



**WESTERN MINES GROUP LTD**

**ACN 640 738 834**

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**HALF YEAR REPORT 31 DECEMBER 2021**

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

## **REVIEW OF OPERATIONS**

Western Mines Group Ltd (WMG or Company) (**ASX:WMG**) is pleased to provide shareholders with the following Review of Operations for the half-year to 31 December 2021.

At the beginning of the financial year the Company successfully completed its Initial Public Offering (IPO) and was admitted to the ASX Official List on 16 July 2021, with shares commencing trading from 20 July 2021. The Company issued 27.5m new shares at \$0.20/share for the maximum raising amount of \$5.5m (before costs) and WMG is now well funded for our planned high-impact exploration programs.

Exploration activity has been ramping up across a number of key projects during a very active first half year for the Company. A high-resolution, high-powered Moving Loop Electromagnetic (MLEM) survey is underway at the Company's flagship Mulga Tank Ni-Cu-PGE Project (*ASX, Moving Loop EM Survey Commences at Mulga Tank Project, 7 October 2021; Major EM Targets Targets Identified at Mulga Tank Ni-Cu-PGE Project, 7 March 2022*). The survey will cover the entire ultramafic intrusion, of over 28km<sup>2</sup>, exploring for electromagnetic bedrock conductors that could be associated with deposits of massive Ni-Cu-PGE sulphides. Also during the period final results were received for a ground gravity survey undertaken in June; part of a series of high-resolution ground based geophysical surveys WMG is undertaking (*ASX, Geophysical Surveys to Unlock Mulga Tank Ni-Cu-PGE Project, 25 August 2021*) aimed at unlocking the project and to define robust drill targets.

The Company successfully completed its maiden drilling program within 7 weeks of listing at the Rock of Ages Project, with the drilling intersecting high-grade gold mineralisation (*ASX, Maiden Drilling Intersects High-Grade Gold at Rock of Ages, 14 October 2021; Further Assays Confirm High-Grade Gold at Rock of Ages, 21 December 2021*). The program was the first to properly test the potential of the historical Rock of Ages gold workings.

Standout results from the 1 metre assay results include: **RARC005 5m at 3.12g/t Au** from 91m, including **1m at 10.85g/t Au** from 91m and **RARC006 3m at 2.66g/t Au** from 85m, including **1m at 6.82g/t Au** from 86m, and **1m at 1.88g/t Au** from 58m.

During the period the Company completed a number of strategic acquisitions to expand its two main projects. At Mulga Tank the Company acquired neighbouring tenement application E39/2299 to expand the project area from 113km<sup>2</sup> to 395km<sup>2</sup>, covering approximately 37km strike and the majority of the under explored Minigwal Greenstone Belt (*ASX, Acquisition to Expand Flagship Mulga Tank Ni-Cu-PGE Project, 8 November 2021; Completion of Mulga Tank Tenement Acquisition, 9 December 2021*). This new ground contains a 12km trend of interpreted ultramafic bodies on the western basal portion of the Minigwal Greenstone Belt, representing a potential feeder system for the Mulga Tank dunite intrusion, 100% owned by WMG.

At the Jasper Hill Gold Project WMG acquired neighbouring tenement E39/2073 (*ASX, WMG Acquires Key Ground at Jasper Hill Gold Project, 8 October 2021*). This acquisition consolidates an exciting 3km long mineralised gold trend that is significantly under explored and was largely held in private ownership over the last 30 years. Jasper Hill is now the Company's primary gold project.

A summary of WMG's projects, recent exploration work and forward plans is given below.



## PROJECT OVERVIEW

WMG 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.

