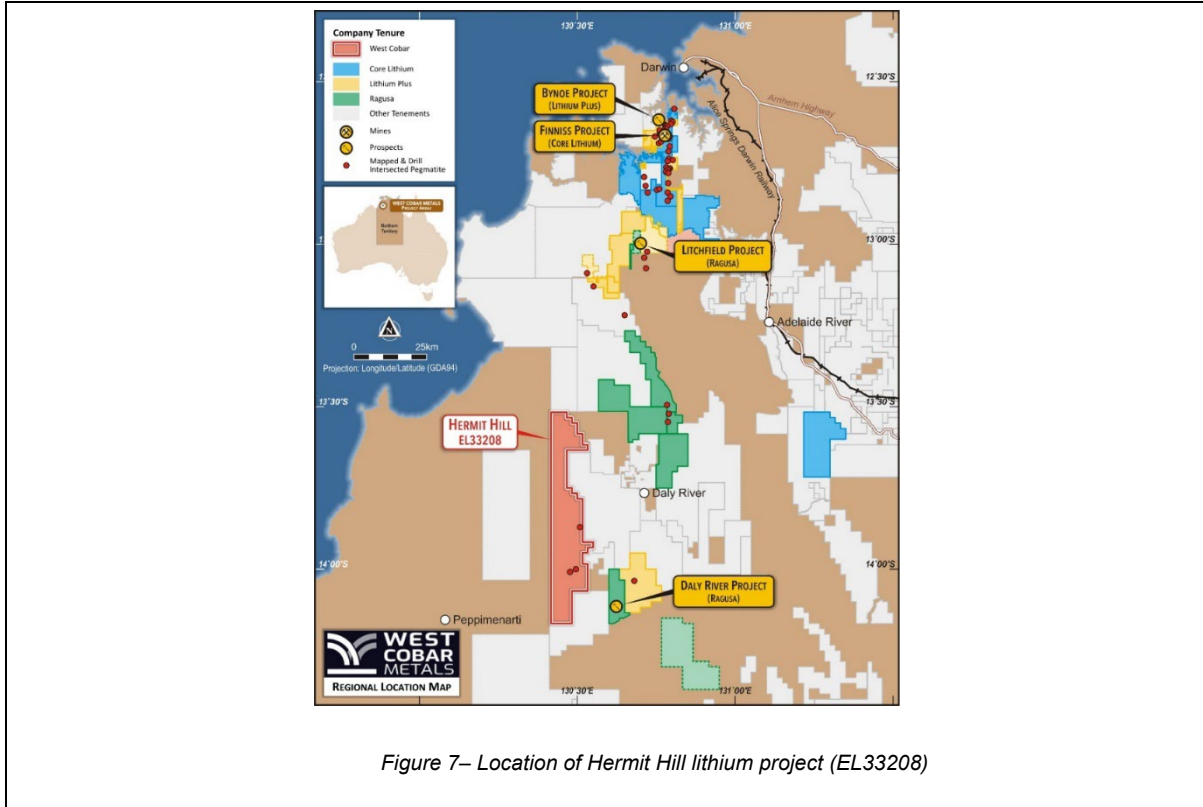
⁹ Refer to West Cobar Metals' Prospectus 29 September 2021

¹⁰ Refer to West Cobar Metals' ASX announcement on 6 September 2023

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The licence area covers a portion of the relatively unexplored western part of the Lichfield Province on the western flank of the Pine Creek Orogen. The central and northern part of the licence area contains small outcrops of Allia Suite Lichfield Granite which is an S type granite and considered a prospective source for LCT pegmatites. Elsewhere in the region these Allia Suite highly fractionated granitic rocks are associated with tin, tantalum and lithium mineralisation.

Recent field activities were undertaken after the year ended 30 June 2023. Pegmatites were observed at Hermit Hill, up to 20m wide, and could be traced for up to 400m along strike in the Lichfield Granite. Pegmatites are likely to be much more extensive in the licence area hidden beneath shallow eluvial/ alluvial cover.

Pegmatites are also recorded in historical exploration RAB drilling in the southern part of the licence area in historical exploration reports. Some anomalous tin and tantalum have been recorded in panned concentrates which supports the general prospectivity for lithium of the licence area.¹¹

Most of the area is covered by eluvium and alluvium and there is very little outcrop. The planned next stage of work includes geological mapping and a follow up drill program over defined target areas to test and sample the bedrock.

5. Porphyry North Gold Project, WA

The Porphyry North Gold Project consists of the three licences (EL's 31/910, 31/942 and 39/1978) covering 109km² of under-explored region of Archaean greenstones, 150km NE of Kalgoorlie. The licences lie within the Keith-Kilkenny Tectonic Zone, along strike from Porphyry (550,000oz Au) and Carosue (2.2Moz Au) deposits and

¹¹ Refer to West Cobar Metals' ASX announcement on 6 September 2023

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prospective for gold and base metals, including nickel. The licences had previously been held by a Proprietary company for over 10 years, that was constrained by limited budgets.

Historical exploration by other explorers within the Porphyry North area has included soil/auger/BLEG sampling, rock chip sampling, and some reconnaissance RAB/AC drilling. The tenements are prospective for uranium, VMS style base metals, and gold mineralisation in several settings.

Historical data has been reviewed and field work carried out as a preliminary to establishing drill targets.

The focus of future exploration will be for gold and VMS mineralisation that will require close spaced AC or RC drilling to test geophysical and geologically modelled targets.

Other Projects

West Cobar has continued to assess opportunities as they are presented with a view to adding to the discovery potential within West Cobar's portfolio of projects.

Events after the Reporting Period

On 25 September 2023, the Company entered into a binding agreement with Dundas Minerals Limited (ASX:DUN) to acquire four exploration licences (E63/2056, E63/2083, E63/2078 and E63/2063), subject to shareholder approval. The consideration comprises of 5,000,000 fully paid ordinary shares in the Company and a cash payment of \$20,000.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Information on Directors

The names of directors who held office from incorporation until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Matt Szwedzicki (B Eng (Hons), B Comm, GAICD)

Managing Director (appointed Managing Director 22 June 2023)

Matt Szwedzicki has over 20 years' of corporate and commercial experience, having worked in senior leadership roles with a focus on M&A, corporate growth and investment strategy. Matt co-founded and is the Managing Director of Spark New Energies, an energy company with its main assets in the UK. Prior to that Matt held various executive corporate and commercial roles in the energy and resources industries.

