



**WESTERN YILGARN NL**  
(FORMERLY PACIFIC BAUXITE NL)

**ABN 62 112 914 459**

**AND ITS CONTROLLED ENTITIES**

**ANNUAL REPORT**

**For the year ended  
30 June 2022**

For personal use only

# WESTERN YILGARN NL

## CONTENTS

---

Review of Operations and Activities.....	1
Directors' Report .....	9
Auditor's Independence Declaration .....	16
Corporate Governance Statement.....	17
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	18
Consolidated Statement of Financial Position .....	19
Consolidated Statement of Changes in Equity .....	20
Consolidated Statement of Cash Flows .....	21
Notes to the Consolidated Financial Statements .....	22
Directors' Declaration .....	43
Independent Auditor's Report .....	44
Additional Stock Exchange Information.....	48
Interest in Mining Tenements .....	50

For personal use only

# WESTERN YILGARN NL CORPORATE DIRECTORY

---

## **Directors**

Peter Lewis – Non-Executive Chairman  
Peter Michael – Non-Executive Director  
John Traicos – Non-Executive Director

## **Company Secretary**

Melissa Chapman  
Catherine Grant-Edwards

## **Registered and Principal Office**

2A / 300 Fitzgerald Street  
North Perth WA 6006

Phone: (08) 6166 9107

## **Share Registry**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000

## **Legal Advisors**

Larri Legal  
Suite 6, 152 High Street  
Fremantle WA 6160

## **Auditors**

Rothsay Audit & Assurance Pty Ltd  
Level 1, Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005

## **Country of Incorporation**

Western Yilgarn NL is domiciled and incorporated in Australia

## **Stock Exchange Listing**

Western Yilgarn NL is listed on the Australian Securities Exchange  
(ASX Code: WYX)

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

### REVIEW OF OPERATIONS

Western Yilgarn NL (ASX: WYX) (**Western Yilgarn** or the **Company** or the **Group**) is pleased to present a review of its operations for the period ended 30 June 2022.

### REVIEW OF OPERATIONS

#### CORPORATE

##### **Voluntary Administration**

On 24 December 2019, Pacific Bauxite announced that Messrs Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants (**Administrators**) were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 (**Voluntary Administration**).

On 7 January 2020, the Administrators convened a first meeting of creditors of the Company pursuant to Section 436E of the Corporations Act 2001 (**Initial Creditors Meeting**). The purpose of the Initial Creditors Meeting was for the Administrators to provide an update on the Voluntary Administration of the Company and ratify their appointment.

On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act 2001 (**Second Creditors Meeting**). The purpose of the Second Creditors Meeting was to determine the future of the Company. At the Second Creditor Meeting, the Company resolved that the Deed of Company Arrangement (**DOCA**) proposal presented by First Guardian Synergy Capital Limited (**First Guardian**) or its nominee(s) be accepted by the Company. On 9 July 2020, the DOCA was executed by First Guardian and the Company. Following multiple extensions granted to First Guardian to satisfy the conditions precedent required under their DOCA, on 16 June 2021, the Administrators advised the market that First Guardian had withdrawn from the DOCA.

On 12 August 2021, the Administrators announced that a replacement proponent, Oceanic Capital Pty Ltd (**Oceanic**) had presented a revised recapitalisation proposal which was accepted by creditors on 23 August 2021 (**Third Creditors Meeting**).

On 6 September 2021, the Administrators advised the market that the Company's creditors resolved to accept the variation to the DOCA and recapitalisation proposed presented by Oceanic. The DOCA variation was executed on 6 September 2021 and control of the Company passed to the new board of Directors with the Administrators retaining supervisory powers.

On 31 January 2022, the Company held its 2020 and 2021 annual general meeting of shareholders to approve the DOCA with all resolutions passing via poll.

On 12 April 2022, upon the effectuation of the DOCA, the Company issued the following securities as resolved by shareholders on 31 January 2022:

- 32,440,000 fully paid ordinary shares and 32,440,000 unlisted options (exercisable at \$0.20 each on or before 12 April 2025) to Oceanic (or nominee)
- 1,000,000 shares to the Administrators (or nominee)
- 6,000,000 fully paid ordinary shares and 6,000,000 unlisted options (exercisable at \$0.20 each on or before 12 April 2025) to Aurum Pacific Management Pty Ltd (or nominee) in satisfaction of historical joint venture costs and expenses relating to the Nendo Bauxite project.

On 12 April 2022, the DOCA was fully effectuated with the Company no longer the subject to any form of external administration.

##### **ASX Reinstatement**

The Company's securities were suspended from quotation on the official list of ASX since 24 December 2019 (following the Company being placed into Voluntary Administration) and would remain suspended from quotation until the Company re-complied with Chapters 1 and 2 of the ASX Listing Rules, including satisfying the conditions to reinstatement imposed by ASX.

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

On 7 February 2022, the Company lodged with ASIC and the ASX its prospectus which outlined the Company's pathway for reinstatement to the ASX (**Prospectus**).

On 4 May 2022, the Company recommenced trading on the ASX.

### Change of Name

On 29 June 2022, the Company held a general meeting of shareholders to approve the change in name to Western Yilgarn NL.

### Board Restructure

On 6 September 2021, the Company announced the appointment of Mr Peter Michael and Mr John Traicos as Non-Executive Directors of the Company following the Administrators passing control of the Company back to the board of directors.

### Placement

On 12 April 2022, the Company issued 22,500,000 fully paid ordinary shares in the Company together with 11,249,997 free attaching unlisted option (exercisable at \$0.30 each on or before 12 April 2025) to raise proceed of \$4.5m (before expenses) (**Placement**).

### Convertible Notes

During the year, the Company entered into convertible note deeds with a number of unrelated party note holders through the issue of 550,000 convertible notes to raise funds of \$550,000 (**Convertible Notes**). The face value of each convertible note is \$1, maturing 18-months after issue, attracting interest at 6% per annum (re-payable in cash) and which, subject to shareholder approval, would automatically be converted into Shares at a conversion price of \$0.10 on completion of a qualifying capital raising by the Company. Note holders will also be issued one free attaching option (exercise price \$0.30 expiring 3 years from date of issue) for every two shares issued.

On 12 April 2022, the Company issued 5,500,000 fully paid ordinary shares and 2,750,000 unlisted options (exercisable at \$0.30 each on or before 12 April 2025) on conversion of the Convertible Notes.

### Conversion of Debt

On 12 April 2022, the Company issued 300,000 shares to P. B. Lewis & Co Pty Ltd, an entity controlled by Director Peter Lewis, to settle liabilities of \$30,000 at a deemed issue price of \$0.10 per share as approved by shareholders at the Company's AGM held on 31 January 2022.

On 12 April 2022, the Company issued 450,000 shares to Bellatrix Corporate Pty Ltd to settle liabilities of \$45,000 at a deemed issue price of \$0.10 per share as approved by shareholders at the Company's AGM held on 31 January 2022.

### Issue of Performance Options

On 12 April 2022, the Company issued 2,492,469 incentive options (subject to vesting conditions) to Directors of the Company as approved by shareholders at the Company's AGM held on 31 January 2022.

### Other Security Movements

On 12 April 2022, the Company issued 6,000,000 unlisted options (exercisable at \$0.30 each on or before 12 April 2025) to various advisers and consultants who provided corporate services to the Company in respect to the reinstatement to the ASX.

### Unmarketable Parcel Facility

On 8 June 2022, the Company announced it had established an unmarketable parcel sale facility for shareholders who hold less than \$500 worth of fully paid ordinary shares in the Company.

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

### PROJECT REVIEW

#### AUSTRALIA

The Company is dedicated to pursuing early-stage exploration opportunities that are strategically aligned and have the potential to deliver best in class value and growth for shareholders.

With a strong focus on green metals, Western Yilgarn aims to advance its highly prospective land holdings in existing and emerging premier nickel and platinum group elements (**PGE**) jurisdiction.

The Company's focus will initially be on exploration activities at its recently acquired PGE Projects (Sylvania, Challa, Bulga, Boodanoo and Melbourne) variously located in the Wheatbelt, the Eastern Goldfields and Pilbara regions of Western Australia. Concurrently, the Company maintains a vigil for the availability of tenements demonstrating suitable prospectivity.

The Company continues to progress its Darling Range PGE Project exploration licence application. Established and maintained in good standing, the application awaits grant by DMIRS. At that juncture, a predetermined exploration plan will be enacted.

An overview of the location of the Company's projects is shown in Figure 1.

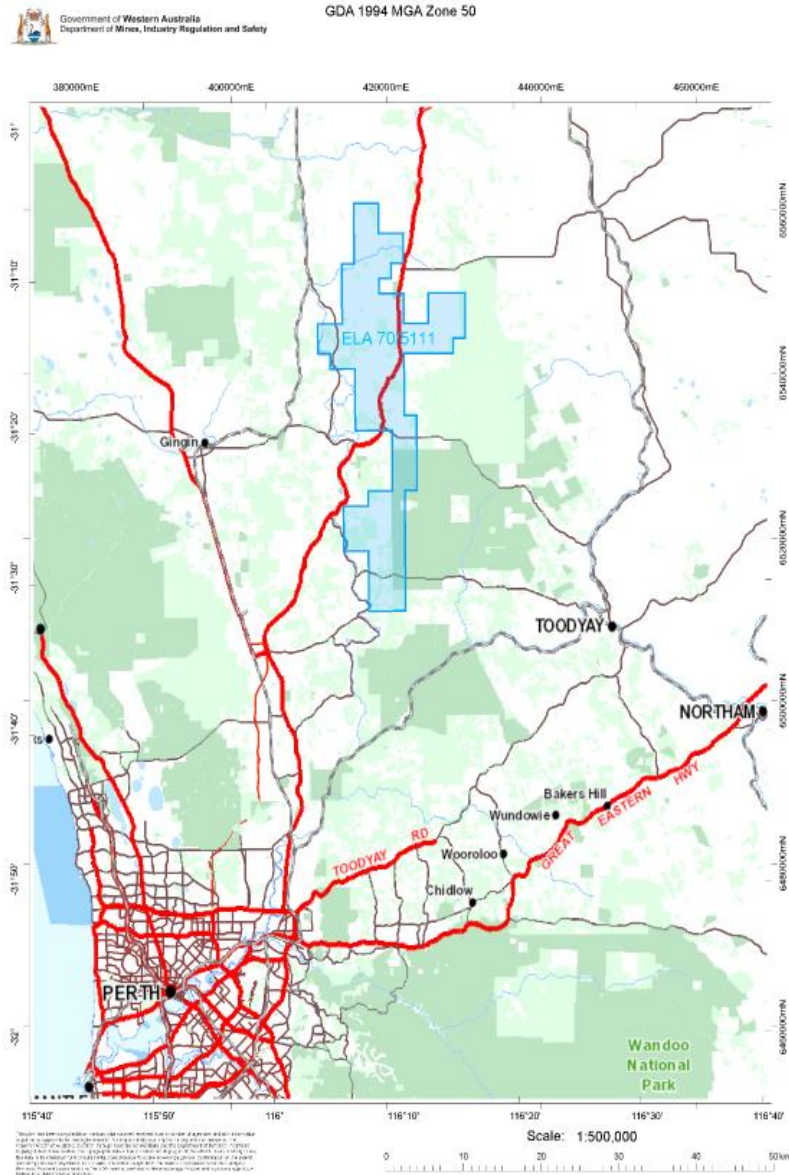


**Figure 1: Project Locations**

#### **DARLING RANGE PGE PROJECT**

The Company has a 100% interest in exploration licence application (**ELA**) 70/5111 (**Darling Range Project**). The project covers a total area of 349km<sup>2</sup> within the Darling Ranges located approximately 75km northeast of Perth, Western Australia. A map of the application is shown below.

