



WESTERN MINES GROUP LTD

(Formerly known as Western Mines Group Pty Ltd)

ACN 640 738 834

ANNUAL REPORT 30 JUNE 2021

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Corporate Directory**30 June 2021**

Directors	Mr Rex Turkington (Non-Executive Chairman) Dr Caedmon Marriott (Managing Director) Mr Paul Burton (Non-Executive Director) Mr Francesco Cannavo (Non-Executive Director)
Company Secretaries	Mr Lee Tamplin Ms Elizabeth Spooner
Registered Office	Level 3, 33 Ord Street, West Perth WA 6005
Principal Place of Business	Level 3, 33 Ord Street, West Perth WA 6005 Tel: +61 475 116 798 Email: contact@westernmines.com.au
Share Register	Automic Group, Level 5, 126 Phillip Street Sydney NSW 2000 Tel: 1300 288 664
Auditor	HLB Mann Judd (Vic) Partnership Level 9, 575 Bourke Street Melbourne VIC 3000
Solicitors	Moray & Agnew Lawyers Level 6, 505 Collins Street, Melbourne VIC 3000
Stock Exchange Listing	Western Mines Group Ltd shares are listed on the Australian Securities Exchange (ASX code: WMG)

Letter from the Chairman

Dear Shareholders,

I am very pleased to present WMG's first Annual Report, covering the period from the Company's incorporation on 6 May 2020 to financial year end 30 June 2021. It has been a successful period for the Company culminating in our Initial Public Offering (IPO) and subsequent listing on the Australian Securities Exchange (ASX) in July 2021, just after the period end.

There is a long list of people to thank who have all played an invaluable role in the process, so thank you to everyone on behalf of the Board. Thank you as well to our seed shareholders and a warm welcome to all our new shareholders who took part in the IPO.

I believe the Company has assembled a very exciting collection of gold and base metal exploration projects, all 100% owned by WMG and all located in Western Australia. Having been able to raise our maximum target of \$5.5m during the IPO (issuing 27.5m new shares at \$0.20/share) the Company is now well set to ramp up our planned high-impact exploration campaign across each of the project areas. A lot of this work is now in full swing and I anticipate significant news flow over the next 6 to 12 months.

The Board looks forward to updating shareholders on the results of our exploration activities as we progress and continuing to strive to create significant value in the Company for all stakeholders.

Your faithfully,

A handwritten signature in black ink, appearing to read 'Rex Turkington', with a stylized flourish at the end.

Rex Turkington
Non-Executive Chairman

Review of Operations

Western Mines Group Ltd (WGM or Company) (**ASX:WGM**) is pleased to provide shareholders with the following Review of Operations to end of financial year 30 June 2021.

After completing the acquisition of an exciting portfolio of exploration projects in November 2020, WGM's principal focus during the period was the preparation of the Company for an initial public offering on the ASX. The Company lodged an IPO Prospectus on 7 May 2021 and subsequently completed the capital raise in June 2021 with the offer oversubscribed at the top end of the \$4.5m to \$5.5m range. The Company issued 27.5m new shares at \$0.20/share for the maximum amount of \$5.5m and listing was successfully achieved shortly after the period end, with the Company being admitted to the ASX Official List on 16 July 2021, with shares commencing trading from 20 July 2021.

During the year the Company completed a multitude of early stage technical work across the exploration portfolio to lay the ground work for a ramp up in exploration activity upon listing. This preparation has paid off with exploration now in full swing across a number of the Company's projects after the period end. A summary of WGM's projects, recent exploration work and forward plans is given below.

Project Overview

WGM holds a collection of 8 exploration projects, each 100% owned, focused on gold, base and battery metals and all located on a number of Western Australia's major mineral belts.

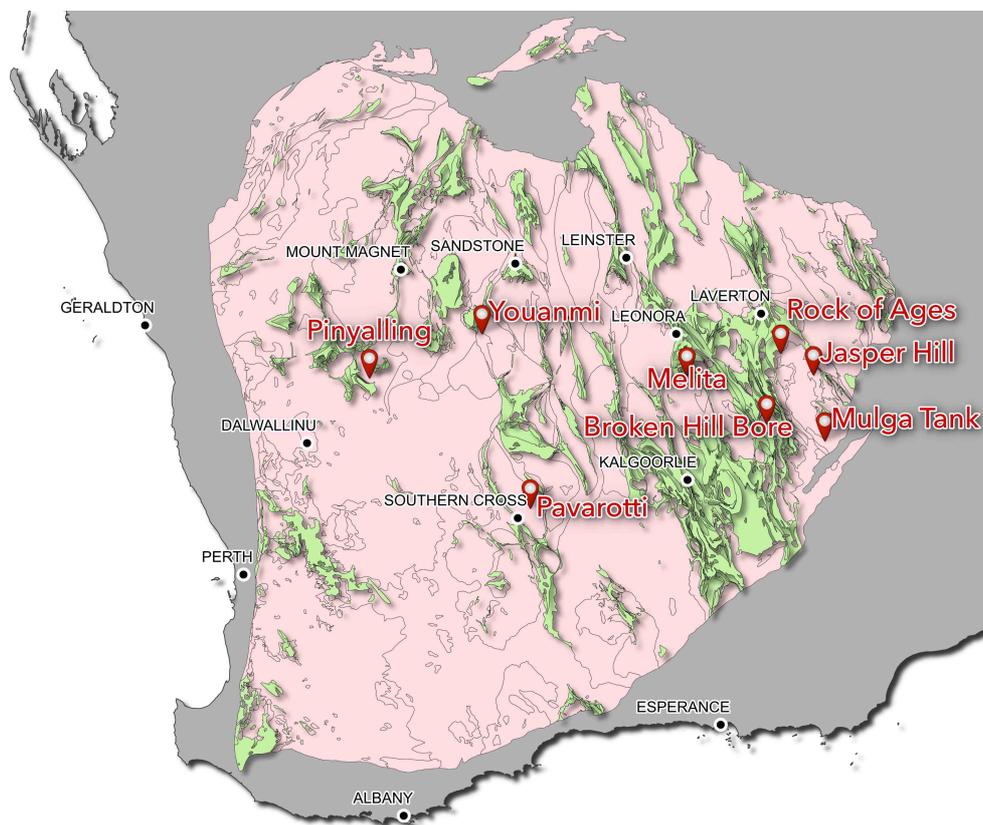


Figure 1: Map of WGM Project Locations

The Company's flagship project is the Mulga Tank Ni-Cu-PGE Project, a major dunite intrusive found on the under-explored Minigwal Greenstone Belt. Previous work shows significant evidence for a working sulphide mineral system and the project is considered highly prospective for Ni-Cu-PGE mineralisation.

WMG's other major projects are Melita (Au, Cu-Pb-Zn), midway between Kookynie and Leonora in the heart of the WA Goldfields and Jasper Hill (Au), with numerous prospective gold trends extending from the adjacent Lord Byron and Fish historical gold mines.

Mulga Tank

The Mulga Tank Project comprises exploration licence E39/2132 and exploration licence application E39/2223, covering approximately 113km² of the southern end of the Minigwal Greenstone Belt, 190km east-northeast of Kalgoorlie. The Minigwal Greenstone Belt is a NNW trending linear sequence of predominantly mafic and ultramafic lithologies with a strike of approximately 40km. The belt is very under explored due to the presence of shallow sand cover. Tenement E39/2132 contains the entire Mulga Tank Dunite Intrusion, a major ultramafic intrusion and a key feature of the area, considered highly prospective for Ni-Cu-PGE magmatic sulphide mineralisation.

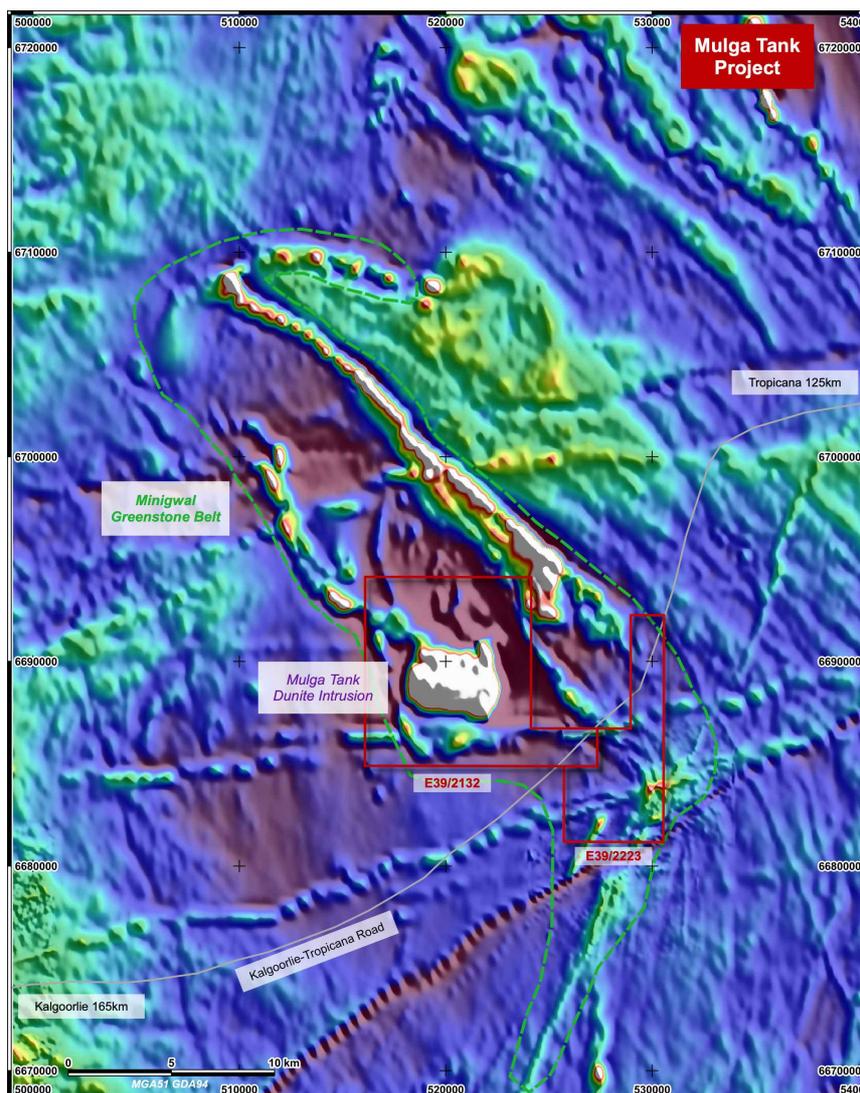


Figure 2: Minigwal Greenstone Belt and Mulga Tank Tenement Areas

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The Minigwal Belt and Mulga Tank dunite was first identified by BHP in the 1980's, whilst the most recent exploration work by Impact Minerals (ASX:IPT) (2013-2016) demonstrated a working Ni-Cu-PGE magmatic sulphide mineral system, with sulphide intersections observed within 8 diamond drill holes drilled to test several EM geophysical anomalies - including 2m at 1.3% Ni and 0.25m at 3.75% Ni, 0.7% Cu and 0.7g/t PGE (see *Western Mines Group Ltd Prospectus, 7 May 2021*). This exciting work, confirming a sulphide mineral system with a parent magma reaching sulphur saturation and precipitating high-tenor Ni-sulphides, greatly enhances the prospectivity of the intrusion.