Mr Matt Szwedzicki has not been a director of any ASX-listed Company for the last 3 years.

Interest in Securities

- 1,025,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at \$0.25 on 03/06/2026
- 1,000,000 unlisted options exercisable at \$0.32 on 06/05/2025

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Mr Robert Klug (LLB, B Comm) Non-Executive Chairman

Robert Klug is an Australian qualified resources and corporate lawyer with 30 years' experience. Initially trained as an auditor for KPMG, Robert completed a law degree at Murdoch University and worked as a corporate lawyer in London before joining Freehills in Perth. Robert has worked in legal, commercial and senior management roles within the resources section including St Barbara Limited (ASX: SBM) and Heron Resources Limited (ASX: HRR). From 2011 to 2020, Robert was General Counsel and Chief Commercial Officer of Sandfire Resources NL (ASX: SFR). He is currently a Director of ASX-listed Noronex Limited, the Director of George Street Legal Pty Ltd, Chief Executive Officer of Ngadju Native Title Aboriginal Corporation and General Counsel of Hastings Technology Metals Limited.

Interest in Securities

- 575,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at \$0.25 on 03/06/2026
- 1,000,000 unlisted options exercisable at \$0.32 on 06/05/2025

Mr Kevin Das (B.Sc Geology (Hons), GAICD) Non-Executive Director (resigned as Executive Director 22 June 2023)

Kevin Das has over 20 years' experience in the exploration and mining industry. He has worked in a variety of mining jurisdictions as a senior geologist and has undertaken various technical and corporate roles including business development, project management and company management. Kevin established the ARD Group in 2016 with the goal of establishing a multi-discipline fund that would effectively allocate capital into the natural resources sector. Kevin is the Managing Director of ARD Group where he is responsible for the fund's investment strategy, implementation of capital allocation and daily management activities.

Mr Kevin Das has not been a director of any ASX-listed Company for the last 3 years.

Interest in Securities

- 732,967 fully paid ordinary shares
- 500,000 unlisted options exercisable at \$0.25 on 03/06/2026
- 1,000,000 unlisted options exercisable at \$0.20 on 04/11/2024
- 1,000,000 unlisted options exercisable at \$0.215 on 04/11/2024
- 1,000,000 unlisted options exercisable at \$0.23 on 04/11/2024
- 500,000 options exercisable at \$0.25 on 3/06/2026

Mr Ron Roberts Non-Executive Director

Ron Roberts has over 35 years' experience in all aspects of exploration, including cartography/GIS and data management, field supervision, exploration project management and associated logistics across WA, NT, Qld and South Africa. Ron had various roles at Sandfire Resources (ASX: SFR) from pre-discovery through to their rapid growth as an ASX 200 company.

Mr Ron Roberts has not been a director of any ASX-listed Company for the last 3 years.

Interest in Securities

- 5,000,000 fully paid ordinary shares
- 2,000,000 unlisted options exercisable at \$0.25 on 03/06/2026

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Mr Mark Bolton

Non-Executive Director (appointed 8 February 2023)

Mark Bolton has over 30 years of experience in the resources sector. Mark was a Director at Ernst & Young's Corporate Finance division, before subsequently holding senior executive roles for several companies listed on the AIM, ASX, LSE and TSX including Global CFO for First Quantum Minerals.

Mark cofounded Salazar Minerals Pty Ltd and is currently a non-executive director of Synergia Energy Limited (AIM) and executive director of Panthera Resources Plc (AIM)

Interest in Securities

- 12,395,387 fully paid ordinary shares

Information on Other Management

Mr David Pascoe

Head of Exploration and Technical Services (resigned as CEO on 22 June 2023)

David Pascoe is an experienced geologist with more than 30 years' international and Australian experience. He received a BSC (Hons) and MSc, in Mining Geology and Exploration Geology, from Imperial College, London. He has been involved in numerous discoveries throughout his career including Magellan / Paroo Station lead deposit (WA), Tocantinzinho (Brazil, 2Moz Au) and Kerimenge (PNG, 1Moz Au). He has previously held Chief Geologist and Exploration Manager positions, and is a Director of Pasminex Pty Ltd and Bulla Park Metals Pty Ltd.

Mr Craig McNab

Company Secretary

Craig McNab is a Chartered Accountant and Chartered Secretary with over 14 years' experience in the resource industry and accounting profession in Australia, New Zealand and the UK. He initially qualified as an auditor at PricewaterhouseCoopers and his experience includes senior finance positions held at the De Beers Group and various corporate roles at Anglo American plc in London. He provides services to a number of ASX-listed and unlisted companies, specialising in corporate compliance and financial accounting.

Mr David McEntaggart

Joint Company Secretary (resigned 22 July 2022)

David McEntaggart is a Chartered Accountant and Chartered Secretary with over 15 years' experience in the resource industry and accounting profession both in Australia and the UK. He provides services to a number of ASX-listed and unlisted companies, specialising in corporate compliance and financial accounting.

REMUNERATION REPORT (AUDITED)

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel ('KMP') who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Group, directly and indirectly, including any director (whether executive or otherwise).

Remuneration Philosophy

The performance of the Group depends on the quality of the Company's Directors, executives and employees and therefore the Group must attract, motivate and retain appropriately qualified industry personnel.

Remuneration Policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

During the year, the Group did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of executive and non-executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

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Voting and Comments made at the Company's Annual General Meeting ('AGM')

The adoption of the remuneration report for the year ended 30 June 2023 will be voted for approval at the upcoming AGM. As of the date of this report, the company did not receive any specific feedback regarding its remuneration practices.

Head of Exploration and Technical Services Remuneration (formally CEO)

Mr Pascoe's employment is in accordance with an Executive Service Agreement dated 6 May 2021 on an ongoing basis subject to termination and notice. Mr Pascoe is entitled to receive \$250,000 per annum (plus superannuation). The Company or Mr Pascoe may terminate the agreement by providing 3 months' notice in writing.