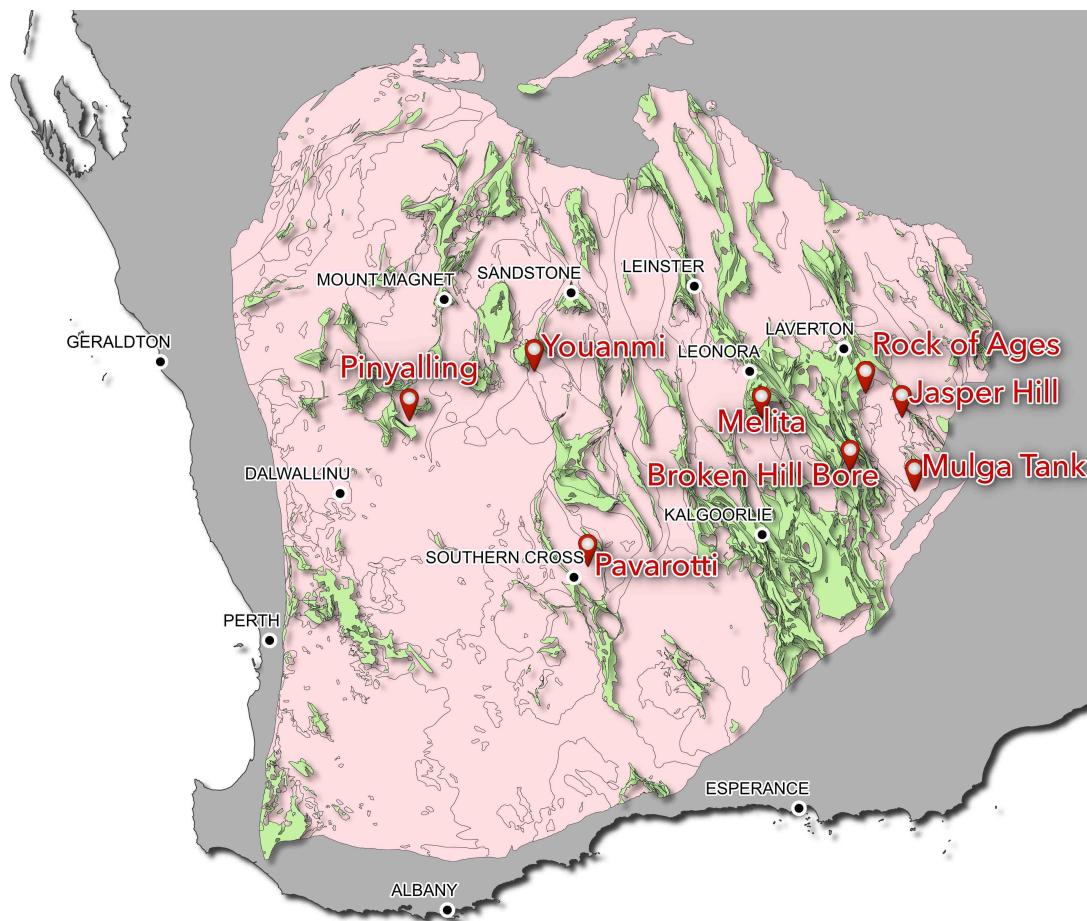


Figure 1: Map of WMG Project Locations

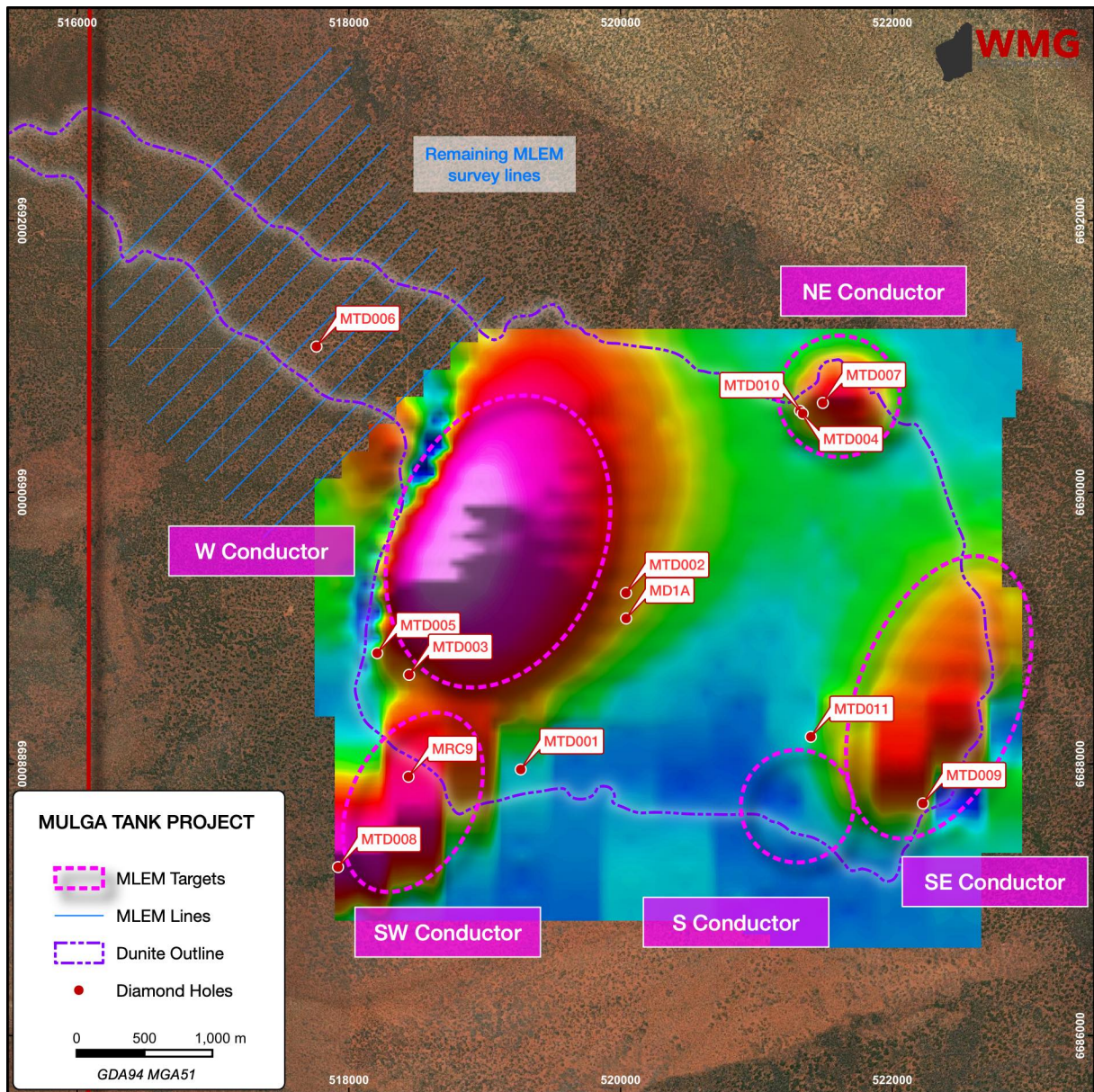
### MULGA TANK

The Mulga Tank Project comprises exploration licence E39/2132 and exploration licence applications E39/2223 and E39/2299, covering approximately 395km<sup>2</sup> of the Minigwal Greenstone Belt, 190km east-northeast of Kalgoorlie. The Minigwal Greenstone Belt, is very under explored due to the presence of shallow sand cover. The project presents a “frontier” exploration opportunity with WMG recently strategically consolidating its position on the majority of the greenstone belt (ASX, *Acquisition to Expand Flagship Mulga Tank Ni-Cu-PGE Project*, 8 November 2021; *Completion of Mulga Tank Tenement Acquisition*, 9 December 2021).

Tenement E39/2132 contains the entire Mulga Tank Dunite Intrusion, a major ultramafic intrusion and a key feature of the area. Based on historical work the intrusion is considered highly prospective for Ni-Cu-PGE magmatic sulphide mineralisation.



WMG is currently undertaking a high-powered Moving Loop Electromagnetic (MLEM) survey at Mulga Tank (ASX, *Moving Loop EM Survey Commences at Mulga Tank Project, 7 October 2021*) to explore for buried electromagnetic bedrock conductors that could be associated with deposits of massive Ni-Cu-PGE sulphides. This survey is part of series of ground geophysical methods being used to explore the Mulga Tank Dunite Intrusion (ASX, *Geophysical Surveys to Unlock Mulga Tank Ni-Cu-PGE Project, 25 August 2021*).



**Figure 2: Mulga Tank Central and Southern Sector MLEM mid-late channel CH35BZ image**

To date the survey crew has completed the Central and Southern Sectors of the intrusion and interim results highlight **5 major bedrock conductor anomalies** within these areas of the intrusion (ASX, *Major EM Targets Identified at Mulga Tank Ni-Cu-PGE Project, 7 March 2022*). Combined with WMG’s geological interpretation and nickel geochemical vectoring work, these MLEM conductors present themselves as robust drill targets.



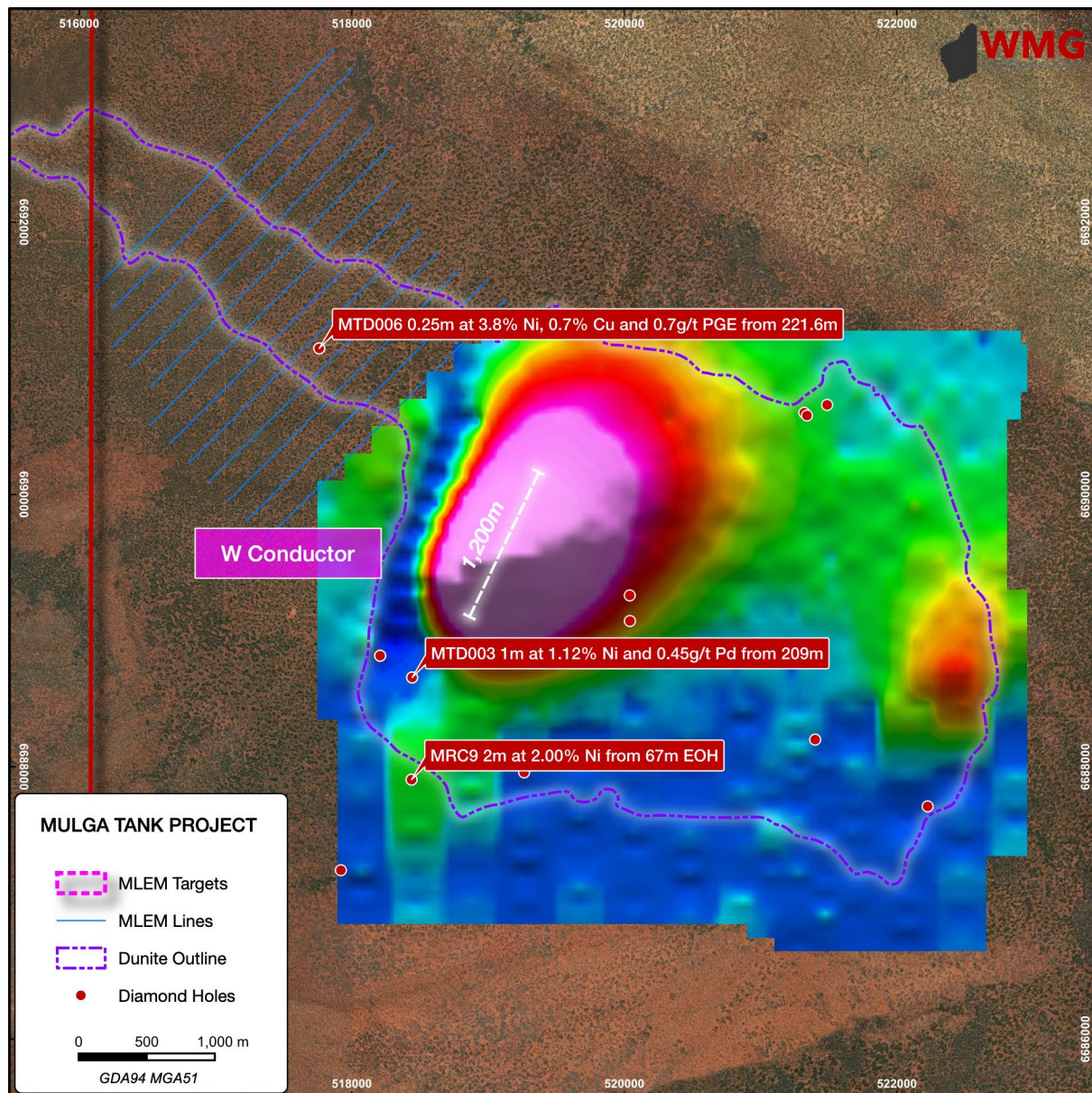


Figure 3: Mulga Tank Central and Southern Sector MLEM late channel CH43BZ image highlighting the W Conductor or “Mulga Monster”

Target	Aerial Size (m)	Conductance (S)	Depth to Top (m)	Comments
W Conductor	~1,000x1,000m	~2,000-3,000	~150-250m	Moderate conductance, shallow to moderate E/ESE dip, shallow NE plunge
SW Conductor	~750x1,000m	~1,000-2,000	~100-150m	Moderate conductance, shallow to moderate E dip, moderate NE plunge
S Conductor	~350x350m	~500-750	~100-125m	Low to moderate conductance, moderate N dip 55-65
SE Conductor	~1,000x1,000m	~500-4,000	~150-250m	Low to moderate conductance, moderate NW dip 50-65
NE Conductor	~150x500m	~2,000-3,000	~125-175m	Moderate conductance, moderate N dip 50-60, shallow moderate NE plunge
	~450x600m	~1,250-1,500	~250-300m	Moderate conductance, shallow to moderate N dip 30-40

Table 1: Summary of Mulga Tank Central and Southern Sector MLEM targets

WMG's systematic exploration approach combining geophysical, geological and geochemical vectoring work continues to build a robust exploration model for the discovery of multiple nickel sulphide deposits within this very large and highly prospective ultramafic intrusion.

## JASPER HILL

The Jasper Hill Project comprises tenements E39/2073, 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.

During the quarter the Company strategically expanded the project area, acquiring neighbouring tenement E39/2073 (*ASX, WMG Acquires Key Ground at Jasper Hill Gold Project, 8 October 2021; Completion of Jasper Hill Tenement Acquisition, 11 November 2021*). This expansion consolidates an exciting 3km long mineralised gold trend, running through tenement E39/2073 and prospecting licence application P39/6267, that is significantly under explored and largely held in private ownership over the last 30 years.

Historical shallow, wide spaced, RAB and RC drilling during the 1980's highlights a number of robust gold results within the tenement including: **AJ10 14m at 1.58g/t Au** from 14m, including **2m at 8.1g/t Au** from 16m, **PDH02 13m at 1.44g/t Au** from 15m, including **5m at 3.11g/t Au** from 15m and **PDH03 18m at 1.28g/t Au** from 14m, including **4m at 3.35g/t Au from 14m** - with little or no follow up work since that time. Significant historical drilling results from tenement E39/2073 are shown in Table 2 below.