During the reporting period Atlas Geophysics completed a high-resolution ground gravity survey at the project, with 1,375 station readings taken over approximately 46km². This survey, combined with previous work by Impact, gives complete 200m x 200m coverage over the whole ultramafic intrusion, with a number of areas of interest infilled down to 100m x 100m spacing. This new dataset offers 2 to 4 times better resolution than previous work and will primarily be used as a mapping tool to better understand the dunite intrusion. 3D inversion modelling is now planned to model the intrusion in far greater detail than previously known, in particular to help map the basal contact of the intrusion, with the aim of finding vertically plunging denser feeder zones or vents that can occur beneath ultramafic bodies and/or deeper channel zones that can be sites for the deposition of major Ni-Cu-PGE deposits.

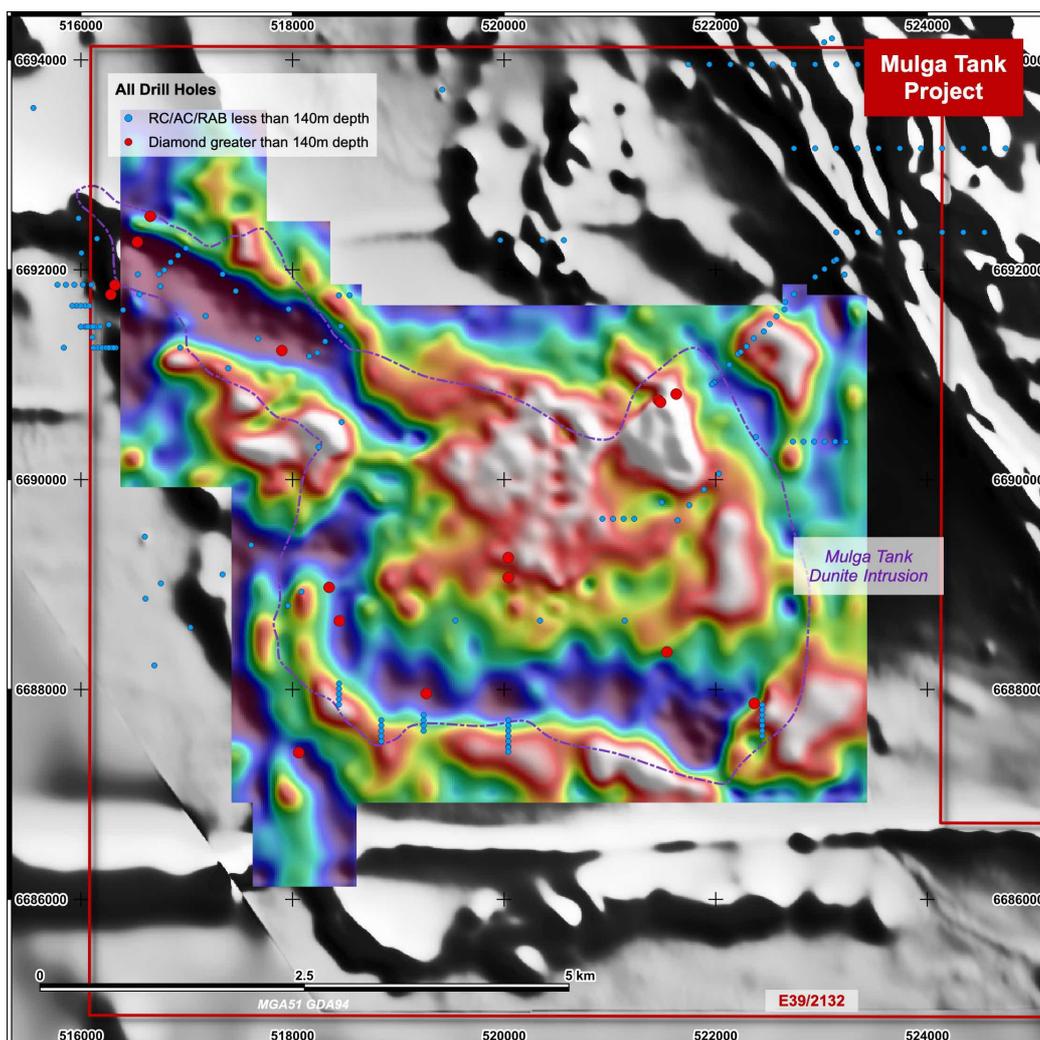


Figure 3: Mulga Tank High-Resolution Gravity Survey Results (BA267 1VD NEshade NL)

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Using the results of the gravity survey and historical data WMG has designed a high-resolution Moving Loop Electromagnetic (MLEM) survey across the intrusion to explore for buried electromagnetic bedrock conductors that could be associated with deposits of massive Ni-Cu-PGE sulphides (see *Geophysical Surveys to Unlock Mulga Tank Ni-Cu-PGE Project, ASX 25 August 2021*). The Company has engaged GEM Geophysics to undertake the MLEM survey using their high-powered, very low frequency system and Jessy Deep HTS SQUID sensor.

WMG intends to survey the entire intrusion at 200m line spacing, with 100m station spacing along lines and line orientation optimized perpendicular to interpreted structure. The optimized line orientation of WMG's planned survey should better resolve bedrock conductors, in conjunction with the high-powered, very low frequency system. This should offer greater detail, and greater potential to detect bedrock conductors, compared to previous surveys in 2013 at 400m line spacing with a lower powered system.

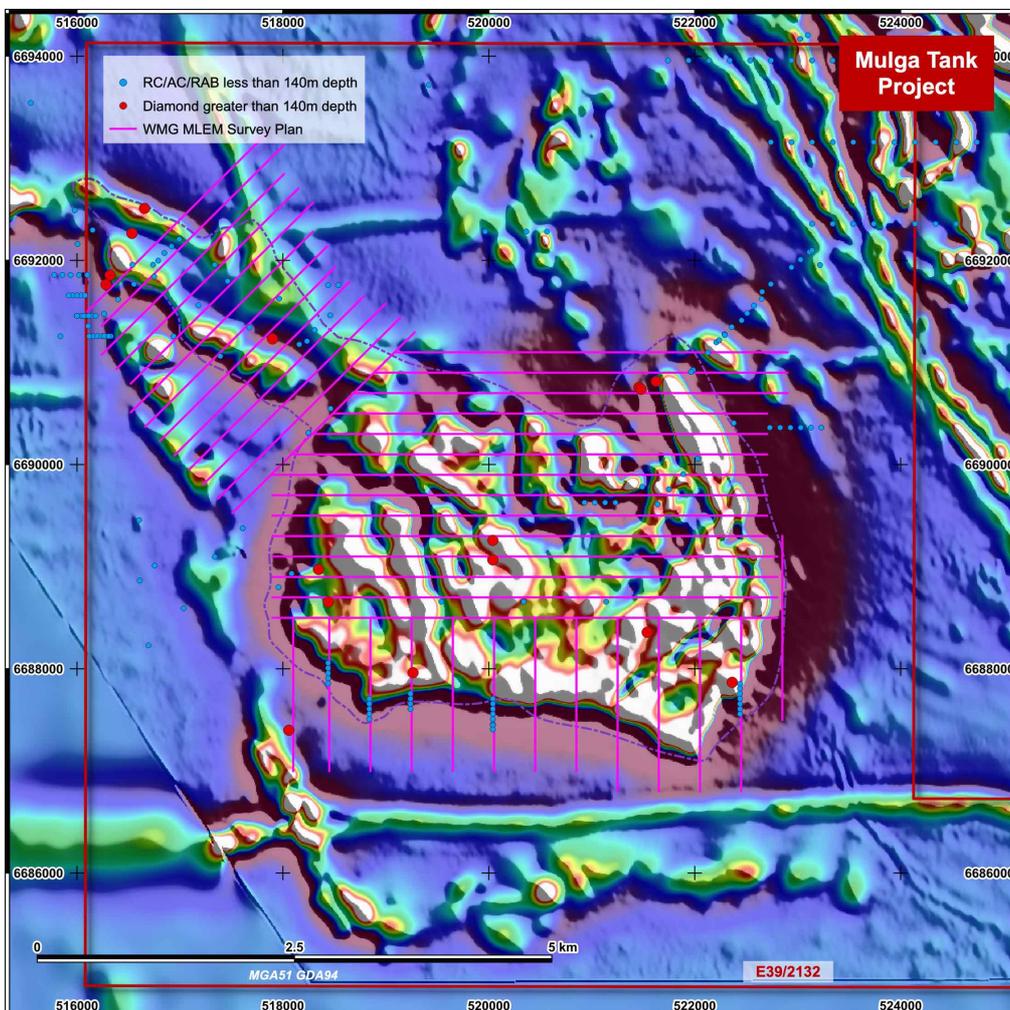


Figure 4: WMG Mulga Tank MLEM Survey Plan at 200m Line Spacing

These geophysical programs are being managed by Russell Mortimer at Southern Geoscience Consultants, who has used combined gravity and ground EM techniques to great effect in similar covered terrain down at Legend Mining's (ASX:LEG) Mawson discovery, approximately 140km southeast of Mulga Tank.

Melita

The Melita Project comprises exploration licence E40/379, covering an area of approximately 105km². The project is located 20km south-southeast of Leonora and to the north of the Kookynie, Niagara and Orient Well-Butterfly gold mining centres, in the heart of the WA Goldfields. The Kookynie area has seen recent upswing in exploration activity, with WMG's Melita Project surrounded by the likes of Genesis Minerals (ASX:GMD), Saturn Metals (ASX:STN), Azure Minerals (ASX:AZS), KIN Mining (ASX:KIN) and the recently listed Mt Malcom Mines (ASX:M2M).