Managing Director Remuneration

Mr Szwedzicki is entitled to receive \$250,000 per annum (exclusive of superannuation) for their role as Managing Director.

Non-Executive Directors Remuneration

Mr Klug is entitled to receive \$50,000 per annum (exclusive of superannuation) for their role of Chairman. Mr Roberts, Mr Bolton and Mr Das are entitled to receive \$40,000 per annum (exclusive of superannuation) for their role as Non-Executive Directors. Mr Das also receives an additional consultancy fee of \$1,250 per day (exclusive of GST) as required.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of \$400,000 per annum. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Relationship between the Remuneration Policy and Company's Performance:

	30 June 2023	30 June 2022	30 June 2021
	\$	\$	\$
Revenue	43,708	-	20,000
Loss after income tax	(1,296,382)	(1,233,617)	(504,153)
Basic and diluted loss per share (cents)	(1.67)	(3.57)	(5.42)
EBIT	(1,340,090)	(1,250,398)	(504,153)
EBITDA	(1,303,396)	(1,220,305)	(504,153)
Share price at reporting date	\$0.09	\$0.11	N/A*

*There was no share price as at 30 June 2021 as the Group listed with the ASX on 1 October 2021.

West Cobar Metals Limited

ABN 26 649 994 669

DIRECTORS' REPORT
For the Year Ended 30 June 2023

Details of Remuneration

Details of the nature and amount of each element of the emoluments of each of the Directors and KMP of the Group for the year ended 30 June 2023 and 30 June 2022 are:

2023

Key Management Personnel

	Short-term Benefits	Post- Employment Benefits	Equity-Settled Share Based Payments		Total	Performance Based as a Percentage of Remuneration
	Cash, Salary & Bonus	Super- annuation	Equity	Options		
	\$	\$	\$	\$	\$	%
Directors						
Robert Klug	59,150	5,250	-	91,418	155,818	59
Kevin Das	257,500	4,200	-	-	261,700	-
Ron Roberts	150,949	0	-	-	150,949	-
Matt Szwedzicki	67,666	4,200	-	91,418	163,284	56
Mark Bolton	15,714	1,300	-	-	17,014	-
Management						
David Pascoe	250,000	26,250	-	-	276,250	-
TOTAL	800,979	41,200	-	182,836	1,025,015	

2022

Key Management Personnel

	Short-term Benefits	Post- Employment Benefits	Equity-Settled Share Based Payments		Total	Performance Based as a Percentage of Remuneration
	Cash, Salary & Bonus	Super- annuation	Equity	Options		
	\$	\$	\$	\$	\$	%
Directors						
Robert Klug	37,500	3,771	-	-	41,271	-
Kevin Das	62,000	3,017	-	198,700	263,717	75
Ron Roberts	97,716	-	-	-	97,716	-
Matt Szwedzicki	30,000	3,017	-	-	33,017	-
Management						
David Pascoe	212,500	18,854	-	-	231,354	-
TOTAL	439,716	28,659	-	198,700	667,075	

West Cobar Metals Limited

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DIRECTORS' REPORT

For the Year Ended 30 June 2023

Options Granted as Compensation -

Details of options over ordinary shares in the Group that were granted as compensation during the financial year ended 30 June 2023 to each key management person are as follows:

Director/Key Management Personnel	Number Options Granted During Year	Grant Date	Fair Value per Option	Exercise Price per Option	Expiry Date	Number Options Vested During Year
Robert Klug	1,000,000	24-10-2022	\$0.0914	\$0.32	06-05-2025	1,000,000
Matt Szwedzicki	1,000,000	24-10-2022	\$0.0914	\$0.32	06-05-2025	1,000,000

Transactions with Directors and their Related Parties

No loans have been made to any Director or any of their related parties during the 2023 financial year.

During the year, fees of \$5,750 (2022: \$11,250) were paid or due to be paid to Jessica Pascoe, the spouse of Head of Exploration and Technical Services David Pascoe (formally a CEO), and \$6,450 (2022: Nil) to Finn Klug, the son of Non-Executive Chairman Robert Klug for field assistant services.

There were no further transactions with Directors including their related parties other than those disclosed above.

All transactions were made on normal commercial terms and conditions and at market rates.

KMP Shareholdings

The number of ordinary shares in West Cobar Metals Limited held by each KMP of the Group during the financial year is as follows:

30 June 2023	Opening Balance	Granted as Remuneration	Issued on Exercise of Options	Other Changes	Closing Balance
Robert Klug	575,000	-	-	-	575,000
Kevin Das	100,000	-	-	632,967	732,967
Ron Roberts	5,000,000	-	-	-	5,000,000
Matt Szwedzicki	1,025,000	-	-	-	1,025,000
Mark Bolton	-	-	-	12,395,387	12,395,387
David Pascoe	4,500,000	-	-	-	4,500,000
Total Shares	11,200,000	-	-	13,028,354	24,228,354

30 June 2022	Opening Balance	Granted as Remuneration	Issued on Exercise of Options	Other Changes	Closing Balance
Robert Klug	500,000	-	-	75,000	575,000
Kevin Das	-	-	-	100,000	100,000
Ron Roberts	4,500,000	-	-	500,000	5,000,000
Matt Szwedzicki	1,000,000	-	-	25,000	1,025,000
David Pascoe	4,500,000	-	-	-	4,500,000
Total Shares	10,500,000	-	-	700,000	11,200,000

West Cobar Metals Limited

ABN 26 649 994 669

DIRECTORS' REPORT

For the Year Ended 30 June 2023

KMP Options Holdings

The number of options over ordinary shares held during the financial year by each KMP of the Group is as follows:

30 June 2023	Opening Balance	Granted as Remuneration	Exercise of Options	Other Changes	Closing Balance	Vested
Robert Klug	2,000,000	1,000,000	-	-	3,000,000	3,000,000
Kevin Das	4,000,000	-	-	-	4,000,000	4,000,000
Ron Roberts	2,000,000	-	-	-	2,000,000	2,000,000
Matt Szwedzicki	2,000,000	1,000,000	-	-	3,000,000	3,000,000
Mark Bolton	-	-	-	-	-	-
David Pascoe	2,000,000	-	-	-	2,000,000	2,000,000
Total Options	12,000,000	2,000,000	-	-	14,000,000	14,000,000