HoleID	Easting (MGA51)	Northing (MGA51)	Max Depth (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade (g/t Au)
AJ10	505,876	6,776,775	48	90	-60	14 inc. 16	28 18	14 2	1.58 8.10
AJ16	506,088	6,776,010	32	85	-60	12 22	18 23	6 1	0.57 1.27
AJ26	506,143	6,775,419	37	90	-60	2	4	2	1.32
PDH01	506,162	6,775,417	40	90	-70	10 15 30	12 16 32	2 1 2	1.20 0.53 0.57
PDH02	506,163	6,775,437	44	90	-70	15 inc 15	28 20	13 5	1.44 3.11
PDH03	506,162	6,775,479	41	90	-70	14 inc. 14 and 26	32 18 28	18 4 2	1.28 3.35 2.06
PDH06	506,156	6,775,437	44	90	-70	29 inc. 29 and 38	42 31 39	13 3 1	0.62 1.27 1.20

**Table 2: Tenement E39/2073 Selected Significant Historical Intersections >1.0g/t Au**



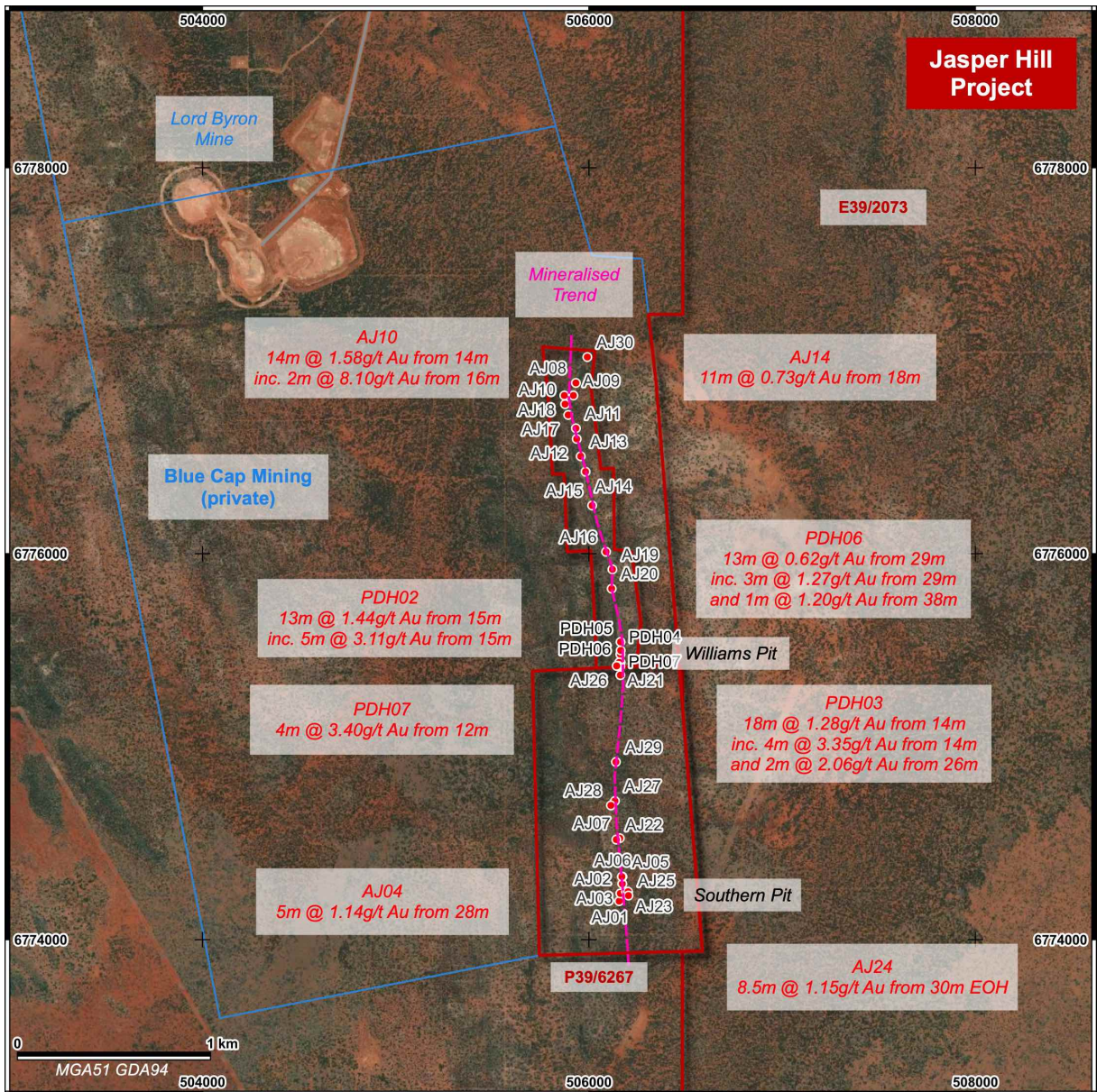


Figure 4: Mineralised Trend and Significant Drill Intersections (E39/2073 and P39/6267)

## 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 600m strike, associated with quartz veining and ferruginous cherts, within felsic volcanics. Historical records indicate 2,074oz Au was mined from the workings between 1902 and 1911 at an average grade of 50g/t Au.

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**Review of Operations**  
**31 December 2021**

During the period, WMG completed the Company's maiden drilling program at the project, with an initial 5 hole reverse circulation (RC) drilling program totalling 654m (ASX, *Completion of Rock of Ages RC Drilling, 9 September 2021*). This trial program was designed to test beneath the main central cluster of shafts and workings and area of extensive mullock dumps. The holes ranged in depth from 120m to 150m depth targeting an inferred sub-vertical mineralised horizon dipping towards the west. The holes were drilled across 4 lines along the strike of the trend of shafts and workings.

The drilling predominantly intersected sheared felsic volcanics, which were often heavily weathered down to approximately 80-90m. An initial 288 samples were collected for geochemical assay, with 4 metre composites taken from 0m to 40m down each hole and 2 metre composites taken from 40m to end of each hole. The results of these composite samples were received during the quarter (ASX, *Maiden Drilling Intersects High-Grade Gold at Rock of Ages, 14 October 2021*) and based on these a further 52 individual 1 metre samples were selected and submitted for follow up geochemical assay (*Further Assays Confirm High-Grade Gold at Rock of Ages, 21 December 2021*). All samples were processed by the ALS laboratory in Perth for gold analysis by fire assay and significant intersections are shown in the table below.

HoleID	Easting (MGA51)	Northing (MGA51)	Max Depth (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade Au (g/t)
RARC001	465810	6813000	126	90	-60	45	48	3	0.18
						118	119	1	0.83
RARC002	465800	6812965	138	90	-60	55	60	5	0.45
						67	68	1	0.42
						87	88	1	0.13
RARC003	465820	6812930	120	90	-60	56	60	4	0.41
						<b>112</b>	<b>114</b>	<b>2</b>	<b>1.69</b>
						<b>inc. 112</b>	<b>113</b>	<b>1</b>	<b>2.92</b>
RARC005	465795	6812930	150	90	-60	<b>91</b>	<b>96</b>	<b>5</b>	<b>3.12</b>
						<b>inc 91</b>	<b>92</b>	<b>1</b>	<b>10.85</b>
						141	142	1	0.39
RARC006	465820	6183035	120	90	-60	47	52	5	0.19
						<b>59</b>	<b>60</b>	<b>1</b>	<b>1.88</b>
						64	65	1	0.14
						<b>85</b>	<b>88</b>	<b>3</b>	<b>2.66</b>
						<b>inc 86</b>	<b>87</b>	<b>1</b>	<b>6.82</b>
113	114	1	0.45						

**Table 3: Significant Intersections for WMG RC 1m Samples at Rock of Ages**

*(significant intersections at 0.1g/t Au cut off, with maximum 1m internal dilution)*

WMG is very encouraged by the high-grade gold intersections identified by the drilling in this maiden program, with standout results from the 1 metre samples of **RARC005 5m at 3.12g/t Au** from 91m, including **1m at 10.85g/t Au** from 91m and **RARC006 3m at 2.66g/t Au** from 85m, including **1m at 6.82g/t Au** from 86m, and **1m at 1.88g/t Au** from 58m (*Further Assays Confirm High-Grade Gold at Rock of Ages, 21 December 2021*).

Mineralisation remains open at depth and along strike to the north and south and shows evidence for up to 5 stacked gold lodes that appear to correlate well between drill holes. Generally better assay results were seen in fresher, less weathered rock versus the highly weathered upper saprolite.



The combination of these three factors (grade, multiple lodes, better results in fresh rock) lends strong support for further drill testing, where broader high-grade zones may hopefully be encountered at depth.