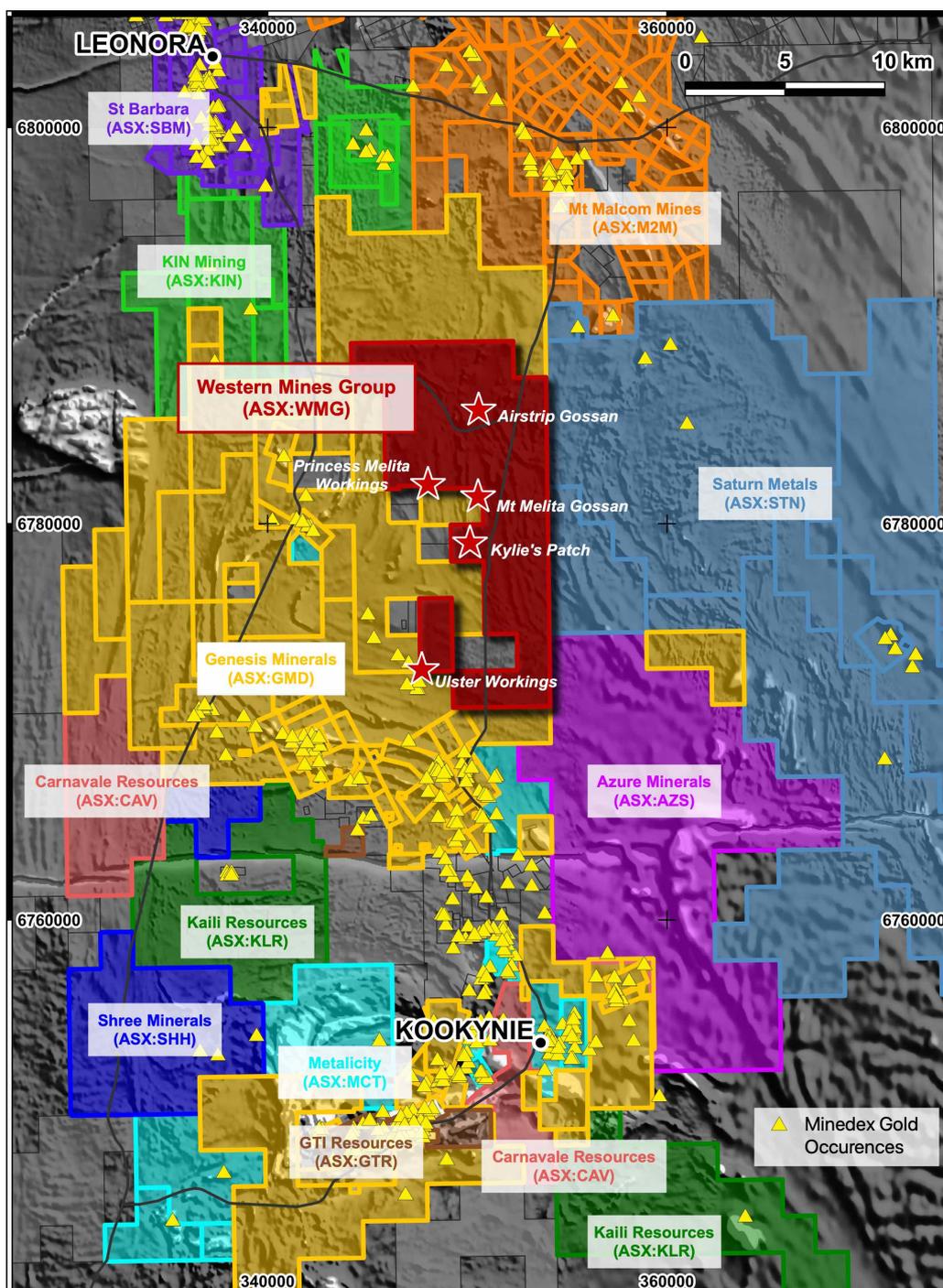


Figure 5: Melita Project Location

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During the period WMG completed ASTER and Landsat based satellite remote sensing work over the Melita Project area, along with a review of historical exploration, in preparation for the commencement of field exploration programs upon listing (see *Major Field Program Commences at Melita, ASX 11 August 2021*). The historical review highlights the tenement area to be prospective for both gold (Au) and copper-lead-zinc (Cu-Pb-Zn) VMS-style mineralisation; whilst the satellite remote sensing identified 19 target areas with favourable alteration signatures. Several of these target areas are associated with major regional structures and/or with evidence of historical workings.

In June the Company visited the Melita Project to ground-truth a number of the satellite based targets, along with mapping of the historical Princess Melita gold workings. After the end of the period WMG has now completed extensive soil sampling and ground magnetic surveys as the first phase of a field exploration program over the Princess Melita and Airstrip Cu-Pb-Zn Gossan areas (see *Completion of Initial Field Program at Melita, ASX 16 September 2021*).

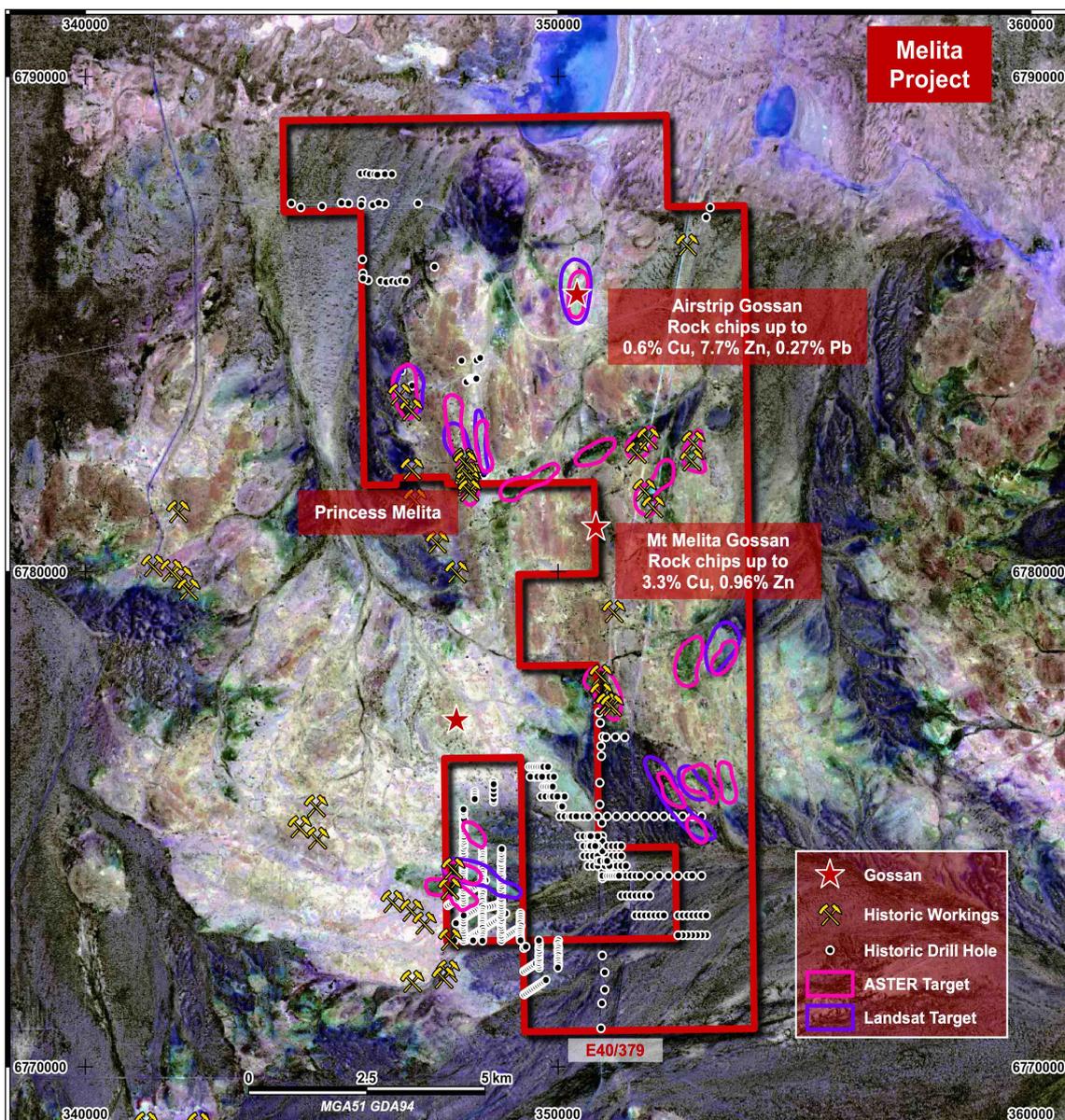


Figure 6: Melita ASTER and Landsat Based Satellite Remote Sensing Work

Rock of Ages

The Rock of Ages Project comprises prospecting licence P38/4203 and is located approximately 32km southeast of Laverton. The project lies on the Laverton Greenstone Belt, around 4.5km south of the historical Burtville Mining Centre and is surrounded by Focus Minerals (ASX:FML) Laverton Gold Project, with the neighbouring deposits of Burtville (206,000oz at 0.96g/t Au) and Karridale (1.19Moz at 1.33g/t Au) within a 5km radius. The tenement contains the historical Rock of Ages workings, a series of shallow mine workings over approximately 450m strike, associated with quartz veining and ferruginous cherts, within mafic schists. Historical records indicate 2,074oz Au was mined from the workings between 1902 and 1911 at an average grade of 50g/t Au.

During the year WMG completed its first visit to the Rock of Ages Project and mapped the extensive historical workings. We were also able to locate 7 historical reverse circulation (RC) drill holes drilled by Esmeralda Exploration in 1985, which was fortunate as the WAMEX report (A17850) doesn't list collar locations. Esmeralda attempted to drill underneath the historical workings with 7 RC holes drilled to a maximum depth of 50m and average depth of 42m. This was largely ineffective, either encountering mined out stopes down to a vertical depth of approximately 35m or ending in the hanging wall before reaching the target mineralised horizon.

Based on the field observations and modelling the historical Esmeralda drilling WMG planned an initial RC drill program to test beneath the main central cluster of shafts, workings and extensive mullock dumps (see *Rock of Ages RC Drilling Mobilisation, ASX 27 August 2021*). This drilling program was undertaken after the period end (see *Completion of Rock of Ages RC Drilling, ASX 9 September 2021*) with 5 RC holes drilled to a maximum depth of 150m, for a total of 654m.



Figure 7: The Company's Maiden Drilling Program at Rock of Ages

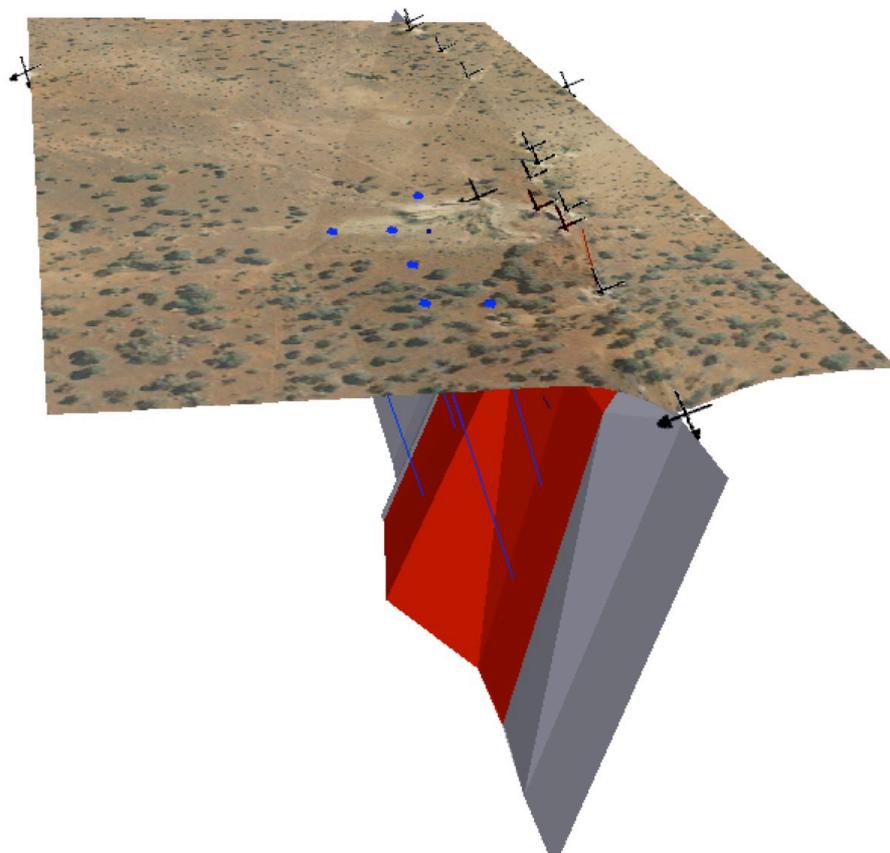


Figure 8: Schematic 3D Image Showing North-South Trend of Rock of Ages Workings and Planned WMG Drill Holes Beneath the Main Shaft Area (red)

WMG was encouraged by the field observations during the drilling program. The drilling predominantly intersected sheared felsic volcanics, which were often heavily weathered down to approximately 70-80m. An increased depth of weathering can often be associated with areas of mineralisation within the Eastern Goldfields of WA. In fresh rock, within the target horizon, quartz veining and zones of disseminated pyrite and arsenopyrite were observed in every hole, within the silicified, sheared felsic volcanic unit. Samples have been delivered to the laboratory for geochemical analysis and results are anticipated in 5 to 6 weeks.

