



ABN 26 649 994 669

Interim Financial Report

For the half-year ended 31 December 2022

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DIRECTORS' REPORT

The Directors present their report together with the financial report of West Cobar Metals Limited ("the Company") and its wholly owned subsidiaries (together referred hereafter as "the Group" or "the Consolidated Entity") for the half-year ended 31 December 2022 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the half-year are:

Robert Klug	- Non-Executive Chairman
Kevin Das	- Executive Director
Ron Roberts	- Non-Executive Director
Matt Szwedzicki	- Non-Executive Director
Mark Bolton	- Non-Executive Director (appointed on 8 February 2023)

PRINCIPAL ACTIVITIES

The current principal activity and key focus for the company during the half year was mineral exploration.

REVIEW OF OPERATIONS

During the second half of 2022 West Cobar Metals Limited ("West Cobar") the following activities were completed:

- Binding agreements were signed to acquire Salazar Rare Earth Elements (REE) Clay Project, located 120km north-east of Esperance, WA. The Salazar acquisition was approved at the Shareholder meeting of 28th of October 2022. Salazar's Newmont deposit has an Inferred Mineral Resource¹ reported according to JORC (2012) of 43.5Mt of 1192ppm TREO (total rare earth oxide) and features low levels of uranium and thorium. Metallurgical testwork undertaken indicates the REE clay minerals are amenable to acid leach extraction at low temperatures and atmospheric pressure. The project is advanced with over eight years of testwork, and studies completed with well-known research and technical institutions. The Newmont deposit also includes a high-grade alumina zone with an Inferred Mineral Resource¹ of 3.4Mt of 31% Al₂O₃.
- 83 holes and 2,781 meters of a proposed 9,000-meter air core drilling program at the Salazar REE Project were completed during the month of December 2022.
- The ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals (COEMinerals) were engaged to undertake beneficiation studies on the Newmont Deposit to support project economics studies.
- Binding agreement signed to acquire Lanthanos Resources, owner of tenement application E69/3982 (575km²) located 150km north-east of Esperance, Western Australia. The acquisition provides a strategic increase in landholding to the Salazar REE Project.
- Field mapping and drill core relogging was carried out to establish drill targets at the Bulla Park Project and plan future exploration.
- EL 33208 (Hermit Hill Project) in the Northern Territory granted for an initial period of six years. The tenement comprises a significant landholding of 667km² within an emerging, underexplored lithium province in the Northern Territory

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

Salazar Project

Salazar Minerals was one of the first companies to appreciate the potential for clay REE deposits in Australia. The tenements were first acquired in 2011 with the private company carrying out several aircore drilling programs to test for REE mineralisation. In total 165 aircore and RC holes for 6393m have been drilled within the current tenements, leading to the discovery and delineation of the Newmont deposit, and significant REE mineralisation at the O'Connor prospect.



Figure 1: Location of the Salazar REE project tenements

Newmont Mineral Resource

In 2015, CSA Global ("CSA") estimated an Inferred Mineral Resource¹ of 43.5Mt at 1192ppm TREO² (500ppm TREO cut-off) in accordance with the JORC Code (2012). It is assumed that the deposit can be mined by conventional open pit methods and that the overburden and mineralised saprolite will be 'free digging' without the need for explosives. Processing options include leaching with 10 to 20% HCl at 30 to 90°C for 3 to 24 hours, with or without agitation, and precipitation of REE carbonate or oxalate concentrate for toll refining or downstream processing.

Most of the value is derived from the 'magnet' rare earths: neodymium, praseodymium, dysprosium and terbium oxides, which together comprise about 25% of the total TREO content at Newmont. Heavy rare earth (HREO)³ concentrations are up to 30% and critical rare earth (CREO)⁴ concentrations are up to 38%. Deleterious radioactive elements uranium and thorium are of very low levels and testwork indicates that they are not concentrated during the leach process.

² TREO = La₂O₃ + Ce₂O₃ + Pr₆O₁₁ + Nd₂O₃ + Sm₂O₃ + Eu₂O₃ + Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃

³ HREO = Eu₂O₃ + Gd₂O₃ + Sm₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃

⁴ CREO = Nd₂O₃ + Dy₂O₃ + Eu₂O₃ + Tb₄O₇ + Y₂O₃ - set of REE oxides defined as critical by the US Department of Energy (December 2011) due to their importance to clean energy requirements and their supply risk.

DIRECTORS' REPORT

REE Processing and Metallurgy

Over the past eight years, Salazar Minerals has commissioned Nagrom, BV-Amdel, CSIRO Hydrometallurgy and TSW Analytical to conduct several programs of REE metallurgical testwork on Newmont ore samples collected in aircore drilling. These programs have focused on leaching characteristics and indicate that overall REE recoveries from simple leach processing are likely to be >70% at low temperatures.