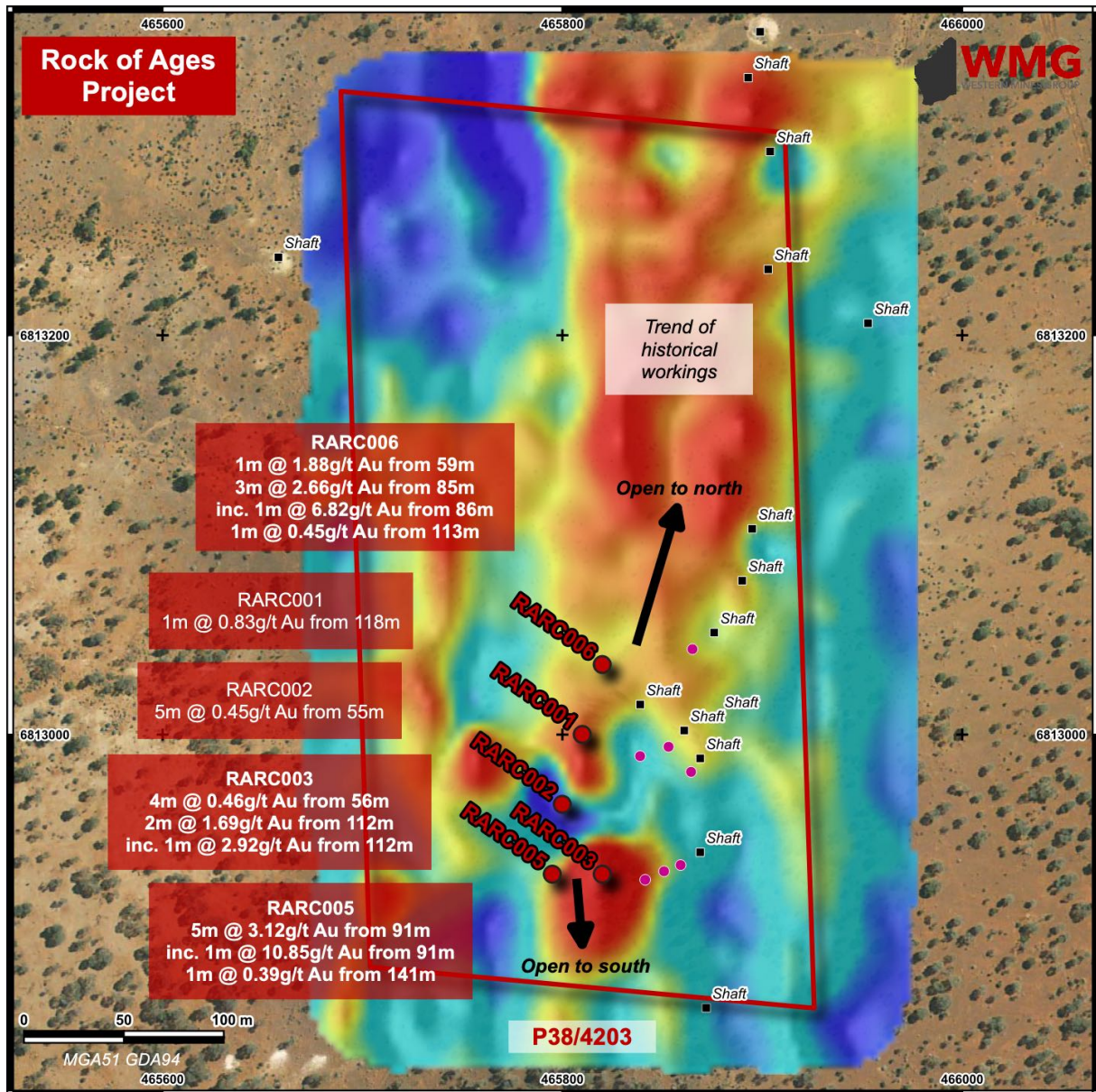


Figure 5: Rock of Ages Drilling Results on Ground Magnetism RTP Image

## MELITA

The Melita Project comprises exploration licence E40/379, covering an area of approximately 105km<sup>2</sup>. 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 Malcolm Mines (ASX:M2M) and Iris Metals (ASX:IR1).



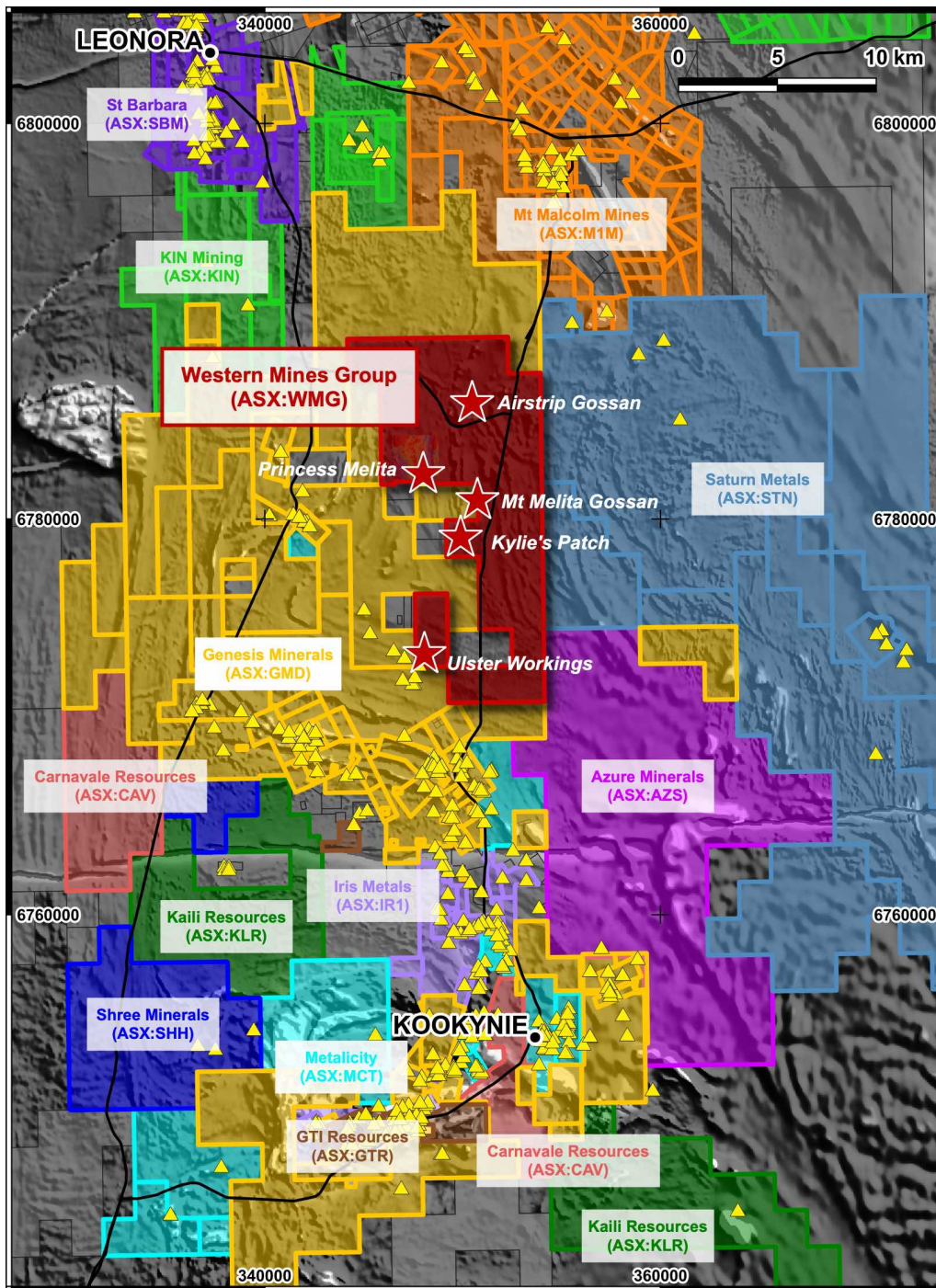


Figure 6: Location of Melita Project

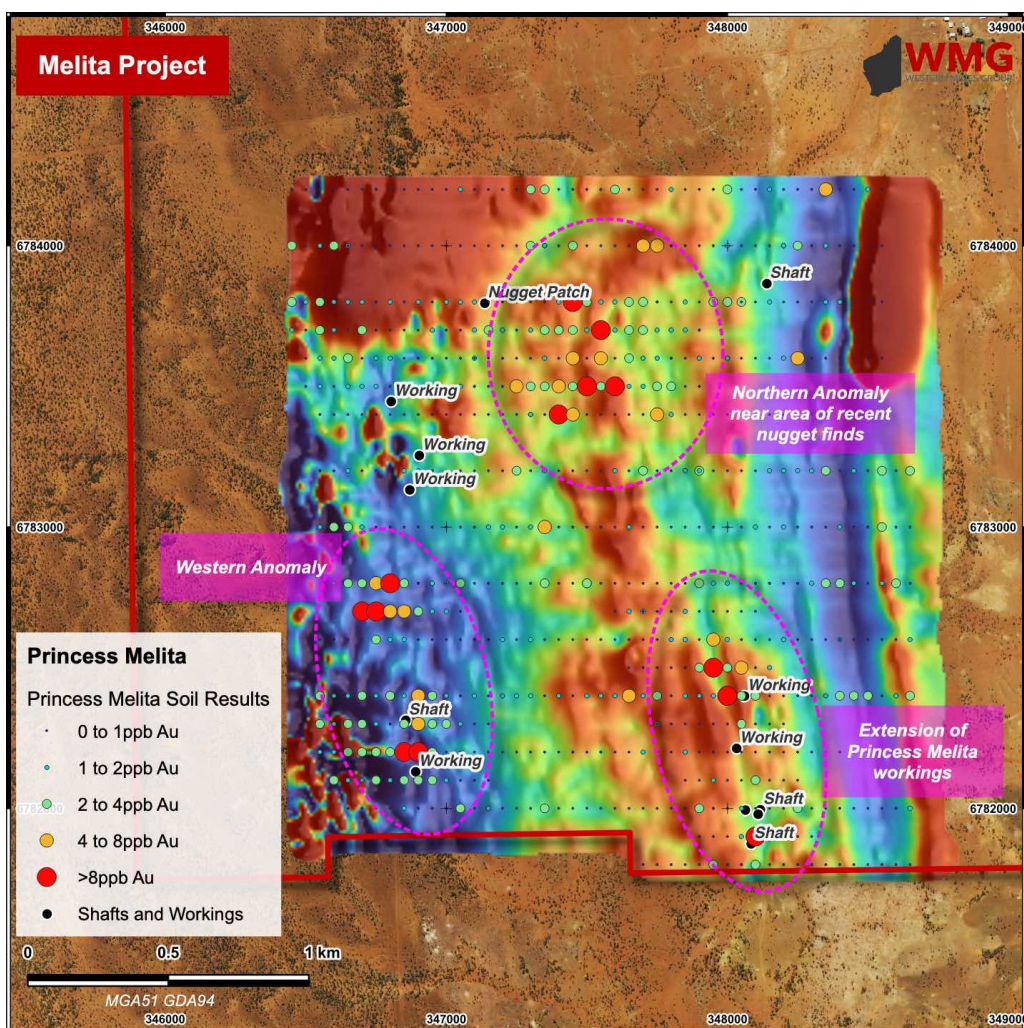
Historical review of the Company's tenement area highlights it to be prospective for both gold and Cu-Pb-Zn VMS-style mineralisation. WMG is undertaking series of field exploration programs (ASX, *Major Field Program Commences at Melita, 11 August 2021*) with a first phase of fieldwork over the Princess Melita high-grade gold workings and Airstrip Cu-Pb-Zn Gossan areas (ASX, *Completion of Initial Field Program at Melita, 16 September 2021*) and a second phase focused on Kylie's Patch, an area of recent gold nugget discoveries by local prospectors; as well as a number of other target areas identified from recent desktop and remote sensing work.