30 June 2022	Opening Balance	Granted as Remuneration	Exercise of Options	Other Changes	Closing Balance	Vested
Robert Klug	2,000,000	-	-	-	2,000,000	2,000,000
Kevin Das	1,000,000	3,000,000	-	-	4,000,000	4,000,000
Ron Roberts	2,000,000	-	-	-	2,000,000	2,000,000
Matt Szwedzicki	2,000,000	-	-	-	2,000,000	2,000,000
David Pascoe	2,000,000	-	-	-	2,000,000	2,000,000
Total Options	9,000,000	3,000,000	-	-	12,000,000	12,000,000

END OF REMUNERATION REPORT

Meeting of Directors

During the year six Directors' meetings were held. Attendance by each director during the year were as follows:

Directors	Eligible to attend	Meetings attended
Robert Klug	6	6
Kevin Das	6	6
Ron Roberts	6	6
Matt Szwedzicki	6	6
Mark Bolton	2	2

Future Developments, Prospects and Business Strategies

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of those operations in future years has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

West Cobar Metals Limited

ABN 26 649 994 669

DIRECTORS' REPORT

For the Year Ended 30 June 2023

Environmental Issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except when there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditors

The Group has not, during the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Officers of the Company who are Former Partners of RSM Australia Partners

There are no officers of the Group who are former partners of RSM Australia Partners.

Non-Audit Services

The following amounts were paid to the auditors of the Group, RSM Australia Partners, for non-audit services provided during the year:

	2023	2022
	\$	\$
Non-audit services:		
Taxation services	11,000	8,000

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is included within and forms part of this Directors' Report for the year ended 30 June 2023.

Auditors

RSM Australia continues in office in accordance with s327 of the Corporation Act 2001.

West Cobar Metals Limited

ABN 26 649 994 669

**DIRECTORS' REPORT
For the Year Ended 30 June 2023**

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Matt Szwedzicki
Managing Director

Dated this 27th day of September 2023

RSM Australia Partners

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2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

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F +618 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of West Cobar Metals Limited for the year ended 30 June 2023, 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.



RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 27 September 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

West Cobar Metals Limited
ABN 26 649 994 669

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue		43,708	-
Expenses			
Corporate and consulting fees		(447,977)	(356,264)
Depreciation	7	(36,694)	(30,093)
Share based payments	15	(219,403)	(198,700)
Director and Employee benefits expense		(252,158)	(248,820)
Travel expenses		(28,204)	(38,293)
Impairment of exploration expenditure	6	(126,366)	(228,053)
Other expenses		(229,288)	(150,175)
Loss before income tax expense		(1,296,382)	(1,250,398)
Income tax benefit	2	-	16,781
Loss after income tax for the year		(1,296,382)	(1,233,617)
Other comprehensive income net of income tax			-
Exchange differences on translation of foreign entities		7,302	
Total comprehensive loss for the year		(1,289,080)	(1,233,617)
Loss per share			
Basic and diluted loss per share (cents per share)	3	(1.67)	(3.57)

The accompanying notes form part of these financial statements.

West Cobar Metals Limited

ABN 26 649 994 669

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,326,982	3,166,739
Trade and other receivables	5	228,542	185,114
Income tax receivable		12,020	28,926
TOTAL CURRENT ASSETS		2,567,544	3,380,779
NON-CURRENT ASSETS			
Exploration and evaluation assets	6	10,898,915	1,013,693
Plant and equipment	7	111,886	143,943
TOTAL NON-CURRENT ASSETS		11,010,801	1,157,636
TOTAL ASSETS		13,578,345	4,538,415
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	861,516	179,530
Provisions	9	27,007	13,495
TOTAL CURRENT LIABILITIES		888,523	193,025
TOTAL LIABILITIES		888,523	193,025
NET ASSETS		12,689,822	4,345,390
EQUITY			
Issued capital	10	14,240,705	5,022,556
Reserves	11	1,431,965	1,009,300
Accumulated losses		(2,982,848)	(1,686,466)
TOTAL EQUITY		12,689,822	4,345,390

The accompanying notes form part of these financial statements.

West Cobar Metals Limited

ABN 26 649 994 669

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2023

2023	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulate d losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	5,022,556	-	1,009,300	(1,686,466)	4,345,390
Loss for the year	-	-	-	(1,296,382)	(1,296,382)
Foreign currency translation	-	7,302	-	-	7,302
Total comprehensive loss	-	7,302	-	(1,296,382)	(1,289,080)
<i>Transactions with owner directly recorded in equity</i>					
Shares issued	9,547,050	-	-	-	9,547,050
Share based payments	-	-	415,363	-	415,363
Share issue cost	(328,901)	-	-	-	(328,901)
Balance at 30 June 2023	14,240,705	7,302	1,424,663	(2,982,848)	12,689,822

2022	Issued Capital	Foreign currency translation reserve	Share based payment reserve	Accumulate d losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	290,521	-	458,850	(452,849)	296,522
Loss for the year	-	-	-	(1,233,617)	(1,233,617)
Total comprehensive loss	-	-	-	(1,233,617)	(1,233,617)
<i>Transactions with owner directly recorded in equity</i>					
Shares issued	5,500,000	-	-	-	5,500,000
Share based payments	-	-	198,700	-	198,700
Share issue cost	(767,965)	-	351,750	-	(416,215)
Balance at 30 June 2022	5,022,556	-	1,009,300	(1,686,466)	4,345,390

The accompanying notes form part of these financial statement.

West Cobar Metals Limited

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CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		43,708	-
Payments to suppliers and employees		(927,627)	(726,676)
Income taxes refunded / (paid)		19,845	(12,145)
Net cash used in operating activities	13	(864,074)	(738,821)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(2,093,156)	(1,159,243)
Payments for plant and equipment		(4,636)	(174,036)
Payments for security deposits		-	(66,500)
Net cash used in investing activities		(2,097,792)	(1,399,779)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		2,122,109	5,022,828
Loan repayments		-	(70,000)
Net cash provided by financing activities		2,122,109	4,952,828
Net increase in cash and cash equivalents		(839,757)	2,814,228
Cash and cash equivalents at beginning of financial year		3,166,739	352,511
Cash and cash equivalents at end of financial year	5	2,326,982	3,166,739

West Cobar Metals Limited
ABN 26 649 994 669
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of West Cobar Metals Limited (the 'Company') and its wholly owned subsidiary (together referred to hereafter as 'the Group').

