



## **WEST COBAR METALS LIMITED**

**ABN 26 649 994 669**

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**Financial Report**

**For the year ended 30 June 2021**

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**West Cobar Metals Limited**

**ABN 26 649 994 669**

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**West Cobar Metals Limited**

**ABN 26 649 994 669**

**CORPORATE DIRECTORY**

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<b>Directors</b>	Mr Robert Klug Non-Executive Chairman
	Mr Kevin Das Non-Executive Director
	Mr Ron Roberts Non-Executive Director
	Mr Matt Szwedzicki Non-Executive Director
<b>Chief Executive Officer</b>	Mr David Pascoe
<b>Joint Company Secretaries</b>	Mr David McEntaggart Mr Craig McNab
<b>Registered Office</b>	Level 11, 216 St Georges Terrace Perth WA 6000
<b>Principal Place of Business</b>	Unit 3, Churchill Court 335 Hay Street Subiaco WA 6008
<b>Postal Address</b>	GPO Box 2517 Perth WA 6831
<b>Web Site</b>	<a href="http://www.westcobarmetals.com.au">www.westcobarmetals.com.au</a>
<b>Share Registry</b>	Automic Registry Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000
<b>Auditors</b>	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000
<b>Country of Incorporation and Domicile</b>	Australia

## West Cobar Metals Limited

ABN 26 649 994 669

### DIRECTOR'S REPORT

For the year ended 30 June 2021

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The directors present the following report on West Cobar Metals Limited ("the Company") and its wholly owned subsidiary (together referred to hereafter as "the Group") for the financial year ended 30 June 2021.

#### Directors

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

Robert Klug	Non-executive Chairman
Kevin Das	Non-executive Director
Ron Roberts	Non-executive Director
Matt Szwedzicki	Non-executive Director

#### Chief Executive Officer

David Pascoe was appointed Chief Executive Officer on 6 May 2021.

#### Joint Company Secretaries

David McEntaggart was appointed Company Secretary on 6 May 2021. Craig McNab was appointed Joint Company Secretary on 21 July 2021.

#### Principal Activities

The Company was incorporated as an unlisted public company limited by shares on 6 May 2021 for the purpose of listing on the ASX and acquiring mineral projects in Australia.

#### Operating Results

The loss of the Group for the year ended 30 June 2021 amounted to \$504,153 (2020: profit \$32,897).

#### Financial Position

As at 30 June 2021 the Group had a cash balance of \$352,511 (2020: \$50,195) and a net asset position of \$296,522 (2020: \$51,304).

#### Dividends Paid or Recommended

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2021.

#### Corporate Governance Statement

The Company has disclosed its corporate governance statement on the Company website at [www.westcobarmetals.com.au](http://www.westcobarmetals.com.au).

#### Significant Changes in State of Affairs

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

# West Cobar Metals Limited

ABN 26 649 994 669

## DIRECTOR'S REPORT

For the year ended 30 June 2021

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### Corporate

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

<b>ORDINARY SHARES</b>	<b>2021</b>
	<b>No.</b>
Fully Paid Ordinary Shares	14,000,000
<b>OPTIONS</b>	
25 cents expiring on 3 June 2026	9,500,000

### Review of Operations

The principal activity of the Company during the financial year was the completion of an initial public offer (IPO) prospectus for the issue of 27,500,000 shares at an issue price of \$0.20 per share to raise \$5,500,000 (before costs). As part of the IPO process, the Company acquired Bulla Park Metals Pty Ltd, a base metals (predominantly copper) and gold exploration entity located in the West Cobar Region that includes the following tenements and prospects.

### Events after the Reporting Period

On 6 August 2021 the Company lodged an Initial Public Offer Prospectus to raise \$5.5 million by the issue of 27,500,000 shares at \$0.20 per share.

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

### Information on Directors

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

#### Mr Robert Klug

##### Non-Executive Chairman (Appointed 6 May 2021)

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

#### Mr Kevin Das

##### Non-Executive Director (Appointed 18 May 2021)

Kevin Das has over 18 years' experience in the exploration and mining industry. He has worked in a variety of mining jurisdictions as a senior geologist and has undertaken various technical and corporate roles including business development, project management and company management. Kevin established the ARD Group in 2016 with the goal of establishing a multi-discipline fund that would effectively allocate capital into the natural resources sector. Kevin is the Managing Director of ARD Group where he is responsible for the fund's investment strategy, implementation of capital allocation and daily management activities.