**PRINCESS MELITA GOLD WORKINGS**

An area of approximately 2.1km width and 2.3km strike around the historical Princess Melita gold workings was explored during the first field program. This area covered two parallel north-south striking trends of historical workings, and recent gold prospecting nugget patches and scrapings, associated with three satellite based alteration targets.

A total of 714 sieved soil samples were collected at a general 200m x 50m spacing, with a number of areas of interest infilled in greater detail down to 100m x 50m spacing. These samples were submitted to ALS in Perth for multi-element gold and pathfinder element geochemical analysis. A high-resolution ground magnetic survey was completed over the same exploration area, with just over 105 line kms of data collected at 50m line spacing along east-west line across the north-south trend of geology.



**Figure 7: Princess Melita Exploration Area Gold Results (GMAG RTP image)**

Gold assay results and initial processing of the ground magnetic survey data are shown in Figure 6 below. Three area of anomalous gold results have been identified by the work: the northern extension of the Princess Melita workings, a western anomaly associated with a trend of historical workings and a magnetic low feature and a far northern anomaly, along strike from the Princess Melita workings and close to an area of recent prospecting activity.

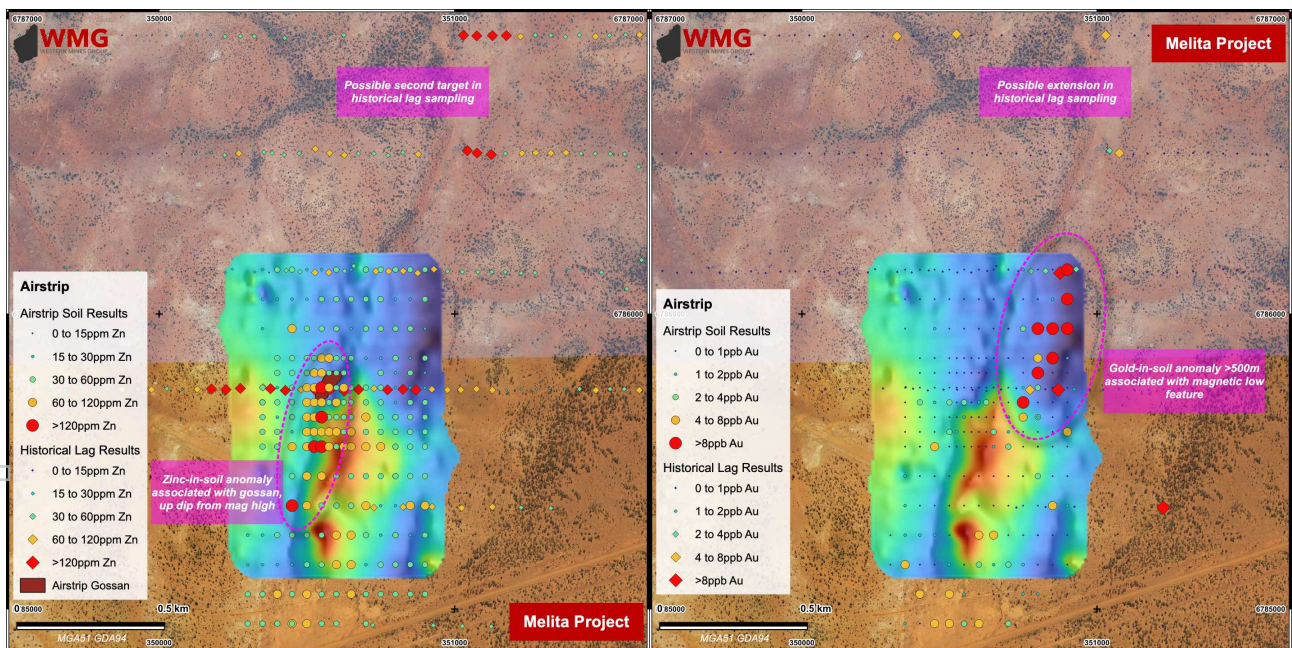
**AIRSTRIP CU-PB-ZN GOSSAN**

An area of approximately 0.6km width and 1.3km strike around the Airstrip Cu-Pb-Zn Gossan, first identified in the 1970's and confirmed by recent WMG rock chip sampling (ASX, *Major Field Exploration Program Commences at Melita, 11 August 2021*), was explored during the first phase of the program.

A total of 224 sieved soil samples were collected at a general 100m x 50m spacing, with the known gossanous area infilled in greater detail down to 50m x 25m spacing. A high-resolution ground magnetic survey was completed over the same exploration area, with just over 16 line km of data collected at 40m line spacing along east-west line across the north-south trend of geology

Geochemical assay results and initial processing of the ground magnetic survey data are shown in Figures 7A and 7B below. A zinc-in-soil anomaly (along with elevated copper) is seen extending south over 500m to 800m strike, from the area of outcropping Cu-Pb-Zn gossan identified by WMG and historical rock chip results. These results appear to sit in the up dip location of a buried magnetic high-feature. Broad spaced historical lag sampling across the area also shows a second possible Cu-Zn anomaly approximately 1km to the north-northeast

A gold-in-soil anomaly has also been identified by the assay results extending over 500m strike in the northeast part of the survey area, associated with a magnetic low feature.