During the December 2022 quarter, West Cobar engaged The ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals to undertake beneficiation studies for its Newmont Deposit. The studies will be administered through the University of Newcastle. The aim of the beneficiation studies is to optimise the front-end processing of rare earths and support project economic studies.

Nagrom was also engaged during the month of December 2022 to undertake scouting beneficiation testwork on historic samples from the O'Connor prospect.

For further information on the Salazar Project refer to ASX Announcements of 8 September 2022, 31 October 2022, 7 November 2022, 5 December 2022 and 19 December 2022.

Aircore Drilling

During December 2022, West Cobar completed 2,781m of its phase 1 air core program of 9000m. The program is designed to extend the existing Inferred Resource at the Newmont deposit, explore the southern part of E63/1496 south of the Newmont deposit, and to explore the O'Connor licence area (E63/1469). The aircore program resumed in January 2023.

Drill samples from this initial stage have been dispatched to a laboratory for assay with results expected to be received during Q1 2023.

Lanthanos Resources Tenement (E69/3982) Acquisition

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

Porphyry North Gold Project

No work was done on this project during the half year ended 31 December 2022.

Cobar West Projects (NSW)Bulla Park Project (ELs 8642, 9195, 9260 and 9281)

Geological mapping and drill core relogging was carried out in order to decide the best approach for future exploration.

It is apparent that the best copper mineralisation intersected in historical drill holes and in diamond holes drilled by West Cobar correspond to a regional aeromagnetic high and an interpreted strong ENE trending structure. West Cobar expects that a planned low-level detailed aeromagnetic survey will provide the detail to best target the next phase of drilling at both the Bulla Park and Coomeratta South prospects.

The Coomeratta South prospect, 40km south of the Bulla Park prospect within the broader Bulla Park Project, contains anomalous lead and antimony values (Prospectus) in stream sediments over an area of 5km by 3km.⁵

⁵ Refer to West Cobar Metals' Prospectus 29 September 2021

DIRECTORS' REPORT

Rehabilitation of West Cobar's diamond drill sites and access tracks at Bulla park were completed during the period, which had been delayed due to rains and wet ground.

Cawkers Well Project (ELs 9197 and 9278)

Inter-party negotiations with the property owners at West Cobar's Cawkers Well project in New South Wales have to date been unsuccessful in concluding access agreements.

The mediation – arbitration process, as set out in the arbitration framework within the *Mining Act 1992* (NSW), has been initiated in an attempt to substantiate West Cobar's access rights.

Nantilla Project (EL 9179)

No work was done on this project during the half year ended 31 December 2022.

Mount Jack EL 8896

West Cobar is of the view that the results from the Mount Jack Project (refer to ASX announcements dated 22 February 2022 and 29 April 2022) do not warrant further expenditure. The drill hole collar and access track have been rehabilitated and the exploration licence (EL8896) has been surrendered.



Figure 2: Location of West Cobar's Projects NSW

Hermit Hill Project (Northern Territory)

West Cobar received notification from the Northern Territory's Mineral Titles Office that the Company's 100% owned tenement EL33208, known as the Hermit Hill Project, has been granted for an initial period of six years.⁶

The Hermit Hill Project is located approximately 130km south-southwest of Darwin in the Northern Territory.

⁶ Refer to West Cobar Metals' ASX announcement of 20 December 2022

DIRECTORS' REPORT

The licence area covers 667km² in the Litchfield Province, roughly 100km south-southwest of Core Lithium's Finnis Lithium Project and 30km west of Ragusa Minerals' Tank Hill lithium discovery (Figure 3).

