

**GREAT WESTERN EXPLORATION LIMITED  
AND CONTROLLED ENTITIES**

**ABN 53 123 631 470**

**ANNUAL REPORT**

**30 JUNE 2022**



**Great Western**  
EXPLORATION

**GREAT WESTERN EXPLORATION LIMITED**  
**ABN 53 123 631 470**

**CORPORATE DIRECTORY**

**Directors**

Kevin Clarence Somes (Chairman)  
Shane Pike (Managing Director)  
Grey Egerton-Warburton (Director)  
Ross Williams (Director)

**Company Secretary**

Anthony Walsh

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**Auditor**

Hall Chadwick WA Audit Pty Ltd (Formerly  
known as Bentleys)  
283 Rokeby Road  
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**Solicitors**

Steinepreis Paganin  
16 Milligan Street  
Perth, Western Australia 6000

**Stock Exchange**

The Company's shares are listed by the  
Australian Securities Exchange Limited

The home exchange is Perth

ASX Code - Fully paid ordinary shares GTE

# GREAT WESTERN EXPLORATION LIMITED

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# GREAT WESTERN EXPLORATION LIMITED

## REVIEW OF OPERATING AND CORPORATE ACTIVITIES

### Executive Summary

Great Western Exploration Limited (ASX: GTE) (“the Company”, “Great Western”) is pleased to provide a review of its operating and corporate activities for the year ended 30 June 2022.

### **Summary**

- Drilling commenced at the Yandal West Project, testing electromagnetic geophysical targets and interpreted structural gold lodes, with drilling completed subsequent to the end of the June 2022 Quarter.
- Multiple drill intersections of sulphide mineralisation validated the prospectivity of Yandal West’s electromagnetic (EM) targets, and drilling at the Company’s Harris’ Find Prospect interpreted to have intersected a gold mineralised structure (see ASX announcement 31 August 2022).
- A new and highly prospective Nickel-PGE Target, Ready1, was defined on Great Western’s 100% owned Golden Corridor Project. The target has coincident Nickel-PGE geochemical and geophysical anomalism and is located on interpreted major geological structures. Two discrete parallel anomalous Nickel-PGE trends were identified immediately west of Ready1.
- Golden Corridor - Assay results from Ultrafine+ soil sampling defined a number of gold in soil anomalies across the GC1 – GC4 structural targets and elsewhere across the Golden Corridor Project.
- Geological review, planning, and prioritisation of exploration continues on all Great Western’s portfolio of projects.
- Experienced geologist, Mr Shane Pike joined the Company as Managing Director in April 2022.
- \$3.5mil fund raised by way of a placement in May and June 2022.

Great Western looks forward to continuing to update shareholders, in what will be a period of high intensity exploration activity.

Operating Activities

**Yandal West (GTE 100% - E53/1369, GTE80% - E53/1612 & E53/1816)**

The Yandal West Project is located within the world-class Yandal Greenstone Belt, approximately 55km north of the Bronzewing Gold Mine and 60km south of the Jundee Gold Mine.

Drilling commenced during the June 2022 Quarter on several electromagnetic (EM) geophysical targets, interpreted as potential metal rich VMS style sulphide accumulations (Figure 1). Additionally, interpreted structural gold lodes targets at Harris' Find were tested. Subsequent to the year ended 30 June 2022, the Company announced that drilling of 12 holes for 1,610m (Figure 1) had been completed (see ASX announcement 21 July 2022), with significant results returned from Harris' Find including:

- 12m @ 2.09g/t Au from 35m, GYWRC009, and
- 3m @ 3.10g/t Au from 53m, GYWRC010 (see ASX announcement 31 August 2022).

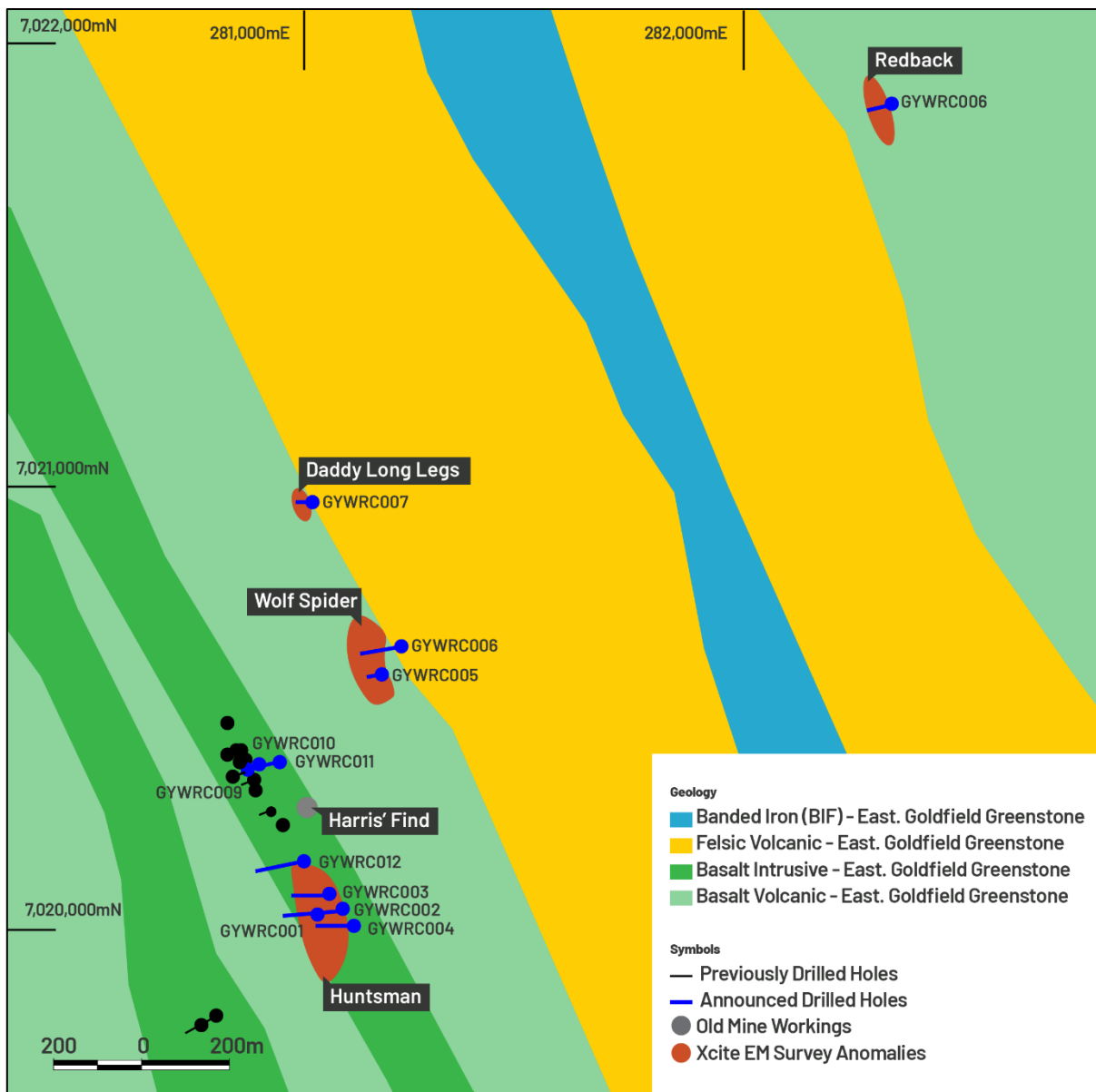


Figure 1: Location of EM anomalies over interpreted geology, with latest drilled holes displayed in blue.

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Harris' Find is a shallow drill defined gold mineralisation system within the highly prospective Yandal Greenstone Belt, host to the multi-million-ounce Jundee and Bronzewing Gold Deposits. Significant gold results were returned from recent Harris' Find drilling, where the Company tested extensions to mineralisation below mid-1990s drilling that previously recorded 6m @ 4.91g/t Au (Great Western Exploration ASX Announcement 11 November 2019). Three holes tested the Harris' Find Structure, with holes GYWRC009 and GYWRC010 recorded significant assay results, shown in Table 1, and Figure 1 and Figure 2 below.

*Table 1: Significant Gold Assay Results from the Harris' Find Prospect (see Table 2 for attributes and Appendix 1 for full details on the assay results). Only significant results (>0.5g/t Au) have been reported in this table.*

Drill hole	Drill Type	From	To	Drill Intercept
<b><i>GYWRC009</i></b>	RC	35	49	<b>12m @ 2.1 g/t Au</b>
	<b>Including</b>	38	40	<b>2m @ 4.7 g/t Au</b>
	and	43	45	<b>2m @ 3.6 g/t Au</b>
<b><i>GYWRC010</i></b>	RC	53	57	<b>3m @ 3.1 g/t Au</b>
	<b>Including</b>	54	55	<b>1m @ 5.0 g/t Au</b>
<b><i>GYWRC011</i></b>	RC	124	125	<b>1m @ 1.5 g/t Au</b>