Jasper Hill

The Jasper Hill Project comprises exploration licence application E39/2079 and prospecting licence application P39/6267. The project is located approximately 80km southeast of Laverton and covers part of the poorly exposed Merolia Greenstone Belt, a NNW trending belt, up to 20km wide, that can be traced over 110km in a SSE direction from the Burtville Mining Centre. The project area is lightly explored, due to being partly under shallow cover, but is contiguous to the historic producing mines of Lord Byron (160,000oz at 1.0g/t Au) immediately to the south and Fish (87,000oz at 4.1g/t Au), to the east. The basalt, BIF and ferruginous chert sequence hosting the Lord Byron deposit extends into the southern portion of the tenement.

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Limited work was completed during the reporting period, other than collation of historical WAMEX reports, whilst tenement E39/2079 remained in application. The tenement was subsequently granted after the end of the period on 28 July 2021, coincidentally on the same day WMG pegged neighbouring prospecting licence application P39/6267 (see *Jasper Hill Gold Project Tenement Grant and Project Expansion, ASX 2 August 2021*). As exploration now begins to start at Jasper Hill it is envisaged this area will emerge to become the Company's principal gold project.

Pavarotti

The Pavarotti Project comprises exploration licence E77/2478 and exploration licence application E77/2746. The project is located approximately 50km north-northeast of Southern Cross and lies on the western side of the Koolyanobbing Greenstone Belt, a northwest trending sequence of mafic and ultramafic volcanic and intrusive rocks with lesser sediments intercalated with BIF horizons forming prominent ridges. The BIF horizons have been exploited since the 1960s, with several open pit iron ore mines that are currently owned by Mineral Resources (ASX:MIN).

The western basal ultramafic sequence of the Koolyanobbing Greenstone Belt has been explored intermittently for nickel sulphide mineralisation since the 1970s, with nickel gossans and Kambalda-style channel hosted nickel sulphide mineralisation in komatiite ultramafic volcanics first identified by BHP. This work mostly focused on the Jocks Dream deposit located between WMG's tenements E77/2478 and E77/2746, but also identified the Pavarotti and Jocks Fury Prospects within E77/2746.

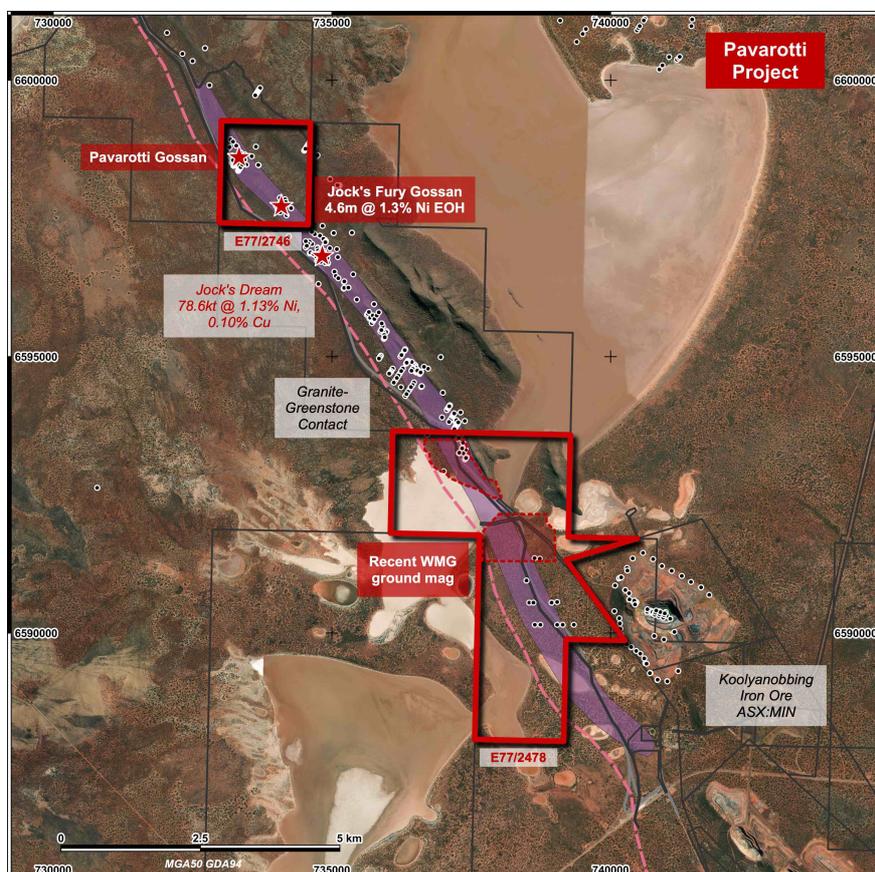


Figure 9: Pavarotti Tenement Areas

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The basal ultramafic units running through WMG's project area demonstrate many encouraging indicators for potential Ni-Cu-PGE mineralisation, such as surface gossans and nickel sulphide mineralisation observed in drilling. For example, hole H202 drilled at Jock's Fury gossan, within WMG's tenement application E77/2746, finished with 4.6m @ 1.3% Ni from 42.7m to end of hole, with no further follow up work. A lot of the historical exploration work was ineffective, the majority of the historical ground EM surveying across the Pavarotti Project was conducted in 1998, with some follow up in 2008. WMG intends to improve this work using modern higher powered geophysical techniques and then drill test targets identified.

Youanmi

The Youanmi Project comprises exploration licence E57/1119 and prospecting licence P57/1450. The project is located 70km southwest of Sandstone and lies on the eastern side of the Youanmi Greenstone Belt, along the major Youanmi Shear. The Youanmi Shear is the principal feature of the region, north-north-easterly trending crustal scale feature, at least 200km long and 1km wide in the Youanmi area, which represents a major structural division of the Yilgarn Craton. Locally the Youanmi Shear separates the Youanmi Greenstone Belt to the west and the Youanmi Greenstone Belt to the east.

The tenements are just 2km to 7km from the historic Youanmi Gold Mining Centre, which has produced over 600,000oz of gold since its discovery in the late 1800's, currently owned by Rox Resources (ASX:RXL) and Venus Metals (ASX:VMC). The area has seen a resurgence in exploration activity with the recent discovery of the high-grade Penny North (ASX:RMS) and Grace (ASX:RXL) deposits along the Youanmi Shear.

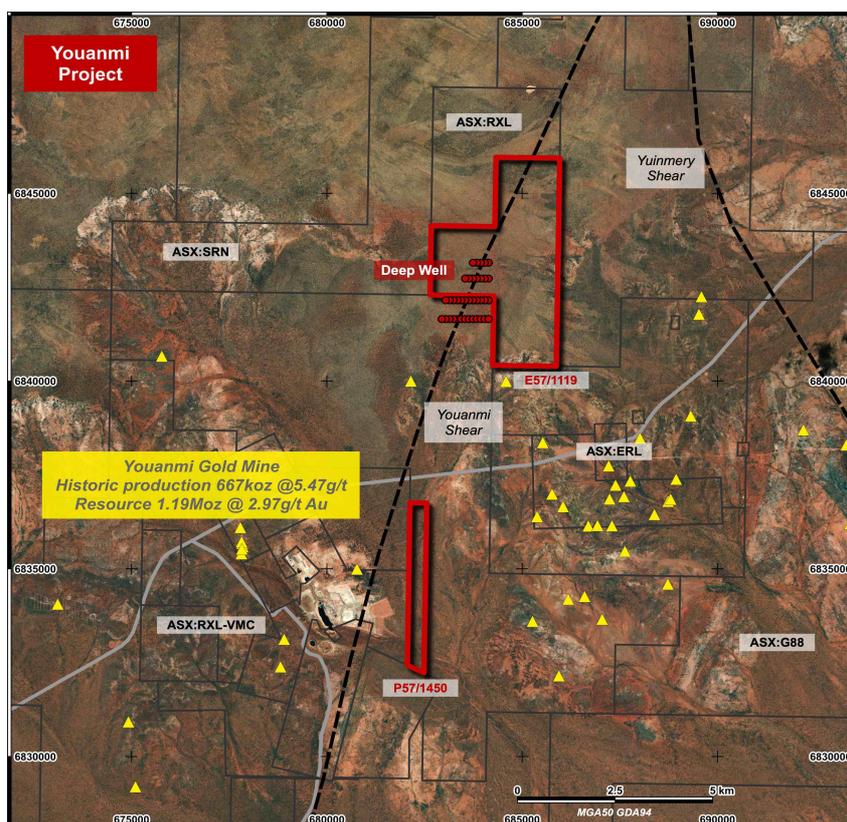


Figure 10: Youanmi Tenement Areas

Broken Hill Bore

The Broken Hill Bore Project comprises exploration licence E31/1222 and is located approximately 160km northeast of Kalgoorlie, near Edjudina. The Edjudina region hosts a number of significant gold deposits such as Northern Star's (ASX:NST) Carosue Dam Project, the Edjudina Gold Camp, 9km south of the project and the Patricia workings along strike. The Yarri and Porphyry Gold Camps are located in the Murrin Domain 18km to the west and the Deep South Deposits in the Linden Domain to the north east.

A review of historical WAMEX reports was undertaken during the period and an initial site visit and field exploration work is planned during the current year.