The financial statements were authorised for issue on 27 September 2023 by the directors of the Company. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or Amended Accounting Standards and Interpretations Adopted

In the year ended 30 June 2023, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities. The financial statements are presented in Australian dollars, which is West Cobar Metals Limited's functional and presentation currency.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

a) **Operating Segments**

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers. The Chief Operating Decision Maker is responsible for the allocation of resources to operating segments and assessing their performance.

b) **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, West Cobar Metals Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 20.

West Cobar Metals Limited
ABN 26 649 994 669
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

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

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

c) Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated 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 enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

West Cobar Metals Limited
ABN 26 649 994 669
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

d) Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

f) Impairment of Assets

At the end of each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

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

g) Post-employment benefits and short-term employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

West Cobar Metals Limited
ABN 26 649 994 669
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

h) Equity-Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Trinomial pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

i) Fair Value Measurement

When an asset or liability, financial or non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

j) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, restricted cash, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

l) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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n) **Other Revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

o) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p) **Plant and equipment**

Items of plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

The depreciable amount of all fixed assets is depreciated on a straight line basis commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

q) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

r) **Critical Accounting Estimates and Judgments**

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

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Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by an internal valuation using a Trinomial option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Trinomial option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

s) New Accounting Standards for Application in Future Periods

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2023. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

t) Going concern

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

As disclosed in the financial statements, the Group incurred a loss of \$1,296,382 and had net cash outflows from operating activities of \$864,074 and from investing activities of \$2,097,792 for the year ended 30 June 2023. These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Group; and
- The ability of the Group to further scale back certain parts of their activities that are non-essential to conserve cash.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

NOTE 2: INCOME TAX EXPENSE

	2023	2022
	\$	\$
a. Recognised in the income statement		
Current tax	-	-
Deferred tax	-	-
Prior period tax credit to be refunded	-	16,781
Income tax as reported in the statement of comprehensive income	<u>-</u>	<u>16,781</u>
b. Reconciliation of income tax expense to prima facie tax payable:		
Loss from ordinary activities before income tax expense	(1,296,382)	(1,250,398)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	388,915	375,119
Increase / (decrease) in income tax due to:		
- Temporary differences	163,916	340,885
- Permanent difference	(66,104)	(60,070)
- Unused tax losses not recognised	(486,727)	(655,934)
- Prior period tax credit to be refunded	-	16,781
Income tax attributable to operating profit	<u>-</u>	<u>16,781</u>
The following deferred tax balances have not been recognised:		
c. Deferred tax assets not recognised		
Carry forward revenue losses at 30%	<u>3,657,273</u>	<u>2,218,825</u>

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the expenditure

NOTE 3: LOSS PER SHARE

	2023	2022
	Cents per share	Cents per share
Basic and diluted loss per share	(1.67)	(3.57)
The loss and weighted average number of ordinary shares used in this calculation of basic and diluted loss per share are as follows:		
	2023	2022
	\$	\$
Loss after income tax for the year	(1,296,382)	(1,233,617)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	77,446,229	34,568,493

The options outstanding are not included in the calculation of diluted loss per share because they have no dilutive effect for the year ended 30 June 2023 and 30 June 2022.

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For the Year Ended 30 June 2023

NOTE 4: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank	2,326,982	3,166,739
	2,326,982	3,166,739

NOTE 5: TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
Current		
GST receivable	74,914	13,576
Deposits paid	126,500	126,500
Prepayments	27,128	45,038
	228,542	185,114

There is no allowance for expected credit losses recognised for the year ended 30 June 2023 (2022: Nil).

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	2023	2022
	\$	\$
Exploration and evaluation assets		
Balance at the beginning of reporting year	1,013,693	55,455
Costs capitalised	1,976,185	1,186,291
Exploration assets acquired - Salazar ¹	7,728,403	-
Exploration assets acquired - Lanthanos ²	307,000	-
Impairment of costs	(126,366)	(228,053)
Balance at the end of reporting year	10,898,915	1,013,693

¹ During the year the Company acquired 100% of the issued capital of Salazar Minerals Pty Ltd ('Salazar') and indirectly its wholly owned subsidiary Salazar Gold Pty Ltd. The acquisition was subject to shareholder approval which was received on 24 October 2022 and the transaction completed on 28 October 2022. The consideration paid to the vendors was 39,000,000 shares at an issue price of \$0.10 per share and \$260,000 in cash (the closing share price at acquisition date was \$0.18 per share). In addition direct costs (including stamp duty) totalling \$448,404 to complete the acquisition were capitalised. This transaction has been accounted for as an asset acquisition.

² During the year the Company acquired 100% of the issued capital of Lanthanos Resources Pty Ltd ('Lanthanos') for consideration of 1,600,000 shares at \$0.17 per share and \$35,000 in cash. This transaction has been accounted for as an asset acquisition.

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing when indicators of impairment are present at the reporting date.

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NOTE 7: PLANT & EQUIPMENT

	2023	2022
	\$	\$
Plant & equipment at cost	178,673	174,036
Plant & equipment – accumulated depreciation	(66,787)	(30,093)
	111,886	143,943
Balance at the beginning of reporting year	143,943	-
Addition	4,637	174,036
Depreciation	(36,694)	(30,093)
Balance at the end of reporting year	111,886	143,943

NOTE 8: TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Trade creditors	374,639	64,496
Accruals	463,699	81,640
Other payables	23,178	33,394
	861,516	179,530

Trade creditors are expected to be paid on 30-day terms.