# WESTERN YILGARN NL REVIEW OF OPERATIONS



The Darling Range Project is geologically within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e. gold, nickel, iron, bauxite and tantalite) which includes the Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna gold mining centres. Within the Yilgarn Craton, nickel is also sourced from Mount Keith, Kambalda, Lake Johnston, Forresteria and Ravensthorpe areas, whilst iron is derived predominantly from Koolyanobbing, Koolanooka, Weld Range and Talling Peak in the central/west Yilgarn. In addition, bauxite is currently mined at Huntley and Willowdale from the Darling Ranges south of Perth. The Darling Ranges area is considered to be a highly prospective geological region for bauxite, PGE, nickel and copper mineralisation.

The Company applied for ELA 70/5111 on 4 January 2018. The application was recommended for grant on 16 February 2018 and has since cleared Native Title and other approval processes. The application overlaps approximately 2.97% with a file notation area for the Strategic Assessment of the Perth-Peel Green Growth Plan (**SAPPR**). The Department of Mines, Industry, Regulation and Safety (**DMIRS**) previously delayed the grant of tenements which overlap the SAPPR, including ELA 70/5111, however DMIRS recently advised that they are consulting with the Department of Biodiversity, Conservation and Attractions for the application to be granted on the basis that a no-mining condition be applied to the application upon grant to protect the reserved area. The application also encroaches on the Julimar State Forest and other land-use stakeholders, including private landholders. During the quarter, the Company continued to be in contact with the DMIRS to determine the status of the application.

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

In relation to the file notation and State Forest areas encroaching on ELA 70/5111, if the usual condition restricting mining activities in the affected areas is imposed on the application upon grant, the Company will need to seek ministerial consent to conduct such activities which would require the approval of a conservation management plan. The Company currently understands that approval to grant over the SAPPR area is the final step before the application is granted. The Company continues to investigate the impact of all conflicting land-uses affecting ELA 70/5111 and further updates will be provided to shareholders in due course.

Upon granting of ELA 70/5111, the Company plans to undertake an extensive low impact minimal disturbance reconnaissance mapping, geophysical surveying and re-interpretation work to delineate targets for drill testing. Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice Mining Limited, the Company has prioritised data compilation and analysis over the Darling Range Project to delineate targets capable of representing known extensions or repetitions of this mineralisation style.

### PGE PROJECTS

On 31 December 2021, the Company announced that it had entered into agreements to acquire 100% of the issued capital of Western Yilgarn PGM Pty Ltd (**Western Yilgarn**) and AAM Resources Pty Ltd (**AAM Resources**), who individually are the owners of various projects prospective for platinum group metals, gold, nickel and other minerals located in the Eastern Goldfields and Pilbara regions of Western Australia (**Proposed Acquisitions**).

The acquired tenement package comprises three exploration licences (E36/1010, E36/1011 and E70/5767) granted to Western Yilgarn, three exploration licences (E52/3861, E58/0562 and E59/2496) granted to AAM Resources and two exploration licence applications (E36/1025 and E70/5921) applied for by Western Yilgarn (collectively, the **PGE Projects**). The Mount Magnet (Challa & Boondanoo), Sylvania, Bulga and Melbourne Prospects comprise the PGE Projects.

Material terms of the Proposed Acquisitions are:

1. 1,500,000 Shares to St Barnabas Pty Ltd and Glen William Goulds (collectively, the **Vendors**) for the acquisition of Western Yilgarn and 1,500,000 Shares to the Vendors for the acquisition of AAM Resources (all on a post-Consolidation basis and all Shares issued at a deemed issue price of \$0.20) (together, the **Consideration Shares**);
2. a 2% net smelter return royalty payable to the vendors on all minerals extracted from the PGE Projects; and
3. reimbursement to the Vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good standing.

On 12 April 2022, the Company completed the Proposed Acquisitions through the issue of the Consideration Shares and reimbursement to the Vendors of outgoings in respect of the PGE Projects as outlined in the Prospectus.

### Mount Magnet

The Mount Magnet Project comprises two separate exploration licences E59/2496 (Boondanoo) and E58/562 (Challa) which are centred on the Narndee and Windimurra layered mafic complexes in the Youanmi Terrane of the Archean Yilgarn Craton. The Narndee and Windimurra igneous complexes are large, multiphase layered mafic intrusions located at the interpreted crustal boundary separating the Murchison and Southern Cross granite-greenstone provinces of the Yilgarn Craton.

The Boondanoo exploration licence covers an area of approximately 42km<sup>2</sup> located approximately 410km northeast of Perth. The tenure lies in close proximity to Aldoro Resources Limited Narndee Project and Golden Mile Resources Limited's Yarrabee Project which are targeting magmatic nickel-copper-cobalt and nickel-copper-zinc mineralisation respectively.

The Challa exploration licence covers approximately 302ha and is located approximately 475km northeast of Perth. The tenure is located approximately 15km west of Atlantic Limited's Windimurra Vanadium Project and adjacent to Flinders Mines Limited's Canegrass Vanadium Project.

The Company intends to focus its exploration on the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits in the Narndee and Windimurra Complexes. The Company will



# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

seek to target magnetic geophysical anomalies located at the intersection of the Narndee Complex and the north-western edge of a regionally significant structure located on the Boodanoo exploration licence. Exploration over the Challa exploration licence will examine extensions to a laterally extensive iron-vanadium-titanium bearing horizon forming part of the broader Windimurra Igneous Complex and will further evaluate the potential for gold and PGE mineralisation associated with the contact between the upper and middle units of the Windimurra Igneous Complex.

The Company intends to explore prospective areas in the Kiabey Greenstone Belt along the western side of the Narndee Complex, where potential exists for komatiite hosted nickel deposits and shear hosted gold deposits. Planned exploration work will include a surface geochemical sampling program and a re-interpretation of historical data to assist in the assessment of previous ground-based exploration data and the development of new targets. Further plans are in place to conduct ground geophysical surveys in the Southwest part of the Narndee Complex to detect anomalies of potential significance for nickel. Should the above exploration activities result in the detection of any anomalies, funds are allocated for air core/RAB and limited RC drill testing.

### **Sylvania**

The Sylvania Project is located in the Pilbara region of Western Australia approximately 70km southeast of the regional mining town of Newman. The Sylvania Project comprises a single granted exploration licence (E52/3861) which covers an area of approximately 138km<sup>2</sup>.

The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. The project is interpreted to predominantly host granitic units of the Sylvania Inlier. In the northern portion of the exploration licence, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic nickel-copper-PGE sulphide mineralisation associated with komatiitic basalt flows and related sub-volcanic feeders of the Archean Fortescue Group. This will form the exploration focus for the project. The intent is to test these features via a surface geochemical sampling program, a review of the structural geology and lithology and testing then northwest structures with RAB or auger drilling. Thereafter, and depending on exploration success, more regional, structural, geochemical and geophysical targets will be investigated.

### **Bulga**

The Bulga Project is a continuous landholding comprising two granted exploration licences (E36/1010 and E36/1011) covering a combined area of 118km<sup>2</sup> and exploration licence application E36/1025. The Bulga Project is located approximately 840km northeast of Perth, 120km northwest of Leonora and 40km southwest of the town of Leinster in the Gascoyne Region of Western Australia. There are numerous gold and nickel mines in the surrounding district including the New Holland, Waroonga, Lawlers, Redeemer, Bounty, Deliverer, Cox-Crusader, Vivien, Turrent and McCaffer gold mines as well as the Yakabindie, Leinster and Perseverance nickel sulphide mines.

The Bulga Project is interpreted to lie along the trend of the Ida fault, an early steep structure marking the boundary between the Eastern Goldfields Superterrane in the east from the Youanmi Terrane in the west. Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulphides have been encountered to date, the presence of ultramafic rocks offers potential for Mount Alexander style nickel-copper or komatiitic nickel sulphide deposits.

The Bulga Project is viewed as prospective for Mount Alexander style mafic hosted nickel-copper mineralisation and shear-hosted gold mineralisation similar to that of the nearby Agnew gold mining centre. To test this concept, Western Yilgarn intends to assess and develop an exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone as well as to further assess the newly outlined greenstone sequences as encountered by previous tenement holders. The potential for medium-high MgO ultramafic requires further assessment, particularly given its proximity to regionally significant structures which are known to host significant gold and nickel mines at Agnew and Yakabindie respectively.

As part of its exploration strategy for the project area, Western Yilgarn plans to test for nickel and gold occurrences by undertaking a compilation of available technical data, a structure geology review, surface geochemical sampling, geophysical surveying and air core drilling under cover targeting the shear zone.

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

### Melbourne

The Melbourne Project comprises two granted exploration licences (E70/5767 and E70/5921) both located in the Wheatbelt region of Western Australia. The surrounding area is interpreted to lie within the South West Terrane of the Yilgarn Craton in proximity to its ill-defined boundary with the Murchison Domain of the Youanmi Terrane.

Despite a lack of modern minerals exploration conducted of the tenure, Western Yilgarn considers the Melbourne Project to be prospective for Caravel-style copper-molybdenum mineralisation which is interpreted to lie some 15km southeast of the project at Caravel Minerals Limited's Caravel Copper Project.

