

29 October 2021

**ASX ANNOUNCEMENT**  
**2021 Annual Report**

Western Gold Resources Limited (ASX:WGR) (“**WGR**” or “**the Company**”) is pleased to attach its Annual Report for the year ended 30 June 2021.

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

**For further information please contact:**

Gary Lyons  
Chairman

Warren Thorne  
Managing Director

Mark Pitts  
Company Secretary

E:[garylyons@heiniger.com.au](mailto:garylions@heiniger.com.au) E:[warrent@westerngoldresources.com.au](mailto:warrent@westerngoldresources.com.au) E:[markp@endeavourcorp.com.au](mailto:markp@endeavourcorp.com.au)



# **WESTERN GOLD**

RESOURCES LIMITED

**2021 Annual Report**

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# Corporate Directory

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## Directors

### **Mr Gary Lyons**

*Non-executive Chairman*

### **Mr Warren Thorne**

*Managing Director*

### **Mr Patrick Burke**

*Non-executive Director*

### **Mr Teck Siong Wong**

*Non-executive Director*

## Company Secretary

Mr Mark Pitts

## Registered Office & Principal Place of Business

97 Outram Street, West Perth  
WA 6005

E: [admin@westerngoldresources.com.au](mailto:admin@westerngoldresources.com.au)

W: [westerngoldresources.com.au](http://westerngoldresources.com.au)

## Auditors

Stantons International Audit and Consulting Pty Ltd  
Level 2, 1 Walker Avenue, West Perth  
WA 6005

## Corporate Governance

A summary statement reporting against the 4th Edition of the ASX Corporate Governance Recommendations which has been approved by the Board together with current policies and charters is available on the Company website.

<https://westerngoldresources.com.au/corporate-governance/>

## Legal Advisors

Bennett + Co  
Ground Floor,  
28 The Esplanade  
Perth WA 6000

## Share Registry

Automic Pty Ltd  
Level 2, 267 St Georges Terrace  
Perth WA 6000

## Company Information

Incorporated in Western Australia  
24 September 2009

## ASX Code

WGR

## ABN

54 139 627 446



## Chairman's Letter

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Dear Shareholders,

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

On behalf of the Board of Directors, thank all of you who participated in the Initial Public Offering (IPO) completed in July 2021 or who have since become shareholders. Western Gold raised the maximum it was seeking under the IPO, was admitted to the official list of the ASX on 21 July 2021 and we were quoted and commenced trading on 23 July 2021.

Western Gold's wholly owned subsidiary holds the gold rights to the Gold Duke Project (formerly Wiluna West Gold Project). Gold Duke is an advanced exploration project with a combined JORC-2012 Mineral Resource of 4,570,000 tonnes at 2.0 g/t Au for 293,000 oz Au (comprised of a Measured Resource of 30,000 tonnes at 3.0 g/t Au for 3,000 oz Au, an Indicated Resource of 490,000 tonnes at 2.3 g/t Au for 36,000 oz Au and an Inferred Resource of 4,050,000 tonnes at 2.0 g/t for 254,000 oz Au), across a number of deposits. These gold deposits are located on granted mining leases and subject to a Native Title Agreement.

The Board believes that tremendous exploration upside exists along the relatively under-explored 25km of the Joyners Find Greenstone belt within the Gold Duke Project, which sits adjacent to the prolific Norseman- Wiluna Greenstone belt.

It is our intention to realise the true potential of the gold portfolio by aggressively and systematically exploring the 25km of Joyners Find Greenstone Belt whilst also advancing the brownfields resource.

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

Yours faithfully



Gary Lyons

Chairman

**Our Vision is to realise the true potential of the gold portfolio by aggressively and systematically exploring the 25km of Joyners Find Greenstone Belt**



| Image: Drilling at Eagle |

## Review of Operations

### GOLD DUKE PROJECT

Western Gold Resources Limited ("Western Gold") or (the "Company") holds the Gold Duke Project, an advanced exploration project with potential to move to gold production.

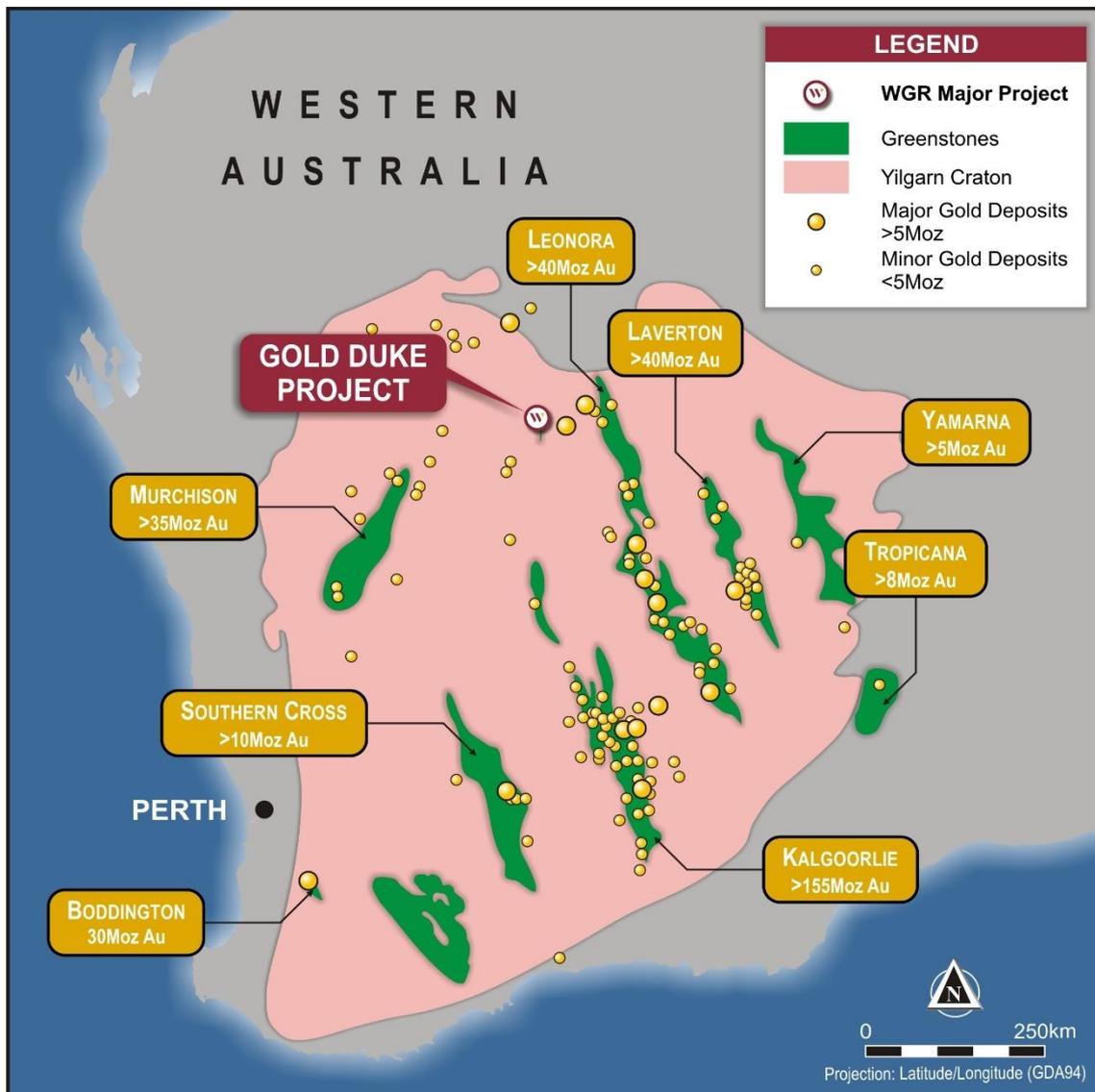


Figure 1 Location of Gold Duke Project

The Gold Duke Project (the Project) is located approximately 35 to 45 km southwest of the township of Wiluna (Figures 1, 2) and 750 km northeast of Perth in the Northern Goldfields region of Western Australia. Access to the site is gained either via the partly sealed Wiluna – Meekatharra Road (Goldfields Highway) or via the unsealed Wiluna – Sandstone road (Ullalla Road) accessed from the Goldfields Highway.