NOTE 9: PROVISIONS

	2023	2022
	\$	\$
Provision for annual leave	27,007	13,495

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NOTE 10: ISSUED CAPITAL

	2023 No.	2023 \$
Ordinary shares - fully paid	97,133,664	14,240,705

Movement in ordinary shares:

Balance at 1 July 2022	41,500,000	5,022,556
Salazar consideration shares – 28 October 2022	39,000,000	7,020,000
Placement – 21 November 2022	15,033,664	2,255,050
Lanthanos consideration shares – 7 February 2023	1,600,000	272,000
Share issue costs	-	(328,901)
Balance at 30 June 2023	97,133,664	14,240,705

	2022 No.	2022 \$
Ordinary shares - fully paid	41,500,000	5,022,556

Movement in ordinary shares:

Balance at 1 July 2021	14,000,000	290,521
IPO Placement	27,500,000	5,500,000
Share issue costs	-	(767,965)
Balance at 30 June 2022	41,500,000	5,022,556

Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

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NOTE 11: RESERVES

Share Based Payment Reserve	2023	2022
	\$	\$
Opening balance	1,009,300	458,850
Expense for options issued to KMP & advisors	219,403	198,700
Share issue costs for options issued to Lead Managers	195,960	351,750
Closing balance	1,424,663	1,009,300

Foreign Currency Translation Reserve	2023	2022
	\$	\$
Opening balance	-	-
Foreign exchange on translation of operations	7,302	-
Closing balance	7,302	-

A summary of the movements of all options issued is as follows:

2023	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
Options outstanding as at 1 July 2022	16,000,000	0.24	3.4
Issued	4,700,000	0.27	2.1
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
Options outstanding as at 30 June 2023	20,700,000	0.25	3.1
Options exercisable as at 30 June 2023	20,700,000	0.25	3.1

2022	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
Options outstanding as at 1 July 2021	9,500,000	0.25	5.0
Issued	6,500,000	0.23	2.6
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
Options outstanding as at 30 June 2022	16,000,000	0.24	3.4
Options exercisable as at 30 June 2022	16,000,000	0.24	3.4

See note 15 for valuation technique, assumptions and inputs.

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NOTE 12: AUDITORS' REMUNERATION

	2023	2022
	\$	\$
Remuneration of the auditor of the Group for:		
Audit or review of the financial report	31,000	28,000
Non-audit services:		
Taxation services	11,000	8,000
Total	42,000	36,000

NOTE 13: CASHFLOW INFORMATION

	2023	2022
	\$	\$
a. Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(1,296,382)	(1,233,617)
<u>Non-cash adjustment</u>		
Share Based Payments	219,403	198,700
Depreciation	36,694	30,093
Impairment of exploration expenditure	126,366	228,053
Changes in assets and liabilities;		
Trade and other receivables	(6,611)	(53,268)
Trade payables and accruals	42,944	106,649
Provisions	13,512	13,495
Income tax	-	(28,926)
Cash used in operating activities	(864,074)	(738,821)

b. Non-Cash Financing and Investing Activities

During the 2023 financial year the Group had the following non-cash financing and investing activities:

- During the year the Company acquired 100% of the issued capital of Salazar Minerals Pty Ltd ('Salazar') and indirectly its wholly owned subsidiary Salazar Gold Pty Ltd for consideration of 39,000,000 shares at \$0.18 per share.
- During the year the Company acquired 100% of the issued capital of Lanthanos Resources Pty Ltd ('Lanthanos') for consideration of 1,600,000 shares at \$0.17 per share. Kevin Das is an Executive Director of Lanthanos, the acquisition was approved by shareholders at a General Meeting held on 30 January 2023.

There were no other non-cash financing and investing activities during the 2022 financial year.

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NOTE 14: TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel ('KMP')

The total of remuneration paid or due to be paid to the KMP of the Company during the year are as follows:

	2023	2022
	\$	\$
Short-term key management personnel benefits	800,979	439,716
Post-employment benefits	41,200	28,659
Share based payments (see note 15)	182,836	198,700
Total remuneration paid	1,025,015	667,075

Transactions with Directors and their related parties

No loans have been made to any Director or any of their related parties during the 2023 or 2022 financial year.

During the year, fees of \$5,750 (2022: \$11,250) were paid or due to be paid to Jessica Pascoe, the spouse of Head of Exploration and Technical Services David Pascoe (formally CEO), and \$6,450 (2022: Nil) to Finn Klug, the son of Non-Executive Chairman Robert Klug for field assistant services.

There were no further transactions with Directors including their related parties other than those disclosed above and in note 13.

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 15: SHARE BASED PAYMENTS

There were the following share based payments during the year:

	2023	2022
	\$	\$
Unlisted Securities		
Profit or Loss		
3,000,000 options issued to KMP exercisable between \$0.20 - \$0.23 on or before 4 November 2024 (i)	-	198,700
2,400,000 options issued to KMP and advisors exercisable at \$0.32 on or before 25 March 2025 (i)	219,403	-
	219,403	198,700
Equity		
3,500,000 options issued to Broker exercisable at \$0.25 on or before 25 March 2025 (ii)	-	351,750
2,300,000 options issued to Lead Managers exercisable at \$0.225 on or before 25 March 2025 (ii)	195,960	-
Total Share Based Payments	195,960	351,750

- (i) Share based payment recognised in the statement of profit or loss and other comprehensive income.
- (ii) Share based payment recognised in share issue costs.

The options issued during the year were calculated using the Hoadley ES02 option pricing model with the following inputs:

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	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	3.2% - 3.6%
Weighted average expected life of options (years)	2.5 – 3 years
Expected dividends	Nil
Option exercise price (\$)	\$0.225 - \$0.32
Share price at grant date (\$)	\$0.175 - \$0.21
Fair value of option (\$)	\$0.0852 - \$0.0914

The options issued were deemed to vest immediately and there were no other vesting conditions.

The options issued during the prior year were calculated using the Hoadley ES02 option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	0.20% - 2.64%
Weighted average expected life of options (years)	3.5
Expected dividends	Nil
Option exercise price (\$)	\$0.20 - \$0.25
Share price at grant date (\$)	\$0.15 - \$0.20
Fair value of option (\$)	\$0.0645 - \$0.1005

NOTE 16: CONTINGENT ASSETS AND LIABILITIES

On 26 June 2023, the Company has received a claim from Nedeel LLC, Kryptonite LLC and GF Global LLC (together "NVR") in respect of an alleged breach of a confidentiality agreement entered into between the Company and NVR. The claim is being investigated by the Company and is still on-going.