To test this concept, the Company has completed further desktop geological work to refine its systematic exploration program targeted at testing several magnetic anomalies located along the interpreted north-western strike extensions to Caravel Mining's Copper Project. Western Yilgarn is in the process of planning its first-round exploration plan once access and the exploration infield is confirmed.

### SOLOMON ISLANDS

#### Nendo Bauxite Project

The Company, through Iron Mountain Pty Ltd (**Iron Mountain**), held a 50% interest in Eight South Investments Pty Ltd (**ESI**). ESI is the holder of the Nendo Bauxite Project, which is comprised of a single prospecting licence PL 01/16 (**Prospecting Licence**) located in the Solomon Islands.

On 6 June 2018, the Company advised Shareholders that it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification (**Minister**), advising that the Prospecting Licence was cancelled (**Minister's Letter**) (refer to ASX announcement 6 June 2018).

In accordance with the requirements of the Minister's Letter, work at the Nendo Project Bauxite was immediately suspended.

On 5 April 2019, the High Court of Solomon Islands delivered a ruling in relation to proceedings commenced by ESI which included orders that:

1. the Minister's decision to cancel the Prospecting Licence was beyond power, quashed and declared null and void; and
2. the Prospecting Licence was valid as at 24 May 2018.

The Attorney General of the Solomon Islands (on behalf of the Minister, the Director of Mines and the Mines and Minerals Board) subsequently filed and served a Notice of Appeal with the Solomon Islands court of appeal. Following lengthy court proceedings, the Company provided an update on the court proceedings (refer to ASX announcement 5 September 2019).

On 2 February 2021, the Company announced that it had received a judgment from the Court of Appeal which confirmed the High Court's original judgment, namely that the Minister's decision of 24 May 2018, which cancelled the Prospecting Licence, was quashed. However, whilst the Court of Appeals ruling declared that the Prospecting Licence was still valid as at 24 May 2018, the protracted litigation resulting in the expiry date of 1 December 2018 passing (ASX Announcement dated 2 February 2021).

The judgment entitled ESI to legal costs in the amount of approximately \$250,000. The Administrators have previously assessed options for recovery of this amount as well as seeking possible reinstatement of the Prospecting Licence, which may be explored following the Proposed Divestment (see below).

A condition of the DOCA presented by Oceanic is for the Nendo Bauxite Project to be divested via the divestment of Iron Mountain (**Proposed Divestment**) as follows:

1. 80% of the issued share capital to be divested to parties associated with Aurum Pacific Management Pty Ltd, a creditor of the Company encapsulated by the DOCA (being Scott James Dodds, Nicholas Michael Wixon Willis and Peter Forrest Pty Ltd); and
2. 20% of the issued share capital to be divested to Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust. The Iron Mountain Trust is a trust established for the

# WESTERN YILGARN NL

## REVIEW OF OPERATIONS

---

benefit of those persons who were shareholders of the Company as at the date of the Voluntary Administration being 24 December 2019.

To effect the Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to sell the Company's shares in Iron Mountain (refer ASX Announcement 31 December 2021).

On 12 April 2022, the Company effectuated the DOCA, and as such effected the Proposed Divestment.

### **KEY RISKS**

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of these risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

A summary of the key risk areas of the Company are listed below:

- Future capital requirements and associated dilution risk
- Accessibility risk including land access and compensation, tenement title, native title, private land considerations
- Exploration and development risk including no defined resources, resource estimates, results of studies, metallurgy consideration
- Operational risks including loss of key personnel, reliance on agents and contractors, environmental risks, regulatory compliance
- Macro risks including climate risk, downturn in the resources industry, commodity prices and demand, COVID-19, Ukraine conflict
- Other risks including aboriginal herniate, new projects and acquisition and royalties

Further details on the above risks can be found in the Prospectus.

# WESTERN YILGARN NL

## DIRECTORS' REPORT

---

The Directors of Western Yilgarn NL (**Western Yilgarn** or the **Company**) submit their report, together with its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2022.

### DIRECTORS AND OFFICERS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise noted.

#### **PETER LEWIS**

##### **Non-Executive Chairman**

Mr Lewis is a Queensland based businessman with a long and successful career predominantly in the property industry. He is a former director of Ray White, Richard Ellis Group, founder and Managing Director of Savills (QLD), founder and Managing Director of Unity Pacific (formerly Trinity Ltd), Director of Eumundi Brewing Group Ltd and CEC Ltd. He has also previously served as Chairman of the Queensland Rugby Union.

Mr Lewis has not held any other directorships of listed companies in the last three years.

Mr. Lewis indirectly holds 382,000 ordinary shares and 830,823 incentive options (subject to vesting conditions) in Western Yilgarn.

#### **PETER MICHAEL (Appointed 6 September 2021)**

##### **Non-Executive Director**

Mr Michael has over 20 years' experience in the property sector encompassing the execution of commercial and residential property transactions, land development, construction and joint venture operations. Mr Michael is currently a Non-Executive Director of Argent Minerals Ltd (ASX: ARD), Executive Director of a private investment firm specialising in developing resource exploration companies and Managing Director of Emerald Life Aged Care.

Mr. Michael indirectly holds 830,823 incentive options (subject to vesting conditions) in Western Yilgarn.

#### **JOHN TRAIÇOS (Appointed 6 September 2021)**

##### **Non-Executive Director**

Mr Traicos is a lawyer with more than 30 years' experience in legal and corporate affairs in Australia and Southern Africa. He has acted as a commercial / legal manager to several Australian resource companies and has been involved in resource projects and acquisitions in Australia, Africa and Indonesia. John is admitted to practice law in Western Australia and has been Legal and Commercial Manager and Company Secretary for several resource companies, including MZI Resources Ltd, Perilya Limited, Tanami Gold NL and Strike Energy Limited. John is currently non-Executive Director of Bassari Resources Limited and Non-Executive Director of Belararox Limited (ASX: BRX).

Mr. Traicos directly holds 830,823 incentive options (subject to vesting conditions) in Western Yilgarn.

#### **MELISSA CHAPMAN (Appointed 6 September 2021)**

##### **Joint Company Secretary**

Ms Chapman has over 20 years of experience in the accounting profession. She has worked in Australia and the United Kingdom for both listed and private companies. Ms Chapman holds a Bachelor of Commerce degree from the Murdoch University and is qualified as a Certified Practising Accountant with CPA Australia. Ms Chapman has completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia, and the company directors course with the Australian Institute of Company Directors. Ms Chapman is a director of Bellatrix Corporate Pty Ltd, a company that provides company secretarial and accounting services to several ASX listed companies.

#### **CATHERINE GRANT-EDWARDS (Appointed 6 September 2021)**

##### **Joint Company Secretary**

Ms Grant-Edwards has 15 years of experience in accounting and finance. Ms Grant-Edwards has a Bachelor of Commerce degree from the University of Western Australia, majoring in Accounting and

# WESTERN YILGARN NL

## DIRECTORS' REPORT

---

Finance, and is a qualified Accountant with the Institute of Chartered Accountants Australia (ICAA). Ms Grant-Edwards is a director of Bellatrix Corporate Pty Ltd, a company that provides company secretarial and accounting services to several ASX listed companies.

### Principal Activities

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

### Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

### Review of Operations

Information on the operations of the Group and its corporate activities is set out in the Review of Operations.

### Financial Position

The net loss of the Group for the year after tax was \$2,518,004 (2021: loss of \$648,626) which included administrator and relisting expenses \$1,972,760 (2021: \$648,177).

### Significant changes in the state of affairs

During the year the Company effectuated the DOCA and recapitalised the Company and was reinstated to trading on the ASX on 4 May 2022.

There have been no other significant changes in the state of affairs of the Group other than those disclosed in the Review of Operations.

### Matters Subsequent to the End of the Financial Year

On 1 July 2022, the Group was granted tenement E36/1025.

The Company's change in name to Western Yilgarn NL and ticker code on the ASX to WYX was effective on 8 July 2022.

On 4 August 2022, the Company announced the closures of its unmarketable parcel sale facility.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

### Likely Developments and Expected Results of Operations

The Board intends to focus on mineral exploration of resources opportunities that have the potential to deliver value and growth for shareholders through exploration and development activities.

### Environmental Regulation

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. There have been no significant known breaches of the Group's environmental regulations to which it is subject.

The Group is also subject to the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007*. The *Energy Efficiency Opportunities Act 2006* requires the Group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result. The *National Greenhouse and Energy Reporting Act 2007* requires the Group to report its annual greenhouse gas emissions and energy use. For the year ended 30 June 2022 the Group was below the reported threshold for both legislative reporting requirements therefore is not required

# WESTERN YILGARN NL

## DIRECTORS' REPORT

---

to register or report. The Group will continue to monitor its registration and reporting requirements however it does not expect to have future reporting requirements.

### Directors' Meetings

The Directors held weekly meetings in the six-month period leading up to being reinstated on the ASX. The following table sets out the number of formal meetings of the Company's Directors held while each Director was in office and the number of meetings attended by each Director:

Director	Board Meetings	
	Number of meetings held while in office	Number of meetings attended
Peter Lewis	3	3
Peter Michael	3	3
John Traicos	3	3

### REMUNERATION REPORT (AUDITED)

The information contained in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

### Principles Used to Determine the Nature and Amount of Remuneration

The Group's policy for determining the nature and amount of emoluments of Board members and senior executives are as follows:

#### Executive Remuneration

The Group's remuneration policy is designed to promote superior performance and long-term commitment to the Group. Executives receive a base remuneration which is market related, and may be entitled to performance based remuneration which is determined on an annual basis.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the best interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- remuneration reflects the competitive market in which the Company operates;
- individual remuneration should be linked to performance criteria if appropriate; and
- executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- salary – executives receive a fixed sum payable monthly in cash;
- cash at risk component – the executives are eligible to participate in a cash bonus plan if deemed appropriate;
- share and option at risk component – executives may participate in share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue shares, performance rights and options to executives outside of approved schemes in exceptional circumstances; and
- other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration.

# WESTERN YILGARN NL

## DIRECTORS' REPORT

### Non-Executive Remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities.

Non-Executive Directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives. Non-Executive Directors are not provided with retirement benefits.

Shareholder approval must be obtained in relation to the overall limit set for non-executive Directors' fees. The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is currently \$350,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Refer below for details of Non-Executive Directors' remuneration.

### Use of Remuneration Consultants

For the year ended 30 June 2022, the Group did not employ any remuneration consultants to provide recommendations on employee remunerations matters.