The Project consists of 7 granted mining leases occupying a total area of 85.8 km<sup>2</sup>. The mining leases are all held by GWR and are subject to a Deed of Co-operation between GWR and Wiluna West Gold.

## Review of Operations

The Project covers 25 km of strike over the Joyner's Find Greenstone Belt and is comprised of a number of deposits which are all located on granted mining leases and subject to a Native Title Agreement.

Since the commencement of modern exploration (up to 1990) more than 20 gold occurrences have been identified within the project area (Figure 3). Much of the gold mineralisation within the project area is related to the two major structural features, the Joyner's Shear Zone and the Brilliant Shear Zone (Figure 3).

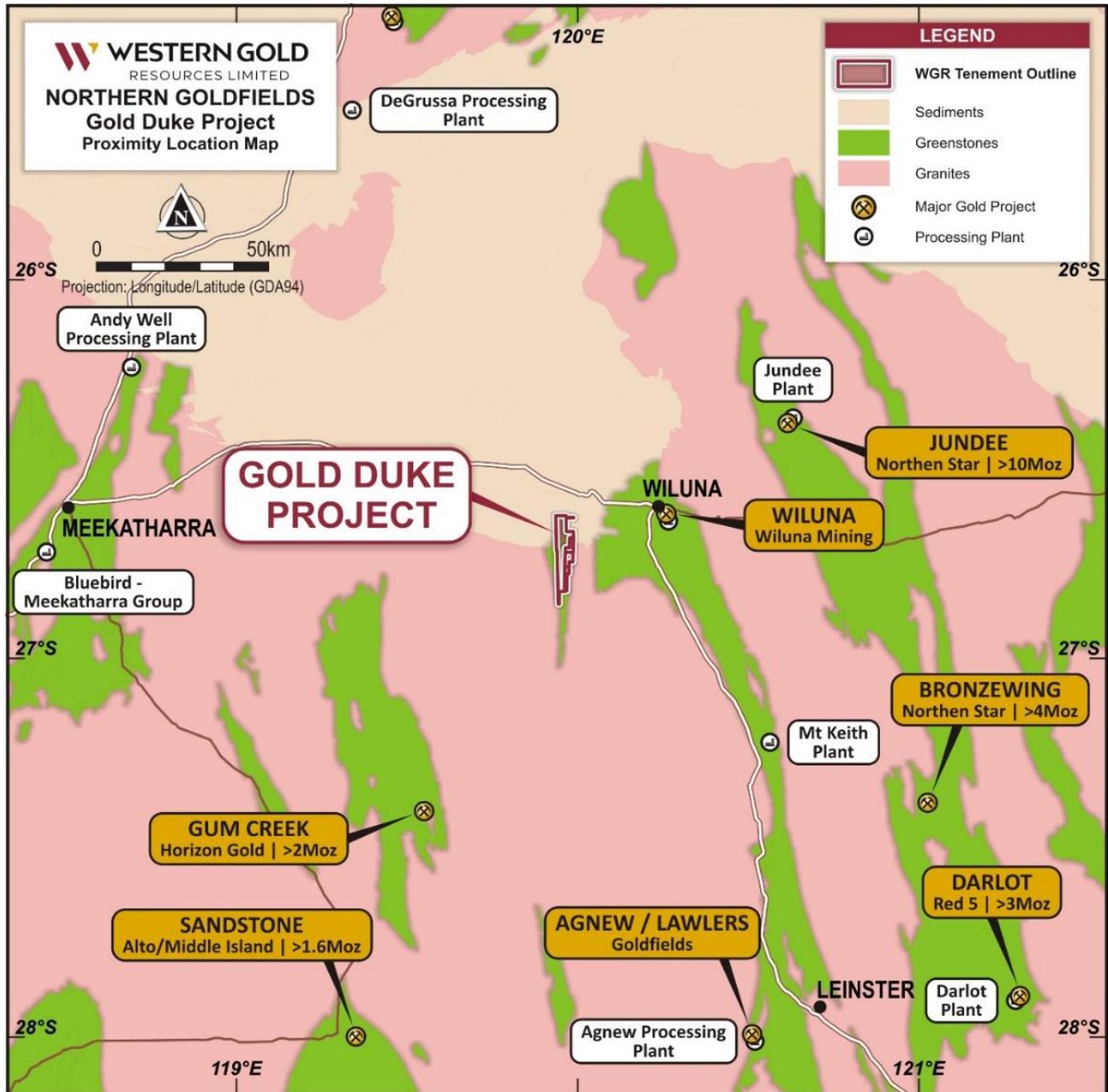


Figure 2. Location of Gold Duke Project with nearby regional gold mines and processing plants

This belt of Archaean rocks is located on the northern margin of the Yilgarn Block 35km to the west of the northern part of the highly productive Norseman - Wiluna Greenstone Belt. To the north, Proterozoic sediments belonging to the Yerrida Basin overlie the northern end of the greenstone belt.