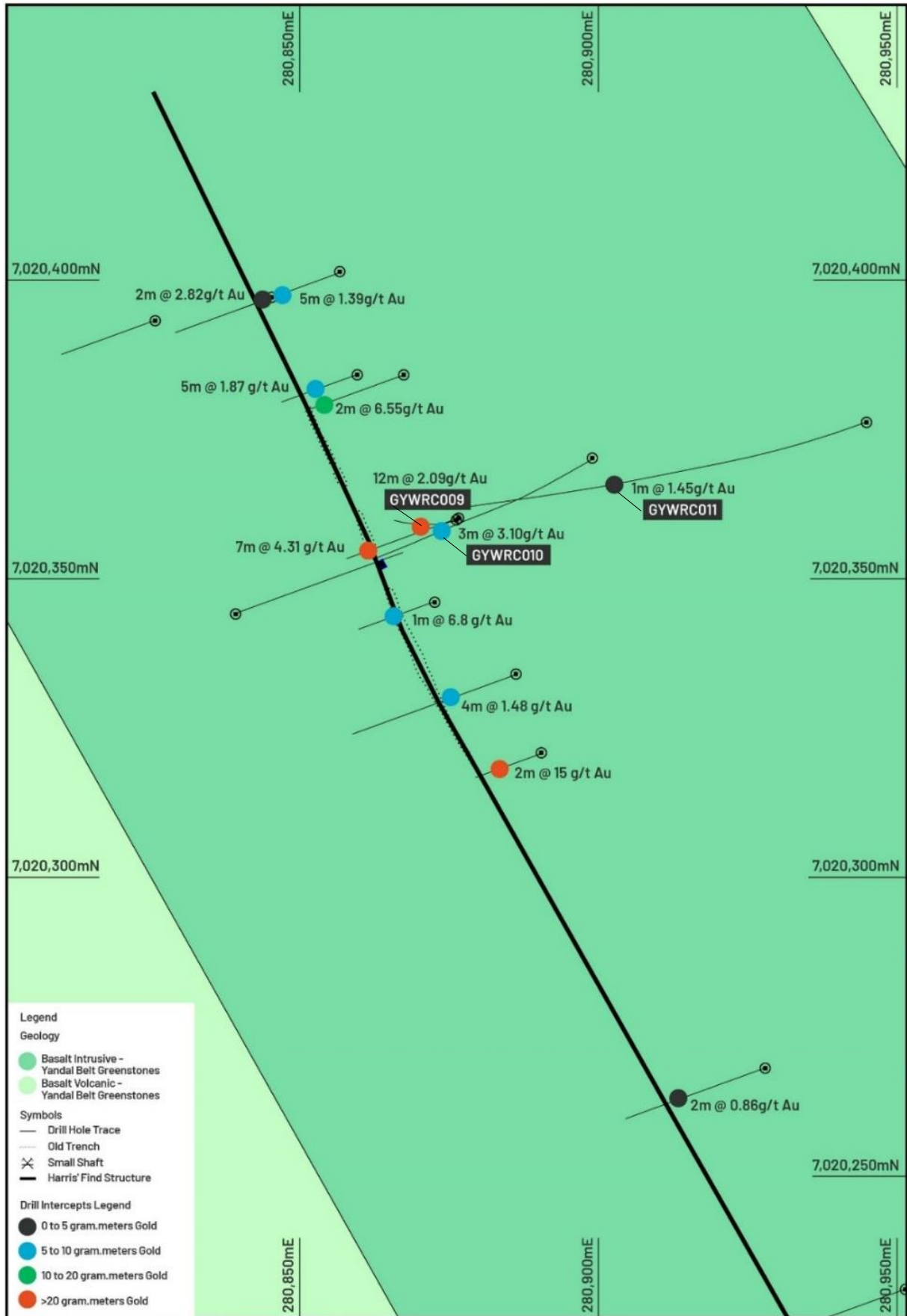
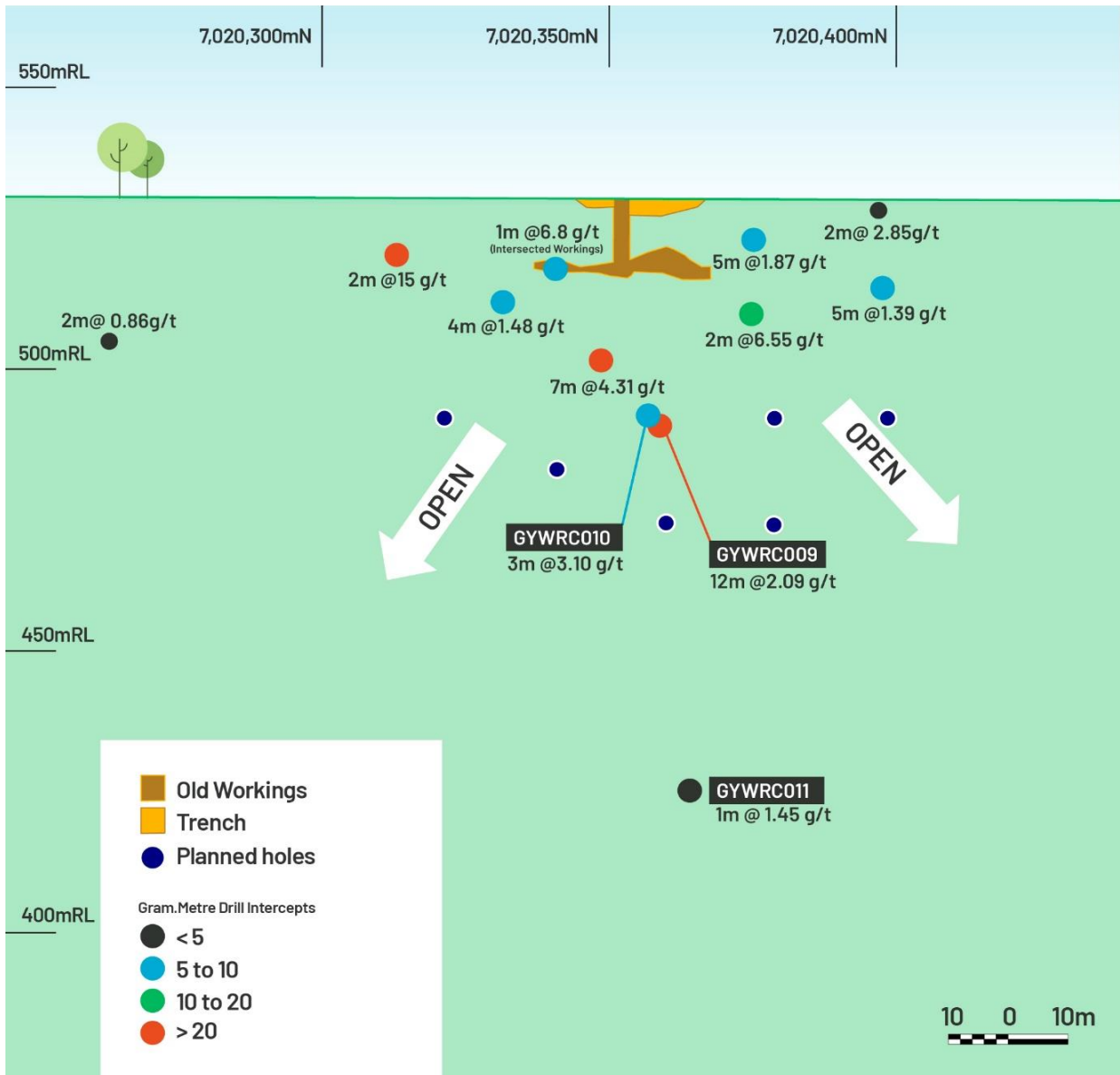


Figure 2: Location of reported drill-holes at Harris' Find and Electromagnetic targets

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Drilling completed in the mid-1990s reported shall gold intercepts, with the average depth of these holes less than 40m. The reported assays from GYWRC009 and GYWRC010 verify and extend these high-grade assays, with significant potential to define further mineralisation at depth down plunge and along strike to the north and south (Figure 3).

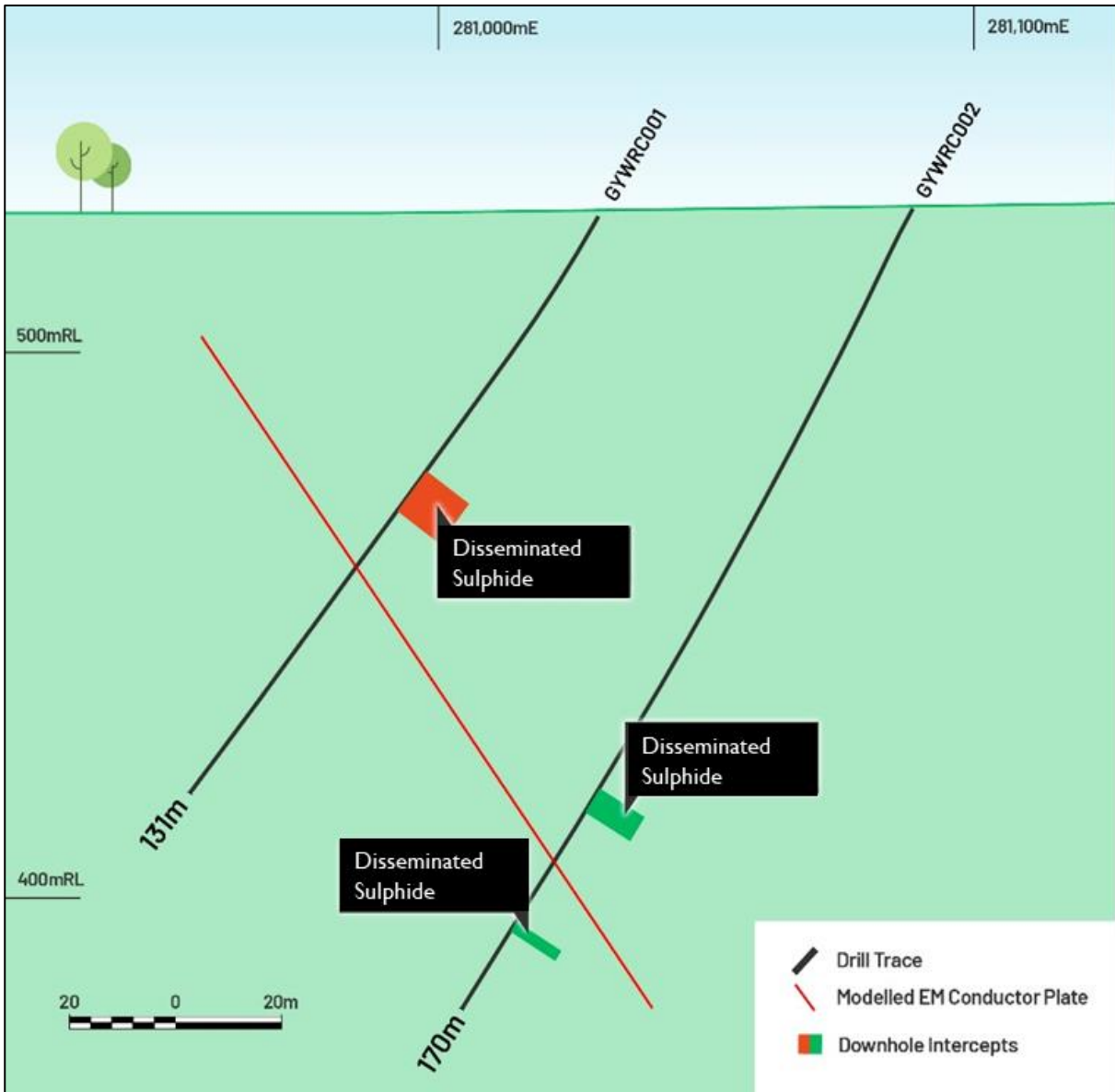


**Figure 3:** Harris' Find longitudinal section, with previously reported drill intercepts displayed, coloured by gold grams x drilled metres (GTE ASX Announcement 11 November 2019<sup>1</sup>). Hole GYWRC010 was designed to at least 20m below hole GYWRC009, but unfortunately deviated significantly and intersected the structure in a similar position as hole GYWRC009.

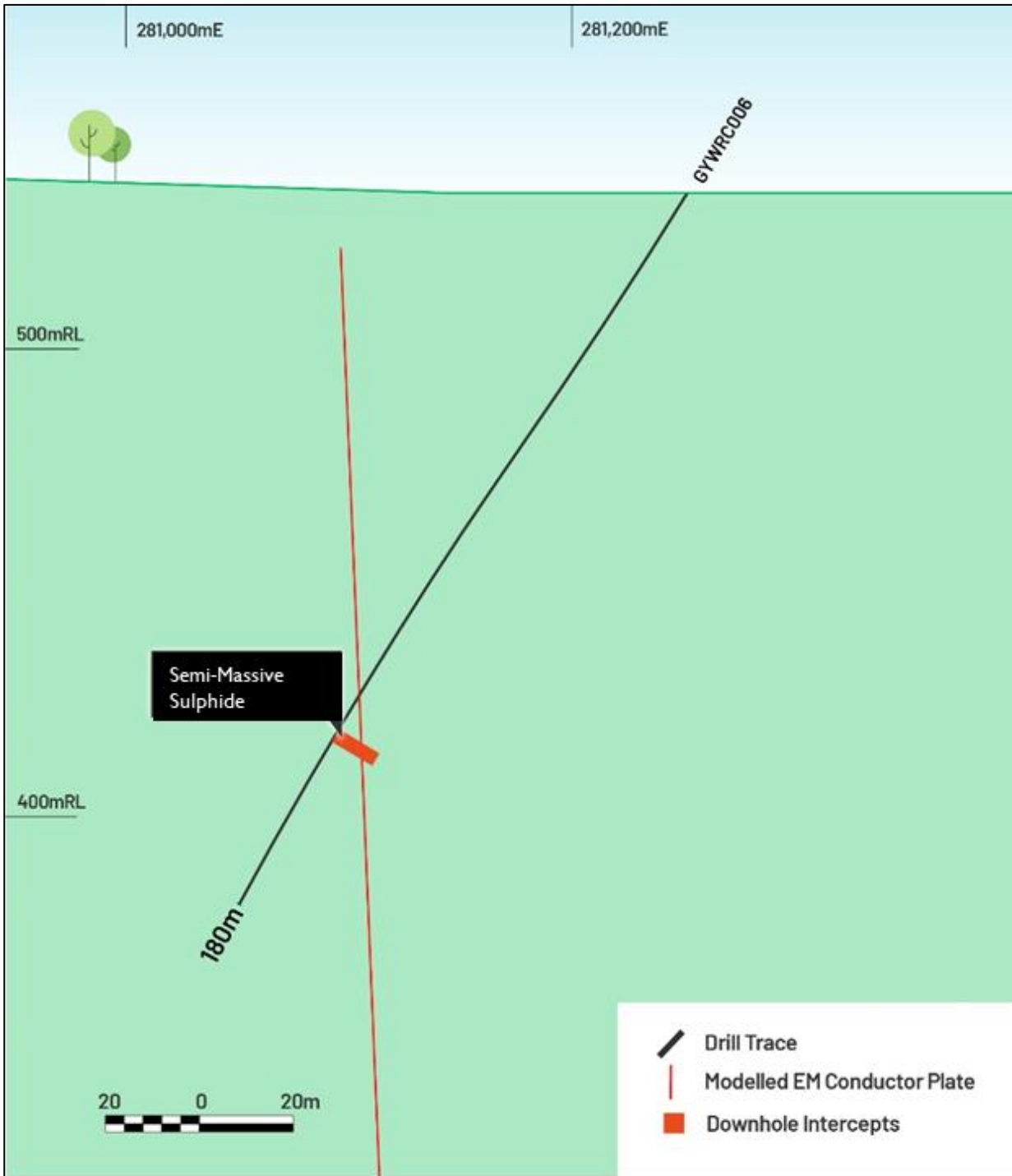
Six follow-up drill-holes have been designed to further delineate the lode (Figure 3), with at least one of these holes to be diamond core drilled to give a better understanding of the structural controls on mineralisation. The Company plans to undertake this follow-up drilling program once access approvals are in place.