### Remuneration Governance

The Group has not established a remuneration committee due to the relatively small size and early stage of development of the Group. The Board as a whole monitors the activities normally reserved for a remuneration committee. The Corporate Governance Statement provides further information on the role of the Board in this context.

### Details of Remuneration

Details of the remuneration of the Directors and key management personnel of the Group are set out below.

The Key Management Personnel (KMP) of the Group include:

- Peter Lewis (Non-Executive Chairman)
- Peter Michael (Non-Executive Director) (Appointed 6 September 2021)
- John Traicos (Non-Executive Director) (Appointed 6 September 2021)

### Key Management Personnel Remuneration:

#### 2022

	Short Term – cash salary and fees	Post- employment – superannuation	Share- based payments – Options	Share- based payments – Shares	Total	Share-based payments as a % of total remuneration
Name	\$	\$	\$	\$	\$	
Peter Lewis	34,300	-	32,795 <sup>1</sup>	- <sup>2</sup>	67,095	49%
Peter Michael	34,300	-	32,795 <sup>1</sup>	-	67,095	49%
John Traicos	34,300	-	32,795 <sup>1</sup>	-	67,095	49%
<b>Total</b>	<b>102,900</b>	<b>-</b>	<b>98,385</b>	<b>-</b>	<b>102,285</b>	<b>49%</b>

<sup>1</sup> On 12 April 2022, Non-Executive Directors Mr Lewis, Mr Michael and Mr Traicos were each issued (directly or indirectly), 830,823 incentive options (subject to vesting conditions) following receipt of shareholder approval at the AGM held 31 January 2022.

<sup>2</sup> On 12 April 2022, Non-Executive Director Mr Lewis was issued 300,000 shares in satisfaction of outstanding debts (reported as remuneration in previous years) following receipt of shareholder approval at the AGM held 31 January 2022.

# WESTERN YILGARN NL

## DIRECTORS' REPORT

2021

Name	Short Term – cash salary and fees \$	Post- employment – superannuation \$	Share- based payments – Options \$	Share- based payments – Shares \$	Total \$	Share-based payments as a % of total remuneration
Peter Lewis	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### Share-based Compensation

Options are issued to Directors and executives as part of their remuneration. The primary purpose of the grant of the incentive options is to provide a performance linked incentive component in the remuneration package for each Director to motivate and reward the performance of each in their respective roles as Directors.

Following receipt of shareholder approval at the AGM held 31 January 2022, Non-Executive Directors Mr Lewis, Mr Michael and Mr Traicos were each issued (directly or indirectly), 830,823 incentive options subject to the following vesting conditions:

- 276,941 Class A incentive options – Vest upon the company being readmitted to the official list of the ASX
- 276,941 Class B incentive options – Vest upon the volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the shares have been traded) being at least \$0.30
- 276,941 Class C incentive options – Vest upon the volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the shares have been traded) being at least \$0.40

Refer to note 17 in the financial report for details of Directors' share based payments.

### Equity Instruments Relating to Key Management Personnel

#### Shareholdings

Name	Balance at 1-Jul-21 Number	Issued as Remuneration Number	Issued to settled Director Fees Number	Share Consolidation Number	Balance at 30-Jun-22 Number
Peter Lewis	4,100,000	-	300,000	(4,018,000)	382,000
Peter Michael	-	-	-	-	-
John Traicos	-	-	-	-	-
<b>Total</b>	<b>4,100,000</b>	<b>-</b>	<b>300,000</b>	<b>(4,018,000)</b>	<b>382,000</b>

#### Options

Name	Balance at 1-Jul-21 Number	Issued as Remuneration Number	Issued to settled Director Fees Number	Share Consolidation Number	Balance at 30-Jun-22 Number
Peter Lewis	-	830,823	-	-	830,823 <sup>1</sup>
Peter Michael	-	830,823	-	-	830,823 <sup>1</sup>
John Traicos	-	830,823	-	-	830,823 <sup>1</sup>
<b>Total</b>	<b>-</b>	<b>2,492,469</b>	<b>-</b>	<b>-</b>	<b>2,492,469</b>

<sup>1</sup> Balance comprises 276,941 Class A incentive options, 276,941 Class B incentive options and 276,941 Class C incentive options.

### Service Agreements and Remuneration Commitments

The following service agreements and remuneration arrangements were in place during the period:

Non-Executive Chairman – Peter Lewis

- Term of Agreement – The agreement commenced 6 September 2021 and is ongoing (subject to the projects of the *Corporations Act 2001*)
- Remuneration of \$42,000 per annum payable monthly.



# WESTERN YILGARN NL

## DIRECTORS' REPORT

Non-Executive Director – Peter Michael

- Term of Agreement – The agreement commenced 6 September 2021 and is ongoing (subject to the projects of the *Corporations Act 2001*)
- Remuneration of \$42,000 per annum payable monthly.

Non-Executive Director – John Traicos

- Term of Agreement – The agreement commenced 6 September 2021 and is ongoing (subject to the projects of the *Corporations Act 2001*)
- Remuneration of \$42,000 per annum payable monthly.

### Additional Information

The table below sets out the performance of the Group and the consequences on shareholders' wealth for the past five years:

	2022	2021	2020	2019	2018
Quoted price of ordinary shares at period end (cents)	10.5	0.3*	0.3*	0.7	1.6
Earnings / (loss) per share (cents)	(10.70)	(0.16)	(0.28)	(0.53)	(1.49)
Dividends paid	-	-	-	-	-

\* Share price based on the last day of trading on the ASX before being suspended from trading on 24 December 2019

### Security Trading Policy

The Company's security trading policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. Western Yilgarn's security trading policy defines dealing in Company securities to include:

- subscribing for, purchasing or selling Company securities or entering into an agreement to do any of those things;
- advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family Company or family trust) to trade in Company Securities; and
- entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company securities.

The securities trading policy details acceptable and unacceptable times for trading in Company securities including detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company securities without providing written notification to the Chairman. The Chairman must not deal in Company securities without the prior approval of the Board of Directors. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

### Voting and Comments Made at the Group's 2021 Annual General Meeting.

The Company's remuneration report for the 2021 financial year was approved at the Annual General Meeting (**AGM**) of shareholders held on 31 January 2022. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

----- END OF REMUNERATION REPORT (AUDITED) -----

### Shares under Option

As at the date of this report, the unissued ordinary shares of Western Yilgarn under option are as follows:

Date of Expiry	Exercise Price	Number of Options	Status
12 April 2025	\$0.20	38,440,000	Unlisted
12 April 2025	\$0.20	2,492,469	Unlisted (subject to vesting conditions)
12 April 2025	\$0.30	19,999,997	Unlisted

There were no options exercised during the year ended 30 June 2022.

There were no options which expired during the year ended 30 June 2022.

# WESTERN YILGARN NL

## DIRECTORS' REPORT

---

Since the end of the financial year, no ordinary shares have been issued as a result of the exercise of options.

### Indemnifying Officers

Under the Company's Constitution and to the extent permitted by law (subject to the restrictions in section 199A and 199B of the *Corporations Act 2001*), the Company indemnifies every person who is or has been an officer of the Company against:

- (a) any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director; and
- (b) reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company has insured its Directors and officers. Under the Company's Directors' and Officers' Liability Insurance Policy (**D&O Policy**), the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the *Corporations Act 2001* to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

The Company also has in place a Deed of Indemnity, Access and Insurance with each of the Directors. This Deed:

- (i) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;
- (ii) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and
- (iii) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose; both during the time that the Director holds office and for a seven-year period after the Director ceases to be an officer of any Group Company, on the terms and conditions contained in the Deed.

### Proceedings on Behalf of the Group

No person has applied for leave of Court, under section 237 of the *Corporations Act 2001*, to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or part of these proceedings. The Group was not a party to any such proceedings during the year.

### Non-Audit Services

No non-audit services were provided to the Group by the Group's auditors during the year ended 30 June 2022. Non-audit services are only provided by the Group's auditors where the Board of Directors is satisfied that the provision of non-audit related services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

### Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and is set out on page 16.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



-----  
**Peter Lewis**  
**Chairman**  
5 August 2022

# ROTHSAY

AUDIT & ASSURANCE PTY LTD

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Western Yilgarn NL for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Western Yilgarn NL and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla  
Director

5 August 2022

## WESTERN YILGARN NL CORPORATE GOVERNANCE STATEMENT

---

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Western Yilgarn support and have adhered to principles of sound corporate governance. The Company continued to follow best practice recommendations as set by the Australian Securities Exchange Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**). Where the Company has not followed best practice for any Recommendations, an explanation is given in the Corporate Governance Statement which is available on the Company website at [www.westernyilgarn.com.au](http://www.westernyilgarn.com.au).

For personal use only

**WESTERN YILGARN NL**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**For the year ended 30 June 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
Other Income		1,973	-
Administrator and relisting expenses	5	(1,972,760)	(648,177)
Consultants		(224,174)	-
Travel and entertainment		(2,428)	-
Director fees		(95,481)	-
Professional services		(63,189)	-
Compliance and regulatory fees		(13,346)	-
Administration expenses		(11,813)	-
Finance expenses		(13,366)	-
Occupancy expenses		(9,414)	-
Share based payments	17	(98,385)	-
Depreciation		-	-
Forgiveness of debt		(1)	-
Impairment of loan to associate	25	(889)	-
Impairment of investment in associate	25	444	-
Share of net loss of associate	25	(444)	-
Exploration costs expensed		(12,738)	(449)
Other expenses		(1,993)	-
<b>(Loss) before Income Tax</b>		<b>(2,518,004)</b>	<b>(648,626)</b>
Income tax (expense) / benefit	6	-	-
<b>(Loss) for the year</b>		<b>(2,518,004)</b>	<b>(648,626)</b>
Loss is attributable to			
Owners of Western Yilgarn NL		(2,518,004)	(648,626)
Other comprehensive income		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(2,518,004)</b>	<b>(648,626)</b>
<b>(Loss) per share attributed to the owners of Western Yilgarn NL</b>			
Basic loss per share (cents)	18	(10.70)	(0.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**WESTERN YILGARN NL**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	3,890,482	7,016
Restricted Cash	8	61,500	61,500
Trade and Other Receivables	9	160,544	32,582
<b>TOTAL CURRENT ASSETS</b>		<b>4,112,526</b>	<b>101,098</b>
<b>NON-CURRENT ASSETS</b>			
Exploration Expenditure	10	702,640	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>702,640</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>4,815,166</b>	<b>101,098</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	60,781	1,507,188
Convertible notes	12	2,813	-
Short Term Loan Payable	13	-	-
Provisions	14	-	1,742
<b>TOTAL CURRENT LIABILITIES</b>		<b>63,594</b>	<b>1,508,930</b>
<b>TOTAL LIABILITIES</b>		<b>63,594</b>	<b>1,508,930</b>
<b>NET ASSETS</b>		<b>4,751,572</b>	<b>(1,407,832)</b>
<b>EQUITY</b>			
Issued Capital	15	28,467,559	20,321,348
Reserves	16	2,155,737	1,624,540
Accumulated Losses		(25,871,724)	(23,353,720)
<b>TOTAL EQUITY</b>		<b>4,751,572</b>	<b>(1,407,832)</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**WESTERN YILGARN NL**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the year ended 30 June 2022**