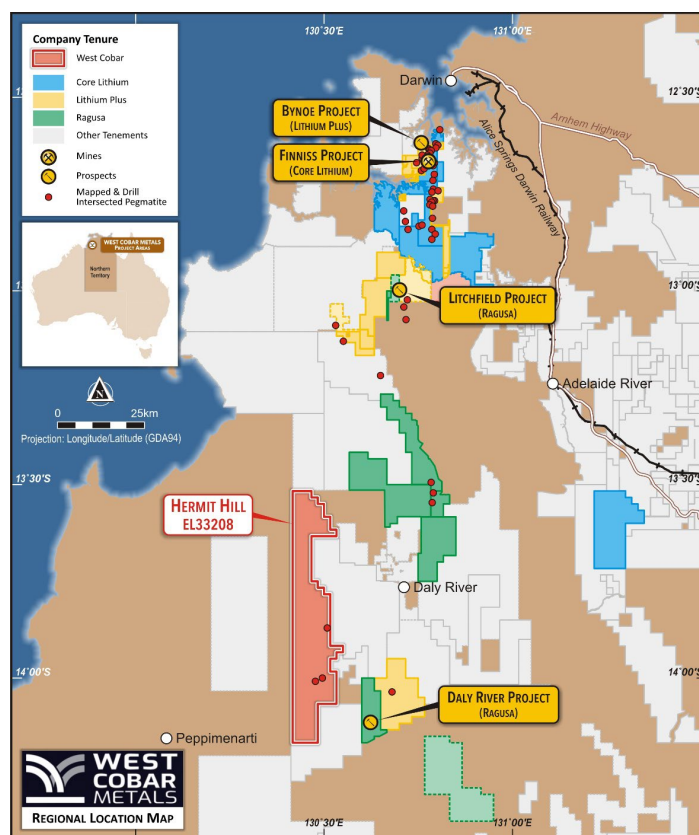


Figure 3: Location of Hermit Hill (NT) EL33208

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning West Cobar Metals Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although West Cobar believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.

Competent Person Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The Information contained in this announcement is an accurate representation of the available data and studies for the Bulla Park and Mount Jack Projects.

The information contained in this announcement that relates to geology and exploration results is based, and fairly reflects, information compiled by Mr David Pascoe, who is a Member of the Australian Institute of Geoscientists. Mr Pascoe is CEO of West Cobar Metals Limited. Mr Pascoe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pascoe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

RESULTS

The loss for the half-year ended 31 December 2022 attributable to the Group was \$687,412 (2021: \$368,174).

CORPORATE

As at 31 December 2022 the Group had \$3,971,141 (2021: \$4,134,135) in cash and the Company had the following securities on issue:

- 95,533,554 fully paid ordinary shares;
- 9,500,000 unlisted options exercisable at \$0.25 on or before 3 June 2026;
- 3,500,000 unlisted options exercisable at \$0.25 on or before 28 March 2025;
- 1,000,000 unlisted options exercisable at \$0.20 on or before 4 November 2024;
- 1,000,000 unlisted options exercisable at \$0.215 on or before 4 November 2024;
- 1,000,000 unlisted options exercisable at \$0.23 on or before 4 November 2024;
- 2,400,000 unlisted options exercisable at \$0.32 on or before 6 May 2025
- 2,300,000 unlisted options exercisable at \$0.225 on or before 22 November 2025

EVENTS SUBSEQUENT TO REPORTING DATE

The Company's shareholders approved the acquisition of Lanthanos Resources Pty Ltd at a General Meeting on 30 January 2023. The Company issued 1,600,000 fully paid ordinary shares and paid a \$35,000 fee as consideration for the acquisition.

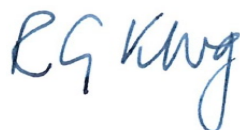
Mr Mark Bolton was appointed as Non-Executive Director on 8 February 2023.

There are no other events subsequent to the end of the period that would have had a material effect on the Group's financial statements at 31 December 2022.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the directors' report for the half-year ended 31 December 2022.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Robert Klug
Non-Executive Chairman
 2 March 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of West Cobar Metals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM
RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'A Whyte'.

Alasdair Whyte
Partner

Perth, WA
Dated: 2 March 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 \$	31 December 2021 \$
Other income		19,803	-
Compliance and regulatory expense		(61,731)	(90,478)
Corporate advisory and consulting fees		(146,312)	(77,827)
Legal fees		(28,139)	(25,075)
Depreciation expense		(12,311)	(10,269)
Employee benefits expense		(26,024)	(14,561)
Directors fees		(104,019)	(63,333)
Travel and accommodation		(15,222)	(16,935)
Share based payment expense	5	(219,403)	-
Impairment of exploration expenditure	2	(7,335)	-
Other expenses		(86,719)	(69,696)
LOSS BEFORE INCOME TAX		(687,412)	(368,174)
Income tax expense		-	-
LOSS FOR THE PERIOD		(687,412)	(368,174)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(687,412)	(368,174)
Basic and diluted loss per share (cents)		(1.17)	(1.33)