The Yandal West Drilling programme also tested the highly prospective EM targets Huntsman, Wolf Spider, Redback and Daddy Long-Legs, with the intersection of sulphide mineralisation in all holes validating the XCite EM conductor targets. Semi-massive and disseminated sulphide mineralisation was most pronounced at the Huntsman and Wolf Spider prospects, shown in Figure 4 and Figure 5.





**Figure 4:** Cross-Section of Great Western drilling and associated significant sulphide intersections at the Huntsman Prospect, displaying good correlation with the modelled EM conductor plate.



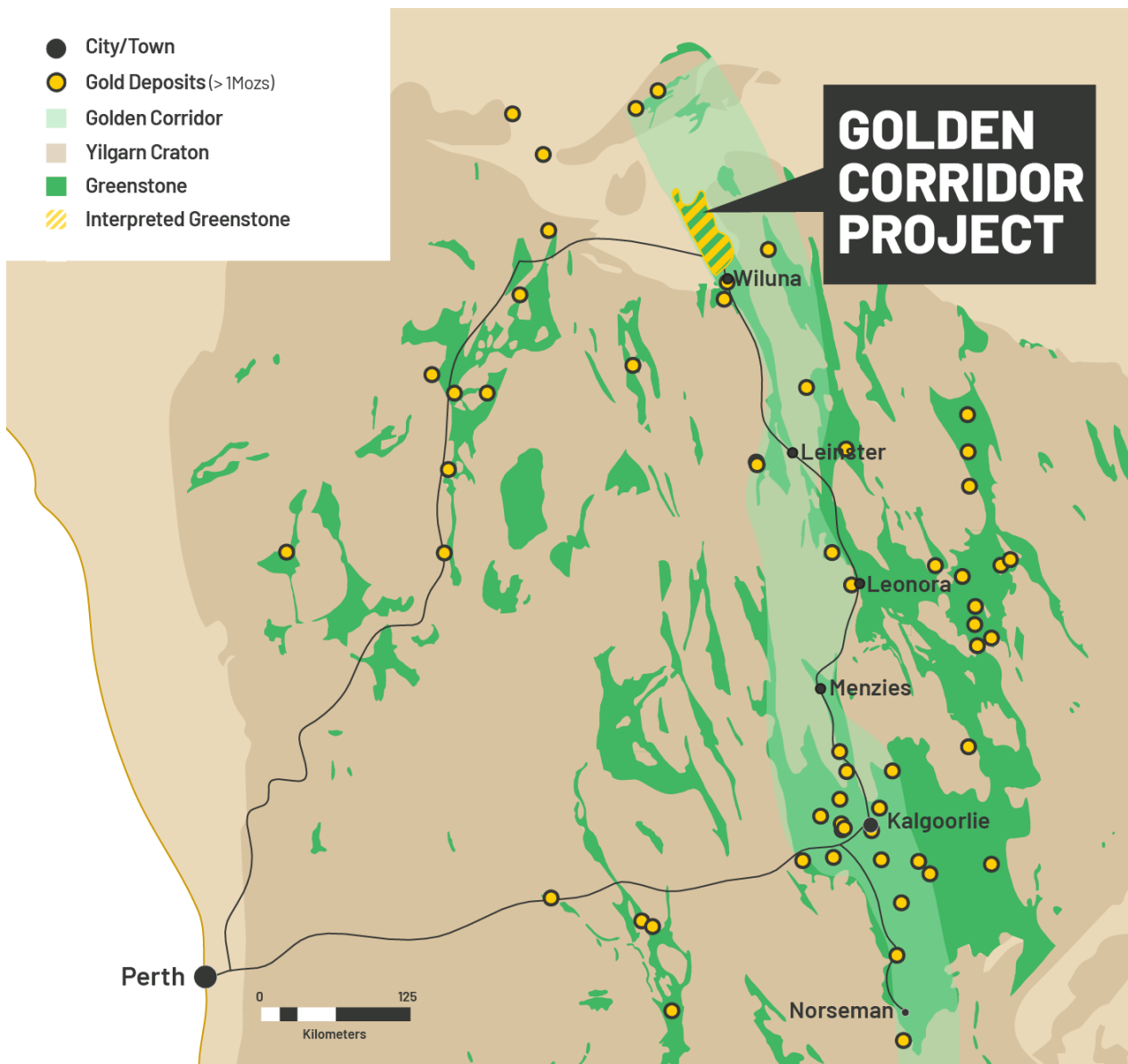
**Figure 5:** Cross-section of Great Western drilling and associated sulphide intercept at the Wolf Spider Prospect displaying good correlation with the modelled EM conductor plate.

Unfortunately, no significant assays were returned from these sulphide zones, with only anomalous results received.

**Golden Corridor Project (100% Great Western)**

Great Western Exploration holds 1,100 km<sup>2</sup> of terrane immediately north of the multi-million-ounce Wiluna gold deposit and within the “Golden Corridor”, which extends from Kambalda in the south to Plutonic in the north. This belt is host to many of Australia’s largest gold and nickel deposits (shown in Figure 6). It is

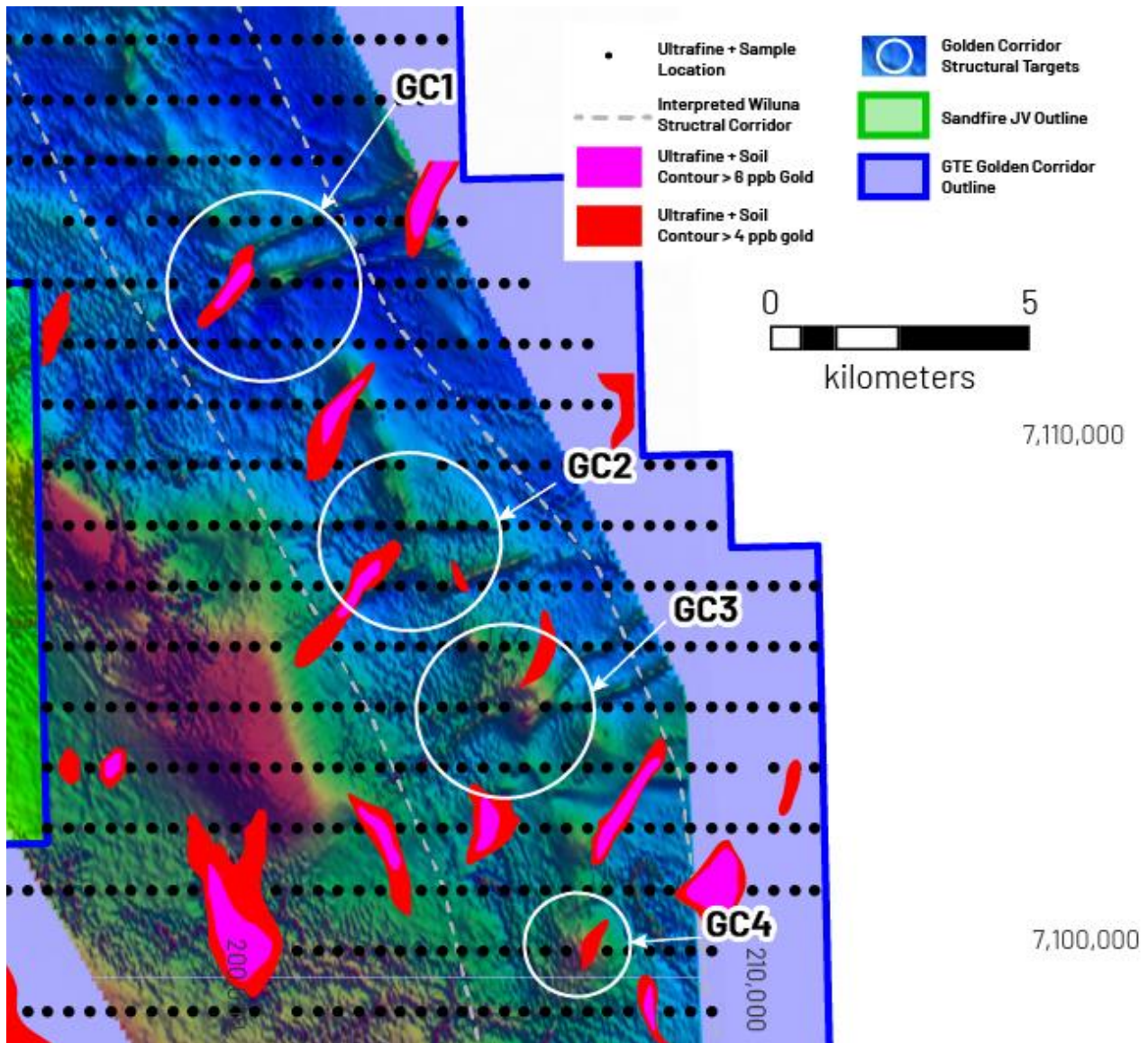
interpreted that this Archean greenstone sequence is obscured by shallow cover and extends north into the Company's Golden Corridor Project, providing significant potential for substantial deposits of gold, nickel, PGEs, and copper to be discovered.



**Figure 6:** The Golden Corridor is host to many of Australia's largest gold and nickel deposits.

Several gold Ultrafine+ soil anomalies were defined during the March 2022 quarter within the project, coincident with structural targets GC1 to GC4 (Figure 7). The gold anomalism correlates strongly with structural breaks within the Golden Corridor trend that runs NNW from Wiluna, and areas of shallower interpreted Proterozoic cover. The gold anomalism highlighted within the soils is significant given the interpreted cover over the Archaean bedrock targets, and that this cover may subdue any geochemical signature of the underlying Archaean bedrock targets.

The identification of an unexplored greenstone sequence with large regional scale faults, under relatively shallow cover that coincides with anomalous gold in Ultrafine+ soils is a strong indication that the sequence is highly prospective for significant gold mineralisation. The Company intends to undertake further field work focusing on the GC1 to GC4 target areas, where the Company has already acquired detailed aeromagnetic and preliminary passive seismic HVSR data.

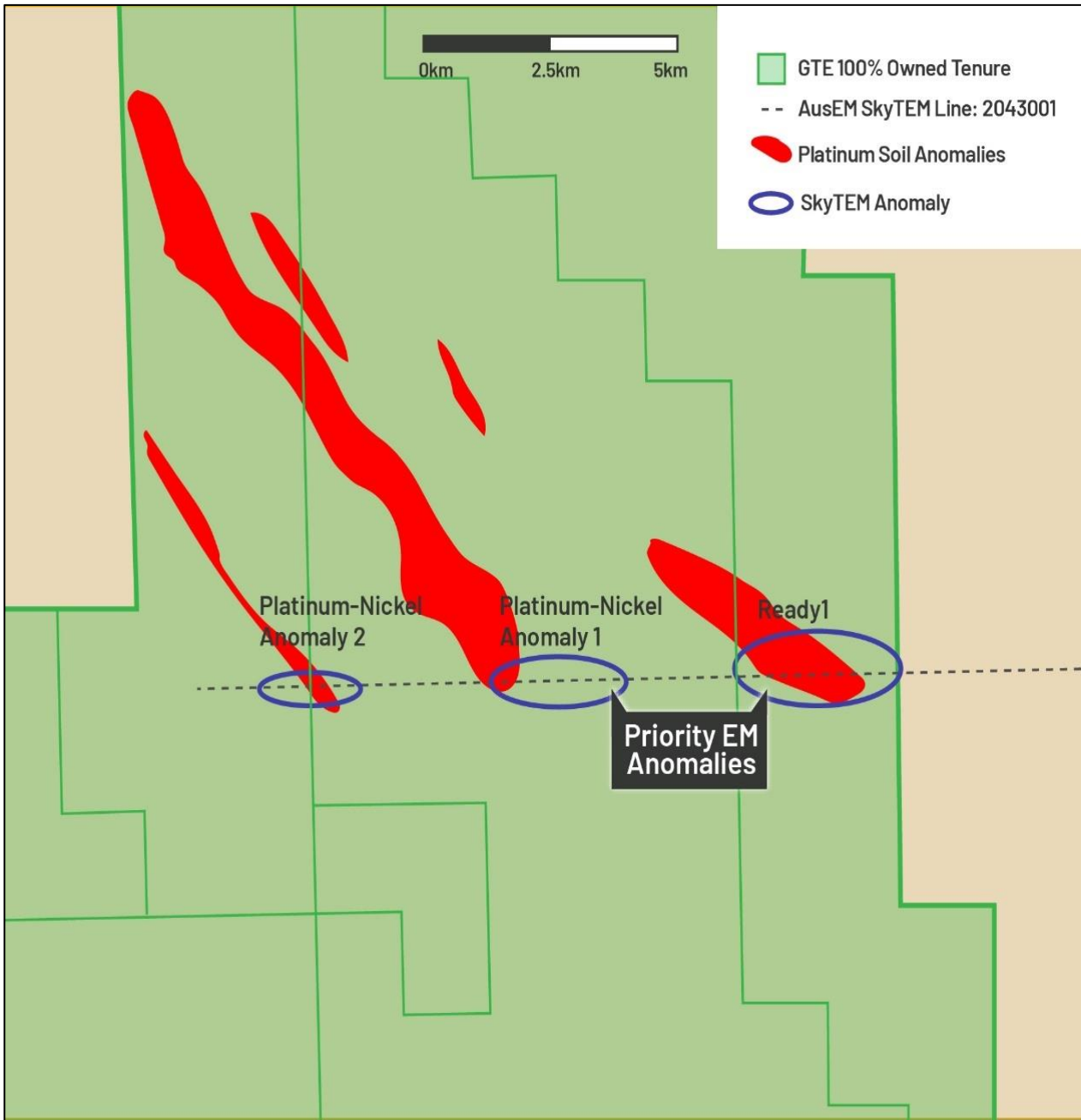


*Figure 7: The upgraded GC1 to GC4 aeromagnetic structural targets in relation to the anomalous gold contours. These coincident areas will be the initial focus of follow-up work.*

The Ready1 Nickel-PGE target was defined by Ultrafine+ soil sampling and an anomalous electromagnetic response from Geoscience Western Australia's SkyTem (AEM) survey. Interpretation of the AEM survey by Great Western and in conjunction with geophysical consultant Newexco, revealed stacked, conductive structures that strongly correlate to a 4km long by 1km wide NW-SE striking Ultrafine+ Ni-PGE anomaly (Figure 8).