2022	Issued Capital	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>	<b>20,321,348</b>	<b>(23,353,720)</b>	<b>1,624,540</b>	<b>(1,407,832)</b>
<b>Total comprehensive income for the year</b>				
Loss for the year	-	(2,518,004)	-	(2,518,004)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(2,518,004)</b>	<b>-</b>	<b>(2,518,004)</b>
Issue of shares – Western Yilgarn Acquisition	300,000	-	-	300,000
Issue of shares – AAM Resources Acquisition	300,000	-	-	300,000
Issue of shares – DOCA	1,600,000	-	-	1,600,000
Issue of shares – DOCA	220,000	-	-	220,000
Issue of shares – Conversion of debt (Directors)	30,000	-	-	30,000
Issue of shares – Conversion of debt (Bellatrix)	45,000	-	-	45,000
Issue of shares – Pacific	1,200,000	-	-	1,200,000
Issue of shares – Administrator	200,000	-	-	200,000
Issue of shares – Convertible notes	558,461	-	-	558,461
Issue of shares – Placement	4,500,000	-	-	4,500,000
Share issue costs	(807,250)	-	-	(807,250)
Issue of Advisor options			432,812	432,812
Issue of Director options	-	-	98,385	98,385
<b>Balance as at 30 June 2022</b>	<b>28,467,559</b>	<b>(25,871,724)</b>	<b>2,155,737</b>	<b>4,751,572</b>
<b>2021</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Option Reserve</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance as at 1 July 2020</b>	<b>20,281,348</b>	<b>(22,705,094)</b>	<b>1,624,540</b>	<b>(799,206)</b>
<b>Total comprehensive income for the year</b>				
Loss for the year	-	(648,626)	-	(648,626)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(648,626)</b>	<b>-</b>	<b>(648,626)</b>
DOCA contribution	40,000	-	-	40,000
<b>Balance as at 30 June 2021</b>	<b>20,321,348</b>	<b>(23,353,720)</b>	<b>1,624,540</b>	<b>(1,407,832)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**WESTERN YILGARN NL**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		154	-
Receipts from customers		803	-
Payment for exploration and evaluation		(61,592)	(449)
Payments to suppliers and employees		(2,267,557)	(72,777)
NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	19	(2,328,192)	(73,226)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from DOCA		1,600,000	40,000
Cash acquired on Western Yilgarn Acquisition	10	6	-
Cash acquired on AAM Resources Acquisition	10	2	-
NET CASH INFLOW / (OUTFLOWS) FROM INVESTING ACTIVITIES		1,600,008	40,000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from capital raisings	15	4,500,000	-
Proceeds from convertible notes	12	550,000	-
Share issue costs		(374,438)	-
Interest payments		(15,931)	-
Receipt of funds from loans	13	120,000	-
Repayment of loans (including interest)	13	(167,981)	-
NET CASH (OUTFLOWS) FROM FINANCING ACTIVITIES		4,611,650	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		3,883,466	(33,226)
Cash and cash equivalents at the beginning of the financial year		7,016	40,242
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	7	<b>3,890,482</b>	<b>7,016</b>

The above consolidated statement of cash flows should be used in conjunction with the accompanying notes.



# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

#### 1. CORPORATE INFORMATION

The financial report of Western Yilgarn NL (**Western Yilgarn** or the **Company**) and its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 5 August 2022.

Western Yilgarn is a public company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors Report.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**), Australian Accounting Interpretations and the *Corporations Act 2001*.

##### Compliance with IFRS

The financial statements of the Group also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). Western Yilgarn NL is a for profit entity for the purpose of preparing the financial statements.

##### Adoption of New and Revised Accounting Standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on 1 July 2021. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2021 with no material impact on the amounts or disclosures included in the financial report.

##### New accounting standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations has not identified any impact.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

##### Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

##### Critical Accounting Estimates and Significant Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

#### (b) Principles of Consolidation

##### *Subsidiaries*

The consolidated financial statements comprise the financial statements of Western Yilgarn NL (**Western Yilgarn** or the **Company**) and its subsidiaries as at 30 June 2022 (the **Group**).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the consolidated statement of profit or loss and other comprehensive income. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and statement of changes in equity respectively.

##### *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

##### *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest 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.

#### **(c) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

#### **(d) Exploration and Evaluation Expenditure**

Exploration, evaluation expenditure is expensed in respect of each identifiable area of interest held in the name of the Group. Acquisition costs are capitalised and recognised on the statement of financial position only to the extent that there exists evidence of the capitalised expenditure to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

When production commences, the accumulated exploration, acquisition and development costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages (where the liabilities exist) and included in the costs of that stage. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

#### **(e) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in the statement of profit or loss.

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

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **(f) Trade Receivables**

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 120 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

#### **(g) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred income tax is accounted for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax from the initial recognition of an asset or liability, in a transaction other than a business combination is not accounted for if it arises that at the time

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

of the transaction it affects neither accounting or taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the asset is realised, or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **(h) Share-Based Payments**

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option-pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Refer to note 17 for further information.

#### **(i) Cash and Cash Equivalents**

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within three months, net of outstanding bank overdrafts.

**WESTERN YILGARN NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2022**

---

**(j) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

*Interest Revenue*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

*Other income*

Sale of assets is calculated with reference to the carrying value of the asset less the consideration received to arrive at the profit on sale.

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

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

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

**(m) Contributed Equity**

Ordinary issued share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

**(n) Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

**(o) Joint Ventures**

*Jointly Controlled Assets*

Interest in the joint venture operation is brought to account by including in the respective classifications, the share of individual assets employed and share of liabilities and expenses incurred.

**(p) Provisions**

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **(q) Earnings Per Share**

##### *Basic earnings per share*

Basic earnings per share is determined by dividing profit attributable to owners of the Company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *Diluted earnings per share*

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **(r) Investments and Other Financial Assets**

##### *Classification*

The Group classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition.

##### *Recognition*

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables are carried at amortised cost using the effective interest method. Details on how the fair-value of financial instruments are determined are disclosed in note 21.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 21.

#### **(s) Comparatives**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **(t) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

---

### 3. Critical Accounting Estimates and Judgements

#### *Key estimates*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### *(i) Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### *(ii) Exploration and evaluation expenditure*

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being expensed with acquisition costs being capitalised for an area of interest where it is considered likely to be recovered by future exploitation or sale or where the activities have reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the acquisition costs under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

#### *(iv) Share-based payments*

The Group's accounting policy for share-based payments results in the cost of equity-settled transactions with employees being measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. In undertaking this valuation, the Group makes certain judgments regarding the model inputs. In determining the model inputs consideration is made of publicly available information of transactions of a similar nature.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Refer to note 17 for further information.

#### *(v) Recognition of deferred taxes*

The Group's accounting policy for recognising deferred tax assets states that a deferred tax asset may only be recognised where it is probable that there will be future taxable amounts available to utilise those deferred tax assets and that the Group continues to meet the tax legislation requirements related to the utilisation of historical tax losses.

After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the Future Tax Assets, there is insufficient evidence available to recognise the deferred tax assets at 30 June 2022 as required under AASB 112 *Income Taxes*.



# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

#### (vi) Asset acquisition not constituting a business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognised exemption for deferred tax under AASB 112 *Income Taxes* applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business combination in accordance with AASB 3 *Business Combinations*. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

Management determined that the acquisition of Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd was an asset acquisition.

Refer to note 10 for further information.

#### 4. Segment Information

AASB 8 *Operating Segments* requires operating segments to be identified based on internal reports that are regularly reviewed by the Chief Operating Decision Maker (**CODM**) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In the case of the Group the CODM are the executive management team and all information reported to the CODM is based on the consolidated results of the Group as one operating segment, as the Group's activities relate to mineral exploration.

Accordingly, the Group has only one reportable segment and the results are the same as the Group results.

#### 5. Expenses from Continuing Operations

##### Administrator and Relisting Expenses

	2022 \$	2021 \$
Administrator fees	51,576	648,177
Administrator fees settled through the issue of shares for the conversion of debt (Administrator) (note 15)	200,000	-
Administrator fees settled through the issue of shares for the conversion of debt (Pacific) (note 15)	1,200,000	-
Administrator fees settled through the issue of shares for the conversion of debt (Oceanic) (note 15)	220,000	-
Relisting expenses settled through the issue of shares for the conversion of debt (Bellatrix) (note 15)	45,000	-
Relisting expenses	256,184	-
	<u>1,972,760</u>	<u>648,177</u>

#### 6. Income Tax

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income as at the statutory income tax rate to income tax expense/(benefit) at the Company's effective income tax rate for the year is as follows:

**WESTERN YILGARN NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2022**

	2022 \$	2021 \$
Net (Loss) before tax	(2,518,004)	(648,626)
Tax expense / (benefit) at the Australian tax rate of 25% (2021: 26%)	(629,501)	(168,643)
Tax effect of amounts that are not deductible / taxable in calculating taxable income		
Share of net loss of associate	111	-
Forgiveness of debt	(10,051)	-
Share based payments	24,596	-
Impairment of loan to associate	222	-
Impairment of investment in associate	(111)	-
Accrued expenses	(25,964)	-
Capitalised exploration expenditure	(175,660)	-
Deductible over 5 years (s40-880)	268,158	-
Sundry items	-	(4,420)
Future tax assets not brought to account	548,200	173,063
Income tax expense / (benefit)	-	-

**Tax Losses**

	2022 \$	2021 \$
Unused tax losses for which no deferred tax asset has been recognised	19,264,583	17,317,811
Potential tax benefit @ 25% (2021: 26%)	4,816,146	4,502,631

Included in the Future Tax Assets not brought to account are tax losses for which no deferred tax asset has been recognised. After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the deferred tax assets, there is insufficient evidence available to recognise the deferred tax assets at 30 June 2022 as required under AASB 112 *Income Taxes*. Accordingly, the tax losses available as at 30 June 2022 have not been recognised as Future Tax Assets.