The consolidated statement of profit or loss and other comprehensive Income should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31 December 2022	30 June 2022
		\$	\$
Current Assets			
Cash and cash equivalents		3,971,141	3,166,739
Trade and other receivables		242,893	185,114
Income tax receivable		-	28,926
Total Current Assets		4,214,034	3,380,779
Non-Current Assets			
Exploration and evaluation expenditure	2	9,254,594	1,013,693
Plant & equipment		131,633	143,943
Total Non-Current Assets		9,386,227	1,157,636
Total Assets		13,600,261	4,538,415
Current Liabilities			
Trade and other payables	3	568,569	179,530
Provisions		21,930	13,495
Total Current Liabilities		590,499	193,025
Total Liabilities		590,499	193,025
Net Assets		13,009,762	4,345,390
Equity			
Issued capital	4	13,958,977	5,022,556
Reserves	4	1,424,663	1,009,300
Accumulated losses		(2,373,878)	(1,686,466)
Total Equity		13,009,762	4,345,390

The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital \$	Accumulated Losses \$	Share based payment Reserve \$	Total Equity \$
Balance at 1 July 2021	290,521	(452,849)	458,850	296,522
Comprehensive loss				
Loss for the period	-	(368,174)	-	(368,174)
Total comprehensive loss for the period	-	(368,174)	-	(368,174)
Transactions with owners, in their capacity as owners				
Shares issued	5,500,000	-	-	5,500,000
Share based payments	-	-	351,750	351,750
Share issue costs	(767,965)	-	-	(767,965)
Total transactions with owners, in their capacity as owners	4,732,035	-	351,750	5,083,785
Balance at 31 December 2021	5,022,556	(821,023)	810,600	5,012,133

	Issued Capital \$	Accumulated Losses \$	Share based payment Reserve \$	Total Equity \$
Balance at 1 July 2022	5,022,556	(1,686,466)	1,009,300	4,345,390
Comprehensive loss				
Loss for the period	-	(687,412)	-	(687,412)
Total comprehensive loss for the period	-	(687,412)	-	(687,412)
Transactions with owners, in their capacity as owners				
Shares issued	9,275,050	-	-	9,275,050
Share based payments	-	-	415,363	415,363
Share issue costs	(338,629)	-	-	(338,629)
Total transactions with owners, in their capacity as owners	8,936,421	-	415,363	9,351,784
Balance at 31 December 2022	13,958,977	(2,373,878)	1,424,663	13,009,762

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022 \$	31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(510,619)	(392,111)
Interest received	19,803	-
Income tax refunded	19,912	-
NET CASH USED IN OPERATING ACTIVITIES	(470,904)	(392,111)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(837,075)	(554,468)
Payments for security deposits	-	(66,500)
Payments for plant and equipment	-	(158,125)
NET CASH USED IN INVESTING ACTIVITIES	(837,075)	(779,093)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of costs)	2,112,381	5,022,828
Loan repayments	-	(70,000)
NET CASH FROM FINANCING ACTIVITIES	2,112,381	4,952,828
Net increase in cash held	804,402	3,781,624
Cash at the beginning of the financial period	3,166,739	352,511
CASH AT THE END OF THE FINANCIAL PERIOD	3,971,141	4,134,135

The consolidated statement of cash flows should be read in conjunction with the attached notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The half-year consolidated financial statements are a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The consolidated half-year financial report does not include all the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2022. This report must also be read in conjunction with any public announcements made by West Cobar Metals Limited and its controlled entity during the half-year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

These interim financial statements were authorised for issue on 2 March 2023.

(A) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(B) ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the policies stated below.

(C) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have a significant impact on the consolidated entity.

2. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 \$	30 June 2022 \$
Exploration and evaluation assets		
Balance at the beginning of period	1,013,693	55,455
Exploration assets acquired ¹	7,728,404	-
Exploration costs capitalised	519,832	1,186,291
Impairment of exploration costs	(7,335)	(228,053)
Balance at the end of reporting period	<u>9,254,594</u>	<u>1,013,693</u>

¹ During the period the Company acquired 100% of the issued capital of Salazar Minerals Pty Ltd ('Salazar') and indirectly its wholly owned subsidiary Salazar Gold Pty Ltd for consideration of 39,000,000 shares at \$0.18 per share and \$260,000 in cash. In addition direct costs totalling \$448,404 to complete the acquisition were capitalised.