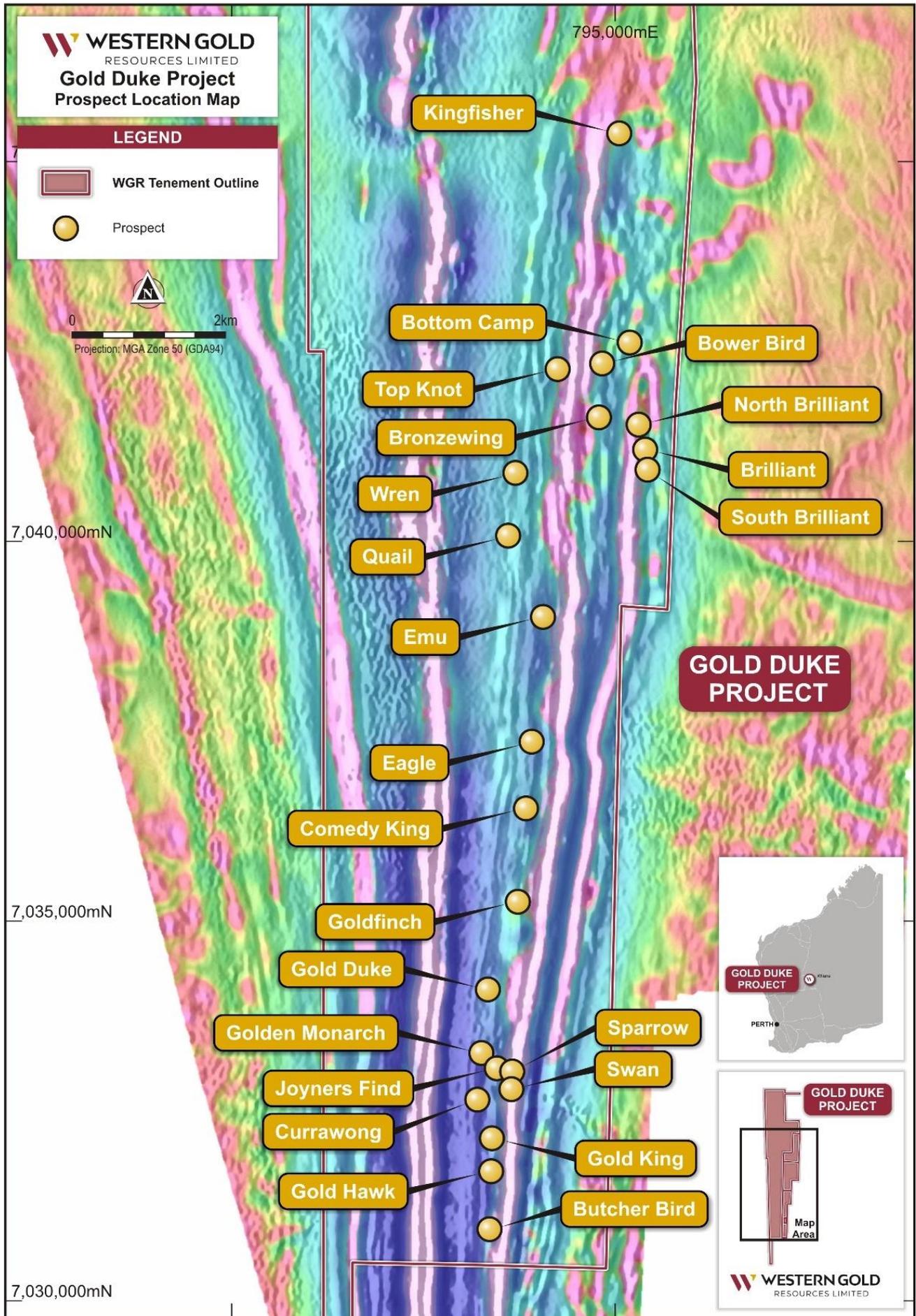


Figure 3. Gold Duke project displaying prospects on TMI

## Review of Operations

Gold mineralisation is mostly very fine grained and occurs in three structural styles within the project area:

- Quartz reefs parallel to shear bands such as at Bronzewing, Bowerbird, Joyners Find, Brilliant, Bottom Camp, Wren, Quail, Swan and Sparrow.
- BIF hosted replacement deposits such as at Emu, Eagle, Comedy King, Goldfinch, Hawk, Golden Monarch, Iron King; and
- Shear zone hosted along the contact with BIF such as at Butcherbird, Currawong and Goldfinch (mine).

There remains significant potential to expand the Company's Resource inventory by following up known deposits and by greenfields exploration targeting of the relatively untested targets over the Joyners Find Greenstone belt.

A drilling program was completed prior to IPO at the Eagle and Emu prospects comprising 53 RC holes for an aggregate of 2366m. The purpose of the drilling was to follow up previous high-grade intercepts to investigate continuity and infill drilling to increase confidence in the current JORC 2012 Resource. Results of the drilling have been reported by WGR to the ASX (refer Announcement 16th August 2021).

### EAGLE

A total of 21 RC drill holes for 936 m was drilled at Eagle over a strike length of 460 m testing a mineralised BIF and Figure 4 provides a representative cross section of the mineralisation.

Significant intercepts included;

- 7m @ 15.16 g/t Au from 48m (including 2m @ 48.95 g/t Au) (WGRC0174)
- 4m @ 8.17 g/t Au from 37m (including 2m @ 13.77 g/t Au) (WGRC0169)
- 5m @ 5.53 g/t Au from 27m, (including 1m @ 24.64 g/t Au) WGRC0155
- 15m @ 1.44 g/t Au from 30m, (WGRC0167)
- 11m @ 2.34 g/t Au from 30m (WGRC0158)

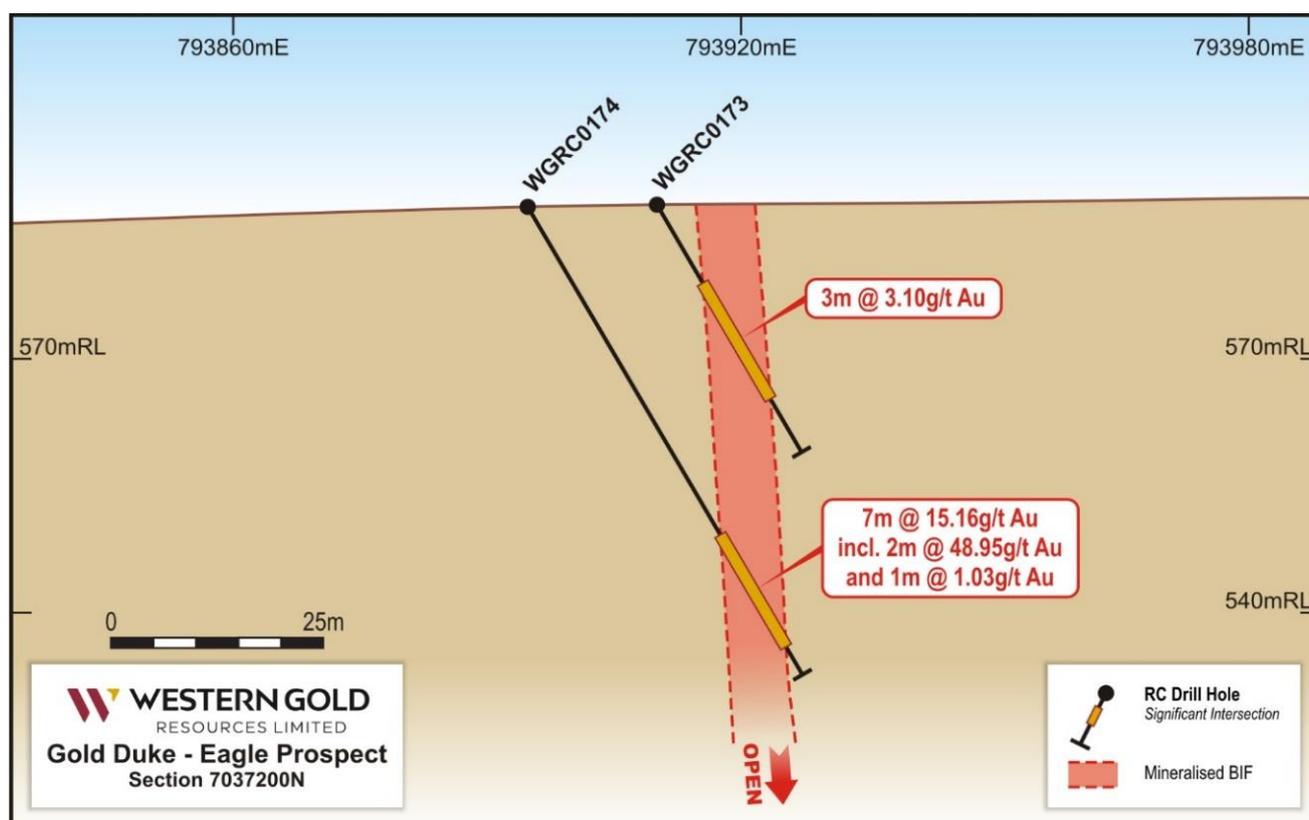


Figure 4 – Eagle Prospect Section 7037200N displaying 2021 high-grade RC results in WGRC0173 and WGRC0174

The high-grade intercept in WGRC0174 which includes 7m @ 15.16 g/t Au from 48m, including 2 m @ 48.95 g/t Au demonstrates the presence of very high-grade lodes within the deposit.