The Group has no other contingent assets and liabilities as at reporting date.

NOTE 17: CAPITAL AND OTHER COMMITMENTS

In order to maintain the current rights to the New South Wales, Western Australia and Northern Territory exploration tenements, the Group is required to perform minimum exploration requirements specified respectively by the Resources Regulator NSW, the Department of Mines, Industry Regulation and Safety WA and the Department of Industry, Tourism and Trade NT:

	30 June 2023	30 June 2022
	\$	\$
Less than 12 months	898,689	96,667
Between 12 months and 5 years	1,027,397	116,667
5 years or more	-	-
Total	1,926,086	213,334

The Group has no other capital or expenditure commitments as at reporting date.

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NOTE 18: OPERATING SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being exploration for mineral resources. The Group operates in Australia. All segment assets, segment liabilities and segment results relate to one business segment and therefore no segment analysis has been prepared.

NOTE 19: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

The Group does not have any collateral. Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Group's surplus funds are invested with AA Rated financial institutions.

The Group does not have any material credit risk exposure to any single receivable or receivables under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The responsibility with liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Group's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and receivables.

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Financial liability and financial asset maturity analysis

2023	Weighted Average Interest Rate	1 year or less	Between 1-2 years	Between 2-5 years	Total
	%	\$	\$	\$	\$
Non-Derivatives					
<i>Financial Assets</i>					
Cash and Cash Equivalents	-	2,326,982	-	-	2,326,982
Trade and Other Receivables	-	228,542	-	-	228,542
<i>Financial Liabilities</i>					
Trade and Other Payables	-	(861,516)	-	-	(861,516)
Net Financial Assets		1,694,008	-	-	1,694,008

2022	Weighted Average Interest Rate	1 year or less	Between 1-2 years	Between 2-5 years	Total
	%	\$	\$	\$	\$
Non-Derivatives					
<i>Financial Assets</i>					
Cash and Cash Equivalents	-	3,166,739	-	-	3,166,739
Trade and Other Receivables	-	185,114	-	-	185,114
<i>Financial Liabilities</i>					
Trade and Other Payables	-	(179,530)	-	-	(179,530)
Net Financial Assets		3,172,323	-	-	3,172,323

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

The Group manages interest rate risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Fair value of financial instruments

Unless otherwise stated, the carrying amount of financial instruments reflects their fair value.

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NOTE 20: INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

Controlled entities	Country of incorporation	Percentage owned	
		30 June 2023	30 June 2022
Bulla Park Metals Pty Ltd	Australia	100%	100%
WC1 Nevada Lithium LLC	USA	100%	100%
Salazar Minerals Pty Ltd	Australia	100%	-
Salazar Gold Pty Ltd	Australia	100%	-
Lanthanos Resources Pty Ltd	Australia	100%	-

NOTE 21: PARENT ENTITY DISCLOSURES

Financial position	2023	2022
	\$	\$
Assets		
Current assets	2,357,790	3,116,795
Non-current assets	11,174,739	1,390,497
Total assets	<u>13,532,529</u>	<u>4,507,292</u>
Liabilities		
Current liabilities	692,616	161,902
Non-current liabilities	-	-
Total liabilities	<u>692,616</u>	<u>161,902</u>
Equity		
Issued capital	14,240,705	5,022,556
Accumulated losses	(2,825,455)	(1,686,466)
Reserves	1,424,663	1,009,300
Total equity	<u>12,839,913</u>	<u>4,345,390</u>
Financial performance		
Loss for the year	1,138,989	1,200,140
Total comprehensive loss for the year	<u>1,138,989</u>	<u>1,200,140</u>

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity

Contingent Liabilities:

On 26 June 2023, The Company has received a claim from Nedeel LLC, Kryptonite LLC and GF Global LLC (together "NVR") in respect of an alleged breach of a confidentiality agreement entered into between the Company and NVR. The claim is being investigated by the Company and is still on-going.

Other Commitments and Contingencies:

The Company has no other commitments and contingencies as at 30 June 2023 (2022: Nil).

West Cobar Metals Limited
ABN 26 649 994 669
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended 30 June 2023

NOTE 22: EVENTS AFTER REPORTING PERIOD

On 25 September 2023, the Company entered into a binding agreement with Dundas Minerals Limited (ASX:DUN) to acquire four exploration licences (E63/2056, E63/2083, E63/2078 and E63/2063), subject to shareholder approval. The consideration comprises of 5,000,000 fully paid ordinary shares in the Company and a cash payment of \$20,000.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

West Cobar Metals Limited

ABN 26 649 994 669

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of West Cobar Metals Limited, the directors of the Company declare that:

1. the consolidated financial statements, notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance, for the year ended 30 June 2023; and
- (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;

2. in the directors' opinion there are reasonable grounds to believe that West Cobar Metals Limited will be able to pay its debts as and when they become due and payable;

This declaration has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Matt Szwedzicki
Managing Director
Perth, 27 September 2023



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WEST COBAR METALS LIMITED**

Opinion

We have audited the financial report of West Cobar Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other 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 2023 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a loss of \$1,296,382 and had net cash outflows from operating activities of \$864,074 and from investing activities of \$2,097,792 for the year ended 30 June 2023. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Assets Refer to Note 6 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure, with a carrying value of \$10,898,915.</p> <p>We determined this to be a key audit matter due to the significant management judgment involved in assessing the carrying value in accordance with <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> • Determining whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the right to tenure of the area of interests are valid; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets to test that the entity will incur substantive expenditure for each area of interest; • Assessing and evaluating management's assessment that no indicators of impairment existed; and • Through discussions with the management and review of the Board Minutes, ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined.