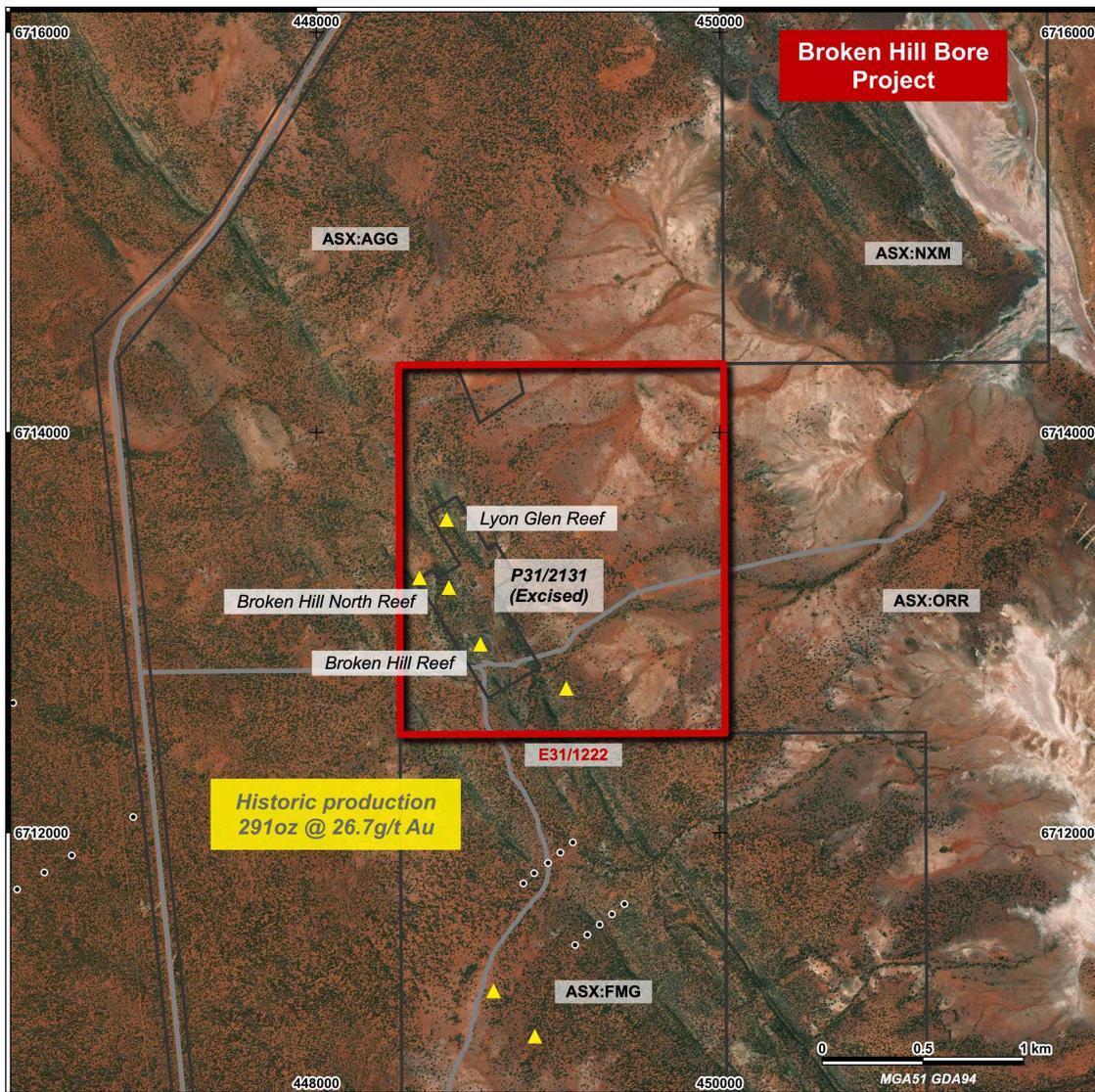


Figure 11: Broken Hill Bore Tenement Area

Pinyalling

The Pinyalling Project comprises exploration licence application E59/2486 covering 55km². The project is located approximately 25km NW of Paynes Finds and lies at the south-eastern end of the Yalgoo-Singleton Greenstone Belt, within an area known as the Warriedar Fold Belt that comprises a folded sequence of gabbro and dolerite intercalated with basalt, ultramafics, sediments and BIF. The Warriedar Fold Belt hosts a number of historic gold workings at the Pinyalling Mining Centre, 3km north of the tenement area, as well as the Baron Rothschild prospect drilled by Thundelarra Exploration during the 1990s.

Limited previous exploration has been conducted within the area of E59/2486, but geological mapping, soil geochemistry and rock chip sampling suggests the tenement could contain previously unrecognised extensions of the Yalgoo-Singleton Greenstone Belt and Warriedar Fold Belt.

No work was undertaken on the project during the quarter whilst the tenement remains in application. During the quarter the outline for the proposed Thundelarra National Park was refined and finalised, resulting in a significant portion of the tenement now falling outside the park. WMG is considering the best route forward with the project following this positive news.

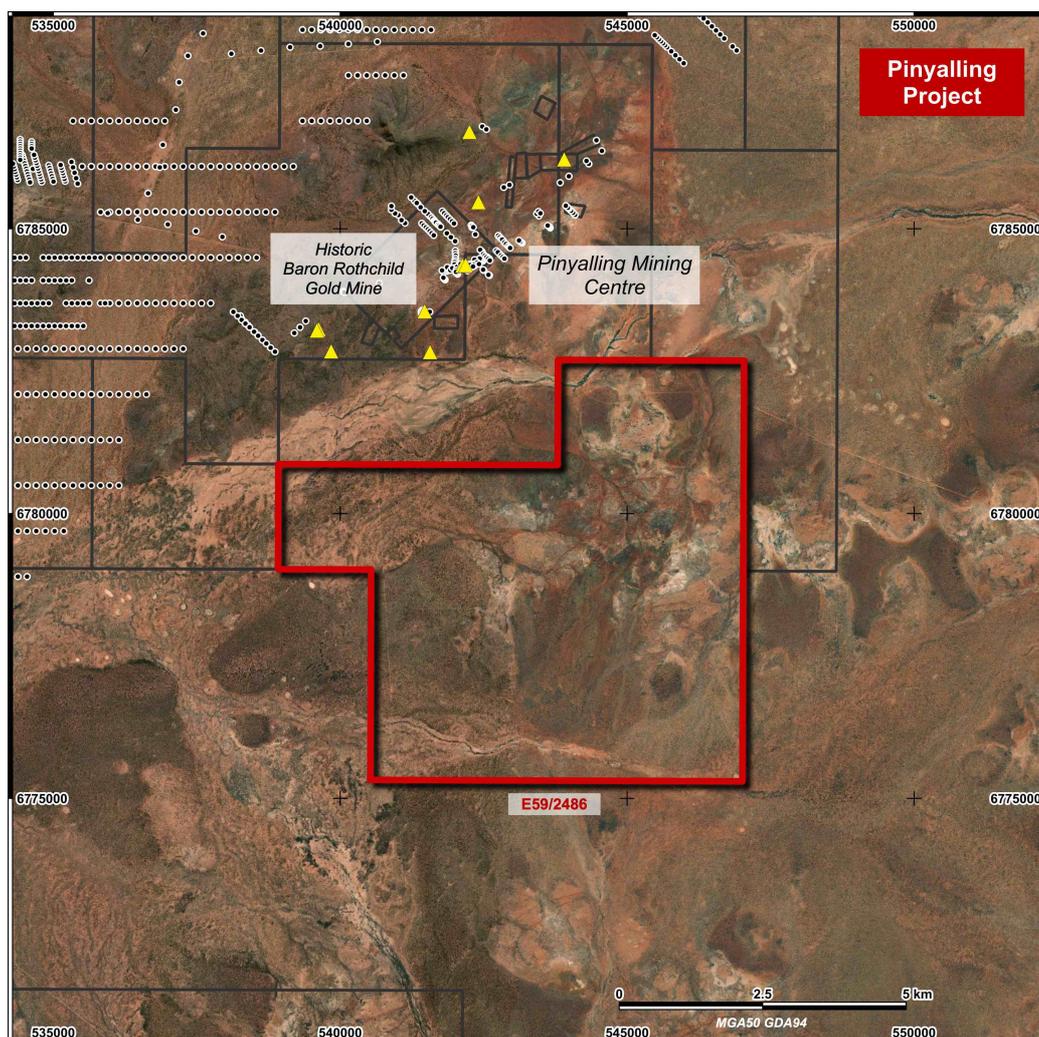


Figure 12: Pinyalling Tenement Area

Directors' Report

The directors present their report, together with the financial statements, on the company for the period ended 30 June 2021.

Directors

The following persons were directors of the company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Rex Turkington (Non-Executive Chairman) appointed 28 October 2020

Dr Caedmon Marriott (Managing Director) appointed 26 March 2021

Mr Paul Burton (Non-Executive Director) appointed 28 October 2020

Mr Francesco Cannavo (Non-Executive Director) appointed 6 November 2020

Mr Matthew Leonard (Non-Executive Director) appointed 6 May 2020 and resigned 5 November 2020

Principal Activities

During the financial period the principal continuing activities of the company consisted of:

- exploration and development of its tenement assets; and
- working towards the company's admission on the ASX, which was completed on 20 July 2021.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Operating Results and Financial Position

During the year, the company made a loss after providing for income tax of \$902,949. The focus of the company during the year was the acquisition of various mineral exploration projects in Western Australia and the subsequent preparation of the company for an Initial Public Offering and listing on the Australian Securities Exchange. A description of the company's mineral exploration projects was detailed in the Review of Operations prior to the Directors' Report.

As at the year end 30 June 2021 the Company held cash and cash equivalents of \$335,490.

Significant Changes in the State of Affairs

The company was incorporated on 6 May 2020.

On 12 April 2021, the company completed its conversion to a public company and changed its name to Western Mines Group Ltd.

During the period the company issued the following fully paid ordinary shares:

- A total of 14,255,001 fully paid ordinary shares raising a total of \$831,501;
- A total of 1,400,000 fully paid shares valued at \$140,000 in relation to the acquisition of tenements;
- A total of 495,000 fully paid ordinary shares valued at \$49,500 to key management personnel as part of their remuneration; and
- A total of 150,000 fully paid ordinary shares valued at \$30,000 were issued to the IPO lead manager.

During the period, the company has also issued a total of 20,400,000 options over fully paid ordinary shares.

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There were no other significant changes in the state of affairs of the company during the financial period, other than those outlined in the review of operations.

Matters Subsequent to the End of the Financial Period

On 20 July 2021, the company was officially admitted to the Australian Securities Exchange, raising \$5,500,000 before costs upon the issue of 27,500,000 fully paid ordinary shares valued at 20 cents per share.

On 2 August 2021, the company announced that its application for E39/2079 was granted.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental Regulation

The entity hold interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions and no such breaches have been notified by any government agency during the period ended 30 June 2021.