WGR are particularly excited that the results show the potential for extensions to the orebody to the north and south.

## Review of Operations

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### EMU

A total of 32 RC drill holes for 1,430 meters was drilled at Emu completed over a strike length of 720m testing a mineralised BIF.

Significant intercepts included;

- 12m @ 2.73 g/t Au from 1m WGRC0132
- 3m @ 7.26 g/t Au from 7m, (including 1m @ 12.71 g/t Au) WGRC0141
- 8m @ 2.23 g/t Au from 93m WGRC0151
- 6m @ 2.89 g/t Au from 39m WGRC0146
- 7m @ 2.16 g/t Au from 15m WGRC0136
- 9m @ 1.53 g/t Au from 2m WGRC0133

The Emu deposit is open to the north and south.

### NEXT STEPS

The drilling results from Eagle and Emu confirm the strong continuity of mineralisation along strike and at depth. Further work at the deposits will include drilling to further define high-grade lodes coupled with downhole geophysics to increase orebody knowledge.

Planning is in place for an RC program to test northern and southern extensions of the Eagle mineralisation and subsequent to the announcement of the assay results for drilling undertaken pre IPO, the Company commenced a 6,000 meter RC drilling program. (ASX announcement 30 August 2021)

Rockchip sampling has been carried out around historic workings and on outcrop at Mining Licence 53/1017 which contains the Quail and Wren prospects. The Company is compiling this data set and will integrate it with a Sub-Audio Magnetics (SAM) survey (ASX announcement 2<sup>nd</sup> August 2021) which it has commenced over 7.7km of the Brilliant and Joyners shear zones and which is now complete. Interpretation is underway to identify drill targets.

### COMPETENT PERSON STATEMENTS

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

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

# Directors' Report

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

## 1 DIRECTORS

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

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

### GARY LYONS

Non-Executive Chairman

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

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

### WARREN THORNE (APPOINTED 22 MARCH 2021)

Managing Director

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

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

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

### PATRICK BURKE (APPOINTED 22 MARCH 2021)

Non-Executive Director

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

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

Mr Burke is also Non-Executive Chairman of Province Resources Limited, Mandrake Resources Limited and Meteoric Resources NL and a Non-Executive Director of Triton Minerals Limited and Torque Metals Limited.

### TECK SIONG WONG (APPOINTED 22 MARCH 2021)

Non-Executive Director

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



## Directors' Report

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

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

### **MICHAEL WILSON (RESIGNED 22 MARCH 2021)**

Non-Executive Director

### **KONG LENG LEE (RESIGNED 22 MARCH 2021)**

Non-Executive Director

## **2 COMPANY SECRETARIES**

**MARK PITTS**

**SIMON BORCK** (resigned 23 July 2020)

## **3 DIVIDENDS**

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

## **4 PRINCIPAL ACTIVITIES**

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

## **5 OPERATING AND FINANCIAL REVIEW**

### ***OPERATING RESULTS FOR THE YEAR***

The net profit of the Group for the year ended 30 June 2021 was \$2,051,060 (2020: loss of \$313,008). Included as income in the net profit or loss for the year was a gain of \$3,612,121 (2020: nil) from the forgiveness of the loan from the ultimate parent entity, GWR Group Limited.

### ***FINANCIAL POSITION***

The Company's net assets at the end of the year totalled \$25,344 (2020: net liabilities \$3,025,716).

## **6 SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

On 13 July 2021, GWR Group Limited distributed its 36,125,000 shares in the Company to GWR's shareholders, and therefore disposed of its controlling interest in the Company.

On 16 July 2021, the Company issued 10,250,000 shares to seed investors for \$0.0208 per share, or \$213,200. These funds were received during the year and were not repayable if the Company did not successfully list its securities on the Australian Securities Exchange.

Also on 16 July 2021, the Company issued 35,000,000 to new investors under the Initial Public Offering ("IPO") at an issue price of \$0.20, raising \$7 million before costs.

Also on 16 July 2021, the Company issued 3,000,000 options to brokers (exercisable at \$0.25 each on or before 28 February 2024) in accordance with the terms of the IPO.

On 23 July 2021, the Company was admitted to the official list of the Australian Securities Exchange.

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



## Directors' Report

### 7 LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to continue exploration of its exploration projects.

### 8 ULTIMATE PARENT ENTITY

Western Gold Resources Limited was a wholly-owned subsidiary of GWR Group Limited, which was the Ultimate Parent Entity to the Group, for the entire financial year.

### 9 ENVIRONMENTAL REGULATION

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

### 10 INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

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

Directors	Ordinary shares	Share Options
	Number	Number
<b>Directors</b>		
G Lyons	715,851	2,500,000
W Thorne	-	2,500,000
P Burke	-	2,500,000
T S Wong	2,613,851	2,500,000
<b>Other executives</b>		
M Pitts	83,518	-

### 11 OPTIONS

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

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

### 12 INDEMNIFICATION AND INSURANCE OF DIRECTORS AND AUDITORS

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



### 13 REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2021 outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

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

#### 13.1 DETAILS OF KEY MANAGEMENT PERSONNEL

##### Non-executive directors

G Lyons	Chairman
P Burke	Director (appointed 22 March 2021)
TS Wong	Director (appointed 22 March 2021)
M Wilson	Director (resigned 22 March 2021)
KL Lee	Director (resigned 22 March 2021)

##### Executive directors

W Thorne	Managing Director (appointed 22 March 2021)
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##### Other executives

M Pitts	Company Secretary
S Borck	Joint Company Secretary (resigned 23 July 2020)

#### 13.2 REMUNERATION PHILOSOPHY

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

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

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

#### 13.3 REMUNERATION STRUCTURE

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

#### 13.4 NON-EXECUTIVE DIRECTOR REMUNERATION

##### *Objective:*

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

##### *Structure:*

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

Non-executive directors, excluding consulting fees are remunerated by way of fees and statutory superannuation. The fees for non-executive directors were previously set by the board at \$42,000 per annum.

## Directors' Report

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

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

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

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

No remuneration consultants were engaged for the reporting years ended 30 June 2021 and 30 June 2020.

The remuneration of non-executive directors for the reporting years ended 30 June 2021 and 30 June 2020 is detailed in Tables 1 and 2 of this Remuneration Report.