## West Cobar Metals Limited

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### DIRECTOR'S REPORT

For the year ended 30 June 2021

#### Mr Ron Roberts (Appointed 6 May 2021)

##### Non-Executive Director

##### Director Bulla Park Metals Pty Ltd

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

#### Mr Matt Szwedzicki

##### Non-Executive Director (Appointed 6 May 2021)

Matt Szwedzicki has over 20 years' of corporate and commercial experience, having worked in senior leadership roles with a focus on M&A, corporate growth and investment strategy. Matt co-founded and raised institutional capital for Spark Exploration, an oil and gas company in the West of Shetland, UK. Prior to that Matt held various executive corporate and commercial roles in the energy and resources industries

#### Information on Other Management

##### Mr David Pascoe

##### Chief Executive Officer (Appointed 6 May 2021)

##### Director Bulla Park Metals Pty Ltd

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

#### Mr David McEntaggart

##### Joint Company Secretary (Appointed 6 May 2021)

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

#### Mr Craig McNab

##### Joint Company Secretary (Appointed 21 July 2021)

Craig McNab is a Chartered Accountant and Chartered Secretary with over 12 years' experience in the resource industry and accounting profession in Australia, New Zealand and the UK. He initially qualified as an auditor at PricewaterhouseCoopers and his experience includes senior finance positions held at the De Beers Group and various corporate roles at Anglo American plc in London. He provides services to a number of ASX-listed and unlisted companies, specialising in corporate compliance and financial accounting

#### Meeting of Directors

During the year there were no director's meetings held.

#### Shares under options

Unissued ordinary shares of West Cobar Metals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 June 2021	3 June 2026	\$0.25	9,500,000

# West Cobar Metals Limited

ABN 26 649 994 669

## DIRECTOR'S REPORT

For the year ended 30 June 2021

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### Future Developments, Prospects and Business Strategies

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

### Proceedings on Behalf of the Company

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

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

### Environmental Issues

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

### Indemnity and insurance of officers

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

During the financial year, the Company paid a premium in respect of a contract to 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 auditors

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

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

### Officers of the Company who are former partners of RSM Australia Partners

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

### Non-audit services

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

	2021	2020
	\$	\$
<b>Non-audit services:</b>		
Independent accountants report	14,000	-

**West Cobar Metals Limited**

**ABN 26 649 994 669**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2021**

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**Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is included within and forms part of this Directors' Report for the year ended 30 June 2021.

**Auditor**

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

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



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Robert Klug  
Non-Executive Chairman

Dated this 22<sup>nd</sup> day of September 2021

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**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of West Cobar Metals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM  
RSM AUSTRALIA PARTNERS

  
ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 22 September 2021

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

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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**West Cobar Metals Limited**  
**ABN 26 649 994 669**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Consolidated 2021 \$	Company 2020 \$
<b>Revenue</b>			
Other income	2	20,000	100,000
<b>Expenses</b>			
Accounting and audit fees		(20,000)	-
Compliance costs		(12,400)	-
Corporate advisory and consulting fees		(20,000)	(49,091)
Share based payments	14	(458,850)	-
Travel expenses		(901)	(1,618)
Impairment of exploration expenditure	6	(7,204)	(1,983)
Other expenses		(4,798)	(1,180)
<b>(Loss) / profit before income tax expense</b>		<b>(504,153)</b>	<b>46,128</b>
Income tax expense	3	-	(13,231)
<b>(Loss) / profit after income tax for the year</b>		<b>(504,153)</b>	<b>32,897</b>
<b>Other comprehensive income net of income tax</b>		-	-
<b>Total comprehensive (loss) / profit for the year</b>		<b>(504,153)</b>	<b>32,897</b>

The accompanying notes form part of these financial statements.

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**West Cobar Limited**  
**ABN 58 624 972 185**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	Consolidated 2021 \$	Company 2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	352,511	50,195
Trade and other receivables	5	65,346	20,000
<b>TOTAL CURRENT ASSETS</b>		<b>417,857</b>	<b>70,195</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation assets	6	55,455	3,155
<b>TOTAL NON-CURRENT ASSETS</b>		<b>55,455</b>	<b>3,155</b>
<b>TOTAL ASSETS</b>		<b>473,312</b>	<b>73,350</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	106,790	506
Income tax liabilities		-	21,540
Borrowings	8	70,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>176,790</b>	<b>22,046</b>
<b>TOTAL LIABILITIES</b>		<b>176,790</b>	<b>22,046</b>
<b>NET ASSETS</b>		<b>296,522</b>	<b>51,304</b>
<b>EQUITY</b>			
Issued capital	9	290,521	20
Share based payment reserve	10	458,850	-
(Accumulated losses) / retained earnings		(452,849)	51,284
<b>TOTAL EQUITY</b>		<b>296,522</b>	<b>51,304</b>

The accompanying notes form part of these financial statements.