Information on Directors

Name:	Rex Turkington
Title:	Non-Executive Chairman (appointed 28 October 2020)
Qualifications:	Rex holds a First Class Honours degree in Economics, is a Graduate of the Australian Institute of Company Directors (GAICD) and is an Associate of the Financial Services Institute of Australia (AFINSIA).
Experience and Expertise:	Rex Turkington is a highly experienced Corporate Advisor and Economist who has worked extensively in the Financial Services and Stockbroking Industry in Australia, specialising in the natural resources sector. Rex has extensive experience with equities, derivatives, foreign exchange and commodities and has participated in numerous Initial Public Offerings and Capital Raisings for ASX listed companies. Currently Rex is Managing Director of South Pacific Securities, an Advisory Company, offering Corporate Finance and Investor Relations advice to Listed Companies. He was previously Chairman of ASX oil and gas explorer Key Petroleum Ltd (ASX:KEY) and Non-Executive Director of TNG Ltd (ASX:TNG), developing the world class Mt Peake V-Ti-Fe Project in the Northern Territory.
Other Current Directorships:	Nil
Former Directorships (last 3 years):	Key Petroleum (ASX:KEY) (resigned August 2020) and TNG Ltd (ASX:TNG) (resigned March 2019)
Interests in Shares:	Nil
Interests in Options:	4,000,000 options over ordinary shares

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Name:	Dr Caedmon Marriott
Title:	Managing Director (appointed 26 March 2021)
Qualifications:	Caedmon graduated with MSci (Geological Sciences) and MA (Natural Sciences – Geology) from the University of Cambridge, has obtained a PhD in Earth Sciences from the University of Oxford and is also a Chartered Financial Analyst. Caedmon is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and the Australian Institute of Geoscientists (MAIG).
Experience and Expertise:	Caedmon has over 18 years' experience in mineral exploration and equity capital markets, in various roles across geological exploration, fund management, mining project evaluation and corporate finance. Caedmon was previously Managing Director of Western Australian gold and nickel explorer Aldoro Resources (ASX:ARN) and prior to that Managing Director of private exploration company Hanno Resources, responsible for establishing and managing the company's frontier exploration in Western Sahara. Prior to Hanno Resources, Caedmon worked as a buy-side mining analyst at GLG Global Mining Fund, Och-Ziff Capital and JPMorgan Natural Resources Fund, and in mining corporate finance and equity research with Ambrian Partners and GMP Securities.
Other Current Directorships:	Nil
Former Directorships (last 3 years):	Managing Director, Aldoro Resources Ltd (ASX:ARN) (November 2019 to November 2020) and Non-Executive Director, Golden Mile Resources Ltd (ASX:G88) (January 2020 to August 2021)
Interests in Shares:	500,000 fully paid ordinary shares
Interests in Options:	3,000,000 options over ordinary shares

Name:	Paul Burton
Title:	Non-Executive Director (appointed 28 October 2020)
Qualifications:	Paul is a graduate of the Australian Institute of Company Directors (GAICD), a fellow of the Association of Applied Geochemists (FAAG), a member of the Australasian and Canadian Institutes of Mining and Metallurgy (MAusIMM, MCIM) and a member of the British Institute of Directors (MIoD).
Experience and Expertise:	Paul is currently the Managing Director and CEO of TNG Limited, an ASX listed resources company (ASX:TNG) focused on developing the world class Mt Peake V-Ti-Fe Project in the Northern Territory. A commercially astute Manager, Director and Geologist, Paul has developed a successful career spanning 30 years in exploration and mining for a range of different commodities throughout Australia and internationally. His track record includes involvement in significant mineral discoveries for diamonds, gold, copper, iron, zinc, lead and strategic metals including vanadium and titanium. An accomplished leader, having managed successful mineral exploration and feasibility study programs, trained geologists in advanced exploration techniques and held senior and executive roles at Anglo American/De Beers Ltd, Normandy Mining Ltd (Newmont) and Minotaur Exploration (ASX:MEP). In addition Paul has been instrumental in securing

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	world class support for the commercialisation of TNG's proprietary TIVAN technological hydrometallurgical process, and was instrumental in the TNG spin-off of ASX listed Todd River Resources (ASX:TRT)
Other current Directorships:	Managing Director and CEO, TNG Limited (ASX:TNG)
Former Directorships (last 3 years):	Non-Executive Director, Todd River Resources Limited (ASX:TRT) (resigned January 2019)
Interests in Shares:	Nil
Interests in Options:	4,000,000 options over ordinary shares

Name:	Francesco Cannavo
Title:	Non-Executive Director (appointed 28 October 2020)
Experience and Expertise:	Francesco is an experienced public company director with significant business and investment experience working with companies operating across various industries, including in particular mining exploration companies, and has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of investment capital and the acquisition of assets.
Other current Directorships:	Non-Executive Director, Golden Mile Resources Ltd (ASX:G88), I-Global Holdings Limited (NSX:IGH)
Former Directorships (last 3 years):	Non-Executive Director, Magnum Mining and Exploration Limited (ASX:MGU) (resigned 10 March 2021), Non-Executive Director, Lifespot Health (ASX:LSH) (resigned 20 July 2021)
Interests in Shares:	3,000,001 fully paid ordinary shares
Interests in Options:	3,000,000 options over ordinary shares

"Other Current Directorships" quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

"Former Directorships (last 3 years)" quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretaries

Justyn Stedwell acted as company secretary until 7 May 2021 when Lee Tamplin and Elizabeth Spooner became the company's joint company secretaries.

Lee Tamplin has almost 20 years' experience in a variety of roles covering investment management, financial services and corporate governance in both Australia and the UK. Lee is currently Company Secretary for a number of ASX listed and unlisted public and private companies across a range of industries. Lee has a Degree in Financial Services, a diploma in Financial Planning and is a Graduate of the Australian Institute of Company Directors Course. He is also a member of the Governance Institute of Australia. Prior to joining Automic, Lee was a Senior Client Relationship and Business Development Manager for a global share registry.

Lee is Company Secretary of the following ASX listed companies: Acrow Formwork and Construction Services Limited (ASX:ACF), Cellmid Limited (ASX:CDY), Netccentric Limited (ASX:NCL), North Stawell Minerals Limited (ASX:NSM), Prospect Resources (ASX:PSC) and Pureprofile Limited (ASX:PPL).

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Directors' Report

30 June 2021

Elizabeth Spooner is an experienced governance and compliance professional who works closely with a number of boards of both listed and unlisted public companies in her role at Automic Group. She holds a double degree in Bachelor of Business Administration and Bachelor of Arts majoring in Human Resources, and a Graduate Diploma of Applied Corporate Governance from the Governance Institute. Elizabeth is in the final stages of completing her Juris Doctor degree from Australian National University.

Elizabeth is currently Company Secretary of ASX listed company Shekel Brainweigh Ltd (ASX: SBW).

Meetings of Directors

The number of meetings of the company's Board of Directors ("the Board") held during the period ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Rex Turkington	3	3
Caedmon Marriott	3	3
Paul Burton	3	3
Francesco Cannavo	3	3

Held: Represents the number of meetings held during the time the Director held office.

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

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All of the directors of the company were not entitled to receive any remuneration until 1 July 2020. However Caedmon Marriott was paid as a consultant for management and exploration services prior to listing at a daily rate of \$800.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards.

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

Non-Executive Directors Remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed by the Board which serves as the nomination and remuneration Committee.

Executive Remuneration

The company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed by the board based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

The long-term incentives ("LTI") include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the company's direct competitors.

Use of Remuneration Consultants

During the financial period ended 30 June 2021 the company did not engage remuneration consultants.

Western Mines Group Ltd
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Directors' Report
30 June 2021

Details of Remuneration

Amounts of Remuneration

Details of the remuneration of key management personnel of the company are set out in the following tables.

6 May 2020 to 30 June 2021	Short-term benefits			Post-employment Benefits	Share-based payments		Totals
	Cash salary and fees (\$)	Cash bonus (\$)	Non-Monetary (\$)	Super-annuation (\$)	Issued Capital (\$)	Equity-settled (\$)	Total (\$)
<i>Non-Executive Directors:</i>							
Rex Turkington**	-	-	-	-	-	94,686	94,686
Paul Burton**	-	-	-	-	-	94,686	94,686
Francesco Cannavo**	-	-	-	-	-	148,500	148,500
<i>Executive Directors:</i>							
Caedmon Marriott*	62,410	-	-	-	49,500	89,069	200,979
Totals	62,410	-	-	-	49,500	426,941	538,851

*Fees paid relate to consulting service provided in relation to exploration and general management services.

**Non-executive directors were not entitled to any fees until 1 July 2021.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

6 May 2020 to 30 June 2021	Fixed remuneration	At risk - STI	At risk - LTI
<i>Non-Executive Directors:</i>			
Rex Turkington	-	-	100%
Paul Burton	-	-	100%
Francesco Cannavo	-	-	100%
<i>Executive Directors:</i>			
Caedmon Marriott	31%	-	69%

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Western Mines Group Ltd*(Formerly known as Western Mines Group Pty Ltd)***Directors' Report****30 June 2021**

Name: **Caedmon Marriott**
Title: Managing Director
Term of Agreement: Remuneration totalling \$210,000 per annum (plus superannuation)

Name: **Rex Turkington**
Title: Non-Executive Chairman
Term of Agreement: Remuneration totalling \$50,000 per annum (plus superannuation)

Name: **Paul Burton**
Title: Non-Executive Director
Term of Agreement: Remuneration totalling \$40,000 per annum (plus superannuation)

Name: **Francesco Cannavo**
Title: Non-Executive Director
Term of Agreement: Remuneration totalling \$40,000 per annum (plus superannuation)

These contracts with directors were not activated until 1 July 2021.

Share-based Compensation*Issue of Shares*

Details of shares issued to directors and other key management personnel as part of compensation during the period ended 30 June 2021 are set out below:

Name	Date	Shares	Issue Price	\$
Caedmon Marriott	26 March 2021	495,000	\$0.100	49,500

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial period or future reporting years are as follows:

Grant Date	Vesting Date and Exercisable Date	Expiry Date	Exercise Price	Fair Value per Option at Grant Date
26 March 2021	26 March 2021	20 July 2025	\$0.300	\$0.049
26 March 2021	20 July 2022	20 July 2025	\$0.300	\$0.049
26 March 2021	20 July 2023	20 July 2025	\$0.300	\$0.049

Western Mines Group Ltd
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Name	Number of Options Granted	Grant Date	Vesting Date and Exercisable Date	Expiry Date	Exercise Price	Fair Value per Option at Grant Date
Caedmon Marriott	1,500,000	26 March 2021	26 March 2021	20 July 2025	\$0.300	\$0.049
	1,500,000	26 March 2021	20 July 2022	20 July 2025	\$0.300	\$0.049
Rex Turkington	1,500,000	26 March 2021	26 March 2021	20 July 2025	\$0.300	\$0.049
	1,500,000	26 March 2021	20 July 2022	20 July 2025	\$0.300	\$0.049
	1,000,000	26 March 2021	20 July 2023	20 July 2025	\$0.300	\$0.049
Paul Burton	1,500,000	26 March 2021	26 March 2021	20 July 2025	\$0.300	\$0.049
	1,500,000	26 March 2021	20 July 2022	20 July 2025	\$0.300	\$0.049
	1,000,000	26 March 2021	20 July 2023	20 July 2025	\$0.300	\$0.049
Francesco Cannavo	3,000,000	26 March 2021	26 March 2021	20 July 2025	\$0.300	\$0.049

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to non-market based vesting conditions. A proportion of the KMP's options vest based on the provision of service over the vesting period whereby the affected KMP becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the period ended 30 June 2021 are set out below:

Name	Value of Options Granted During the Period (\$)	Value of Options Exercised During the Period (\$)	Value of Options Lapsed During the Period (\$)	Remuneration Consisting of Options for the Period (%)
Caedmon Marriott	86,069	-	-	44%
Rex Turkington	94,686	-	-	100%
Paul Burton	94,686	-	-	100%
Francesco Cannavo	148,500	-	-	100%

Western Mines Group Ltd
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Directors' Report
30 June 2021

Additional information

The earnings of the company are summarised below:

	2021
	\$
Loss after income tax	(902,949)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021
Basic earnings per share (cents per share)	(10.20)
Diluted earnings per share (cents per share)	(10.20)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial period by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

Ordinary Shares	Balance at the Start of the Period	Received as part of Remuneration	Additions	Disposals/Other	Balance at the End of the Period
Caedmon Marriott	-	495,000	5,000	-	500,000
Rex Turkington	-	-	-	-	-
Paul Burton	-	-	-	-	-
Francesco Cannavo	-	-	3,000,001	-	3,000,001
Totals		495,000	3,005,001	-	3,500,001

Option Holding

The number of options over ordinary shares in the company held during the financial period by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

Options over Ordinary Shares	Balance at the Start of the Period	Granted	Exercised	Expired/Forfeited/Other	Balance at the End of the Period
Caedmon Marriott	-	3,000,000	-	-	3,000,000
Rex Turkington	-	4,000,000	-	-	4,000,000
Paul Burton	-	4,000,000	-	-	4,000,000
Francesco Cannavo	-	3,000,000	-	-	3,000,000
Totals	-	14,000,000	-	-	14,000,000

This concludes the remuneration report, which has been audited.