### 13.5 EXECUTIVE REMUNERATION

#### *Objective:*

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

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

#### *Structure:*

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

Remuneration consists of the following key elements:

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

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

The proportion of fixed remuneration and variable remuneration of Directors and executives for the reporting years ended 30 June 2021 is set out on Table 1 of this Remuneration Report. There was no remuneration paid during the year ended 30 June 2020.

### 13.6 FIXED REMUNERATION

#### *Objective:*

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

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

#### *Structure:*

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

The fixed remuneration component of Directors and executives for the years ended 30 June 2021 is set out in Table 1 of this Remuneration Report. There was no remuneration paid during the year ended 30 June 2020.

### 13.7 VARIABLE REMUNERATION — SHORT TERM INCENTIVE (STI)

*Objective:*

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

*Structure:*

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

### 13.8 VARIABLE REMUNERATION — LONG TERM INCENTIVE (LTI)

*Objective:*

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

*Structure:*

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

10,000,000 options exercisable at \$0.25 on or before 1 July 2024 were issued to the directors during the year (2020: nil)

### 13.9 EMPLOYMENT CONTRACTS

The details of agreements are provided below.

*Warren Thorne*

Mr Thorne is the Managing Director and his remuneration, excluding share-based payments, annual and long service leave allowances, is \$240,000 (2020: N/A), plus superannuation contributions. Pursuant with his employment agreement, either the Company or Mr Thorne may terminate with three months' notice in writing to the other party.

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

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

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

## Directors' Report

**TABLE 1 – REMUNERATION TABLE FOR THE YEAR ENDED 30 JUNE 2021**

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

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

There was no remuneration paid to key management personnel during the year ended 30 June 2020.



## Directors' Report

### 13.10 EQUITY INSTRUMENTS

#### SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

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

	Balance at beginning of year or on appointment	Paid as Remuneration	On exercise of options	Other net changes	Balance at end of year or on ceasing office
<b>Directors</b>					
G Lyons	-	-	-	-	-
W Thorne	-	-	-	-	-
P Burke	-	-	-	-	-
T S Wong	-	-	-	-	-
M Wilson	-	-	-	-	-
K L Lee	-	-	-	-	-
<b>Other executives</b>					
M Pitts	-	-	-	-	-
S Borck <sup>(1)</sup>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

#### OPTION HOLDINGS FOR KEY MANAGEMENT PERSONNEL

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

	Balance at beginning of year or on appointment	Granted as compensation during the year	Exercised during the year	Other changes during the year	Balance at end of year or on ceasing office	Exercisable at the end of the year
<b>Directors</b>						
G Lyons	-	2,500,000	-	-	2,500,000	-
W Thorne	-	2,500,000	-	-	2,500,000	-
P Burke	-	2,500,000	-	-	2,500,000	-
T S Wong	-	2,500,000	-	-	2,500,000	-
M Wilson	-	-	-	-	-	-
K L Lee	-	-	-	-	-	-
<b>Other executives</b>						
S Borck <sup>(1)</sup>	-	-	-	-	-	-
M Pitts	-	-	-	-	-	-
<b>Total</b>	-	10,000,000	-	-	10,000,000	-

1) Mr Borck resigned on 23 July 2020.

#### OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL DURING THE YEAR

10,000,000 options exercisable at \$0.25 each on or before 1 July 2024 were granted during the year ended 30 June 2021 (2020: Nil). These options were granted to the directors, however, were not exercisable until the completion of the Initial Public Offering of securities and successful listing of the entity's securities on the official list of the Australia Securities Exchange was successful. Furthermore, if the above conditions were unsuccessful, the options were to be cancelled.



## Directors' Report

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

	Director Options
Underlying security spot price on grant date (a)	\$0.20
Exercise price	\$0.25
Grant date	12 March 2021
Expiration date	1 July 2024
Vesting date (b)	12 March 2021
Life (years)	3.31
Remaining life (years)	3.00
Volatility	85%
Risk-free rate	0.10%
Expected dividend yield	-
Number of options (c)	10,000,000
Valuation per option	\$0.10
Total value	\$1,000,000

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

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

### **DETAILS OF OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION**

There were 10,000,000 options granted as compensation held at reporting date by Key Management Personnel (2020: nil), as noted above.

### **SHARES ISSUED ON EXERCISE OF OPTIONS**

No shares were issued to Key Management Personnel upon exercise of options during the year (2020: nil).

### **SHARES PAID AS REMUNERATION**

No shares were issued to Key Management Personnel as remuneration during the year (2020: nil).

### **END OF REMUNERATION REPORT**

#### **14 PROCEEDINGS ON BEHALF OF THE COMPANY**

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

#### **15 NON -AUDIT SERVICES**

The Company's auditors provided non-audit services to the Company during the year ended 30 June 2021 as set out in Note 16 to the financial report (2020: No non-audit services were performed).

#### **16 AUDITORS INDEPENDENCE DECLARATION**

*The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 18 and forms part of the Directors Report for the year ended 30 June 2020.*

*Signed at Perth this 30th day of September 2021 in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.*



**Gary Lyons**  
Chairman

# Auditor's Independence Declaration

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30 September 2021

The Directors  
Western Gold Resources Limited  
97 Outram Street,  
West Perth, WA 6005

Dear Directors

**RE: WESTERN GOLD RESOURCES LIMITED**

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

As the Audit Director for the audit of the financial statements of Western Gold Resources Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

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

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

*Liability limited by a scheme approved under Professional Standards Legislation.*



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



## Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2021

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
<i>Revenue</i>			
Gain on forgiveness of loan	10	3,612,121	-
<i>Expenses</i>			
Personnel expenses		(73,510)	-
Corporate compliance expenses		(136,614)	(881)
Consulting expenses		(4,000)	-
Share based payments	14	(1,000,000)	-
Exploration expenditure	8	(311,397)	(312,127)
Other expenses		(35,540)	-
<i>Total Expenses</i>	4	<u>(1,561,061)</u>	<u>(313,008)</u>
<i>Profit / (loss) before income tax</i>		2,051,060	(313,008)
Income tax benefit/(expense)	19	-	-
<i>Profit / (loss) for the Year</i>		<u>2,051,060</u>	<u>(313,008)</u>
Other Comprehensive Income		-	-
<i>Total Comprehensive profit / (loss) for the year</i>		<u><b>2,051,060</b></u>	<u><b>(313,008)</b></u>
Basic and Diluted Earnings / (loss) per share (cents per share)	15	5.68	(0.87)

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	31,253	-
Prepayments	7	254,022	-
<b>Total Non-Current Assets</b>		<u>285,275</u>	<u>-</u>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	8	549,000	549,000
Property, plant & equipment		4,471	-
<b>Total Non-Current Assets</b>		<u>553,471</u>	<u>549,000</u>
<b>TOTAL ASSETS</b>		<u>838,746</u>	<u>549,000</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	330,681	-
Loan from ultimate parent entity	10	463,624	3,555,619
<b>Total Current Liabilities</b>		<u>794,305</u>	<u>3,555,619</u>
<b>Non-Current Liabilities</b>			
Rehabilitation provision	11	19,097	19,097
<b>Total Non-Current Liabilities</b>		<u>19,097</u>	<u>19,097</u>
<b>TOTAL LIABILITIES</b>		<u>813,402</u>	<u>3,574,716</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>25,344</u>	<u>(3,025,716)</u>
<b>EQUITY</b>			
Issued capital	12	10,400,000	10,400,000
Reserves	13	1,000,000	-
Accumulated losses		(11,374,656)	(13,425,716)
<b>TOTAL EQUITY / (DEFICIENCY OF EQUITY)</b>		<u>25,344</u>	<u>(3,025,716)</u>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(67,028)	-
<b>Net cash flows used in operating activities</b>	6	(67,028)	-
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Seed capital received in advance		213,200	-
Repayment of loan to ultimate parent		(106,213)	-
IPO costs paid in advance		(8,706)	-
<b>Net cash flows provided by financing activities</b>		98,281	-
Net increase in cash and cash equivalents		31,253	-
Cash and cash equivalents at beginning of year		-	-
<b>Cash and cash equivalents at end of the year</b>	6	31,253	-