Great Western's field investigation of the Ready1 Target gives further encouragement of the target's potential. A mineralised basalt outcrop was identified, with a petrological study identifying the outcrop as a tholeiitic basalt/dolerite, mineralised with minor pyrite and trace magnetite and chalcopyrite. It is interpreted that this mineralised mafic outcrop and associated Ni-PGE anomalism is prospective for Norilsk (Siberia) style deposits, one of the world's largest nickel deposits.

Additionally, two parallel trending and discrete platinum anomalies were identified immediately west of Ready1, also with coincident anomalous electromagnetic response (Figure 8). The most continuous of these anomalies measured near 10km along strike.



**Figure 8:** Ready1 Anomalous Nickel-Platinum soil and electromagnetic anomaly and parallel discrete anomalism west of this target

Exploration is being prioritised for the Ready1 target and the nearby parallel Ni-PGE anomalies. Infill Ultrafine+ soil sampling has already been completed and geophysical methods will be utilised and potentially followed by drill testing.

### **Yerrida South Project (100% GTE)**

Promising Ni-PGE-Cu anomalism was identified at the Yerrida South Project, located 50km south-south-east of Sandfire’s (ASX: SFR) DeGrussa copper-gold operation (Figure 9). A total of 2,079 assays from a 3,108 Ultrafine Sampling program were received identifying several anomalous zones. Great Western anticipates that the forthcoming further work on this anomalism will result in a number of compelling drill targets being defined.

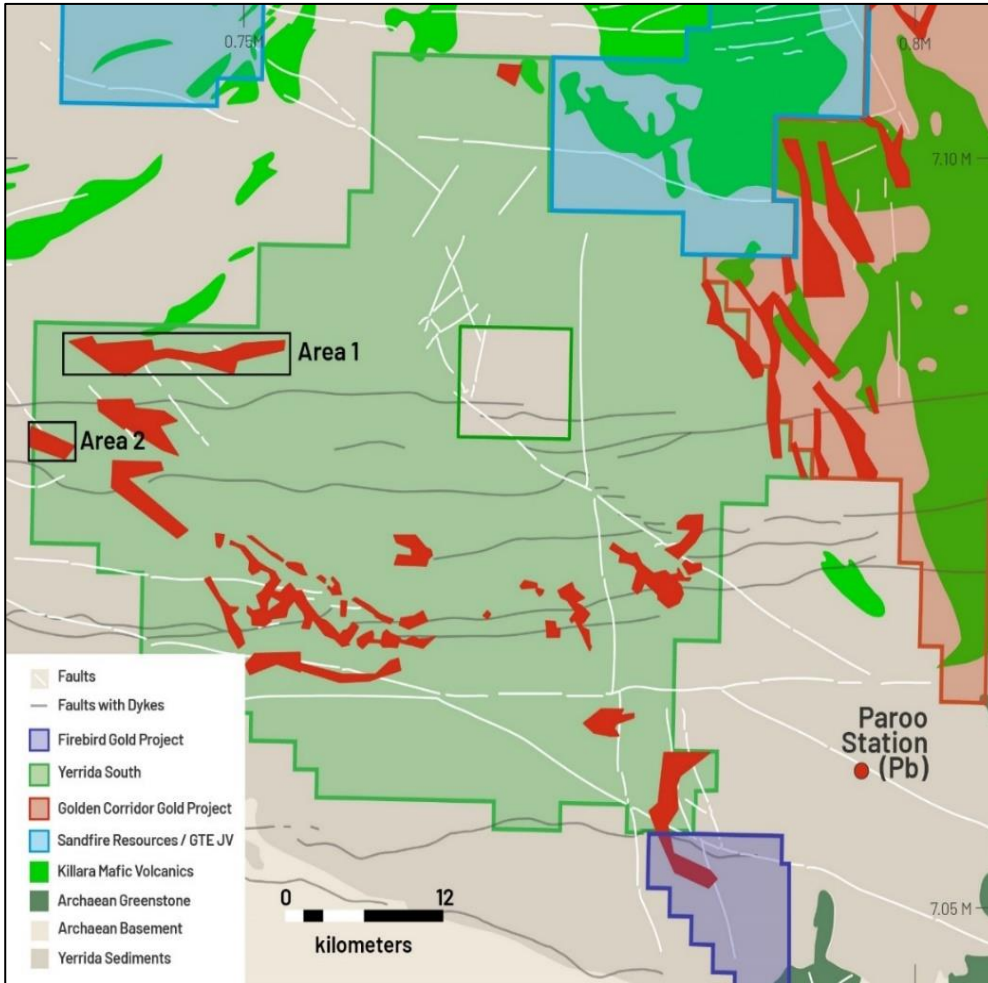


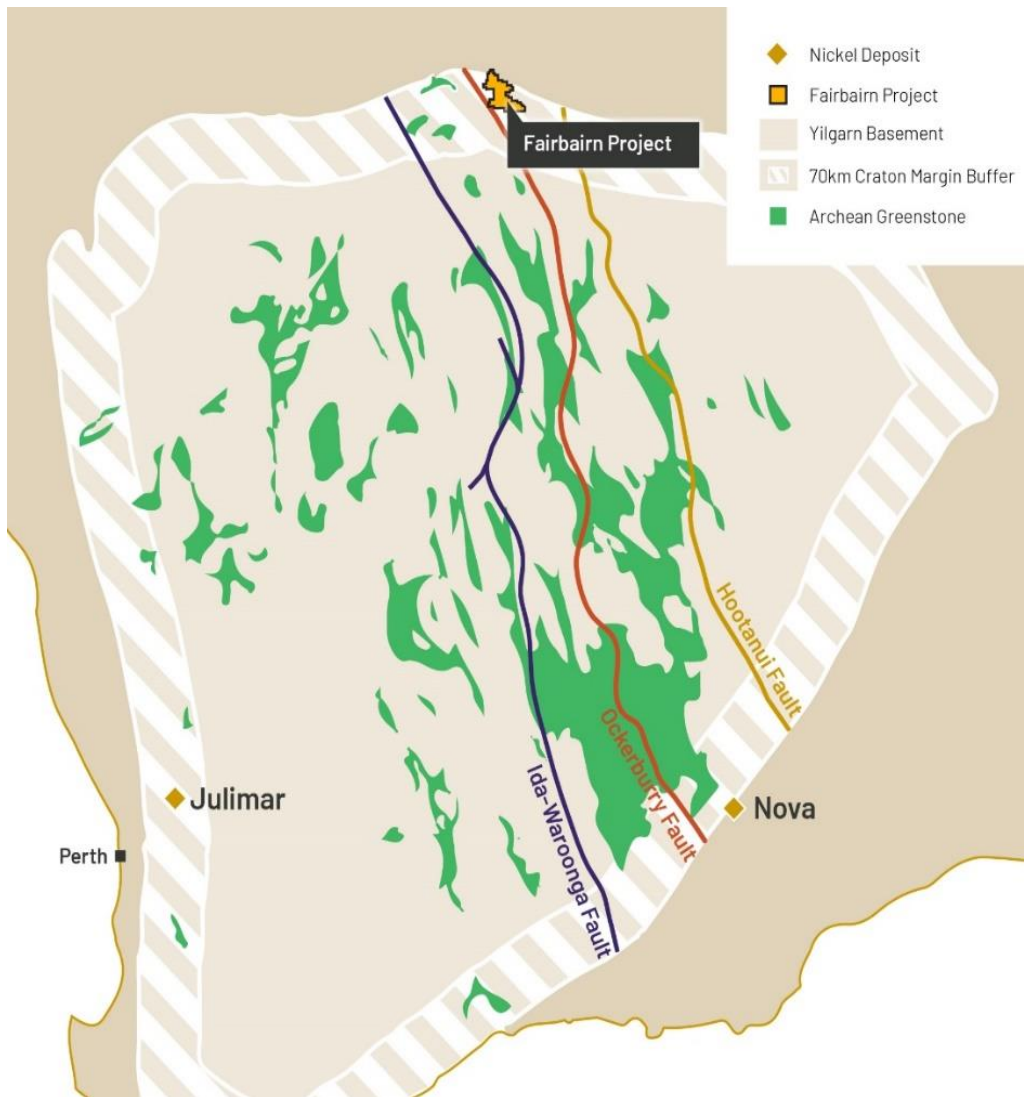
Figure 9: Yerrida South Ni-PGE-Cu anomalous areas of interest.

### **Fairbairn Base Metal Project (100% Great Western)**

Great Western has a very large 960 sq.km strategic land position in the rapidly evolving Earraheedy Basin, the 100% owned “Fairbairn Base Metal Project”. Great Western has long held the view that the Fairbairn Project on the margin of the Yilgarn Craton is highly prospective for base metals and established its initial land position in the region prior to the discovery at Julimar by Chalice Mining Ltd (ASX.CHN). The Fairbairn Base Metal Project is situated near the northern boundary of the Yilgarn Craton approximately 900km north-east of Perth (see Figure 10).

The majority of previous exploration completed at the Fairbairn Project was undertaken from the late 1980s to the mid-1990s, primarily exploring for diamonds. This exploration included magnetic surveys, surface sampling, RC drilling, diamond drilling and petrology. Anomalous nickel results were recorded from drilling within sheared and altered ultramafic rocks, prospective for magmatic sulphide style deposits such as Julimar.

During the June 2022 Quarter further review of previous exploration was undertaken, including interpretation of airborne electromagnetic data completed by Geoscience Australia (AusAem). This interpretation completed by geophysics consultants Newexco, identified a number of anomalous peaks requiring further investigation. An airborne electromagnetic survey is planned for October 2022 to better delineate targets.



**Figure 10:** Fairbairn Project location is shown near to the interpreted margin of the Yilgarn Craton similar to Julimar in the west and Nova in the south-east.