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

3. TRADE AND OTHER PAYABLES

	31 December 2022 \$	30 June 2022 \$
Current		
Trade creditors	80,523	64,496
Accruals	450,910	81,640
Other payables	37,136	33,394
Balance at the end of reporting period	<u>568,569</u>	<u>179,530</u>

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

4. ISSUED CAPITAL & RESERVES

	31 December 2022 \$	30 June 2022 \$
Issued capital	(a) 13,958,977	5,022,556
Share based payment reserve	(b) <u>1,424,663</u>	<u>1,009,300</u>

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance	41,500,000	5,022,556
Salazar consideration shares – 28 October 2022	39,000,000	7,020,000
Placement – 21 November 2022	15,033,664	2,255,050
Costs of share issue	-	(338,629)
	<u>95,533,664</u>	<u>13,958,977</u>

(b) Movement in share-based payment reserve

	31 December 2022
	\$
Opening balance	1,009,300
Expense for options issued to KMP	182,836
Expense for options issued to advisors	36,567
Share issue costs for options issued to Lead Manager	195,960
Closing Balance	<u>1,424,663</u>

(c) Outstanding Unlisted Securities

As at 31 December 2022 the company had the following unlisted securities outstanding:

Expiry Date and Price	Type	Number
Options Expiring 3/06/2026 @ \$0.25	Unlisted Option	9,500,000
Options Expiring 28/03/2025 @ \$0.25	Unlisted Option	3,500,000
Options Expiring 04/11/2024 @ \$0.20	Unlisted Option	1,000,000
Options Expiring 04/11/2024 @ \$0.215	Unlisted Option	1,000,000
Options Expiring 04/11/2024 @ \$0.23	Unlisted Option	1,000,000
Options Expiring 06/05/2025 @ \$0.32	Unlisted Option	2,400,000
Options Expiring 22/11/2025 @ \$0.225	Unlisted Option	2,300,000

5. SHARE BASED PAYMENTS

There were the following share-based payments during the period:

	31 December 2022	31 December 2021
	\$	\$
Unlisted options		
2,400,000 options issued to KMP and advisors – issued 7 November 2023 (a)	219,403	-
2,300,000 options issued to Lead Manager and or nominees – issued 23 November 2023 (b)	195,960	-
3,500,000 options issued to Lead Manager and or nominees – issued 28 September 2022	-	351,750

(a) KMP and advisor options

On 7 November 2022, 2,400,000 options were issued to 2,400,000 unquoted options to Directors Robert Klug and Mateusz Szwedzicki and the Company Secretary, Craig McNab, to acknowledge work performed on the acquisition of Salazar Minerals Pty Ltd.

	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
KMP & advisor options	2,400,000	24/10/2022	06/05/2025	\$0.32	0.0914	219,403

(b) Lead Manager options

On 23 November 2022, 2,300,000 options were issued to Xcel Capital Pty Ltd and or nominees in lieu of services performed in its capacity as Lead Manager in connection with the successful Placement during the period.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
Lead Manager Options	2,300,000	21/11/2022	22/11/2025	\$0.225	0.0852	195,960

The options issued during the period were calculated using the Hoadley's ESO2 valuation model with the following inputs:

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

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

6. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity. The Consolidated Entity only operates in Australia.

7. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no contingent assets or liabilities during the period ended 31 December 2022.

8. COMMITMENTS

In order to maintain the current rights to its exploration tenements in New South Wales, Western Australia and Northern Territory, the Group is required to perform minimum exploration requirements:

	31 December 2022	31 December 2021
	\$	\$
Less than 12 months	450,509	89,575
Between 12 months and 5 years	494,780	147,000
5 years or more	38,466	-
Total	983,755	236,575

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

9. EVENTS SUBSEQUENT TO REPORTING DATE

The Company's shareholders approved the acquisition of Lanthanos Resources Pty Ltd at a General Meeting on 30 January 2023. The Company issued 1,600,000 fully paid ordinary shares and paid a \$35,000 fee as consideration for the acquisition.

Mr Mark Bolton was appointed as Non-Executive Director on 8 February 2023.

There are no other events subsequent to the end of the period that would have a material effect on the Group's financial statements at 31 December 2022.

10. INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiary:

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

DIRECTORS' DECLARATION

In the opinion of the Directors of West Cobar Metals Limited:

(a) The attached financial statements and notes:

- (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of the Consolidated Entity's performance, for the half-year ended on that date.

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

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Robert Klug
Non-Executive Chairman
2 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of West Cobar Metals Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of West Cobar Metals Ltd which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of West Cobar Metals Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

THE POWER OF BEING UNDERSTOOD **AUDIT | TAX | CONSULTING**

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM

RSM Australia Partners

A handwritten signature in black ink, appearing to read 'A Whyte'.

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 2 March 2023

DIRECTORS

Robert Klug (Non-Executive Chairman)
Kevin Das (Executive Director)
Ron Roberts (Non-Executive Director)
Matt Szwedzicki (Non-Executive Director)
Mark Bolton (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

David Pascoe

COMPANY SECRETARY

Craig McNab

REGISTERED OFFICE

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Perth WA 6000

SHARE REGISTRY

Automic Group
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