**Figure 8A and 8B: Airstrip Gossan Exploration Area Zinc and Gold Results (GMAG RTP image)**



## 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.

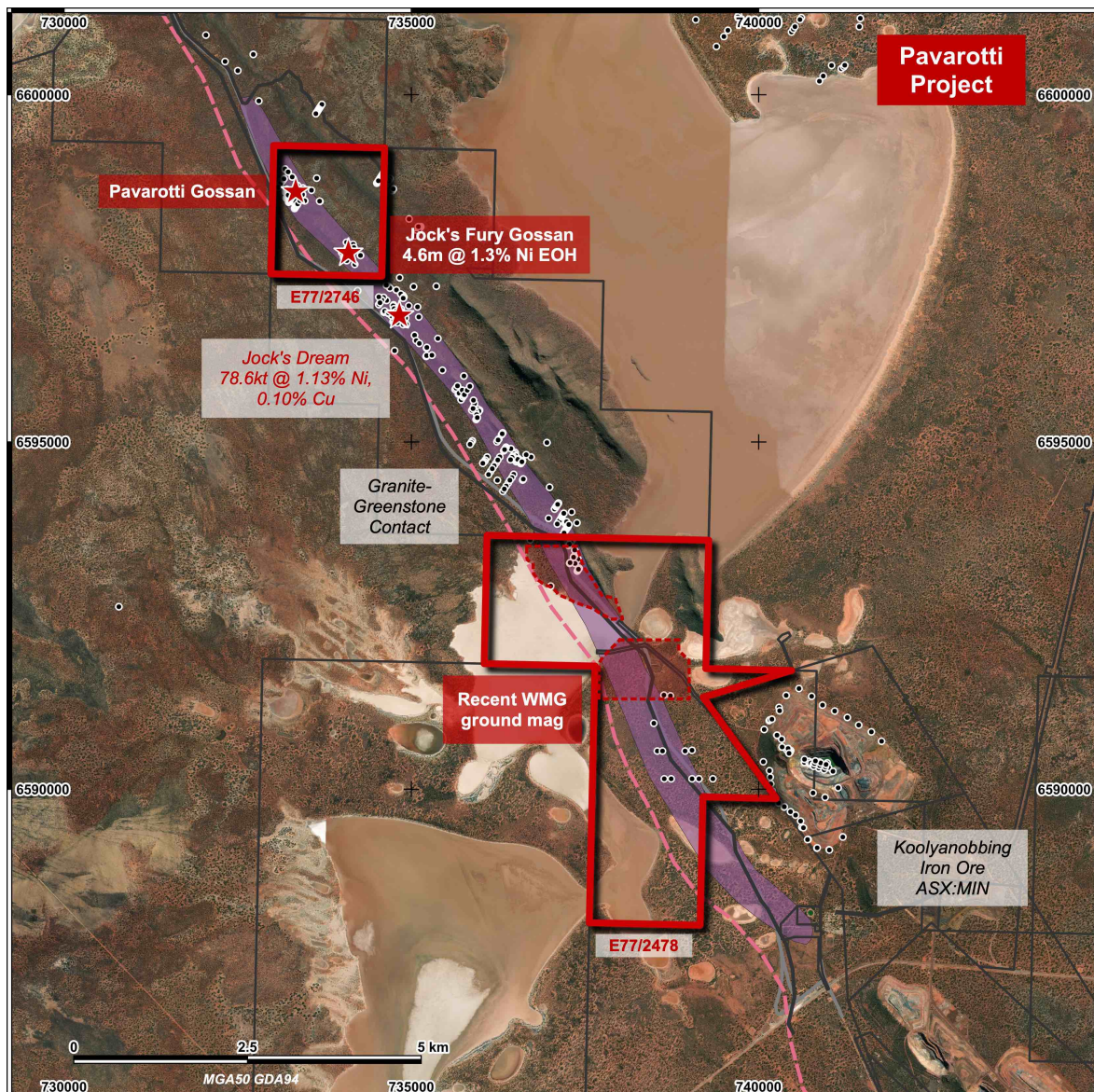


Figure 9: Pavarotti Tenement Areas



During the period WMG completed a historical review of the Pavarotti Project which highlights the area around Jocks Fury gossan as highly prospective and likely the Company's primary target (ASX, *Nickel Exploration Update: High Priority Targets Identified, 17 November 2021*).

Historical rock chip samples from Jock's Fury show anomalous results of up to **0.74% Ni, 0.11% Cu and 0.22g/t Pt+Pd over 140m strike**. BHP drilled several shallow holes at Jocks Fury in the late 1960's including **H202 intersecting 4.6m at 1.28% Ni, 597ppm Cu, 293ppm Co** from 42.7m to the end of hole (EOH) and **H273 intersecting 16.8m at 0.78% Ni, 360ppm Cu, 285ppm Co** from 12.2m, including **3.1m at 1.60% Ni, 865ppm Cu, 700ppm Co** from 24.4m. These results do not appear to have been adequately tested at depth and this area was largely overlooked in subsequent exploration by Delta Gold (1985 to 1996) and Western Areas (2000 to 2014).

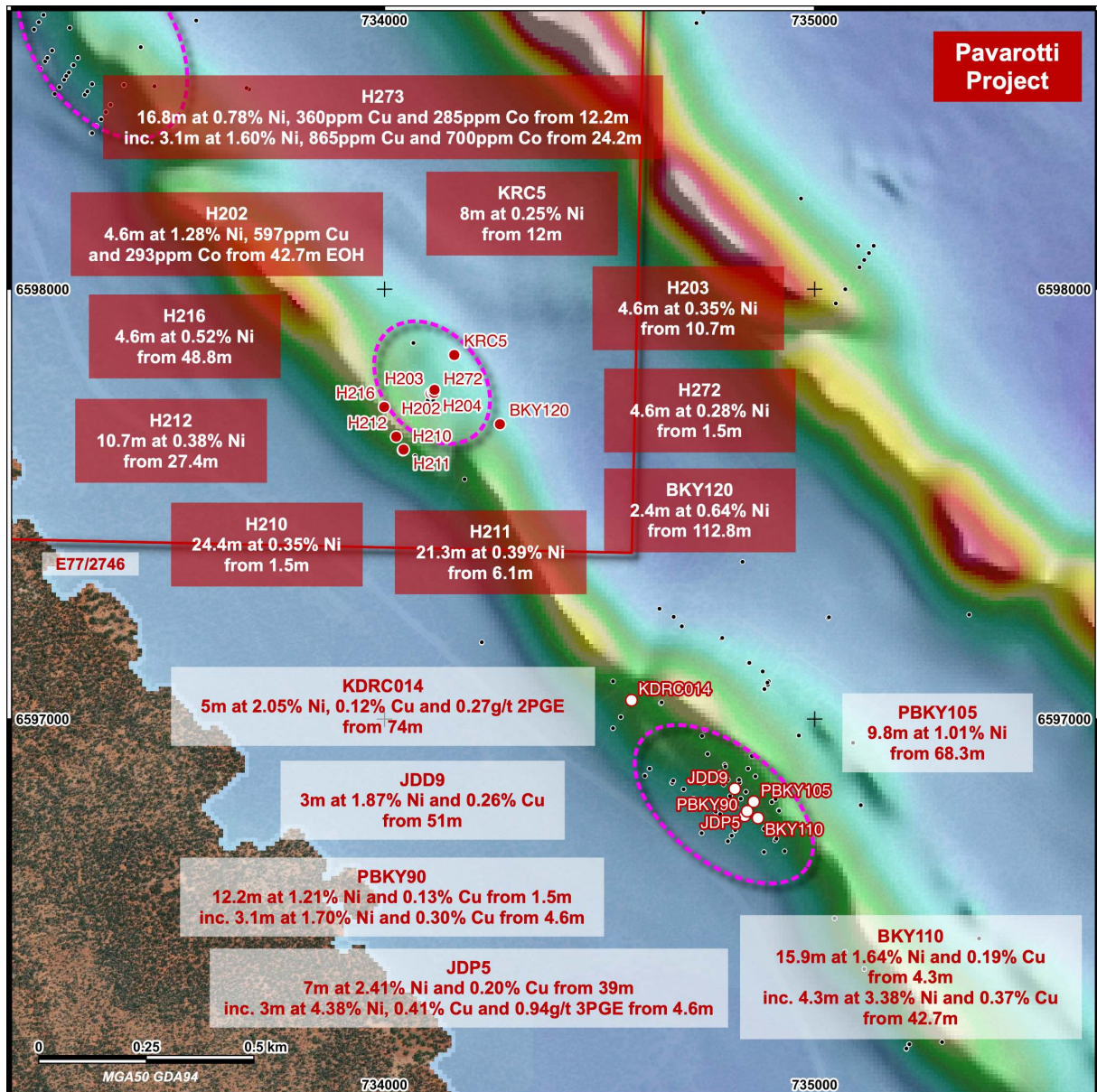


Figure 10: Significant Historical Drilling Intersections around Jocks Fury and Jocks Dream