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West Cobar Metals Limited

ABN 26 649 994 669

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital	Share based payment reserve	Retained earnings / (accumulated losses)	Total
<b>Consolidated</b>	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>20</b>	<b>-</b>	<b>51,284</b>	<b>51,304</b>
Loss for the year	-	-	(504,153)	(504,153)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(504,153)	(504,153)
<i>Transactions with owner directly recorded in equity</i>				
Elimination of subsidiary's share capital on restructuring	(20)	-	20	-
Shares issued	350,015	-	-	350,015
Share based payments	-	458,850	-	458,850
Share issue cost	(59,494)	-	-	(59,494)
<b>Balance at 30 June 2021</b>	<b>290,521</b>	<b>458,850</b>	<b>(452,849)</b>	<b>296,522</b>
<b>Company</b>	Issued Capital	Share based payment reserve	Retained earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>20</b>	<b>-</b>	<b>18,387</b>	<b>18,407</b>
Profit for the year	-	-	32,897	32,897
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	32,897	32,897
<b>Balance at 30 June 2020</b>	<b>20</b>	<b>-</b>	<b>51,284</b>	<b>51,304</b>

The accompanying notes form part of these financial statement.

**West Cobar Limited**  
**ABN 58 624 972 185**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Consolidated 2021 \$	Company 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		20,000	100,000
Payments to suppliers and employees		(20,728)	(47,066)
Income taxes paid		(21,540)	-
<b>Net cash (used in) / provided by operating activities</b>	12	<b>(22,268)</b>	<b>52,934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for exploration expenditure		(55,429)	(3,343)
Payments for security deposits		(40,000)	(10,000)
<b>Net cash used in investing activities</b>		<b>(95,429)</b>	<b>(13,343)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		350,015	-
Proceeds from borrowings		70,000	-
<b>Net cash provided by financing activities</b>		<b>420,015</b>	<b>-</b>
Net increase in cash and cash equivalents		302,316	39,591
<b>Cash and cash equivalents at beginning of financial year</b>		<b>50,195</b>	<b>10,604</b>
<b>Cash and cash equivalents at end of financial year</b>	4	<b>352,511</b>	<b>50,195</b>

The accompanying notes form part of these financial statements.

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## West Cobar Metals Limited

ABN 26 649 994 669

### NOTES TO THE FINANCIAL STATEMENTS

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#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The Company acquired the entire issued and paid-up share capital of Bulla Park Metals Pty Ltd from the vendors on 17 May 2021. No consideration was paid as part of the Restructuring Exercise. Following the completion of the Restructuring Exercise, the Company became the holding company of the Group. Prior to the Restructuring and until the reporting date, the Company and its subsidiary were controlled by the same Controlling Shareholders.

The Restructuring is, therefore, considered to be a business combination involving entities or businesses under common control and is accounted for by applying the pooling of interests method. Accordingly, the assets and liabilities of these entities transferred have been included in the consolidated financial statements at their carrying amounts. Although the Restructuring occurred subsequent to the end of the reporting year ended 30 June 2020, the consolidated financial statements present the financial position and financial performance as if the businesses had always been combined since the beginning of the earliest period presented.

The financial statements are presented in Australian dollars, which is West Cobar Metals Limited's functional and presentation currency.

The financial statements were authorised for issue on 22 September 2021 by the directors of the Company. The directors have the power to amend and reissue the financial statements.

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

#### **New or amended Accounting Standards and Interpretations adopted**

In the year ended 30 June 2021, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year.