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2019</b>	<b>10,400,000</b>	-	<b>(13,112,708)</b>	<b>(2,712,708)</b>
Loss for the year	-	-	(313,008)	(313,008)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	<b>(313,008)</b>	<b>(313,008)</b>
<b>At 30 June 2020</b>	<b>10,400,000</b>	-	<b>(13,425,716)</b>	<b>(3,025,716)</b>
Profit for the year	-	-	2,051,060	2,051,060
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	<b>2,051,060</b>	<b>2,051,060</b>
Share based payments	-	1,000,000	-	1,000,000
<b>At 30 June 2021</b>	<b>10,400,000</b>	<b>1,000,000</b>	<b>(11,374,656)</b>	<b>25,344</b>

The accompanying notes for part of these financial statements.

# Notes to the Consolidated Financial Statements

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## 1 CORPORATE INFORMATION

Western Gold Resources Limited (formerly Western Gold Resources Pty Ltd) (the “Company”) is a company domiciled in Australia. The Company’s registered office is 97 Outram Street, West Perth WA 6005. The ultimate parent entity of the Company was GWR Group Limited.

The financial report of the Group comprising Western Gold Resources Limited and its wholly owned subsidiary for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 30 September 2021.

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

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

### (b) Going Concern

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

At 30 June 2021 the Group had net assets of \$25,344 (30 June 2020: net liabilities of \$3,025,716). The Group incurred a gain after tax for the year of \$2,051,060 (2020: loss of \$313,008), however this included a significant gain on forgiveness of a loan from the ultimate parent of \$3,612,121. The Group recorded cash outflows from operating and investing activities of \$67,028 (2020: nil).

Subsequent to year end, the Group has raised \$7,000,000 (before costs) through the issue of 35,000,000 ordinary shares at \$0.20 as part of its IPO.

### (c) New accounting standards and interpretations

In the year ended 30 June 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

### (d) Exploration, evaluation and development expenditure

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

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

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



## Notes to the Consolidated Financial Statements

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (e) Impairment of non-financial assets

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

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

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

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

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

#### (f) Trade and Other Payables

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

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

#### (g) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and Entities (including special purpose entities) controlled by the Group (its subsidiaries). The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

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

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

## Notes to the Consolidated Financial Statements

---

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (h) Income Tax

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

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

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

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

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

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

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

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

#### (i) Other taxes

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

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

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

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

## Notes to the Consolidated Financial Statements

---

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Provisions

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

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

#### (k) Financial instruments

##### Recognition, initial measurement and derecognition

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

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

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

##### Classification and subsequent measurement

###### *Financial assets*

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

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

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

Classifications are determined by both:

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

###### *Financial assets at amortised cost*

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

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

## Notes to the Consolidated Financial Statements

---

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (k) Financial instruments (continued)

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

##### *Financial assets at fair value through other comprehensive income*

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

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

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

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

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

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

##### **Financial liabilities**

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

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

##### **Impairment**

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

#### (l) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. The Group determines and presents operating segments based on the information internally provided to the Board. During the years ended 30 June 2021 and 30 June 2020, the Group operated within 1 reportable and geographical segment, being mineral exploration in Western Australia.

## Notes to the Consolidated Financial Statements

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### Significant accounting estimates and assumptions:

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

#### Exploration and evaluation expenditure

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

As at 30 June 2021, capitalised exploration and evaluation totalled \$549,000 (2020: \$549,000).

### 4 EXPENSES

	30 June 2021 \$	30 June 2020 \$
<b>(a) Expenses incurred during the year include</b>		
Corporate compliance costs	136,614	881
Salaries and wages	67,385	-
Superannuation	6,125	-
IT expenses	22,029	-
Share based payments	1,000,000	-
Exploration expenditure	311,397	312,127
Consulting fees	4,000	-
Other expenses	13,511	-
Total expenses	<u>1,561,061</u>	<u>313,008</u>

### 5 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed (2020: \$Nil).

## Notes to the Consolidated Financial Statements

### 6 CASH AND CASH EQUIVALENTS

	30 June 2021 \$	30 June 2020 \$
Cash at bank and in hand	31,253	-
	<u>31,253</u>	<u>-</u>
<b>Reconciliation from the net profit / (loss) after tax to the net cash flows from operations:</b>		
Net profit / (loss)	2,051,060	(313,008)
<i>Adjustments for:</i>		
Share based payments	1,000,000	-
Forgiveness of loan	(3,612,121)	-
<i>Changes in assets and liabilities relating to operating activities:</i>		
(increase)/decrease in prepayments	(254,022)	-
(decrease)/increase in trade and other payables	121,716	-
(decrease)/increase in provisions	-	(47,003)
(decrease)/increase in loan from ultimate parent	626,339	360,011
Net cash from operating activities	<u>(67,028)</u>	<u>-</u>

### 7 PREPAYMENTS

	30 June 2021 \$	30 June 2020 \$
Prepaid IPO costs	254,022	-
	<u>254,022</u>	<u>-</u>

Prepaid IPO costs have, as a result of the completion of the IPO on 16 July 2021, subsequently been recognised as capital raising costs as a reduction against issued capital.

### 8 EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021 \$	30 June 2020 \$
<b>Reconciliation:</b>		
Balance at the beginning of the year	549,000	549,000
Balance at the end of the year	<u>549,000</u>	<u>549,000</u>

During the year, the Group incurred \$311,397 (2020: \$312,127) of exploration and evaluation expenditure which, in accordance with the accounting policy described in Note 2(d) was expensed as incurred.

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

### 9 TRADE AND OTHER PAYABLES

	30 June 2021 \$	30 June 2020 \$
Trade Payables and accruals	117,481	-
Seed capital funds received in advance	213,200	-
	<u>330,681</u>	<u>-</u>

During the year the Company received \$213,200 in seed capital funding relating to the initial public offering of the Company's securities. These funds were not repayable in the event that the IPO was unsuccessful and have been classified as current liabilities at 30 June 2021. On 16 July 2021, 10,250,000 ordinary shares were issued in satisfaction of this amount in accordance with the initial public offering of securities of the Company.



## Notes to the Consolidated Financial Statements

### 10 LOAN FROM ULTIMATE PARENT

	30 June 2021 \$	30 June 2020 \$
<b>Reconciliation:</b>		
Balance at the beginning of the year	3,555,619	3,195,608
Loan balance forgiven	(3,612,121)	-
Loan balance repaid	(106,213)	-
Increase in loan owing due to costs paid by ultimate parent	626,339	360,011
Balance at the end of the year	<u>463,624</u>	<u>3,555,619</u>

GWR Group Limited, the ultimate parent entity of the Group, made payments on behalf of the Group totalling \$626,339 during the year ended 30 June 2021 (2020: \$360,011).