## 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 Yuinmery 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.

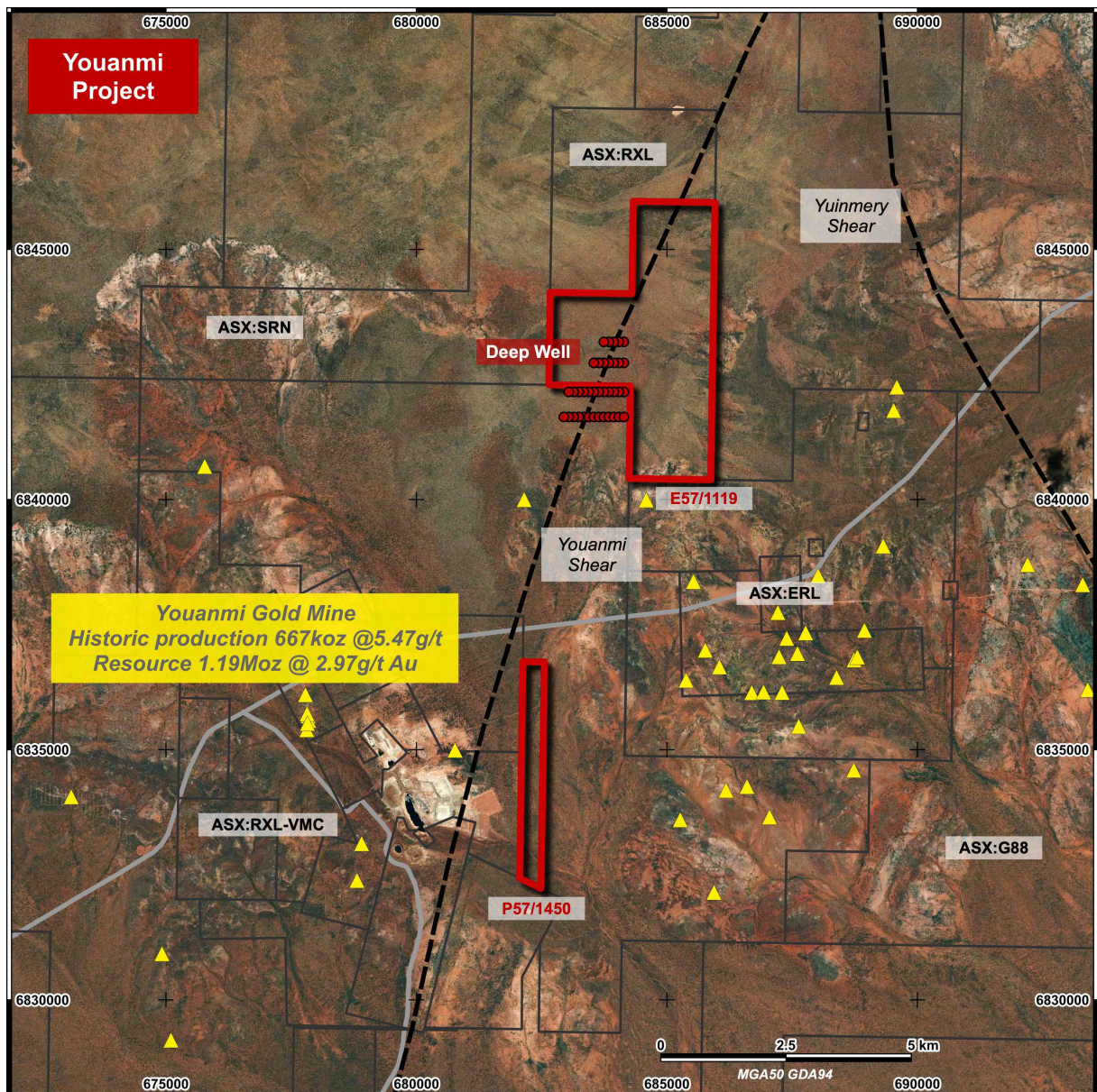


Figure 11: Youanmi Tenement Areas



## **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 and an initial site visit were undertaken during the period.

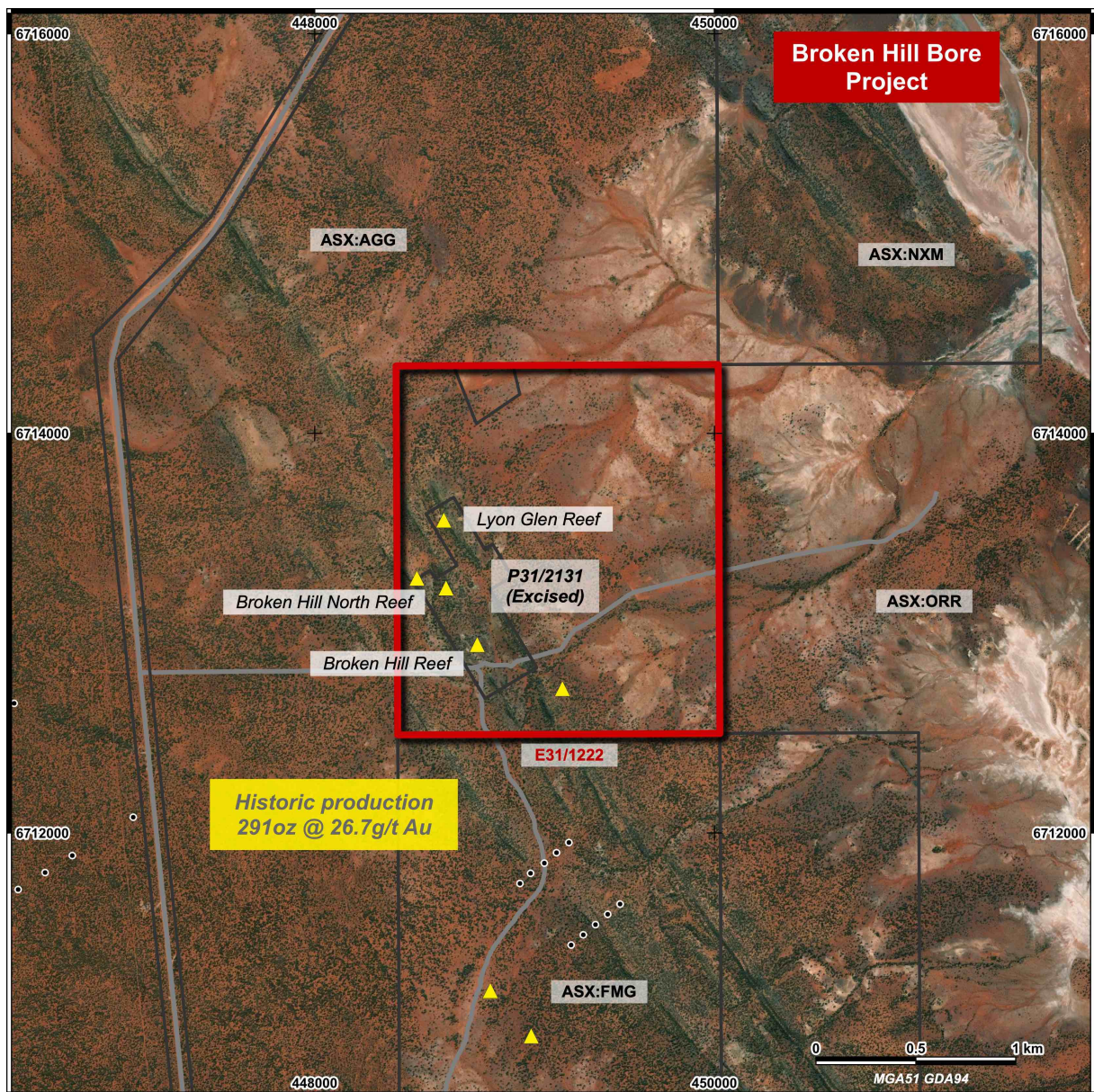


Figure 12: Broken Hill Bore Tenement Area



## PINYALLING

The Pinyalling Project comprises exploration licence application E59/2486 covering 55km<sup>2</sup>. 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.

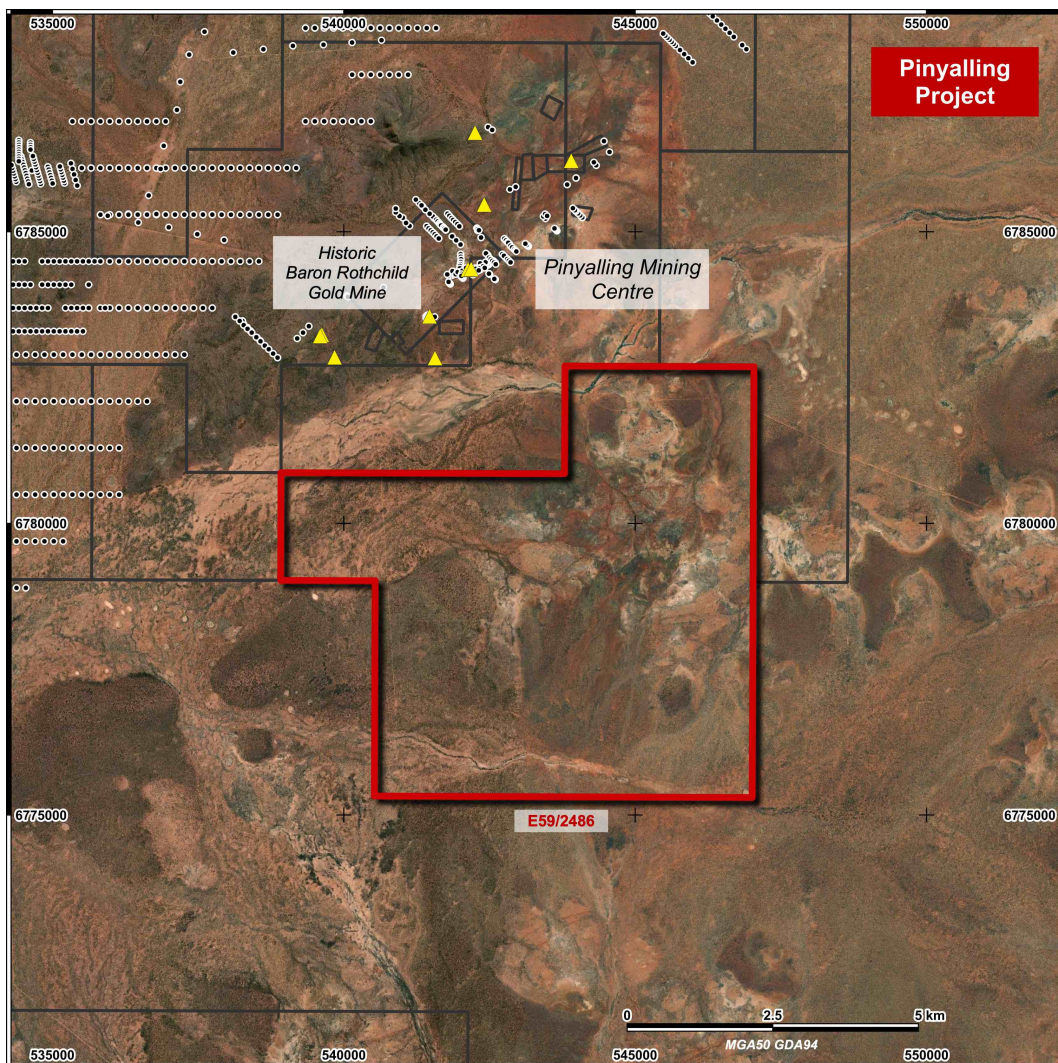


Figure 13: Pinyalling Tenement Area



## **DIRECTORS' REPORT**

The Directors present their report, together with the Financial Statements, on the Company for the half-year ended 31 December 2021.

### **DIRECTORS**

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Rex Turkington (Non-Executive Chairman)  
Dr Caedmon Marriott (Managing Director)  
Mr Paul Burton (Non-Executive Director)  
Mr Francesco Cannavo (Non-Executive Director)

### **PRINCIPAL ACTIVITIES**

During the financial half-year 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.