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

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the

Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

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

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

# West Cobar Metals Limited

ABN 26 649 994 669

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Accounting Policies

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

#### a) Operating Segments

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

#### b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, West Cobar Metals Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

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

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

#### c) Income Tax

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

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

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

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

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

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

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# West Cobar Metals Limited

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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

#### d) Current and Non-current Classification

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

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

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

#### e) Exploration and Evaluation Expenditure

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

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

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

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

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



# West Cobar Metals Limited

ABN 26 649 994 669

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Impairment of Assets

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

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

#### g) Equity-settled Compensation

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

#### h) Fair Value Measurement

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

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

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

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

#### i) 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.

#### j) Cash and Cash Equivalents

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

**West Cobar Metals Limited**

**ABN 26 649 994 669**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**k) Trade and Other Receivables**

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

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

**l) Trade and Other Payables**

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

**m) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**n) Other Revenue**

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

**o) Borrowing Costs**

All borrowing costs are recognised as expense in the period in which they are incurred.

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

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

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

**q) Critical Accounting Estimates and Judgments**

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

***Share based payment transactions***

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

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

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

**West Cobar Metals Limited**

**ABN 26 649 994 669**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Exploration and evaluation costs***

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

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

***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 Group 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 Group 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 Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**r) New Accounting Standards for Application in Future Periods**

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

***Conceptual Framework for Financial Reporting (Conceptual Framework)***

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

**NOTE 2: OTHER INCOME**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	\$	\$
Other income : Sandfire Resources option	20,000	100,000
	<b>20,000</b>	<b>100,000</b>

**West Cobar Metals Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>NOTE 3: INCOME TAX EXPENSE</b>	<b>Consolidated</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>a. Recognised in the income statement:</b>		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of comprehensive income	-	-
<b>b. Reconciliation of income tax expense to prima facie tax payable:</b>		
(Loss) / gain from ordinary activities before income tax expense	(504,153)	46,128
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	151,246	(13,838)
Increase / (decrease) in income tax due to:		
- Temporary differences	(13,337)	-
- Permanent difference	(30)	-
- Unused tax losses not recognised	(137,879)	607
Income tax attributable to operating profit	-	(13,231)
The following deferred tax balances have not been recognised:		
<b>c. Deferred tax assets not recognised</b>		
Carry forward revenue losses at 30%	-	-

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

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

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West Cobar Metals Limited

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NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	\$	\$
Cash at bank	352,511	50,195
	<b>352,511</b>	<b>50,195</b>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	\$	\$
<b>Current</b>		
GST receivable	5,346	-
Other receivables	60,000	20,000
	<b>65,346</b>	<b>20,000</b>

There is no allowance for expected credit losses recognised for the year ended 30 June 2021 (2020: nil).

**NOTE 6: EXPLORATION AND EVALUATION ASSETS**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	\$	\$
<b>Exploration and evaluation assets</b>		
Balance at the beginning of year	3,155	1,795
Costs capitalised	59,504	3,343
Impairment of costs	(7,204)	(1,983)
<b>Balance at the end of reporting year</b>	<b>55,455</b>	<b>3,155</b>

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

**West Cobar Metals Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7: TRADE AND OTHER PAYABLES**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade creditors	62,332	-
Accruals	44,458	-
GST payable	-	506
	<b>106,790</b>	<b>506</b>

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

**NOTE 8: BORROWINGS**

	<b>Consolidated 2021</b>	<b>Company 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Loan payable	70,000	-

During the 2021 financial year the Group drew down on a \$70,000 loan provided by RSR Enterprises (WA) Pty Ltd a related party to Ron Roberts. The loan was non-interest bearing and fully repaid on the 6 July 2021.

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**West Cobar Metals Limited****ABN 26 649 994 669****NOTES TO THE FINANCIAL STATEMENTS****NOTE 9: ISSUED CAPITAL**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2021</b>
	<b>No.</b>	<b>\$</b>
Ordinary shares - fully paid	<b>14,000,000</b>	<b>290,521</b>
<b>Movement in ordinary shares:</b>		
<b>Balance at beginning of year</b>	<b>2</b>	<b>20</b>
Incorporation shares of the Company issued on 6 May 2021	1,500,000	15
Issue of shares to vendors of Bulla Park Metals Pty Ltd on restructuring – 17 May 2021	9,000,000	-
Elimination of Bulla Park Metals Pty Ltd share capital on restructuring – 17 May 2021	(2)	(20)
Seed shares issued on 22 June 2021	3,500,000	350,000
Share issue costs	-	(59,494)
<b>Balance at 30 June 2021</b>	<b>14,000,000</b>	<b>290,521</b>
		<b>Company</b>
	<b>2020</b>	<b>2020</b>
	<b>No.</b>	<b>\$</b>
Ordinary shares - fully paid	<b>2</b>	<b>20</b>

There was no movement in Issued Capital during the 2020 financial year.