**7. Cash and Cash Equivalents**

	2022 \$	2021 \$
Cash at bank and in hand	3,890,482	7,016
	3,890,482	7,016

**8. Restricted Cash**

	2022 \$	2021 \$
Restricted cash	61,500	61,500
	61,500	61,500

**9. Trade and Other Receivables**

	2022 \$	2021 \$
GST receivable	126,320	31,500
Prepayments	31,140	-
Other receivables	3,084	1,082
	160,544	32,582

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

#### 10. Deferred Exploration and Evaluation Expenditure

	2022 \$	2021 \$
Balance at beginning of period	-	-
Expenditure incurred	42,595	-
Acquisition of AAM Resources	326,008	-
Acquisition of Western Yilgarn	334,037	-
Balance at end of period	702,640	-

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

#### AAM Resources

On 12 April 2022, the Company completed the acquisition of 100% of the issued share capital and voting rights of AAM Resources Pty Ltd (**AAM Resources**) (**AAM Acquisition**). AAM Resources own various projects located in the Eastern Goldfields and Pilbara regions of Western Australia prospective for platinum group metals, gold, nickel and other minerals.

Consideration for the AAM Acquisition consisted of the issue of 1,500,000 shares at a deemed issue price of \$0.20 per share (**AAM Acquisition Consideration Shares**). The AAM Acquisition Consideration Shares were approved for issue by shareholders at the Company's AGM on 31 January 2022 and were issued on 12 April 2022.

The fair value of the AAM Acquisition Consideration Shares, together with the take on balances of AAM Resources at 12 April 2022, has been used to record the value of exploration and evaluation assets on initial recognition in accordance with the Groups accounting policies.

	Note	\$
<b>Consideration</b>		
Loan Repayment	13	30,847
Shares issued (1,500,000 shares)	15	300,000
		<b>330,847</b>
<b>Assets Acquired</b>		
Cash acquired		2
Trade and other receivables		994
Exploration assets		3,842
		4,839
<b>Deferred Exploration and Evaluation Expenditure</b>		<b>326,008</b>

#### Western Yilgarn

On 12 April 2022, the Company completed the acquisition of 100% of the issued share capital and voting rights of Western Yilgarn PGM Pty Ltd (**Western Yilgarn**) (**Western Yilgarn Acquisition**). Western Yilgarn own various projects located in the Eastern Goldfields and Pilbara regions of Western Australia prospective for platinum group metals, gold, nickel and other minerals.

Consideration for the Western Yilgarn Acquisition consisted of the issue of 1,500,000 shares at a deemed issue price of \$0.20 per share (**Western Yilgarn Acquisition Consideration Shares**). The Western Yilgarn Acquisition Consideration Shares were approved for issue by shareholders at the Company's AGM on 31 January 2022 and were issued on 12 April 2022.

The fair value of the Western Yilgarn Acquisition Consideration Shares, together with the take on balances of AAM Resources at 12 April 2022, has been used to record the value of exploration and evaluation assets on initial recognition in accordance with the Groups accounting policies.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

	Note	\$
<b>Consideration</b>		
Loan Repayment	13	37,858
Shares issued (1,500,000 shares)	15	300,000
		<b>337,858</b>
<b>Assets Acquired</b>		
Cash acquired		6
Trade and other receivables		1,218
Exploration assets		2,596
		<b>3,821</b>
<b>Deferred Exploration and Evaluation Expenditure</b>		<b>334,037</b>

#### 11. Trade and Other Payables

	2022 \$	2021 \$
Trade payables	39,189	360,054
Accruals	10,000	1,142,334
Other payables	11,592	4,800
	<b>60,781</b>	<b>1,507,188</b>

The fair value of trade payables approximates the carrying value as presented above due to their short-term nature.

#### 12. Convertible Notes

	2022 \$	2021 \$
Balance at beginning of period	-	-
Funds borrowed under convertible loan agreement	550,000	-
Accrued interest under convertible loan agreement	7,451	-
Differential interest accrued for convertible loans	8,461	-
Amount repaid through issue of shares (note 15)	(558,461)	-
Interest amount repaid in cash	(4,638)	-
Balance at end of period	<b>2,813</b>	<b>-</b>

In December 2021, the Company entered into Convertible Note Deeds with a number of note holders through the issue of 550,000 convertible notes to raise funds of \$550,000 (**Convertible Notes**). The face value of each convertible note is \$1, maturing 18-months after issue, attracting interest at 6% per annum (re-payable in cash) and which, subject to shareholder approval, would automatically be converted into Shares at a conversion price of \$0.10 on completion of a qualifying capital raising by the Company. Noteholders will also be issued one free attaching option for every two shares issued. On 12 April 2022, the Company issued 5,500,000 fully paid ordinary shares and 2,750,000 unlisted options (exercisable at \$0.30 each on or before 12 April 2025) on conversion of the Convertible Notes.

#### 13. Short Term Loan

	2022 \$	2021 \$
Balance at beginning of period	-	-
Proceeds from borrowing	120,000	-
Acquisition of AAM Resources (refer note 10)	30,847	-
Acquisition of Western Yilgarn (refer note 10)	37,858	-
Capitalised interest	11,293	-
Loans written off	(20,724)	-
Amount repaid	(179,274)	-
Balance at end of period	<b>-</b>	<b>-</b>

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

On 22 September 2021, PBX Aus Pty Ltd, a wholly owned subsidiary of the Company, entered into a \$120,000 loan facility with Oceanic Capital Pty Ltd (**Oceanic**) (**Oceanic Loan**). The Oceanic Loan accrued interest of 15% per annum. The Oceanic Loan is secured over the assets of PBX Aus Pty Ltd. On 9 May 2022, the Company repaid the loan in full including the principal amount of \$120,000 plus accrued interest of \$11,293.

On 30 June 2022, the Company repaid the interest free loans of \$47,981 acquired as part of the AAM Resources Acquisition and Western Yilgarn Acquisition and agreed with the vendors to write off the balance of \$20,724 (refer note 10).

#### 14. Provisions

	2022 \$	2021 \$
Annual leave provision	-	1,742
	-	1,742

#### 15. Issued Capital

	2022 \$	2021 \$
79,122,506 fully paid ordinary shares (2021: 396,614,034)	28,467,559	20,321,348
	28,467,559	20,321,348

#### Movements in ordinary shares on issue

	2022 No of shares	2022 \$
Balance at beginning of period	396,614,034	20,321,348
Cancellation of shares - Consolidation of capital	(388,681,528)	-
Issue of shares - AAM Resources Acquisition (refer note 10)	1,500,000	300,000
Issue of shares - Western Yilgarn Acquisition (refer note 10)	1,500,000	300,000
Issue of shares - DOCA (Oceanic)	32,000,000	1,600,000
Issue of shares - DOCA (Oceanic)	440,000	220,000
Issue of shares - Conversion of debt (Directors)	300,000	30,000
Issue of shares - Conversion of debt (Bellatrix)	450,000	45,000
Issue of shares - Conversion of debt (Pacific)	6,000,000	1,200,000
Issue of shares - Conversion of debt (Administrator)	1,000,000	200,000
Issue of shares - Convertible notes (refer note 12)	5,500,000	558,461
Issue of shares - Placement	22,500,000	4,500,000
Capital raising costs - Options issued to corporate advisors	-	(432,812)
Capital raising costs - Share issue costs	-	(374,438)
Balance at end of period	79,122,506	28,467,559

	2021 No of shares	2021 \$
Balance at beginning of period	396,614,034	20,321,348
Balance at end of period	396,614,034	20,321,348

The following shares were issued during the year ended 30 June 2022:

- The Company undertook a consolidation of the Company's share capital on a 50:1 basis
- On 12 April 2022, the Company issued 3,000,000 shares as part of the consideration for the acquisition of the entire issued share capital of Western Yilgarn and AAM Resources (refer to note 10)
- On 12 April 2022, the Company issued 32,440,000 shares to Oceanic Capital Pty Ltd (**Oceanic**) (or nominees) in consideration for Oceanic implementing the DOCA and effecting the recapitalisation of the Company through the payment of funding of \$1,600,000 and top up funding of \$220,000 for the reimbursement of expenses paid directly by Oceanic. Oceanic was also issued with one free attaching option for every

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

share issued. On 12 April 2022, the Company issued 32,440,000 unlisted options (exercisable at \$0.20 each on or before 12 April 2025) in respect to the DOCA

- On 12 April 2022, the Company issued 300,000 shares to Peter Lewis (or nominees) in lieu of \$30,000 in Directors fees owing to him as at 30 June 2021
- On 12 April 2022, the Company issued 450,000 shares to Bellatrix Corporate Pty Ltd to satisfy debts owing of \$45,000 arising from accounting and company secretarial services provided by Bellatrix to the Company during the period of relisting
- On 12 April 2022, the Company issued 6,000,000 shares to Aurum Pacific Management Pty Ltd (**Aurum**) (or nominees) to satisfy debts owing of \$1,200,000 in satisfaction of historical joint venture costs and expenses relating to the Nendo Bauxite Project. Aurum was also issued with one free attaching option for every share issued. On 12 April 2022, the Company issued 6,000,000 unlisted options (exercisable at \$0.20 each on or before 12 April 2025) in respect to the conversion of debt
- On 12 April 2022, the Company issued 1,000,000 shares to the Administrators to satisfy debts owing of \$200,000 for work performed in the conduct of the external administration of the Company
- On 12 April 2022, the Company issued 22,500,000 shares to raise funds of \$4,500,000 (before expenses) (**April 2022 Placement**). Participants of the placement were also issued with one free attaching option for every two shares issued. On 12 April 2022, the Company issued 11,249,997 unlisted options (exercisable at \$0.30 each on or before 12 April 2025) in respect to the April 2022 Placement.

#### Terms and Conditions of Issued Capital

Fully paid ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of paid-up shares held.

Fully paid ordinary shares entitle their holder to one vote, either in person or by proxy, at any shareholders' meeting of the Company.