### **OPERATING RESULTS AND FINANCIAL POSITION**

During the half-year, the Company made a loss after providing for income tax of \$601,786 (31 December 2020: \$129,710). The focus of the Company during the half-year was the continuing mineral exploration of various projects in Western Australia. 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 31 December 2021 the Company held cash and cash equivalents of \$4,541,242.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

On the 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.

There were no other significant changes in the state of affairs of the company during the financial half-year.

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR**

On 27 January 2022, the Company issued 750,000 options over ordinary shares as a one off corporate advisory fee. The options have an exercise price of 30 cents and expire on 27 January 2024.

On 25 February 2022, the Company held an Extraordinary General Meeting (EGM) where all resolutions presented were passed to ratify the prior issue of shares and options for the acquisition of tenement assets at Mulga Tank and Jasper Hill and also to adopt an incentive rights performance plan for the Company.

No other matter or circumstance has arisen since 31 December 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.

**Western Mines Group Ltd**  
**Directors' Report**  
**31 December 2021**

**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.

This report is made in accordance with a resolution of Directors, pursuant to *Section 306(3)(a) of the Corporations Act 2001*.

On behalf of the Directors



---

Dr Caedmon Marriott  
Managing Director  
15 March 2022

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**Auditor's independence declaration**

As lead auditor for the review of the half year financial report of Western Mines Group Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of Western Mines Group Ltd.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
15 March 2022

A handwritten signature in blue ink that reads 'Jude Lau'.

**Jude Lau**  
**Partner**

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

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## Western Mines Group Ltd

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31 December 2021

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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 15 March 2022.



**Western Mines Group Ltd**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2021**

	Note	31 December 2021 (\$)	31 December 2020 (\$)
<b>Expenses</b>			
Administration expenses		(197,773)	(54,895)
Tenement expenses		(148,939)	(74,815)
Employee benefits expense		(149,071)	-
Share based payment expense		(105,872)	-
Depreciation and amortisation expense		(131)	-
		<hr/>	<hr/>
<b>Loss before income tax expense</b>		<b>(601,786)</b>	<b>(129,710)</b>
Income tax expense		-	-
		<hr/>	<hr/>
<b>Loss after income tax expense for the period attributable to the owners of Western Mines Group Ltd</b>		<b>(601,786)</b>	<b>(129,710)</b>
Other comprehensive income for the period, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the period attributable to the owners of Western Mines Group Ltd</b>		<b>(601,786)</b>	<b>(129,710)</b>
		<hr/>	<hr/>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	8	(1.45)	(3.20)
Diluted earnings per share	8	(1.45)	(3.20)

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

**Western Mines Group Ltd**  
**Statement of Financial Position**  
**As at 31 December 2021**

	Note	31 December 2021 (\$)	30 June 2021 (\$)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,541,242	335,490
Trade and other receivables		39,963	18,395
Other	3	28,704	472,160
<b>Total current assets</b>		<b>4,609,909</b>	<b>826,045</b>
<b>Non-current assets</b>			
Property, plant and equipment		5,186	-
Exploration and evaluation	4	990,607	373,810
<b>Total non-current assets</b>		<b>995,793</b>	<b>373,810</b>
<b>Total assets</b>		<b>5,605,702</b>	<b>1,199,855</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		209,955	130,839
Employee benefits		6,071	-
Provisions	5	-	80,000
<b>Total Current liabilities</b>		<b>216,026</b>	<b>210,839</b>
<b>Total liabilities</b>		<b>216,026</b>	<b>210,839</b>
<b>Net assets</b>		<b>5,389,676</b>	<b>989,016</b>
<b>Equity</b>			
Issued capital	6	5,847,767	1,048,172
Reserves		1,046,644	843,793
Accumulated losses		(1,504,735)	(902,949)
<b>Total equity</b>		<b>5,389,676</b>	<b>989,016</b>

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



**Western Mines Group Ltd**  
**Statement of Changes in Equity**  
**For the period half-year 30 June 2021**

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total Equity (\$)
Balance at 1 July 2020	1	-	-	1
Loss after income tax expense for the half-year	-	-	(129,710)	(129,710)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>(129,710)</b>	<b>(129,710)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	968,171	-	-	968,171
Share based payments	-	54,951	-	54,951
<b>Balance at 30 June 2021</b>	<b>968,172</b>	<b>54,951</b>	<b>(129,710)</b>	<b>893,413</b>
	<b>Issued Capital (\$)</b>	<b>Reserves (\$)</b>	<b>Accumulated Losses (\$)</b>	<b>Total Equity (\$)</b>
Balance at 1 July 2021	1,048,172	843,793	(902,949)	989,016
Loss after income tax expense for the half-year	-	-	(601,786)	(601,786)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>(601,786)</b>	<b>(601,786)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 6)	4,799,595	-	-	4,799,595
Share based payments	-	202,851	-	202,851
<b>Balance at 31 December 2021</b>	<b>5,847,767</b>	<b>1,046,644</b>	<b>(1,504,735)</b>	<b>5,389,676</b>

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

**Western Mines Group Ltd**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2021**

	Note	December 2021 (\$)	December 2020 (\$)
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(416,975)	(63,256)
<b>Net cash used in operating activities</b>		<b>(416,975)</b>	<b>(63,256)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(5,317)	-
Payments for exploration and evaluation		(492,210)	(34,286)
<b>Net cash used in investing activities</b>		<b>(497,527)</b>	<b>(34,286)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	6	5,500,000	825,171
Share issue transaction costs		(379,745)	-
<b>Net cash from financing activities</b>		<b>5,120,255</b>	<b>825,171</b>
Net increase in cash and cash equivalents		4,205,752	727,629
Cash and cash equivalents at the beginning of the financial period		335,490	1
<b>Cash and cash equivalents at the end of the financial period</b>		<b>4,541,242</b>	<b>727,630</b>

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

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**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with *Australian Accounting Standard AASB 134 'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with *International Financial Reporting Standard IAS 34 'Interim Financial Reporting'*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**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.

**NOTE 2. 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.

**NOTE 3. CURRENT ASSETS - OTHER**

	<b>31 December 2021 (\$)</b>	<b>30 June 2021 (\$)</b>
Prepayments	28,704	-
Deferred IPO costs	-	472,160
	<b>28,704</b>	<b>472,160</b>

On 20 July 2021, the Company was officially admitted to the Australian Securities Exchange, and the deferred IPO costs have been recognised as a cost of capital raised .

**NOTE 4. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION**

	31 December 2021 (\$)	30 June 2021 (\$)
Exploration and evaluation - at cost	990,607	373,810

**Reconciliations**

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

	Exploration and Evaluation (\$)
Balance at 1 July 2021	373,810
Additions	616,797
Balance at 31 December 2021	990,607

**NOTE 5. CURRENT LIABILITIES - PROVISIONS**

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

**NOTE 6. EQUITY - ISSUED CAPITAL**

	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 (\$)	30 June 2021 (\$)
Ordinary shares - fully paid	44,650,001	16,300,001	5,847,767	1,048,172



**Western Mines Group Ltd**  
**Notes to the Financial Statements**  
**31 December 2021**  
**Movements in ordinary share capital**

Details	Date	Shares	Issue Price	\$
Balance	1 July 2021	16,300,001		1,048,172
Shares on issue on initial public offering	16 July 2021	27,500,000	\$0.200	5,500,000
Shares issued to acquire tenement	11 November 2021	350,000	\$0.190	66,500
Shares issued to acquire tenement application	9 December 2021	500,000	\$0.170	85,000
Less cost of capital raised			\$0.000	(851,905)
Ordinary shares - fully paid	31 December 2021	44,650,001		5,847,767

**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.

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.

**NOTE 7. EVENTS AFTER THE REPORTING PERIOD**

On 27 January 2022, the Company issued 750,000 options over ordinary shares as a one off corporate advisory fee. The options have an exercise fee price of 30 cents and expire on 27 January 2024.

On 25 February 2022, the Company held an Extraordinary General Meeting (EGM) where all resolutions presented were passed to ratify the prior issue of shares and options for the acquisition of tenement assets at Mulga Tank and Jasper Hill and also to adopt an incentive rights performance plan for the Company.

No other matter or circumstance has arisen since 31 December 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 8. EARNINGS PER SHARE**

	31 December 2021 (\$)	30 June 2021 (\$)
Loss after income tax attributable to the owners of Western Mines Group Ltd	(601,786)	(129,710)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	41,563,587	4,048,642
Weighted average number of ordinary shares used in calculating diluted earnings per share	41,563,587	4,048,642
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.45)	(3.20)
Diluted earnings per share	(1.45)	(3.20)

## **DIRECTORS' DECLARATION**

In the Directors' opinion:

- the attached Financial Statements and notes comply with the *Corporations Act 2001*, the *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached Financial Statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the financial half-year 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.

Signed in accordance with a Resolution of Directors made pursuant to *Section 303(5)(a) of the Corporations Act 2001*.

On behalf of the Directors



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Dr Caedmon Marriott  
Managing Director  
15 March 2022



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

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the accompanying half-year financial report of Western Mines Group Ltd ("the Company"), which comprises the statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Western Mines Group Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 review report.

**Responsibility of the Directors for the Financial Report**

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

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**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

**HLB Mann Judd  
Chartered Accountants**

Melbourne  
15 March 2022

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

**Jude Lau  
Partner**

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