**Terms and conditions of issued capital**

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

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

**Capital risk management**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10: SHARE BASED PAYMENT RESERVES**

	<b>Consolidated</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	-
Share based payment to KMP	434,700	-
Share based payment to advisors	24,150	-
<b>Closing balance</b>	<b>458,850</b>	<b>-</b>

The share-based payments reserves record items recognised as expenses on valuation of KMP and advisor options.

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

	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
<b>Options outstanding as at 1 July 2020</b>	-	-	-
Issued	9,500,000	0.25	5.0
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Options outstanding as at 30 June 2021</b>	<b>9,500,000</b>	<b>0.25</b>	<b>5.0</b>
<b>Options exercisable as at 30 June 2021</b>	<b>9,500,000</b>	<b>0.25</b>	<b>5.0</b>

There was no movement of options during the 2020 financial year.

See note 14 for valuation technique, assumptions and inputs.

**NOTE 11: AUDITORS' REMUNERATION**

	<b>Consolidated</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the Group for:		
Audit or review of the financial report	13,000	7,000
Non-audit services:		
Independent accountants report	14,000	-

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**West Cobar Metals Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>NOTE 12: CASHFLOW INFORMATION</b>	<b>Consolidated</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of Cash Flow from Operations with (Loss) / Profit after Income Tax</b>		
(Loss) / profit after income tax	(504,153)	32,897
<u>Non-cash adjustment</u>		
Share Based Payments	458,850	-
Impairment of exploration expenditure	7,204	1,983
Changes in assets and liabilities;		
Trade and other receivables	(3,881)	4,823
Trade payables and accruals	19,712	13,231
<b>Cash (used in) / provided by operating activities</b>	<b>(22,268)</b>	<b>52,934</b>

**b. Non-cash Financing and Investing Activities**

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

- Acquisition of Bulla Park Metals Pty Ltd on 17 May 2021 by issuance of 9,000,000 shares to the vendors. No consideration was paid as part of this Restructuring Exercise. Following the completion of the Restructuring Exercise, the Company became the holding company of the Group. Prior to the Restructuring and until the reporting date, the Company and its subsidiary were controlled by the same Controlling Shareholders.

**NOTE 13: TRANSACTIONS WITH RELATED PARTIES**

**Key Management Personnel (KMP)**

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

	<b>Consolidated</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Short-term key management personnel benefits	-	38,182
Share based payments (see note 14)	434,700	-
<b>Total remuneration paid</b>	<b>434,700</b>	<b>38,182</b>

**Transactions with Directors and their related parties**

During the 2021 financial year the Group drew down on a \$70,000 loan provided by RSR Enterprises (WA) Pty Ltd a related party to Ronald Roberts. The loan was non-interest bearing and fully repaid on the 6 July 2021.

No loans have been made to any Director or any of their related parties during the year. There were no further transactions with Directors including their related parties other than those disclosed above.

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# West Cobar Metals Limited

ABN 26 649 994 669

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 14: SHARE BASED PAYMENTS

There were the following share based payments during the year:

	Consolidated 30 June 2021	Company 30 June 2020
	\$	\$
<b>Unlisted Securities</b>		
9,000,000 options issued to KMP exercisable at \$0.25 on or before 3 June 2026 (i)	434,700	-
500,000 options issued to advisors exercisable at \$0.25 on or before 3 June 2026 (i)	24,150	-

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

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

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	0.77%
Weighted average expected life of options (years)	5.0
Expected dividends	Nil
Option exercise price (\$)	\$0.25
Share price at grant date (\$)	\$0.10
Fair value of option (\$)	\$0.0483

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

### NOTE 15: CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors there were no contingent assets or liabilities as at 30 June 2021.