**Yerrida North JV (Sandfire Resources earning 70%)**

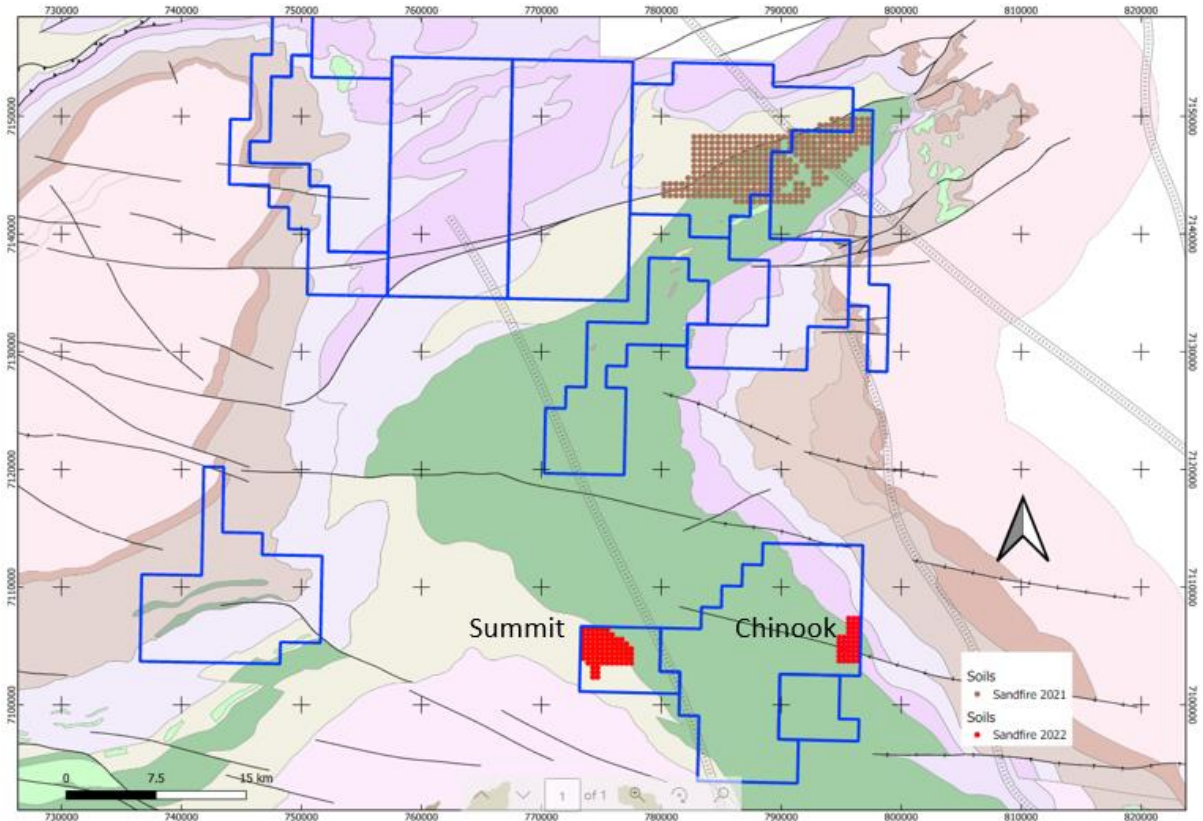
During the June Quarter 2022, Sandfire Resources Limited (ASX: SFR) (“Sandfire”) reviewed 1,583 lag and 513 magnetic lag samples in respect to lithology, structure, and potential deposit type. Two areas were identified from this review as prospective for Zn-rich VMS mineralization and prioritised for further exploration, Chinook and Summit, shown in Figure 11. Further soil sampling on these targets was completed on a nominal 400m x 400m pattern, with 123 samples taken (42 at Chinook, 81 at Summit); results are pending.

As previously advised, Sandfire reached its minimum expenditure commitment in late 2019, by spending \$1.7 million over three years. Great Western looks forward to the continued exploration being undertaken by Sandfire under the JV, where field works continue prior to potential drill testing.

Under the terms of the joint venture, Sandfire can earn a 70% interest by sole funding exploration to define a mineral resource of at least 50,000 tonnes of contained copper or copper equivalent under the JORC 2012 code. Great Western is free carried until that time. Sandfire can then choose to earn a further 10% by sole funding the completion of a Feasibility Study (as that term is defined in the JORC Code 2012 Edition) sufficient to justify a decision to mine.

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Pursuant to the joint venture agreement, Sandfire's earn-in is subject to it maintaining the joint venture tenements in good standing and meeting all statutory expenditure conditions relating to the joint venture tenements. During the September Quarter 2021, Sandfire advised the Company that eight of the joint venture tenements (see Appendix 1: Tenement Schedule at 30 June 2022) are the subject of a plaint application by a third party in the Warden's Court. The outcome of this plaint application is unknown at the date of this report. The Company, with the support of Sandfire, intends to seek orders in the Warden's court for the dismissal of the plaint applications.



**Figure 11:** Gavin Daneel's regional geological map overlain with soil samples taken in 2021 (brown), and those taken in 2022 shown in red.

### **Lake Way Potash Project (100% Great Western)**

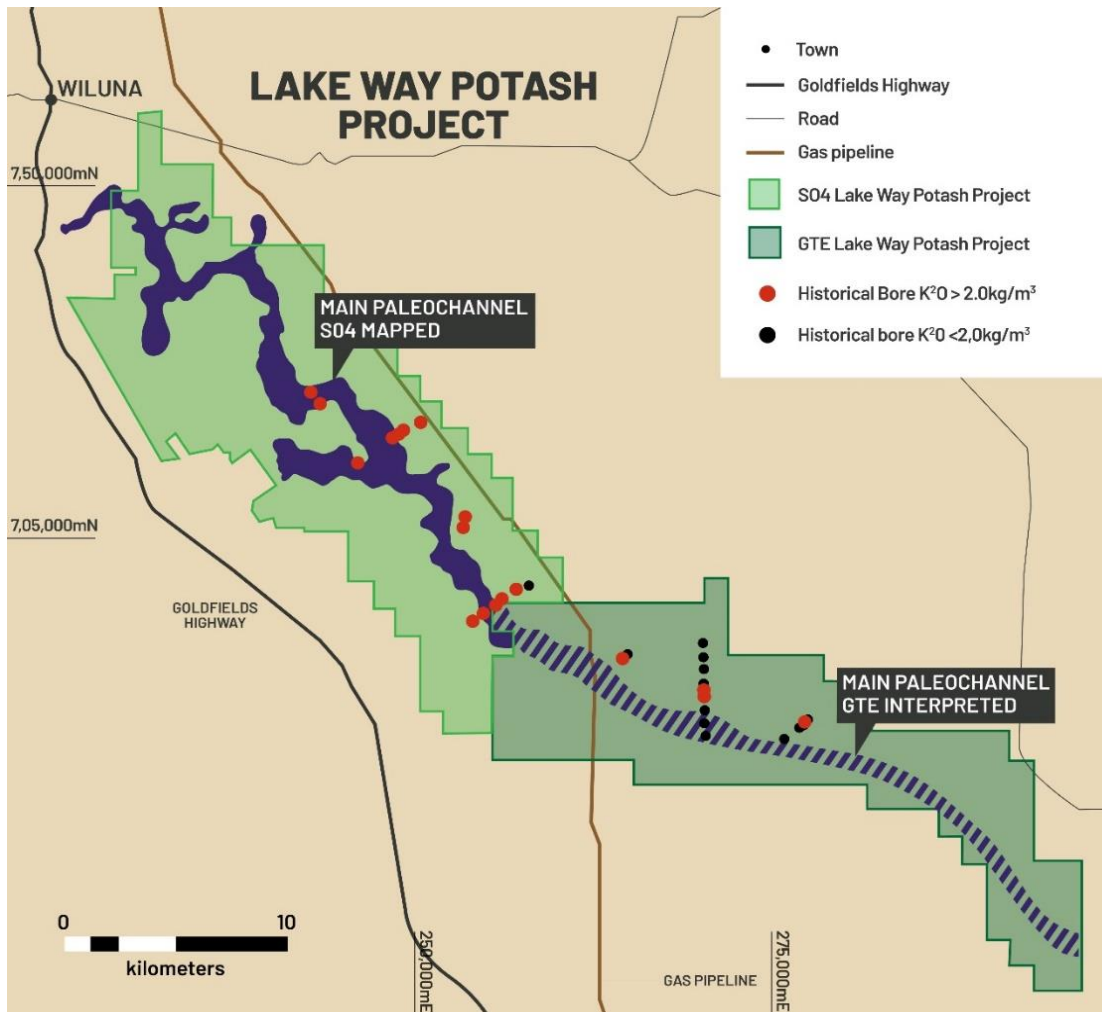
Great Western's 100% owned Lake Way Potash Project includes the directly adjoining downstream continuation of the main basal channel that forms the basis of Salt Lake Potash Limited (ASX: SO4) potash project (see Figure 12).

In 2021 Quarter Great Western was granted a 26D license by the Department of Water for 'Construction of a Bore' across the Company's Lake Way Potash Project area. This license permits the Company to construct a network of up to 40 exploratory bores, 20 monitoring bores and 10 production bores across the Project footprint.

Great Western has been working with highly regarded industry veteran hydrogeologist Mr Kevin Morgan of KH Morgan and Associates to assist the Company in preparing work programmes to advance the Project. In early-July 2021, a low-cost passive seismic survey was completed on the Lake Way Potash Project (see ASX announcement dated 8 July 2021).

While not a current priority, in due course these low-cost works and technical assessment will be completed, and the Company looks forward to communicating those outcomes at that time.





**Figure 12:** Interpreted continuation of the Lake Way high grade potassium brine paleochannel into GTE's Lake Way Potash Project

**Firebird Gold Project (GTE/Jindalee Resources Limited (JRL) JV GTE earning 80%)**

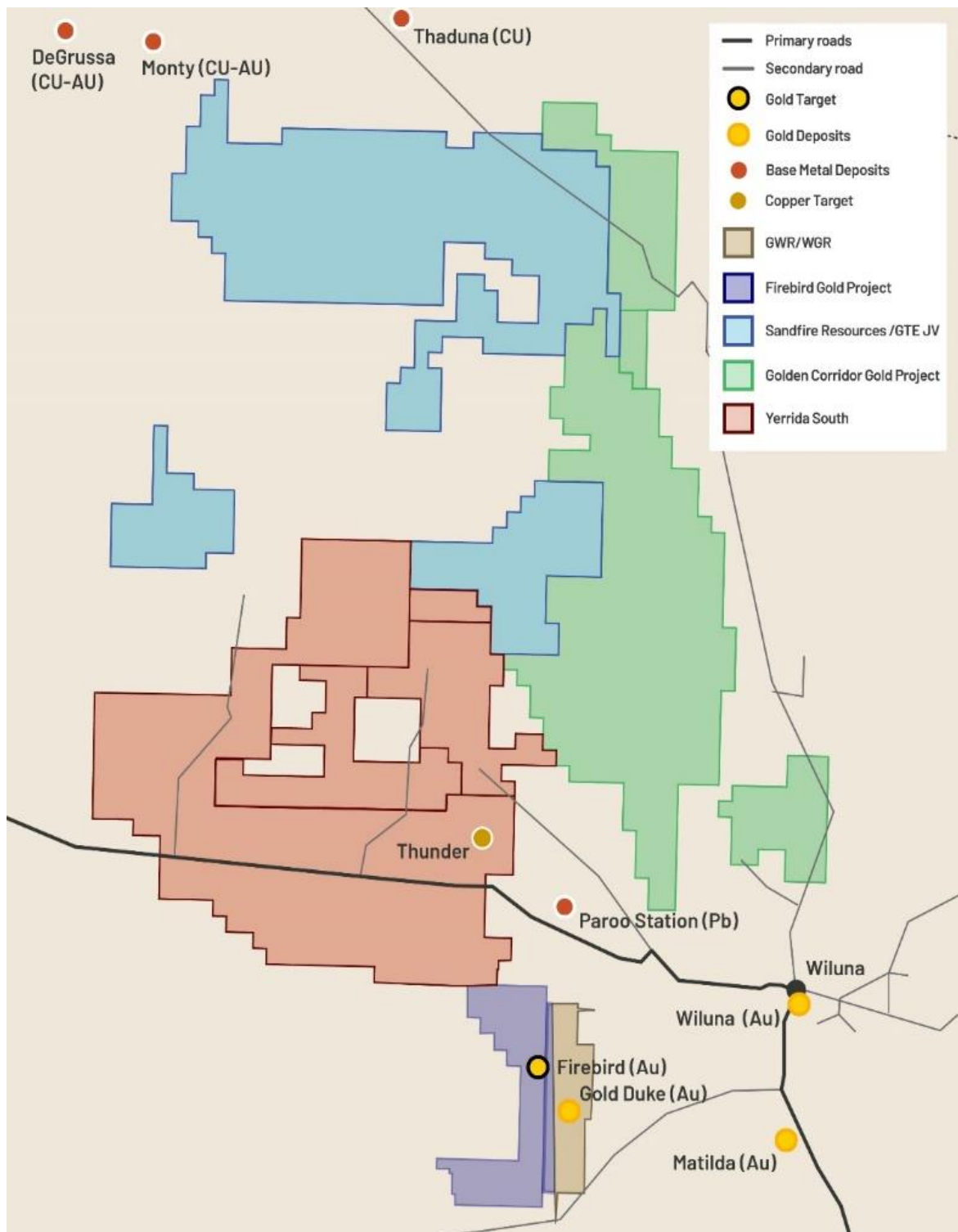
The Firebird Gold Project (“Firebird”) is located 4kms west of Western Gold’s (ASX: WGR) Gold Duke Project and 30kms south-west of Wiluna in WA. Within Firebird is a large strong gold-in-soil anomaly located in a prospective geological setting with a strike over 2.1km and up to 350m wide. The anomaly comprises several higher-grade zones (Au >6 ppb with peak Au of 20ppb) that are interpreted to be co-incident with underlying NNW-SSE trending structures. The eastern zones also display an association with arsenic which is a common feature of Archaean lode gold deposits in general and gold deposits in the Wiluna district in particular.