#### 16. Reserves

	2022 \$	2021 \$
Option reserve	2,155,737	1,624,540
	2,155,737	1,624,540

#### Movements in option reserve

	2022 No of options	2022 \$
Balance at beginning of period	-	1,624,540
Issue of options - DOCA (Oceanic) (refer to note 15)	32,000,000	-
Issue of options - DOCA (Oceanic) (refer to note 15)	440,000	-
Issue of options - Conversion of debt (Pacific) (refer to note 15)	6,000,000	-
Issue of options - Convertible notes (refer note 12)	2,750,000	-
Issue of options - April 2022 Placement (refer to note 15)	11,249,997	-
Issue of options - Directors (refer to note 17(a))	2,492,469	98,385
Issue of options - Advisors (refer to note 17(b))	6,000,000	432,812
Balance at end of period	60,932,466	2,155,737

	2021 No of options	2021 \$
Balance at beginning of period	-	1,624,540
Balance at end of period	-	1,624,540

The nature and purpose of the option reserve is to recognise the fair value of options issued to directors, employees and consultants.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

#### Reconciliation of options on issue

	2022 Number of Options	2022 Weighted Average Exercise Price \$	2021 Number of Options	2021 Weighted Average Exercise Price \$
Balance at beginning of period	-	-	-	-
Granted during the year	60,932,466	0.23	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Balance at end of period	60,932,466	0.23	-	-

At 30 June 2022, the unissued ordinary shares of the Company under unlisted options are as follows:

Date of Expiry	Status	Exercise Price	Number of Options
12 April 2025	Unlisted	\$0.20	38,440,000
12 April 2025	Unlisted	\$0.20	2,492,469
12 April 2025	Unlisted	\$0.30	19,999,997

#### 17. Share-based Payments

Total costs arising from share-based payment transactions recognised as an expense during the year were as follows:

	2022 \$	2021 \$
Options issued to Directors (a)	98,385	-
Balance at end of period	98,385	-

Total costs arising from share-based payment transactions recognised through equity during the year were as follows:

	2022 \$	2021 \$
Options issued to Advisors (b)	432,812	-
Options issued to Directors (a)	98,385	-
Balance at end of period	531,197	-

#### a) Options to Directors

On 12 April 2022, the Company issued 2,492,469 incentive options to Directors of the Company as approved by shareholders at the Company's AGM held on 31 January 2022 subject to the following vesting conditions:

- 830,823 Class A incentive options – Vest upon the company being readmitted to the official list of the ASX
- 830,823 Class B incentive options – Vest upon the volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the shares have been traded) being at least \$0.30
- 830,823 Class C incentive options – Vest upon the volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the shares have been traded) being at least \$0.40

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

	Number of Options	Grant date	Expiry Date	Exercise Price	Fair value at grant date	Vesting date
Options issued to Directors	2,492,469	31 January 2022	12 April 2025	\$0.20	\$0.0936	Subject to vesting conditions

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

	Assumptions
Number options issued	2,492,469
Dividend yield	0.00%
Expected volatility	70%
Risk-free interest rate	0.53%
Expected life of options	3 years
Exercise price	\$0.20
Grant date share price	\$0.20*

\* Share price based on the share price of the April 2022 Placement representing the first day of trading on the ASX after being suspended from trading on 24 December 2019

#### b) Options to Advisors

On 12 April 2022, the Company issued 6,000,000 unlisted options to advisers of the Company as part remuneration for past and future services provided to the Company.

	Number of Options	Grant date	Expiry Date	Exercise Price	Fair value at grant date	Vesting date
Options issued to corporate advisor	6,000,000	31 January 2022	12 April 2025	\$0.30	\$0.0721	12 April 2022

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

	Assumptions
Number options issued	6,000,000
Dividend yield	0.00%
Expected volatility	70%
Risk-free interest rate	0.53%
Expected life of options	3 years
Exercise price	\$0.30
Grant date share price	\$0.20*

\* Share price based on the share price of the April 2022 Placement representing the first day of trading on the ASX after being suspended from trading on 24 December 2019

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.



# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

#### 18. Loss per share

	2022 \$	2021 \$
Loss using the calculation of basic and dilutive loss per share	(2,518,004)	(648,626)
	2022 Cents per share	2021 Cents per share
Loss per share		
Basic loss per share (cents per share)	(10.70)	(0.16)
Diluted loss per share (cents per share)	(10.70)	(0.16)

There are dilutive potential ordinary shares on issue at balance date. However, given the Company has made a loss, there is no dilution of earnings hence the diluted loss per share is the same as for basic loss per share.

	2022 Number	2021 Number
Weighted average number of shares	23,535,794	396,614,034

#### 19. Cashflow Information

	2022 \$	2021 \$
(Loss)/Profit after income tax	(2,518,004)	(648,626)
Adjustments to reconcile profit after tax to net cash flow		
Share based payments	98,385	-
Forgiveness of debt (refer to note 13)	(20,724)	-
Interest payments (classified as financing activities)	15,931	-
Fees settled through the issue of shares (refer to note 5)	1,665,000	-
Impairment of investment in associates (refer to note 25)	(444)	-
Share of net loss of associate (refer to note 25)	444	-
Changes in assets and liabilities		
Increase/(decrease) in trade and other payables	(1,442,560)	570,942
Decrease/(increase) in trade and other receivables	(127,962)	4,458
Increase / (decrease) in provisions	1,742	-
Net cash (outflow) from operating activities	2,328,192	(73,226)

#### Financing facilities available

As at 30 June 2022 the Group had no financing facilities available.

#### Non-Cash Financing and Investing Activities

During the year, the Company received funding of \$1,600,000 from Oceanic in respect to the DOCA (refer note 15).

#### 20. Related Party Disclosures

There were no related party transactions in the year ended 30 June 2022.

#### 21. Financial Risk Management

##### a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### b) Financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are credit risk, interest rate risk, and liquidity risk.

#### c) Credit risk exposures

Credit risk represents the loss that would be recognised if the counterparties default on their contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

#### d) Interest rate risk

The Group is exposed to movements in market interest rates on cash. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate of return. The entire balance of cash for the Group of \$3,890,482 (30 June 2021: \$7,016) is subject to interest rate risk.

#### e) Liquidity risk

The Company manages liquidity risk by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in short term bank deposits.

#### Contractual maturities of financial liabilities

		Less than 6 months \$	6 – 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractu al cashflows \$	Carrying amount of liabilities \$
<b>Financial Liabilities</b>								
Trade & other payables	2022	60,781	-	-	-	-	60,781	60,781
	2021	1,507,188	-	-	-	-	1,507,188	1,507,188
Convertible note	2022	2,813	-	-	-	-	2,813	2,813
	2021	-	-	-	-	-	-	-
<b>Total</b>	<b>2022</b>	<b>63,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,594</b>	<b>63,594</b>
	<b>2021</b>	<b>1,507,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,507,188</b>	<b>1,507,188</b>

#### f) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective fair values determined in accordance with the accounting policies disclosed in Note 2 of the financial statements.

#### g) Fair value measurement

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2022:

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

	At amortised cost	Fair value Through profit or loss	Through other comprehensive income
	\$	\$	\$
<b>Financial assets</b>			
Trade and other receivables	160,544	-	-
Total current	160,544	-	-
Total assets	160,544	-	-
<b>Financial liabilities</b>			
Trade and other payables	60,781	-	-
Convertible note	-	2,813	-
Total current	60,781	2,813	-
Total liabilities	60,781	2,813	-

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 30 June 2021:

	At amortised cost	Fair value Through profit or loss	Through other comprehensive income
	\$	\$	\$
<b>Financial assets</b>			
Trade and other receivables	32,582	-	-
Total current	32,582	-	-
Total assets	32,582	-	-
<b>Financial liabilities</b>			
Trade and other payables	1,507,188	-	-
Convertible note	-	-	-
Total current	1,507,188	-	-
Total liabilities	1,507,188	-	-

## 22. Commitments and Contingencies

### a) Exploration Commitments

The Group has minimum expenditure requirements in relation to its exploration licenses of \$202,000 per annum.

### b) Other Commitments

The Group has a 2% net smelter return royalty payable on all minerals extracted from the PGE Projects.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of the Directors which indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of the Group. Refer to the Directors report for further details.

### c) Contingencies

The Company has no contingent liabilities at 30 June 2022.

# WESTERN YILGARN NL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2022

#### 23. Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

Name of Entity	Country of incorporation	Class of shares	Equity Holding	
			2022 %	2021 %
Iron Mountain Bauxite Pty Ltd	Australia	Ordinary	100	100
PBX Aus Pty Ltd	Australia	Ordinary	100	100
AAM Resources Pty Ltd	Australia	Ordinary	100	-
Western Yilgarn PGM Pty Ltd	Australia	Ordinary	100	-

#### 24. Parent Entity Information

The following details information related to the parent entity, Western Yilgarn NL, at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2022 \$	2021 \$
Current assets	3,986,291	100,785
Non-current assets	995,049	5,050,922
<b>Total assets</b>	<b>4,981,340</b>	<b>5,151,707</b>
Current liabilities	63,594	1,508,933
<b>Total liabilities</b>	<b>63,594</b>	<b>1,508,933</b>
Contributed equity	28,467,559	20,321,348
Accumulated losses	(25,705,550)	(18,303,112)
Reserves	2,155,737	1,624,538
<b>Total equity</b>	<b>4,917,746</b>	<b>3,642,774</b>
Profit / (Loss) for the year	(7,402,438)	(648,627)
Other comprehensive loss for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(7,402,438)</b>	<b>(648,627)</b>

#### 25. Investments in Associates

The investment in Eight South Investments Pty Ltd (**Eight South**) was held by Western Yilgarn's wholly owned subsidiary Iron Mountain Bauxite Pty Ltd (**Iron Mountain**). A condition of the DOCA presented by Oceanic was for the Nendo Bauxite Project to be divested via the divestment of Iron Mountain (**Proposed Divestment**). On 12 April 2022, the Company effected the DOCA, and as such effected the Proposed Divestment. Accordingly, effective 12 April 2022, the investment in Iron Mountain is no longer equity accounted for.

##### a) Movement in Carrying Amount

	2022 \$	2021 \$
Carrying amount at the beginning of the year	-	-
Share of losses of associate	444	-
Impairment of associate	(444)	-
Reclassification from investments accounted for using the equity method	-	-
Carrying amount at the end of the year	-	-

**WESTERN YILGARN NL**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2022**

**b) Loan to the Associate**

	2022 \$	2021 \$
Carrying amount of loan at the beginning of the year	-	-
Expenditure incurred and carried as a loan to the associate	889	-
Impairment of loan to associate	(889)	-
Carrying amount at the end of the year	-	-

**c) Impairment**

The carrying amount of the investment in associate was assessed for impairment at 12 April 2022 resulting in an impairment expense of \$444 (2021: Nil).