### NOTE 16: CAPITAL AND OTHER COMMITMENTS

In order to maintain the current rights to New South Wales exploration tenements, the Group is required to perform minimum exploration requirements specified by the Department of Mines and Petroleum:

	Consolidated 30 June 2021	Company 30 June 2020
	\$	\$
Less than 12 months	70,000	25,833
Between 12 months and 5 years	175,000	24,603
5 years or more	5,834	-
<b>Total</b>	<b>250,834</b>	<b>50,436</b>

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

## West Cobar Metals Limited

ABN 26 649 994 669

### NOTES TO THE FINANCIAL STATEMENTS

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#### **NOTE 17: OPERATING SEGMENTS**

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

#### **NOTE 18: FINANCIAL RISK MANAGEMENT**

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

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

##### ***Credit risk***

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

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

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

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

##### ***Liquidity risk***

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 18: FINANCIAL RISK MANAGEMENT (CONTINUED)**

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

**Financial liability and financial asset maturity analysis**

<b>Consolidated 2021</b>	<b>Weighted Average Interest Rate</b>	<b>1 year or less \$</b>	<b>Between 1 &amp; 2 years \$</b>	<b>Between 2 &amp; 5 years \$</b>	<b>Total \$</b>
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	-	352,511	-	-	352,511
Trade and Other Receivables	-	65,346	-	-	65,346
<i>Financial Liabilities</i>					
Trade and Other Payables	-	(106,790)	-	-	(106,790)
Borrowings	0%	(70,000)	-	-	(70,000)
<b>Net Financial Assets</b>		<b>241,067</b>	<b>-</b>	<b>-</b>	<b>241,067</b>

<b>Company 2020</b>	<b>Weighted Average Interest Rate</b>	<b>1 year or less \$</b>	<b>Between 1 &amp; 2 years \$</b>	<b>Between 2 &amp; 5 years \$</b>	<b>Total \$</b>
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	-	50,195	-	-	50,195
Trade and Other Receivables	-	20,000	-	-	20,000
<i>Financial Liabilities</i>					
Trade and Other Payables	-	(506)	-	-	(506)
<b>Net Financial Assets</b>		<b>69,689</b>	<b>-</b>	<b>-</b>	<b>69,689</b>

**Market risk**

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

**Interest rate risk**

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

**Fair value of financial instruments**

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

# West Cobar Metals Limited

ABN 26 649 994 669

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 19: INTEREST IN CONTROLLED ENTITIES

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

Controlled entities	Country of incorporation	Percentage owned	
		30 June 2021	30 June 2020
Bulla Park Metals Pty Ltd	Australia	100%	-

### NOTE 20: PARENT ENTITY DISCLOSURES

Financial position	2021	2020*
	\$	\$
Assets		
Current assets	351,461	-
Non-current assets	25,132	-
Total assets	<u>376,593</u>	<u>-</u>
Liabilities		
Current liabilities	88,415	-
Non-current liabilities	-	-
Total liabilities	<u>88,415</u>	<u>-</u>
Equity		
Issued capital	290,521	-
Accumulated losses	(486,326)	-
Reserves	458,850	-
Total equity	<u>263,045</u>	<u>-</u>
<b>Financial performance</b>		
Loss for the year	486,326	-
Total comprehensive loss for the year	<u>486,326</u>	<u>-</u>

\*The parent company (West Cobar Metals Limited) was incorporated on 6 May 2021.

#### *Significant accounting policies*

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

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

#### **Contingent Liabilities:**

The Company has no contingent liabilities as at 30 June 2021 (2020: Nil).

#### **Other Commitments and Contingencies:**

The Company has no other commitments and contingencies as at 30 June 2021 (2020: Nil).

**West Cobar Metals Limited**

**ABN 26 649 994 669**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 21: EVENTS AFTER REPORTING PERIOD**

On 6 August 2021 the Company lodged an Initial Public Offer Prospectus to raise \$5.5 million by the issue of 27,500,000 shares at \$0.20 per share.

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

**NOTE 22: COMPARATIVE PERIODS**

The consolidated financial statements of the Group for the reporting year ended 30 June 2021 has been prepared based on the pooling of interests method as if the group, who is ultimately controlled by a common shareholder both before and after the Restructuring Exercise.

The parent's financial statements cover the reporting period since incorporation on 6 May 2021 to 30 June 2021. This being the first set of financial statements for the company, there are no comparative figures.

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**West Cobar Metals Limited**

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**DIRECTORS' DECLARATION**

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

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance, for the year ended 30 June 2021; and
  - (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;
2. in the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

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

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



Robert Klug  
Non-executive Chairman

Perth, 22nd September 2021

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

**Opinion**

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

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

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

**Basis for Opinion**

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

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

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

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## Other Information

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

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**RSM**  
RSM AUSTRALIA PARTNERS

**AL Whyte**  
ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 28 September 2021