In addition, a number of highly prospective structural targets were identified within the Project area along strike to the north and south from the gold in soil anomaly. Derived from aeromagnetic data, these targets are interpreted as ultramafic/BIF sequences similar to those observed at the Gold Duke Project. These targets will be prioritised in the upcoming surface sampling programme.

The large untested soil anomaly was identified to sit on the boundary of 100% Great Western owned tenure. Great Western has secured the additional tenure to the east covered by the untested soil anomaly in a joint venture with Jindalee Resources Limited (ASX:JRL). Firebird is now made up of three granted tenements, E53/1894 (100% GTE), E53/2027 (100% GTE) and E53/2129 (GTE earning 80%) (see Figure 13). Discussions with the traditional owners of the land that covers the Firebird Project are ongoing.

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Great Western’s initial field work programme at the Firebird Gold Project and the broader Project area will include infill and extensional soil sampling, mapping and follow-up drilling targeting both the geochemical anomalies and the highly prospective structural targets.



**Figure 13:** Firebird Gold Project in relation to the WGR’s Gold Duke Project and GTE’s Yerrida South, Golden Corridor & Sandfire JV projects.

### Thunder (100% Great Western)

During the December Quarter 2021 the Company completed a RC drilling campaign at the 100% owned Thunder Copper-Gold Target, 40kms west of Wiluna and 112kms from Sandfire’s (ASX: SFR) DeGrussa copper-gold operation (Figure 14).

Great Western completed 11 RC holes for 1,452 metres drilled to an average depth of 132 metres to test the EM anomaly at Thunder and the Ultra Fine + soil anomalies.

The drilling assays did not report significant results, with only minor anomalous copper and silver at shallow depths (<50m) associated with a sequence of partially oxidised and altered black shales and siltstones. The minor anomalous silver (Ag) and copper (Cu) includes 1m @ 2.4g/t Ag from 23m and 1m @ 0.19% Cu from 40m in GTHR001, 2m @ 5.15g/t Ag from 10m in GTHR006 and 1m @ 2.6g/t Ag from 13m in GTHR010.

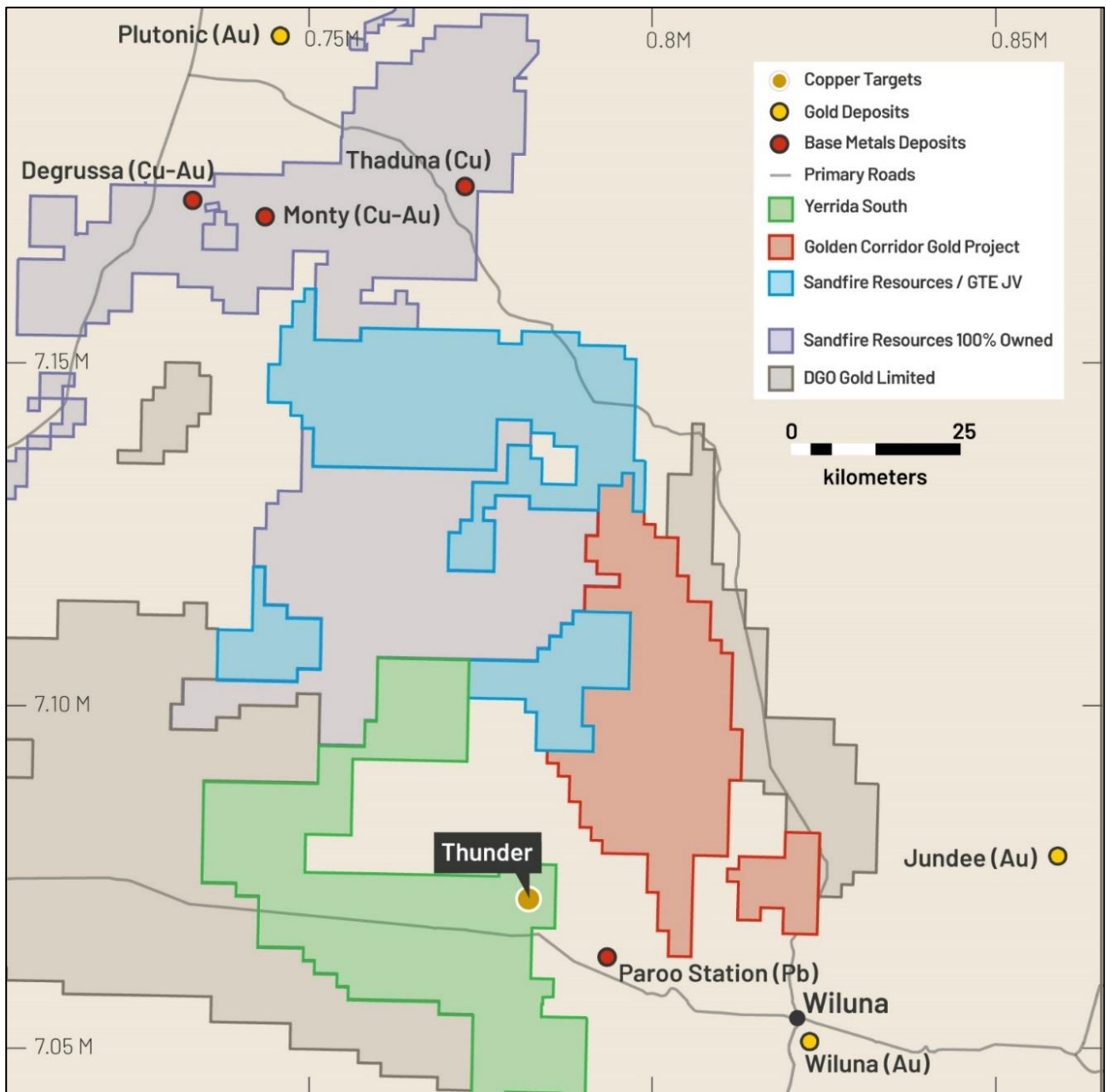


Figure 14: Location of Thunder copper-gold target

## Copper Ridge Project (100% Great Western)

The Copper Ridge Project is located within the southern portion of the Yerrida Basin and is approximately 40km west of Wiluna (Figure 15).

During the September 2021 Quarter assay results were received from Great Western's RC drilling programme undertaken at the Copper Ridge Project in June 2021. The geology intercepted at Copper Ridge comprised of a mix of weathered and fresh shales, sandstones and siltstones with broad zones of disseminated sulphides (believed to be mainly pyrite).

While significant drill results were not received, drilling did intercept a broad area of anomalous copper and silver (refer Great Western announcement of 18 August 2021) at shallow depths (<30m) associated with a sequence of pale and black shales.

Due to the association with anomalous copper and silver grades, hosted in the appropriate rock types within a continental margin (Yerrida Basin) tectonic setting, the Company interprets the results indicate the potential for sedimentary hosted stratiform copper deposits within the southern portion of the Yerrida Basin.

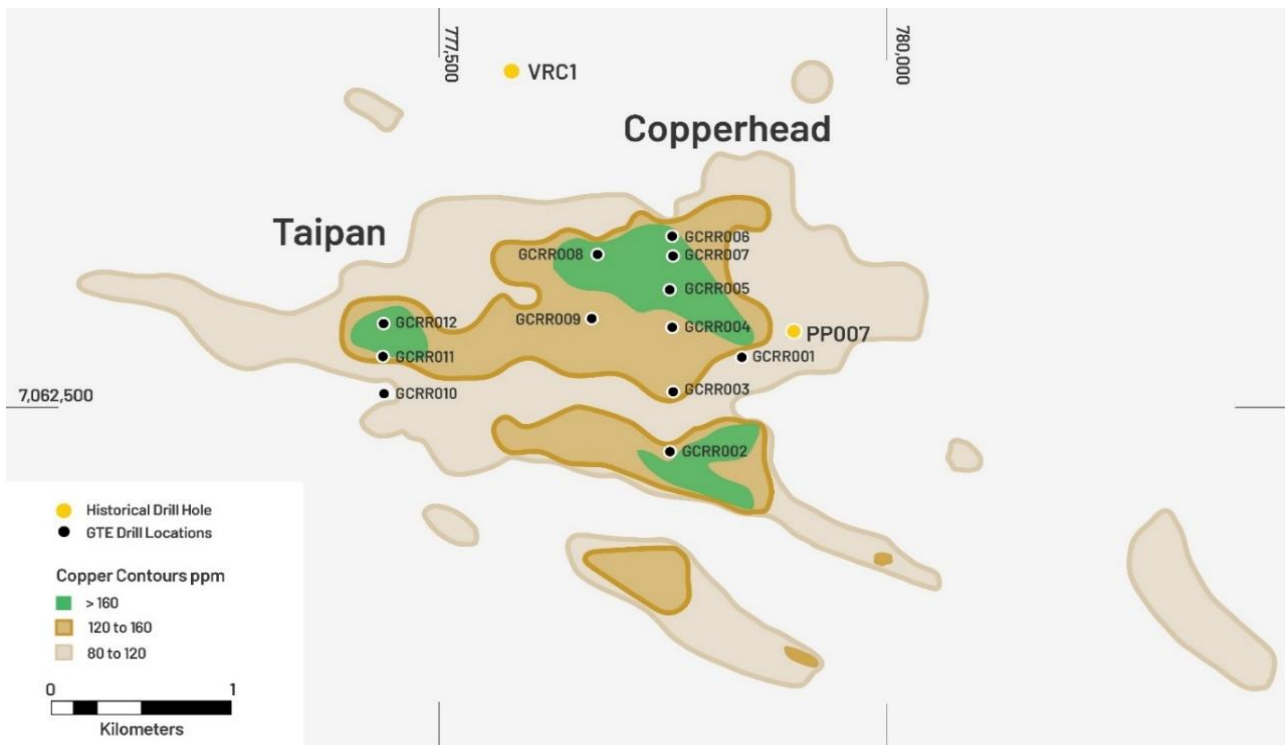


Figure 15: Drill holes completed at the Copper Ridge copper-gold Project.

## Atley Gold Project (100% Great Western)

The Atley Gold Project is located in the Youanmi district of Western Australia, 30km southwest of Sandstone (Figure).

The Golden Bullock gold target is a large gold surface geochemical anomaly with a strike length of 2.5km and width of 1.5km, located within the Company's Atley North Gold Project (Figure). The Company completed RC drilling on the western side of the large gold-in-soil geochemical anomaly in 2021, with modest results returned.

The prospective eastern side gold anomalies have subsequently been cleared for drill testing and the Company looks forward to drilling these targets, potentially in conjunction with the next phase of drilling at Yandal West.