### 11 REHABILITATION PROVISIONS

	30 June 2021 \$	30 June 2020 \$
Rehabilitation provision – Wiluna West Gold exploration activities	<u>19,097</u>	<u>19,097</u>
	<u>19,097</u>	<u>19,097</u>

### 12 ISSUED CAPITAL

	30 June 2021 \$	30 June 2021 No. of shares	30 June 2020 \$	30 June 2020 No. of shares
<b>Ordinary Shares:</b>				
Issued and fully paid	<u>10,400,000</u>	<u>36,125,000</u>	<u>10,400,000</u>	<u>52,000,000</u>
<b>Movement in ordinary shares on issue:</b>				
At 1 July	10,400,000	52,000,000	10,400,000	52,000,000
Consolidation of capital	-	(15,875,000)	-	-
At 30 June	<u>10,400,000</u>	<u>36,125,000</u>	<u>10,400,000</u>	<u>52,000,000</u>

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

The shares do not have a par value.

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

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

#### *Capital risk management*

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

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

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



## Notes to the Consolidated Financial Statements

### 13 RESERVES

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
Share based payments reserve		1,000,000	-
		<u>1,000,000</u>	<u>-</u>
<i>Movements:</i>			
Balance at 1 July		-	-
Options issued to directors (Note 14)		1,000,000	-
Balance at 30 June		<u>1,000,000</u>	<u>-</u>

#### (a) Summary of options

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

	For the year ended 30 June			
	2021		2020	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	-	-	-	-
Granted during the year	10,000,000	\$0.25	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
At 30 June	<u>10,000,000</u>	<u>\$0.25</u>	<u>-</u>	<u>-</u>
Exercisable at 30 June	-	-	-	-

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

	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Remaining contractual life
<b>Unlisted options</b>					
<i>Granted on 12 Mar 2021</i>					
Unlisted director options	10,000,000	-	\$0.25	1 July 2024	3.00 years

### 14 SHARE BASED PAYMENTS

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
Unlisted options issued to directors		1,000,000	-
<b>Total share based payments</b>		<u>1,000,000</u>	<u>-</u>

This issue of options was valued using the Black-Scholes option pricing model. The following inputs were used in the measurement of the fair values at grant date of these share-based payments:

## Notes to the Consolidated Financial Statements

### 14 SHARE BASED PAYMENTS (CONTINUED)

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

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

### 15 EARNINGS PER SHARE

	30 June 2021 \$	30 June 2020 \$
Profit / (loss) used in calculating basic and diluted earnings / (loss) per share	2,051,060	(313,008)
	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share	36,125,000	36,125,000
	Cents	Cents
Basic and diluted earnings / (loss) per share	5.68	(0.87)

All potential ordinary shares were considered anti-dilutive (2020: no potential ordinary shares).

### 16 AUDITORS' REMUNERATION

	30 June 2021 \$	30 June 2020 \$
The auditor of the Company is Stantons International		
Amounts received or due and receivable for:		
• Audits of financial reports	30,000	-
• Preparation of the investigating accountants report	10,000	-
	40,000	-

### 17 RELATED PARTIES

#### SUBSIDIARIES

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

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30 June 2021	30 June 2020
Wiluna West Gold Pty Ltd	Mineral Exploration	Australia	100%	100%

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

#### OTHER TRANSACTIONS WITH RELATED PARTIES

Other than the transactions with the ultimate parent entity as disclosed in Note 10, were no other transactions with related parties (2020: Nil).



## Notes to the Consolidated Financial Statements

### 18 KEY MANAGEMENT PERSONNEL DISCLOSURES

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
<b>Compensation of Key Management Personnel</b>			
Short term benefits		161,291	-
Long term benefits		-	-
Post-employment benefits		6,125	-
Equity-based compensation		1,000,000	-
		<u>1,167,416</u>	<u>-</u>

### 19 INCOME TAXES

	For the year ended 30 June	
	2021	2020
	\$	\$

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:

Accounting profit/(loss) before income tax	2,051,060	(313,008)
At the statutory income tax rate of 26% (2020: 27.5%)	533,276	(86,077)
Tax losses recognised	(533,276)	-
Tax loss and temporary differences not brought to account as a deferred tax asset	-	86,077
Income tax expense / (benefit)	<u>-</u>	<u>-</u>
Weighted average rate of tax	<u>-</u>	<u>-</u>
Recognised in the statement of profit or loss and other comprehensive income:		
Current tax expense / (benefit)	-	-
Deferred tax expense / (benefit)	-	-
Total income tax expense / (benefit)	<u>-</u>	<u>-</u>

Net deferred tax assets have not been recognised because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits. The Group's was, as at 30 June 2021, part of a tax consolidated group, of which GWR Group Limited is the head entity. Accordingly, the Group itself has no carried forward tax losses (2020: Nil). Subsequent to year end, the Group left the GWR Group Limited tax consolidated group.

### 20 COMMITMENTS

The Group was not party to any expenditure commitments at 30 June 2021 (2020: Nil).

### 21 FINANCIAL INSTRUMENTS

#### FINANCIAL RISK MANAGEMENT POLICIES

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

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

#### TREASURY RISK MANAGEMENT

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



## Notes to the Consolidated Financial Statements

### 21 FINANCIAL INSTRUMENTS (CONT'D)

#### FINANCIAL RISK EXPOSURES AND MANAGEMENT

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

#### LIQUIDITY RISK

The Group manages liquidity risk by monitoring forecast cash flows.

#### NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

	Carrying Amount \$	Maturity		
		Less than 1 year \$	1 to 5 years \$	More than 5 years \$
<b>Year ended 30 June 2021</b>				
Cash and cash equivalents	31,253	31,253	-	-
Total Financial Assets	31,253	31,253	-	-
<hr/>				
Trade and other payables	330,681	330,681	-	-
Loan to Ultimate Parent	463,624	463,624	-	-
Total Financial Liabilities	794,305	794,305	-	-
<hr/>				
<b>Year ended 30 June 2020</b>				
Loan to Ultimate Parent	3,555,619	3,555,619	-	-
Total Financial Liabilities	3,555,619	3,555,619	-	-

#### SENSITIVITY ANALYSIS

#### LIQUIDITY RISK

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

### 22 PARENT ENTITY DISCLOSURES

#### FINANCIAL POSITION

	30 June 2021 \$	30 June 2020 \$
<b>Assets</b>		
Current assets	285,275	-
Non-current assets	553,472	549,001
<b>Total Assets</b>	838,747	549,001
<hr/>		
<b>Liabilities</b>		
Current liabilities	2,043,976	1,501,951
Non-current liabilities	-	-
<b>Total Liabilities</b>	2,043,976	1,501,951
<b>Net Assets / (Liabilities)</b>	(1,205,229)	(952,950)
<hr/>		
<b>Equity</b>		
Issued capital	10,400,000	10,400,000
Reserves	1,000,000	-
Accumulated losses	(12,605,229)	(11,352,950)
<b>Total Equity / (Deficiency of Equity)</b>	(1,205,229)	(952,950)



## Notes to the Consolidated Financial Statements

### 22 PARENT ENTITY DISCLOSURES (CONT'D)

#### FINANCIAL PERFORMANCE

	Note	For the year ended 30 June	
		2021	2020
		\$	\$
Loss for the year		(1,252,279)	(347)
Other Comprehensive Income		-	-
Total Comprehensive Loss		<u>(1,252,279)</u>	<u>(347)</u>

#### COMMITMENTS AND CONTINGENCIES

The Parent Entity had no Commitments or Contingencies at 30 June 2021 (2020: Nil).