Directors' Report
30 June 2021

Shares Under Option

Unissued ordinary shares of the company under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number Under Option
18 November 2020	18 November 2023	\$0.300	1,400,000
26 March 2021	20 July 2025	\$0.300	17,000,000
25 June 2021	20 July 2024	\$0.300	2,000,000
Total			20,400,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares Issued on the Exercise of Options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2021 and up to the date of this report.

Indemnity and Insurance of Officers

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

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

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in Note 17 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Western Mines Group Ltd

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Directors' Report**30 June 2021**

The directors are of the opinion that the services as disclosed in Note 17 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company who are Former Partners of HLB Mann Judd (Vic) Partnership

There are no officers of the company who are former partners of HLB Mann Judd (Vic) Partnership.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

HLB Mann Judd (Vic) Partnership was appointed in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Dr Caedmon Marriott
Managing Director

24 September 2021



Re: Auditor's independence declaration

As lead auditor for the audit of the financial report of Western Mines Group Ltd for the period ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Jude Lau'.

Jude Lau
Partner

Melbourne
24 September 2021

hlb.com.au

HLB Mann Judd (VIC Partnership) ABN 20 696 861 713

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HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

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General Information

The financial statements cover Western Mines Group Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Western Mines Group Ltd's functional and presentation currency.

Western Mines Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 33 Ord Street
West Perth WA 6005

A description of the nature of the company's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 September 2021. The directors have the power to amend and reissue the financial statements.

Western Mines Group Ltd*(Formerly known as Western Mines Group Pty Ltd)***Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2021**

	Note	6 May 2020 to 30 June 2021 (\$)
Expenses		
Administration expenses		(180,382)
Tenement expenses		(97,626)
Share based payment expense		(624,941)
		<hr/>
Loss before income tax expense		(902,949)
Income tax expense	5	-
		<hr/>
Loss after income tax expense for the period attributable to the owners of Western Mines Group Ltd		(902,949)
Other comprehensive income for the period, net of tax		-
		<hr/>
Total comprehensive income for the period attributable to the owners of Western Mines Group Ltd		(902,949)
		<hr/>
		Cents
Basic earnings per share	24	(10.20)
Diluted earnings per share	24	(10.20)

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

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021
Assets		
Current assets		
Cash and cash equivalents	6	335,490
Trade and other receivables	7	18,395
Other	8	472,160
Total current assets		<u>826,045</u>
Non-current assets		
Exploration and evaluation	9	373,810
Total non-current assets		<u>373,810</u>
Total assets		<u>1,199,855</u>
Liabilities		
Current liabilities		
Trade and other payables	10	130,839
Provisions	11	80,000
Total Current liabilities		<u>210,839</u>
Total liabilities		<u>210,839</u>
Net assets		<u>989,016</u>
Equity		
Issued capital	12	1,048,172
Reserves	13	843,793
Accumulated losses		(902,949)
Total equity		<u>989,016</u>

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

Western Mines Group Ltd*(Formerly known as Western Mines Group Pty Ltd)***Statement of Changes in Equity
For the period ended 30 June 2021**

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
Balance at 6 May 2020	-	-	-	-
Loss after income tax expense for the period	-	-	(902,949)	(902,949)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(902,949)	(902,949)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 12)	1,048,172	-	-	1,048,172
Share based payment reserve	-	843,793	-	843,793
Balance at 30 June 2021	<u>1,048,172</u>	<u>843,793</u>	<u>(902,949)</u>	<u>989,016</u>

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

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)

Statement of Cash Flows
For the period ended 30 June 2021

	Note	6 May 2020 to 30 June 2021
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)		(195,817)
Net cash used in operating activities	22	<u>(195,817)</u>
Cash flows from investing activities		
Payments for exploration and evaluation		(81,386)
Net cash used in investing activities		<u>(81,386)</u>
Cash flows from financing activities		
Proceeds from issue of shares		831,501
Share issue transaction costs		(218,808)
Net cash from financing activities		<u>612,693</u>
Net increase in cash and cash equivalents		335,490
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	6	<u>335,490</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 1. Significant Accounting Policies

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

New or Amended Accounting Standards and Interpretations Adopted

The company has adopted all of 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.

Going Concern

As at 30 June 2021, the group has accumulated losses of \$902,949 and expended net operating cash outflow for the period of \$195,817

In spite of the above, the directors are satisfied with the company's current financial position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- On 20 July 2021, the company was officially admitted to the Australian Securities Exchange, raising \$5,500,000 before costs upon the issue of 27,500,000 fully paid ordinary shares valued at 20 cents per share; and
- The loss for the period includes non-cash shares based payments totalling \$624,941.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the group not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company'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 2.

Comparatives

The company was incorporated on 6 May 2020. The reports cover the period from that date until 30 June 2021 and does not include any comparative information.

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 1. Significant Accounting Policies (continued)****Operating Segments**

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

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and Non-Current Classification

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

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

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 1. Significant Accounting Policies (continued)**

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration and Evaluation Assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Trade and Other Payables

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

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Share-based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 1. Significant Accounting Policies (continued)**

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued Capital

Ordinary shares are classified as equity.

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

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 1. Significant Accounting Policies (continued)****Earnings per Share***Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Western Mines Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

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

Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 2. Critical Accounting Judgements, Estimates and Assumptions (continued)***Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis of the accounting policies previously outlined (i.e. position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves). Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Impact of COVID 19 Pandemic

The company holds a number of exploration tenements in Western Australia. Western Australia is one of the states that has been most successful in its efforts to combat COVID-19. For this reasons it has had some of the least onerous restrictions in the country. All consultants and contractors have been able to continue with the planned exploration activities given remote locations of tenements and small crew on site. Local contractors have been utilised and all staff and contractors observed the necessary protocols. The situation is however dynamic, and the company will continue to monitor developments.

Note 4. Operating Segments*Identification of reportable operating segments*

The company is organised into one operating segment, exploration for minerals within Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 5. Income Tax Expense

	6 May 2020 to 30 June 2021 (\$)
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>	
Loss before income tax expense	(902,949)
Tax at the statutory rate of 26%	(234,767)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Non deductible expenses	162,485
Temporary differences	(10,196)
Tax losses not recognised	82,478
Income tax expense	-
	6 May 2020 to 30 June 2021 (\$)
<i>Tax losses not recognised</i>	
Unused tax losses for which no deferred tax asset has been recognised	317,224
Potential tax benefit at 26%	82,478

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 6. Current Assets - Cash and Cash Equivalents

	30 June 2021 (\$)
Cash on hand	1
Cash at bank	335,489
	335,490

Note 7. Current Assets - Trade and Other Receivables

	30 June 2021 (\$)
Other receivables	294
BAS receivable	18,101
	18,395

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 8. Current Assets - Other

	30 June 2021 (\$)
Deferred IPO costs	472,160
	<hr/>

Note 9. Non-Current Assets - Exploration and Evaluation

	30 June 2021 (\$)
Exploration and evaluation - at cost	373,810
	<hr/>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Exploration and Evaluation (\$)
Balance at 6 May 2020	-
Additions	98,858
Acquisition of tenements	274,952
	<hr/>
Balance at 30 June 2021	373,810
	<hr/>

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Note 10. Current Liabilities - Trade and Other Payables

	30 June 2021 (\$)
Trade payables	109,765
Other payables	21,074
	<hr/>
	130,839
	<hr/>

Refer to Note 15 for further information on financial instruments
All trade and other payables are unsecured.

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 11. Current Liabilities - Provisions

	30 June 2021
	(\$)
Deferred consideration	80,000

Deferred consideration

The provision represents the obligation to pay contingent consideration following the acquisition of tenements during the period. It is measured at the present value of the estimated liability.

Movements in provisions

Movements in each class of provision during the current financial period, other than employee benefits, are set out below:

	30 June 2021
	(\$)
Carrying amount at the start of the period	-
Recognised in relation to tenement acquisitions	80,000
Carrying amount at the end of the period	80,000

Note 12. Equity - Issued Capital

	Shares	30 June 2021
		(\$)
Ordinary shares - fully paid	16,300,001	1,048,172

Movements in ordinary share capital

Details	Date	Shares	Issue Price	\$
Balance	6 May 2020	-		-
Incorporation	6 May 2020	1	\$1.00	1
Founder shares	6 November 2020	6,000,000	\$0.001	6,000
Seed capital	18 November 2020	8,250,000	\$0.100	825,000
Shares issued for acquisition of tenements	18 November 2020	1,400,000	\$0.100	140,000
Shares issued to a director as remuneration	26 March 2021	495,000	\$0.100	49,500
Seed capital	26 March 2021	5,000	\$0.100	500
Shares issued to IPO lead manager	25 June 2021	150,000	\$0.200	30,000
Less cost of capital raised			\$0.000	(2,829)
Ordinary shares - fully paid	30 June 2021	16,300,001		1,048,172

Ordinary shares

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

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 12. Equity - Issued Capital (continued)

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

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

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

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

The company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 13. Equity - Reserves

	30 June 2021 (\$)
Share-based payment reserve	843,793

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees, directors and consultants as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

	30 June 2021 (\$)
Balance at 6 May 2020	
Share based payments	843,793
Balance at 30 June 2021	843,793

Note 14. Equity - Dividends

There were no dividends paid, recommended or declared during the current financial period.

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 15. Financial Instruments

Financial risk management objectives

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management is carried out by senior finance executives by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The company is not exposed to significant foreign currency risk.

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The company's main interest rate risk arises from its cash holdings. It does not hold any interest bearing liabilities.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company is not exposed to significant credit risk because it is an early stage exploration company that does not generate revenue. The company ensures that it banks with reputable financial institutions.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

June 2021	Weighted Average Interest Rate (%)	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Remaining Contractual Maturities (\$)
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and Other Payables	-	130,839	-	-	-	130,839
Deferred consideration	-	80,000	-	-	-	80,000
Total non-derivatives		210,839	-	-	-	210,839

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 15. Financial Instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value, and none of the company's financial instruments are recorded at fair value after initial recognition.