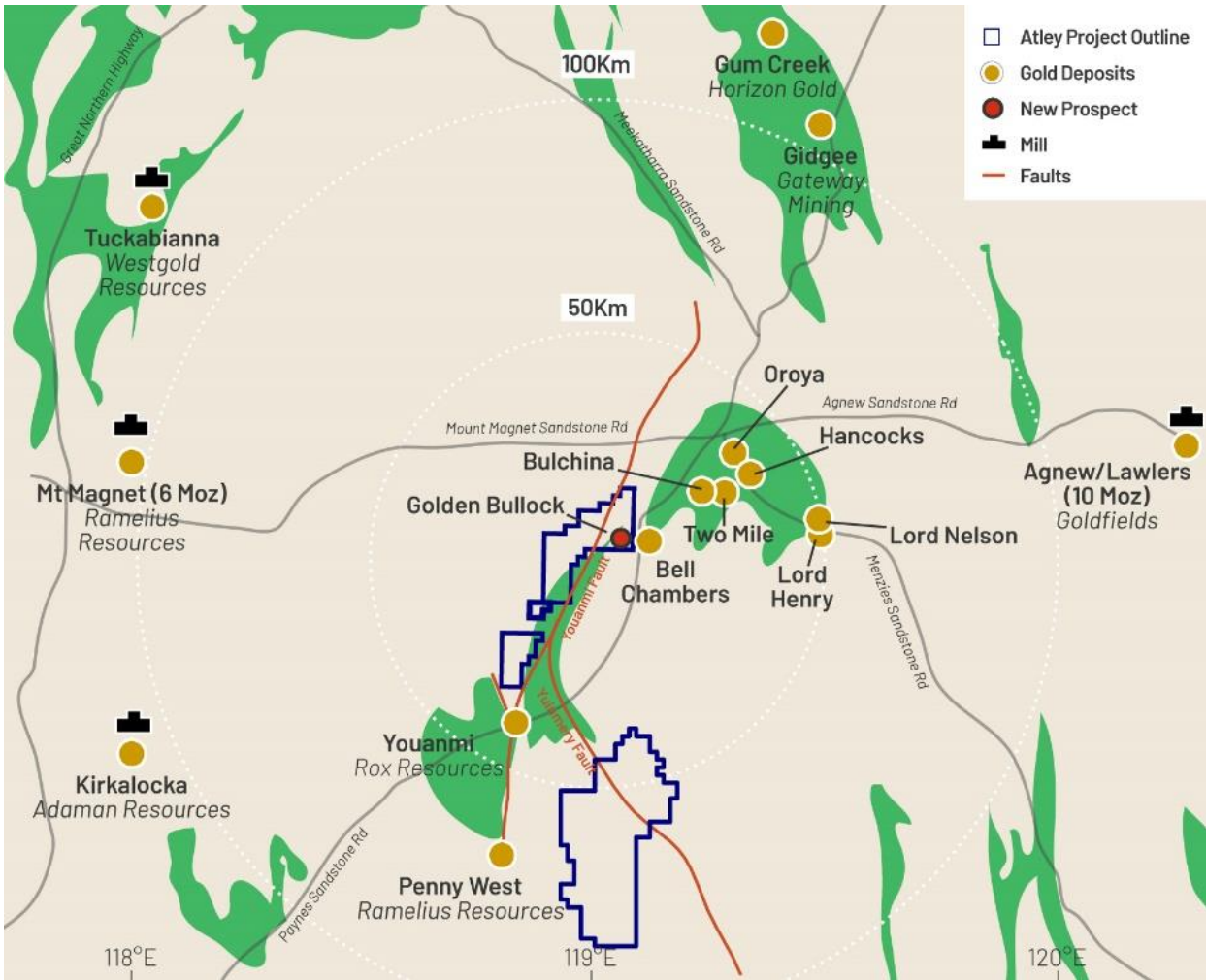


Figure 16: Location of the Atley Gold Project within the Youanmi District, WA

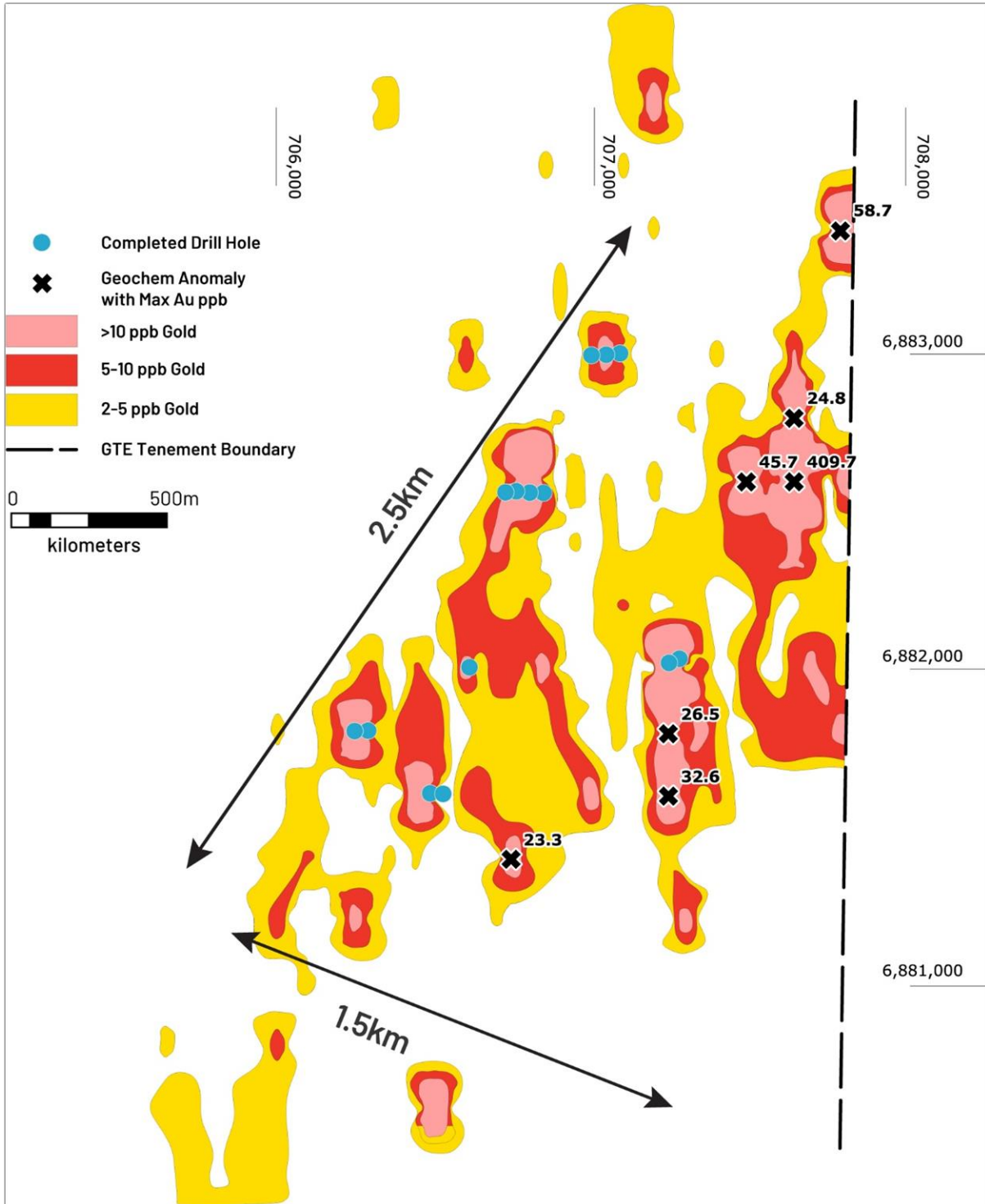


Figure 17: Drill holes completed at the Golden Bullock Gold Target.

## **Corporate**

### **Appointment of Shane Pike as Managing Director**

In April 2022 Quarter experienced geologist, Mr Shane Pike joined Great Western as Managing Director, replacing Mr Tom Ridges. Mr Pike is a geologist with well over 20 years of successful technical and management experience and proven track record in gold and base metals exploration, discovery, project development and in both open pit and underground mining.

Mr Pike holds a Bachelor of Applied Science (Double Major Geology). Prior to joining the Company, Mr Pike was Exploration Manager (East Coast) for Evolution Mining Limited (ASX: EVN) (7 years), and Senior Exploration Geologist for Newcrest Mining Limited (ASX: NCM) (3 years) and Equigold NL (9 years). Mr Pike also served as Chief Executive Officer of Santana Minerals.

### **Fund Raisings**

In May and June 2022, the Company completed a fund raising of \$3.5 million (before costs) by way of a placement of 43,750,000 ordinary shares at an issue price of \$0.08 per share ("Placement") to professional and sophisticated investors. The Placement ensures that Great Western is fully funded for its current exploration plans.

Euroz Hartleys Limited and Peloton Capital acted as Joint Lead Managers for the Placement. Great Western directors, Kevin Somes, Ross Williams and Grey Egerton-Warburton participated in the Placement following shareholder approval at a General Meeting held on 20 June 2022.

### **Junior Mineral Exploration Incentive**

Subsequent to 30 June 2022, the Company was successful in its application for participation in the Federal Government's Junior Mineral Exploration Incentive ("JMEI") Scheme for the 2022/2023 tax year. Great Western has received an allocation of up to \$1,140,000 in JMEI credits for the 2022/2023 tax year.

The Federal Government's JMEI scheme encourages investment in exploration companies that undertake greenfields mineral exploration in Australia, by allowing these exploration companies to forgo a portion of their carried forward tax losses that have arisen from allowable expenditure on "greenfield" exploration for potential distribution to eligible investors. Great Western wish to acknowledge the support of the Federal Government in making the JMEI available.

### **References**

1. 3D Geological models of the Eastern Yilgarn Craton, Project Y2. Predictive Mineral Discovery Cooperative Research Centre ("pmd\*CRC") 2004 (A collaborative research initiative involving CSIRO, Geoscience Australia, AMIRA and Universities)
2. Large, Strong EM Anomaly Enhances Prospectivity of Thunder – ASX Announcement – 28/07/2021
3. Large Strong Gold Anomaly at Firebird Gold Project – ASX Announcement – 23/08/2021
4. Copper Ridge Assays Enhance Regional Prospectivity at Yerrida South – ASX Announcement - GTE.ASX – 18/08/2021
5. Golden Bullock Assays Received, New Drill Targets Identified – ASX Announcement – GTE.ASX – 17/04/2021

**Competent Person Statement**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Shane Pike who is a member of the Australian Institute of Mining and Metallurgy. Mr. Pike is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Pike consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to the Company's Exploration Results is a compilation of previously released to ASX by Great Western Exploration (11/11/2019, 16/07/2021, 21/02/2022, 3/03/2022, 21/03/2022, 9/06/2022, 21/07/2022, 29/07/2022, 31/08/22) Mr. Shane Pike consents to the inclusion of these Results in this report. Mr. Pike has advised that this consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements."*



## ***Sustainability***

Great Western Exploration Limited and the Board are dedicated to being a leading and sustainable Australian exploration company built on exploration and corporate success for the benefit of all of its stakeholders. During the year, the Company has reviewed and updated its Sustainability policies. These policies apply to all our personnel and implementation of these policies and their supporting standards and procedures are required across all the Company exploration operations.

The Company's sustainability policies can be viewed on the Company's website at: [www.greatwesternexploration.com.au](http://www.greatwesternexploration.com.au)

### **Environment**

The Company aspires to being effective environmental guardians and managing our impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to positive environmental management outcomes to maintain and enhance performance.

The Company acknowledges the threat posed by climate change and will work to decarbonise our business in a measured, proportionate and sustainable manner.

### **Community**

The Company seeks to create enduring value for our local communities and limiting our negative impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities.

### **Health & Safety**

The Company seeks to minimise the harm caused by workplace hazards whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to leadership in health and safety through the use of responsible and reliable management systems to maintain and enhance performance.

### **Governance**

Great Western Exploration Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Great Western Exploration has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement was approved by the Board on 8 September 2022 and is current as at 8 September 2022. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which along with the 2022 Appendix 4G can be viewed on the Company's website, [www.greatwesternexploration.com.au](http://www.greatwesternexploration.com.au).

## GREAT WESTERN EXPLORATION LIMITED

### DIRECTORS' REPORT

The Directors present the annual report of the Consolidated Group ("the Group") for the year ended 30 June 2022.

### DIRECTORS

The names of the Directors in office during the year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Shane Pike	Managing Director (Appointed 19 April 2022)
Thomas Ridges	Managing Director (Resigned 14 April 2022)
Kevin Clarence Somes	Chairman
Grey Egerton-Warburton	Non-executive Director
Ross Williams	Non-executive Director

#### ***Mr Kevin Clarence Somes FCA Non-executive Chairman***

##### *Experience and Expertise*

Mr Somes is a fellow of the Institute of Chartered Accountants and was a partner of Somes & Cooke Chartered Accountants for over 25 years.

Mr Somes has extensive experience in the management of exploration companies, with Somes & Cooke being the auditors of a number of ASX listed mining companies during his tenure.

##### *Other current directorships*

None.

##### *Former directorships in last three years*

None.

##### *Share and Option holding in the Company*

5,517,233 Ordinary Shares

## GREAT WESTERN EXPLORATION LIMITED

### DIRECTORS' REPORT (continued)

#### **Mr Shane Pike** **Managing Director**

##### *Experience and Expertise*

Mr Pike is a geologist with well over 20 years' of successful technical and management experience and a proven track record in gold and base metals exploration, discovery, project development in both open pit and underground mining. Mr Pike holds a Bachelor of Applied Science (Double Major Geology). Mr Pike was Exploration Manager (East Coast) for Evolution Mining Limited (ASX: EVN) (7 years), and Senior Exploration Geologist for Newcrest Mining Limited (ASX: NCM) (3 years) and Equigold NL (9 years). Mr Pike also served as Chief Executive Officer of Santana Minerals.

##### *Other current directorships*

None.

##### *Former directorships in last three years*

None.

##### *Share and Option holding in the Company*

Nil Ordinary Shares

5,000,000 zero exercise priced options which expire on 20/06/2027, (subject to Mr Pike remaining in employment during the relevant vesting period) and vesting on certain conditions.