#### GUARANTEES

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

### 23 SEGMENT REPORTING

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

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

### 24 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 13 July 2021, GWR Group Limited distributed its 36,125,000 shares in the Company to GWR's shareholders, and therefore disposed of its controlling interest in the Company.

On 16 July 2021, the Company issued 10,250,000 shares to seed investors for \$0.0208 per share, or \$213,200. These funds were received during the year and were not repayable if the Company did not successfully list its securities on the Australian Securities Exchange.

Also on 16 July 2021, the Company issued 35,000,000 to new investors under the Initial Public Offering ("IPO") at an issue price of \$0.20, raising \$7 million before costs.

Also on 16 July 2021, the Company issued 3,000,000 options to brokers (exercisable at \$0.25 each on or before 28 February 2024) in accordance with the terms of the IPO.

On 23 July 2021, the Company was admitted to the official list of the Australian Securities Exchange.

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



## Directors' Declaration

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

1. In the opinion of the directors:

(a) The financial statements and notes of Western Gold Resources Limited for the financial year ended 30 June 2021 are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and

(ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

Signed in accordance with a resolution of directors.



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**Gary Lyons**

**Chairman**

30 September 2021



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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Western Gold Resources Limited ("the Company") and its subsidiary (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

#### Key Audit Matters

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.

We have determined that there were no key audit matters to be communicated in our report.



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

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

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

## Independent Auditor's Report

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obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Western Gold Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

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

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

*Stantons International Audit & Consulting Pty Ltd*

**Martin Michalik**  
Director

West Perth, Western Australia  
30 September 2021

# Annual Mineral Resource Statement

As of 30 JUNE 2021

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

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

## MINERAL RESOURCES

During the financial year, the Company undertook a review of its existing Mineral Resources for the purposes of meeting the listing requirements of ASX. In early 2021 Optiro Pty Ltd (Optiro) was engaged to complete a review of the existing MRE for the Gold Duke Project (formerly Wiluna West Gold Project). In April 2021 Optiro prepared a maiden JORC 2012 MRE of 4,570,000 tonnes at 2.0 g/t Au for 293,000 oz Au.

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

Table 1 Gold Duke Project – JORC 2012 Mineral Resource Estimate

## REVIEW OF MATERIAL CHANGES

The Company's maiden JORC 2012 compliant Mineral Resource estimate (MRE) is broadly in-line with the previous MRE which was a combination of JORC 2004 and JORC 2012 across a number of deposits.

The JORC 2012 MRE, providing confidence in the updated estimate. The updated JORC Mineral Resource estimate has a modest 1% increase in total oz.

## GOVERNANCE AND INTERNAL CONTROLS

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

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



## Annual Mineral Resource Statement

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

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

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

### COMPETENT PERSONS STATEMENT

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

## Tenement Schedule

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

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

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

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

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

## ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 22 October 2021.

### A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

#### Ordinary Fully Paid Shares

Distribution	Number of shareholders	Securities held	% of issued capital
1 – 1,000	1,342	368,487	0.45%
1,001 – 5,000	635	1,397,532	1.72%
5,001 – 10,000	170	1,272,397	1.56%
10,001 – 100,000	265	9,654,809	11.86%
More than 100,000	62	68,681,775	84.40%
<b>Totals</b>	<b>2,474</b>	<b>81,375,000</b>	<b>100.00%</b>

There are 1,771 shareholders holding less than a marketable parcel of ordinary shares.

### B. TWENTY LARGEST SHAREHOLDERS

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

Shareholder Name	Ordinary Shares - Quoted	
	Number of shares	% of Shares
CITICORP NOMINEES PTY LIMITED	20,352,274	25.01
INCOR HOLDINGS LIMITED	9,437,500	11.60
ANTELE HOLDING LIMITED	3,204,793	3.94
WOODWORK INVESTMENTS LIMITED	3,000,000	3.69
HSBC CUSTODY NOOMINEES (AUSTRALIA) LIMITED	2,786,131	3.42
TRIBECA NOMINEES PTY LTD	2,644,808	3.25
BLUEBAY INVESTMENTS GROUP CORPORATION LTD	2,613,851	3.21
REYNAUD INTERNATIONAL LIMITED	2,000,000	2.46
HUNAN VALIN STEEL CO LTD	1,718,050	2.11
RHUROIN PTY LTD	1,442,308	1.77
SEAN GERARD O'DONOHUE	1,057,692	1.30
MOHAMMED AKBAR ASEM	1,016,756	1.25
BNP PARIBAS NOMS PTY LTD <DRP>	1,009,185	1.24
SYRACUSE CAPITAL PTY LTD	964,980	1.19
BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	941,866	1.16
SIMWISE DEVELOPMENTS PTY LTD	821,586	1.01
ALISSA BELLA PTY LTD <C&A TASSONE SF NO 2 AC>	800,271	0.98
CS THIRD NOMINEES PTY LTD <HSBC CUST NOM AU LTD 13 AC>	789,871	0.97
DATUK CHIN AN LAU	783,939	0.96
GARY LYONS AND TATJANA CUSMANO <LYONS SUPER FUND AC>	715,851	0.88
<b>Total</b>	<b>58,101,712</b>	<b>71.40%</b>

## ASX Additional Information

### C. SUBSTANTIAL SHAREHOLDERS

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

Holder of Relevant Interest	Issued Ordinary Shares	
	Number of shares	% of shares
Antelle Holding Ltd and associated entities	13,738,732	16.88%
Incor Holdings Limited	9,437,500	11.60%

### D. UNQUOTED SECURITIES

#### Options over Unissued Shares

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

### E. VOTING RIGHTS

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote. There are no voting rights in respect of options or performance rights over unissued shares.

### F. RESTRICTED SECURITIES

There are 18,537,391 ordinary fully paid shares on issue which are subject to escrow agreements, as follows:

- 4,704,000 shares restricted until 4 February 2022;
- 107,692 shares restricted until 5 February 2022;
- 2,132,308 shares restricted until 9 February 2022;
- 1,292,308 shares restricted until 10 February 2022;
- 947,692 shares restricted until 11 February 2022; and
- 9,353,391 shares restricted until 23 July 2023.

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

### G. ON MARKET BUY BACK

There is no current on market buy back

### H. USE OF FUNDS

Pursuant to the requirements of ASX Listing Rule 4.10.19 the Company has used funds raised from its Initial Public Offer (IPO) in a manner that is consistent with the prospectus and objectives outlined in the IPO document. *(Note the Company was admitted to the official list subsequent to the year-end)*





**Western Gold Resources Limited**  
**ASX | WGR**  
**ABN | 54 139 627 446**  
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