Note 16. Key Management Personnel Disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	6 May 2020 to 30 June 2021 (\$)
Short-term employee benefits	62,410
Share-based payments	476,441
	<hr/>
	538,851
	<hr/>

Note 17. Remuneration of Auditors

During the financial period the following fees were paid or payable for services provided by HLB Mann Judd (Vic) Partnership, the auditor of the company, and its network firms:

	6 May 2020 to 30 June 2021 (\$)
<i>Audit services - HLB Mann Judd (Vic) Partnership</i>	
Audit or review of the financial statements	26,300
	<hr/>
<i>Other services - HLB Mann Judd Corporate Finance Pty Ltd</i>	
Investigating accountant's report	12,500
	<hr/>
	38,800
	<hr/>

Note 18. Contingent Liabilities

The company had not contingent liabilities at 30 June 2021.

Note 19. Commitments

	30 June 2021 (\$)
Exploration committed at the reporting date but not recognised as liabilities, payable:	
Within one year	111,520
One to five years	248,233
More than five years	-
	<hr/>
	359,753
	<hr/>

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Notes to the Financial Statements**30 June 2021****Note 19. Commitments (continued)**

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements of the Mineral Resources Authority. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts.

Note 20. Related Party Transactions*Key management personnel*

Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the Directors' Report.

Transactions with related parties

The following transactions occurred with related parties:

	6 May 2020 to 30 June 2021 (\$)
Payments for goods and services:	
Rent paid to Golden Mile Resources Ltd (an entity related to Caedmon Marriott)	2,550
Exploration and management invoices paid to Nomad Exploration Pty Ltd (an entity related to Caedmon Marriott)	62,410

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	30 June 2021 (\$)
Current payables:	
Trade payable to Golden Mile Resources Ltd (an entity related to Caedmon Marriott)	935
Trade payable to Nomad Exploration Pty Ltd (an entity related to Caedmon Marriott)	22,858
Trade payable to Caedmon Marriott	300

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Nomad Exploration Pty Ltd, an entity related to Caedmon Marriott, provides ground magnetic surveying, equipment rental and soil sampling services to a number of mineral exploration companies including Western Mines Group Ltd. These services are provided to WMG on arms length terms and conditions. The Board has implemented suitable protocols to ensure compliance in this regard and that all related party transactions are conducted on an arm's length basis.

Note 21. Events after the Reporting Period

On 20 July 2021, the company was officially admitted to the Australian Securities Exchange, raising \$5,500,000 before costs upon the issue of 27,500,000 fully paid ordinary shares valued at 20 cents per share.

On 2 August 2021, the company announced that its application for E39/2079 was granted.

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 21. Events after the Reporting Period (continued)

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 22. Reconciliation of Loss after Income Tax to Net Cash Used in Operating Activities

	6 May 2020 to 30 June 2021 (\$)
Loss after income tax expense for the period	(902,949)
Adjustments for:	
Share based payments	624,941
Expense from tenements applications (settled with shares and options)	39,783
Change in operating assets and liabilities:	
Increase in trade and other receivables	(18,395)
Increase in trade and other payables	60,803
Net cash used in operating activities	<u>(195,817)</u>

Note 23. Non-Cash Investing and Financing Activities

	6 May 2020 to 30 June 2021 (\$)
Shares and options issued as consideration for tenements	<u>155,168</u>

Note 24. Earnings per Share

	6 May 2020 to 30 June 2021 (\$)
Loss after income tax attributable to the owners of Western Mines Group Ltd	<u>(902,949)</u>
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	8,848,813
Weighted average number of ordinary shares used in calculating diluted earnings per share	8,848,813
	Cents
Basic earnings per share	(10.20)
Diluted earnings per share	(10.20)

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Notes to the Financial Statements
30 June 2021

Note 25. Share-based Payments

During the current period the following options have been granted/issued:

- 1,400,000 options issued as part of the consideration for acquisition of tenements;
- 17,000,000 options issued to founders and directors. Of these options 10,500,000 options had vested at 30 June 2021; and
- 2,000,000 options issued to the lead manager.

Set out below are summaries of options granted under the plan:

	Number of Options 30 June 2021	Weighted Average Exercise Price 30 June 2021
Outstanding at the beginning of the financial period	-	\$0.000
Granted	20,400,000	\$0.300
Outstanding at the end of the financial period	<u>20,400,000</u>	\$0.300
Exercisable at the end of the financial period	<u>11,900,000</u>	\$0.300

Grant Date	Expiry Date	Exercise Price	Balance at the Start of the Period	Granted	Exercised	Expired/ Forfeited/ Other	Balance at the End of the Period
18/11/2020	18/11/2023	\$0.300	-	1,400,000	-	-	1,400,000
26/03/2021	20/07/2025	\$0.300	-	17,000,000	-	-	17,000,000
25/06/2021	20/07/2024	\$0.300	-	2,000,000	-	-	2,000,000
At June 2021			<u>-</u>	<u>20,400,000</u>	<u>-</u>	<u>-</u>	<u>20,400,000</u>

Set out below are the options exercisable at the end of the financial period:

Grant Date	Expiry Date	Balance at the End of the Period
18/11/2020	18/11/2023	1,400,000
26/03/2021	20/07/2025	10,500,000
		<u>11,900,000</u>

The weighted average share price during the financial period was \$0.30

The weighted average remaining contractual life of options outstanding at the end of the financial period was 3.84 years.

For the options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Western Mines Group Ltd*(Formerly known as Western Mines Group Pty Ltd)***Notes to the Financial Statements****30 June 2021****Note 25. Share-based Payments (continued)**

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-free Interest Rate	Fair Value at Grant Date
18/11/2020	18/11/2023	\$0.100	\$0.300	100.00%	-	0.18%	\$0.039
26/03/2021	20/07/2025	\$0.100	\$0.300	100.00%	-	0.37%	\$0.049
25/06/2021	20/07/2024	\$0.200	\$0.300	100.00%	-	0.11%	\$0.107

In addition to above options 495,000 fully paid ordinary shares valued at 10 cents per shares were issued to key management personnel during the period as part of their remuneration. A total expense of \$49,500 was recognised. The lead manager also received 150,000 fully paid ordinary shares valued at 20 cents per share. An amount of \$30,000 has been recognised in deferred IPO costs. The company also issued 1,400,000 fully paid ordinary shares valued at 10 cents per share as consideration for the acquisition of exploration tenements.

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)

Directors' Declaration
30 June 2021

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a Resolution of Directors

On behalf of the Directors



Dr Caedmon Marriott
Managing Director

24 September 2021



Independent Auditor's Report to the Members of Western Mines Group Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Western Mines Group Ltd ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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* ("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.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation asset Refer to Note 9 of the Financial Report</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"), for each of area of interest, the Company capitalises expenditure incurred in the exploration for and evaluation of mineral resources. These capitalised assets are recorded using the cost model.</p> <p>Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Company. There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none">• Tested the capitalised exploration expenditure incurred in respect of the Company's area of interest by evaluating supporting documentation for consistency to the capitalisation requirements of the Company's accounting policies and the requirements of AASB 6;• We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying value;• We considered and assessed the Directors' assessment of potential indicators of impairment;• We obtained the exploration budget for 2021/22 and discussed with management the nature of planned on-going activities;• We enquired with management, read ASX announcements and minutes of Directors' meetings to ensure that the Company had not decided to discontinue exploration and evaluation at its areas of interest; and• We examined the disclosures made in the financial report against the requirements of applicable Australian Accounting Standards.

Information Other than the Financial Report and Auditor's Report Thereon

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Western Mines Group Ltd

(Formerly known as Western Mines Group Pty Ltd)

Independent Auditors Report to the Members of Western Mines Group Ltd



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 these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 24 of the directors' report for the period ended 30 June 2021.

In our opinion, the Remuneration Report of Western Mines Group Ltd for the period ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

Melbourne
24 September 2021

A handwritten signature in blue ink, appearing to read 'Jude Lau'.

**Jude Lau
Partner**

Western Mines Group Ltd
(Formerly known as Western Mines Group Pty Ltd)
Shareholder Information
30 June 2021

Shareholder Information

The shareholder information set out below was applicable as at 17 September 2021.

Distribution of Equitable Securities

Analysis of number of equitable security holders by size of holding:

Ordinary Shares	Number of Holders	Percentage of Total Shares	Number of Shares Issued
1 to 1,000	5	0.004	1,666
1,001 to 5,000	15	0.13	56,066
5,001 to 10,000	68	1.48	649,237
10,001 to 100,000	213	20.58	9,013,770
100,001 and over	83	77.80	34,079,262
	384	100.00	43,800,001
Holdings less than a marketable parcel	5	0.004	1,666

Options	Number of Holders	Percentage of Total Options	Number of Options Issued
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and over	12	100.00	20,400,000
	12	100.00	20,400,000

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Western Mines Group Ltd
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Shareholder Information
30 June 2021

Ordinary Shares	Number Held	Percentage of Total Shares Issued
ILWELLA PTY LTD	4,100,000	9.36
APERTUS CAPITAL PTY LTD	3,000,000	6.85
JAF CAPITAL PTY LTD	2,025,000	4.62
BELLAIRE CAPITAL PTY LTD	1,577,000	3.60
MRS LUYE LI	1,557,668	3.56
YI XIAO	1,500,000	3.42
MUNCHA CRUNCHA PTY LTD	1,055,000	2.41
KOVIG INVESTMENTS PTY LTD	1,000,000	2.28
BRUCE LEGENDRE	1,000,000	2.28
CERTANE CT PTY LTD	885,000	2.02
MR BERNARD WILLIAM LIVY & MRS DESMA LEA LIVY	810,000	1.85
BVB CUSTODIAN PTY LTD	500,000	1.14
EYEON NO 2 PTY LTD	500,000	1.14
AYERS CAPITAL PTY LTD	500,000	1.14
CAEDMON MARRIOTT	500,000	1.14
HAPPYBUGS PTY LTD	500,000	1.14
TITAN PLANT HIRE PTY LTD	475,000	1.08
CS FOURTH NOMINEES PTY LIMITED	421,000	0.96
ROTHERWOOD ENTERPRISES PTY LTD	412,500	0.94
BLAMNCO TRADING PTY LTD	400,000	0.91
Top 20 Total	22,718,168	51.87

Unquoted equity securities

There are 20,400,000 unlisted options over ordinary shares.

Substantial Holders

Substantial holders in the company are set out below:

Ordinary Shares	Number Held	Percentage of Total Shares Issued
ILWELLA PTY LTD	4,100,000	9.36
APERTUS CAPITAL PTY LTD	3,000,000	6.85

Restricted Securities

The following securities are subject to escrow:

Class of Securities/Restriction	End Date	Total Units
Ordinary Shares - Mandatory Escrow	6 November 2021	4,125,000
Ordinary Shares - Mandatory Escrow	20 July 2023	8,017,501
Options - Mandatory Escrow	20 July 2023	20,400,000

Western Mines Group Ltd
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Shareholder Information
30 June 2021

Voting rights

The voting rights attached to securities on issue are set out below:

Ordinary shares

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

Options

Do not have voting rights.

Other

There is currently no on-market buy-back being conducted.

Tenements

Description	Tenement Number	Interest Owned (%)
Youanmi	E57/1119	100.00
Youanmi	P57/1450	100.00
Broken Hill Bore	E31/1222	100.00
Jasper Hill	E39/2079	100.00
Melita	E40/379	100.00
Mulga Tank	E39/2132	100.00
Pavarotti	E77/2476	100.00
Rock of Ages	P38/4203	100.00

All tenements are located in Western Australia.