Acquisition of Salazar Minerals Pty Ltd Refer to Note 6 in the financial statements	
During the year ended 30 June 2023, the Group acquired Salazar Minerals Pty Ltd. <ul style="list-style-type: none"> • We determined this to be a key audit matter due to the acquisition involves management judgement in determining the acquisition date, appropriate acquisition accounting treatment, fair value of assets acquired, liabilities assumed and purchase consideration. 	Our audit procedures included: <ul style="list-style-type: none"> • Obtaining the acquisition agreement and other associated documents to obtain an understanding of the transaction and the related accounting considerations; • Evaluating management's determination that the acquisition did not meet the definition of a business in accordance with Accounting Standards; • Assessing management's determination of the acquisition date, fair value of contingent consideration, assets acquired and liabilities assumed; and • Assessing the adequacy of disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the 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 have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of West Cobar Metals Limited, for the year ended 30 June 2023, 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.

RSM

RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 27 September 2023

West Cobar Metals Limited

ABN 26 649 994 669

SHAREHOLDER INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 27 September 2023.

1. Shareholding

a. Distribution of Shareholders

(i) Ordinary share capital

-97,133,664 fully paid shares held by 567 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security		Percentage %
	Number of Holders	Fully Paid Ordinary Shares	
1 - 1,000	20	3,492	0.00%
1,001 – 5,000	57	193,495	0.20%
5,001 – 10,000	83	707,977	0.73%
10,001 – 100,000	279	12,863,146	13.24%
100,001 – and over	128	83,365,554	85.83%
Total	567	97,133,664	100.00%

b. The number of shareholders with less than a marketable parcel of shares is 96.

c. The Company had the following substantial shareholders at the date of this report.

Fully Paid Ordinary Shares

Holder	Number	%
MR MARK GRAHAM BOLTON	12,395,387	12.76%
BNP PARIBAS NOMINEES PTY LTD	5,166,419	5.32%
RSR ENTERPRISES (WA) PTY LTD	5,000,000	5.15%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

West Cobar Metals Limited

ABN 26 649 994 669

SHAREHOLDER INFORMATION

e. **20 Largest holders of quoted equity securities (fully paid ordinary shares)**

Name	Number Held	Percentage %
1. MR MARK GRAHAM BOLTON	12,395,387	12.76%
2. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,166,419	5.32%
3. RSR ENTERPRISES (WA) PTY LTD	5,000,000	5.15%
4. PASMINEX PTY LTD	4,500,000	4.63%
5. THE PIONEER DEVELOPMENT FUND (AUST) LIMITED	3,000,000	3.09%
6. MINGJIA KAREN LIM	2,801,262	2.88%
7. MR EDWIN EDWARD BULSECO & MRS ALLISON BULSECO <KC BULSECO FAMILY A/C>	2,056,903	2.12%
8. ORIMCO RESOURCE INVESTMENTS PTY LTD	2,037,281	2.10%
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,034,734	2.09%
10. CHARMAINE LINDA LOBO	1,711,665	1.76%
11. MR JOSHUA WIL BOLTON	1,527,978	1.57%
12. MOLLY ELIZABETH BOLTON	1,527,961	1.57%
13. MCNEIL NOMINEES PTY LIMITED	1,497,220	1.54%
14. MR KENNETH DAVID WILLIAM ROGERS	1,433,782	1.48%
15. MR FRANCIS MATHESON GRUBB	1,248,847	1.29%
16. ZERRIN INVESTMENTS PTY LTD	1,225,000	1.26%
17. ARKEETA PTY LTD <KENNETH A ROGERS FAMILY A/C>	1,210,330	1.25%
18. BRIAN HENRY MCCUBBING & ADRIANNA MARIA MCCUBBING <SUPER FUND A/C>	1,154,701	1.19%
19. SOUTH WESTERLEY PTY LTD <SOUTH WESTERLEY A/C>	1,025,000	1.06%
20. SOLSTRAALE NOMINEES PTY LTD <MUSGRAVE SUPER FUND A/C>	1,000,000	1.03%
	53,554,470	55.14%

2. The Name of the Company Secretary is Mr Craig McNab.

3. The address of the registered office and principal place of business in Australia is Level 8, 216 St Georges Terrace, Perth WA 6000. Telephone (08) 9481 0389.

4. Registers of securities are held at the following address:
Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000

West Cobar Metals Limited

ABN 26 649 994 669

SHAREHOLDER INFORMATION

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. **Restricted Securities**

The Company has the following restricted securities on issue as at the date of this report:

- 10,749,925 fully paid ordinary shares, escrowed to 1 October 2023
- 9,500,000 options exercisable at \$0.25 expiring 3 June 2026, escrowed to 1 October 2023
- 3,500,000 options exercisable at \$0.25 expiring 28 March 2025, escrowed to 1 October 2023

7. **Unquoted Securities**

The Company has the following unquoted securities on issue as at the date of this report:

- 9,500,000 options exercisable at \$0.25 on or before 3 June 2026
- 3,500,000 options exercisable at \$0.25 on or before 28 March 2025
- 1,000,000 options exercisable at \$0.20 on or before 4 November 2024
- 1,000,000 options exercisable at \$0.215 on or before 4 November 2024
- 1,000,000 options exercisable at \$0.23 on or before 4 November 2024
- 2,400,000 options exercisable at \$0.32 on or before 6 May 2025
- 2,300,000 options exercisable at \$0.225 on or before 22 November 2025

8. **Use of Funds**

Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 6 August 2022.

West Cobar Metals Limited**ABN 26 649 994 669****SCHEDULE OF EXPLORATION TENEMENTS**

The information in the table below is current as at 27 September 2023.

Country	Location	Project	Tenement	Current Interest (%)
Australia	NSW	Bulla Park	EL 8642	100
Australia	NSW	Bulla Park	EL 9195	100
Australia	NSW	Bulla Park	EL 9281	100
Australia	NSW	Bulla Park	EL 9260	100
Australia	NSW	Cawkers Well	EL 9197	100
Australia	NSW	Cawkers Well	EL 9278	100
Australia	NSW	Nantilla	EL 9179	100
Australia	WA	Newmonth	E 63/1469	100
Australia	WA	O'Connor	E 63/1496	100
Australia	WA	Lanthanos	E69/3962	100
Australia	WA	Porphyry North	E 31/910-I	100
Australia	WA	Porphyry North	E 39/1978	100
Australia	Northern Territory	Hermit Hill	EL 33208	100
United States	Nevada	Montezuma Well	NV 1058 19910-19968	100
United States	Nevada	Big Smoky Valley	NV 1058 20148-20330	100