**26. Key Management Personnel Disclosures**

**a) Key Management Personnel compensation**

	2022 \$	2021 \$
Short-term employee benefits	102,900	100,484
Post-employment benefits	-	-
Share-based payment	98,385	-
	201,285	100,484

Detailed remuneration disclosures are provided in the Remuneration Report which forms part of the Directors' Report.

**b) Equity instrument disclosures relating to key management personnel**

On 12 April 2022, the Company issued 300,000 shares to Peter Lewis (or nominees) in lieu of \$30,000 in Directors fees owing to him as at 30 June 2021

Further details regarding equity instrument disclosures relating to key management personnel are included in the Remuneration Report which forms part of the Directors' Report.

**27. Remuneration of Auditor**

	2022 \$	2021 \$
Amounts paid or payable to Rothsay Auditing for an audit or review of the financial statements of Western Yilgarn	17,000	17,000
Amounts paid or payable to Rothsay Auditing for an audit or review of the financial statements of Western Yilgarn subsidiary entities	5,000	-
	22,000	17,000

**28. Events Occurring After the Reporting Period**

On 1 July 2022, the Group was granted tenement E36/1025.

The Company's change in name to Western Yilgarn NL and ticker code on the ASX to WYX was effective on 8 July 2022.

On 4 August 2022, the Company announced the closures of its unmarketable parcel sale facility.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

# WESTERN YILGARN NL DIRECTORS DECLARATION 30 JUNE 2022

---

In the Directors' opinion:

1. The financial statements of Western Yilgarn NL for the year ended 30 June 2022 and notes set out on pages 18 to 42 are in accordance with the *Corporations Act 2001*, including:
  - a. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
  - c. Complying with IFRS and interpretations adopted by the International Accounting Standards Board.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and signed for and on behalf of the Board by:



**Peter Lewis**  
**Non-Executive Chairman**

5 August 2022

# ROTHSAY

AUDIT & ASSURANCE PTY LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### WESTERN YILGARN NL

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Western Yilgarn NL ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; 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 these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this 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 (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

##### 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 the following key audit matters to communicate in our report:

A Level 1/6 O'Connell Street  
Sydney NSW 2000

A Level 1, Lincoln Building,  
4 Ventnor Avenue, West Perth WA 6005

E info@rothsay.com.au  
W www.rothsay.com.au

ABN 14 129 769 151

Liability limited by a scheme approved under Professional Standards Legislation

  
CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WESTERN YILGARN NL (continued)**

<i>Key Audit Matter</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p><b>Accounting for the acquisition of Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd</b></p> <p>As disclosed in Note 10, on 12 April 2022 the Company completed an acquisition of Western Yilgarn PGM Pty Ltd ("WYX") and AAM Resources Pty Ltd ("AAM").</p> <p>The directors determined that the transaction did not meet the definition of a "business" in accordance with AASB 3 Business Combinations and was therefore accounted for as an asset acquisition.</p> <p>We determined this to be a key audit matter given the judgement involved in the assessment of the accounting treatment of the acquisition.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"><li>• A review of the agreements between the entities involved;</li><li>• A review of the directors' assessment of the accounting treatment in accordance with the relevant accounting standards;</li><li>• A review of the calculations used in determining the amounts recorded in the financial report; and</li><li>• A review of the appropriateness of the disclosures included in the financial report.</li></ul>
<p><b>Recognition of Convertible Notes</b></p> <p>As disclosed in Note 12, the Group issued 550,000 convertible notes to raise funds of \$550,000.</p> <p>In accordance with the terms of the notes issued, the notes may be redeemed or converted into ordinary shares at a conversion price of \$0.10 per share at the completion of a qualifying capital raise. On 12 April 2022 the notes were converted into equity of the Company.</p> <p>We considered this a key audit matter given the significant judgements involved in determining the accounting treatment of the convertible notes.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"><li>• A review of the subscription agreement and other documents related to the convertible notes to obtain an understanding of the underlying terms and conditions.</li><li>• A review of the directors' assessment of the accounting treatment in accordance with the relevant accounting standards; and</li><li>• A review of the appropriateness of the disclosures included in the financial report.</li></ul>

**Other Information**

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

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





## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### WESTERN YILGARN NL (continued)

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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### ***Directors' Responsibility 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 the 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 cease operations, or have no realistic alternative but to do so.

#### ***Auditor's Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

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

We also provide 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 the key audit matters. We describe those 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 communications.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WESTERN YILGARN NL (continued)

***Report on the Remuneration Report***

***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Western Yilgarn NL for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

***Responsibilities***

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

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla  
Director

Dated 5 August 2022

# WESTERN YILGARN NL

## ADDITIONAL STOCK EXCHANGE INFORMATION

Western Yilgarn NL is a listed public company incorporated in Australia and with a registered and principal place of business is Level 1, 2A / 300 Fitzgerald Street, North Perth WA 6007.

### Distribution of shareholders as at 20 July 2022

Range of Holdings	Holders	Shares
1 - 1,000	967	319,275
1,001 - 5,000	290	751,035
5,001 - 10,000	170	1,457,047
10,001 - 100,000	282	11,255,199
Greater than 100,000	121	65,339,950
	<b>1,830</b>	<b>79,122,506</b>

Shareholders with less than a marketable parcel of shares based on a \$0.13 per share or 3,847 shares comprised 1,195 shareholders holding a total of 794,087 shares.

### Twenty Largest holders of quoted ordinary shares as at 20 July 2022

	Ordinary Shares	
	Number held	%
Oceanic Capital Pty Ltd	18,940,000	23.94
Mr Glen Goulds	7,000,000	8.85
Alladrenalin Pty Ltd <Panorama Discretionary A/C>	4,880,000	6.17
Redland Plains Pty Ltd <Brian Bernard Rodan S/F A/C>	2,250,000	2.84
The Pioneer Development Fund (Aust) Limited	2,025,000	2.56
St Barnabas Investments Pty Ltd <The Melvista Family A/C>	1,500,000	1.90
Swancave Pty Ltd <The BMC Family A/C>	1,228,750	1.55
Realm Group Pty Limited	1,000,000	1.26
Brigadeer Pty Ltd <Empire Discretionary A/C>	970,000	1.23
Zero Nominees Pty Ltd	700,000	0.88
Seascope Capital Pty Ltd <Williams Trading A/C>	674,500	0.85
Mr Scott James Dodd <Scott Dodd Family A/C>	616,000	0.78
Quebec Nominees Pty Ltd	598,719	0.76
Mr Edwin Edward Bulseco + Mrs Allison Bulseco <KC Bulseco Family A/C>	500,000	0.63
Mr Edwin Edward Bulseco + Mrs Allison Bulseco <KC Bulseco Family A/C>	500,000	0.63
Solstraale Nominees Pty Ltd <Musgrave Super Fund A/C>	493,454	0.62
Budworth Capital Pty Ltd <Rolling Hills Capital A/C>	483,500	0.61
Zeus Private Equity Pty Ltd	455,000	0.58
Bellatrix Corporate Pty Ltd	450,000	0.57
Valian Nominees Pty Ltd <McDonagh S/F A/C>	414,109	0.52
	<b>45,679,032</b>	<b>57.73</b>

### Substantial shareholders as at 20 July 2022

Substantial Shareholder	Number Held	%
Oceanic Capital Pty Ltd and St Barnabas Investments Pty Ltd <The Melvista Family A/C>	20,440,000	25.83%
Glen Goulds	7,000,000	8.85%
Alladrenalin Pty Ltd <Panorama Discretionary A/C>	4,880,000	6.17

# WESTERN YILGARN NL

## ADDITIONAL STOCK EXCHANGE INFORMATION

### Unquoted Securities

At 20 July 2022, the Company has on issue 60,932,466 unlisted options over ordinary shares. The name of security holders holding more than 20% of an unlisted class of security are listed below:

	Unlisted Incentive Options \$0.20 Expiring 12 April 2025	Unlisted Options \$0.20 Expiring 12 April 2025	Unlisted Options \$0.30 Expiring 12 April 2025
Zenix Nominees Pty Ltd	-	-	4,000,000
Oceanic Capital Pty Ltd	-	18,940,000	-
Altona Property Group Pty Ltd <The PBM A/C>	830,823	-	-
P B Lewis & Co Pty Ltd	830,823	-	-
Athanasios John Traicos	830,823	-	-
Holders individually less than 20%	-	19,500,000	15,997,997
Total	2,492,469	38,440,000	19,997,997

### Shares and Options escrowed

The Company has the following shares and options under escrow at 20 July 2022:

	Number	Restriction Period
Shares	8,225,000	12 April 2023
Shares	29,715,002	4 May 2024
Unlisted incentive options (\$0.20 each expiring 12 April 2025)	2,492,469	4 May 2024
Unlisted options (\$0.20 each expiring 12 April 2025)	6,000,000	12 April 2023
Unlisted options (\$0.20 each expiring 12 April 2025)	24,440,002	4 May 2024
Unlisted options (\$0.30 each expiring 12 April 2025)	612,500	12 April 2023
Unlisted options (\$0.30 each expiring 12 April 2025)	6,762,500	4 May 2024

### On Market Buy-Back

On 8 June 2022, the Company announced that it has established an unmarketable parcel sale facility for shareholders who hold less than \$500 worth of fully paid ordinary shares in the Company. The closing date of the facility is 29 July 2022.

# WESTERN YILGARN NL INTEREST IN MINING TENEMENTS

## Schedule of Mineral Tenements held as at 30 June 2022

Location	Tenement	Name	Holder	Equity	Status	Area (blocks)
Western Australia	ELA 70/5111	Darling Range	PBX Aus Pty Ltd	100%	Application Pending	119
Western Australia	E52/3861	Sylvania	AAM Resources	100%	Application Granted	43
Western Australia	E58/562	Challa	AAM Resources	100%	Application Granted	1
Western Australia	E59/2496	Boodanoo	AAM Resources	100%	Application Granted	13
Western Australia	E36/1010	Bulga	Western Yilgarn	100%	Application Granted	21
Western Australia	E36/1011	Bulga	Western Yilgarn	100%	Application Granted	16
Western Australia	E36/1025	Bulga	Western Yilgarn	100%	Application Pending	14
Western Australia	E70/5767	Melbourne	Western Yilgarn	100%	Application Granted	35
Western Australia	E70/5921	Melbourne	Western Yilgarn	100%	Application Granted	33