#### **Mr Grey Egerton Warburton** **Non-executive Director**

##### *Experience and Expertise*

Grey Egerton-Warburton has a strong background in corporate finance, with extensive experience in equity capital markets, acquisitions, divestments and domestic and international change of control transactions. Grey has led a substantial number of capital raisings and led many successful takeovers and mergers for ASX listed companies, across many sectors. Prior to his career in corporate finance Mr Egerton-Warburton practiced as a corporate solicitor at a tier one national law firm.

##### *Other current directorships*

None.

##### *Former directorships in last three years*

S2 Resources Limited until 3 April 2020

##### *Share and Option holding in the Company*

24,225,500 Ordinary Shares

## GREAT WESTERN EXPLORATION LIMITED

### DIRECTORS' REPORT (continued)

#### **Mr Ross Williams** **Non-executive Director**

##### *Experience and Expertise*

Mr Ross Williams is a highly experienced Company Director and businessman, having co-founded a Mining Services business from start up through to ASX listing and a market capitalisation over \$400m with revenues in excess of \$500m. Ross held the role of Finance Director for 12 years and during this time was responsible for capital management, finance, financial reporting, corporate strategy and investor relations before retiring to a Non-Executive role. Mr Williams started his career in Banking and Finance and his listed company roles have also included Non-Executive Director of a successful Mining Company and Chairman of a listed investment Company.

##### *Other current directorships*

None

##### *Former directorships in last three years*

Emerald Resources NL until 12 June 2020

##### *Share and Option holding in the Company*

24,255,760 Ordinary Shares

#### **COMPANY SECRETARY**

The Company Secretary is Mr Anthony Walsh. Mr Walsh was appointed company secretary on 4 June 2020.

Mr Walsh has over 30 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer. Mr Walsh is also currently Company Secretary of Battery Minerals Mining Ltd and Legend Mining Limited, and was a Director of XCD Energy Limited until 22 July 2020. Mr Walsh is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, the Institute of Chartered Secretaries and the Institute of Chartered Accountants in Australia. He is currently a non-executive director of the not-for-profit Women's and Infants Research Foundation.

## **GREAT WESTERN EXPLORATION LIMITED**

### **DIRECTORS' REPORT** (continued)

#### **NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES**

The principal activities during the period of the entities within the consolidated entity were exploration for gold and base metals deposits in Australia.

#### **RESULTS OF OPERATIONS**

The loss of the consolidated entity for the year after tax was \$598,504 (2021: \$2,263,093 loss).

#### **FINANCIAL POSITION**

At the end of the financial year the Group had cash reserves of \$4,624,561 (2021: \$5,224,475) and incurred expenditure on exploration and evaluation of \$3,213,568 (2021: \$1,707,481) before write offs during the year.

#### **RISKS AND RISK MANAGEMENT**

The Company attempts to mitigate risks that may affect its future performance through a systematic process of identifying, assessing, reporting and managing risks of corporate significance. Key operational risks and their management are recurring items for discussion at Board meetings.

The following discusses the Company's most significant business risks.

a) Exploration

Whilst considered highly prospective, the Company's tenements are early stage exploration tenements with limited exploration undertaken on them to date.

Exploration is a high risk undertaking. The Company's joint venture projects for copper, nickel and gold prospects in Australia are in the preliminary stages of exploration and no assurance is given that exploration of its current projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

b) Commodity prices

As an explorer for copper, gold, nickel and potentially other minerals, any successes of the Company are expected to be closely related to the price of those and other commodities. Fluctuating prices in those commodities make market prices for securities in the Company more volatile than for other investments.

Commodities prices are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

## **GREAT WESTERN EXPLORATION LIMITED**

### **DIRECTORS' REPORT** (continued)

#### c) Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

#### d) Future capital needs.

The Company's ability to raise further capital (equity or debt) within an acceptable time of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms, the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

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

There has been no significant change in the state of affairs of the Company during the financial year.

### **DIVIDENDS**

No dividends have been recommended by the Directors.

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

No matters or circumstances have arisen since the end of the year to the date of this report which have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company, other than:

- On 21 July 2022, the Company announced that drilling at the Company's Yandal West Project has been completed with multiple drill intersections of sulphide mineralization.
- On 31 August 2022, the Company announced the results from the Yandel West Project Drilling Program, with significant results returned from Harris' Find.

## GREAT WESTERN EXPLORATION LIMITED

### DIRECTORS' REPORT (continued)

#### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years not already disclosed in this report.

#### ENVIRONMENTAL REGULATIONS

Great Western Exploration Limited conducts its exploration activities in an environmentally sensitive manner, and believes it has adequate systems in place for the management of environmental requirements. The Company is not aware of any breach of statutory conditions or obligations.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

#### DIRECTORS' MEETINGS

The Directors attended the following director meetings during the year and up to the date of this report:

	Meetings Eligible to Attend	Meetings Attended
Shane Pike	1	1
Thomas Ridges*	3	3
Kevin Somes	4	4
Grey Egerton-Warburton	4	4
Ross Williams	4	4

#### DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The particulars of Directors' interest in shares and options are as at the date of this report:

	Ordinary Shares	Options
Shane Pike	-	5,000,000
Thomas Ridges*	-	1,500,000
Kevin Somes	5,517,233	-
Grey Egerton-Warburton	24,225,500	-
Ross Williams	24,255,760	-

\*Thomas Ridges resigned as a director of the Company on 14 April 2022.

#### DIRECTORS AND OFFICERS INSURANCE

The Company has made an agreement to indemnify all the Directors and Officers against all indemnifiable losses or liabilities incurred by each Director and Officer in their capacities as Directors and Officers of the Company to the extent permitted by the Corporations Act 2001.

The Company has taken out an insurance policy at a premium of \$23,044 before GST (2021: \$20,963) in relation to Directors and Officers indemnity.

## GREAT WESTERN EXPLORATION LIMITED

### DIRECTORS' REPORT (continued)

#### OUTSTANDING OPTIONS AT DATE OF REPORT

The following series of options were outstanding at the date of this report:

Grant Date	No of Options	Grant Date Fair Value	Exercise Price	Expiry Date	Vesting Date
20/06/2022	1,500,000	\$0.08	\$0.00	20/06/2027	20/06/2023
20/06/2022	1,500,000	\$0.08	\$0.00	20/06/2027	20/06/2024
20/06/2022	2,000,000	\$0.08	\$0.00	20/06/2027	20/06/2025
12/10/2020	1,500,000	\$0.26	\$0.00	12/10/2025	12/10/2021
29/12/2020	1,200,000	\$0.0124	\$0.31	29/12/2023	29/12/2020
6/04/2021	2,750,000	\$0.0645	\$0.37	31/3/2024	6/4/2021
6/04/2021	1,250,000	\$0.0442	\$0.52	31/3/2024	6/4/2021
Total No.	11,700,000				

#### PROCEEDINGS ON BEHALF OF 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.

#### NON-AUDIT SERVICES

Hall Chadwick did not provide any non-audit services during the year ended 30 June 2022.

Details of the amounts paid or payable to the auditor for audit during the year are set out in Note 22.

#### 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 on page 79.



## GREAT WESTERN EXPLORATION LIMITED

### REMUNERATION REPORT (AUDITED)

#### REMUNERATION POLICY

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and its subsidiaries, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term “executive” encompasses the Chief Executive and senior executives.

i) Directors

Shane Pike	Managing Director (Appointed 19 April 2022)
Thomas Ridges	Managing Director (Resigned 14 April 2022)
Kevin Somes	Chairman (Non-executive)
Grey Egerton-Warburton	Non-executive Director
Ross Williams	Non-executive Director

There were no other changes of key management personnel after reporting date and before the financial report was authorised for issue.

Since the current Board was formed on 4 June 2020 with the appointment of Messrs Williams and Egerton-Warburton, directors' fees have not been paid to any directors other than the Managing Director, Mr Thomas Ridges before his resignation and Mr Shane Pike since his appointment.

The Company has established a Remuneration Committee, assumed by the Board, as a whole, which is responsible for determining and reviewing the remuneration arrangements of the directors and executives.

The Board assesses the appropriateness of the nature and amount of emoluments of such Directors and executives on an annual basis by reference to market and industry conditions.

In order for the Company to prosper, thereby creating shareholder value, the Company must be able to attract and retain the highest calibre executives.

Executive and non-executive directors, other key management personnel and other senior employees have been granted options over ordinary shares under the Company's Employee Share Option Plan. The recipients of options are responsible for growing the Company and increasing shareholder value. If they achieve this goal the value of the options granted to them will also increase. Therefore, the options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

Due to the nature of the Company's operations the current remuneration policy is not linked to the performance of the Company.

## **GREAT WESTERN EXPLORATION LIMITED**

### **REMUNERATION REPORT (AUDITED)** (continued)

#### **NON-EXECUTIVE DIRECTORS' REMUNERATION**

The Board seeks to set remuneration levels that provide the Company with the ability to attract and retain the highest calibre professionals.

Fees and payments to non-executive Directors reflect the demands that are made on and the responsibilities of the Directors from time to time.

#### **REMUNERATION POLICY**

Directors' fees are determined by the Board within the aggregate Directors fee limit approved by shareholders. The maximum currently approved by the Constitution stands at \$250,000.

Remuneration in the form of share options issued under the Company's Employee Share Option Plan is designed to reward Directors and executives in a manner aligned to the creation of shareholder wealth. Subject to shareholders' approval non-executive directors may participate in the Company's Employee Share Option Plan. The Board considers the grant of options to be reasonable given the necessity to attract and retain the highest calibre professionals to the Company.

Non-executive Directors receive superannuation benefits in accordance with the Superannuation Guarantee Legislation. Non-executive directors are permitted to salary sacrifice all or part of their fees.

Due to the nature of the Company's operation i.e. mineral exploration and development, the remuneration of directors and executives, at present, does not include performance-based incentives.

#### **EXECUTIVE REMUNERATION (INCLUDING EXECUTIVE DIRECTORS)**

The Board aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities to align the interests of executives with those of shareholders and to ensure that remuneration is market competitive.

Remuneration consists of:

- Fixed Remuneration.

Being base salary, non-monetary benefits and superannuation. Fixed remuneration is reviewed annually.

- Variable remuneration – Long term incentives.

Being share options issued under the Company's Employee Share Option Plan. The options do not have any vesting conditions other than service conditions.

Remuneration issued in the form of share options issued under the Company's Employee Share Option Plan is designed to reward directors and executives in a manner aligned to the creation of shareholder wealth.

Due to the nature of the Company's operation i.e. mineral exploration and development, the remuneration of directors and executives, at present, does not include performance-based incentives.

The Company has entered into standard contracts with Directors, the details of which are set out below.

# Great Western Exploration Limited

## REMUNERATION REPORT (AUDITED) (continued)

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

2022	Short term benefits Salary & Wages	Other long term employee benefits	Superannuation	Remuneration/ entitlements relinquished	Total	Performance related %
<b>Name of Director</b>						
<b>Executive director</b>						
Shane Pike <sup>(1)</sup>	\$58,423	\$54,627	\$5,669	-	\$118,719	0.0%
Thomas Ridges <sup>(2)</sup>	\$250,034	\$111,123	\$25,003	(\$449,064)	(\$62,904)	0.0%
<b>Non-executive director</b>						
Kevin Somes	-	-	-	-	-	-
Ross Williams	-	-	-	-	-	-
Grey Egerton-Warburton	-	-	-	-	-	-
<b>Totals</b>	<b>\$308,457</b>	<b>\$165,750</b>	<b>\$30,672</b>	<b>(\$449,064)</b>	<b>\$55,815</b>	

2021	Short term benefits Salary & Wages	Other long term employee benefits	Superannuation	Remuneration/ entitlements relinquished	Total	Performance related %
<b>Name of Director</b>						
<b>Executive director</b>						
Thomas Ridges	\$193,537	\$542,260	\$18,386	-	\$754,183	0.0%
<b>Non-executive director</b>						
Kevin Somes	-	-	-	-	-	-
Ross Williams	-	-	-	-	-	-
Grey Egerton-Warburton	-	-	-	-	-	-
<b>Totals</b>	<b>\$193,537</b>	<b>\$542,260</b>	<b>\$18,386</b>	<b>-</b>	<b>\$754,183</b>	

<sup>(1)</sup> Shane Pike was appointed on 19 April 2022 with a salary of \$310,000 per annum plus superannuation and a notice period of three (3) months by either the Company or Mr Pike.

<sup>(2)</sup> Thomas Ridges was appointed on 10 October 2020 with a salary of \$273,973 per annum plus superannuation. Mr Ridges resigned from the Company on 14<sup>th</sup> April 2022. Options not vested at date of resignation lapsed on their terms, being the date Mr Ridges ceased to be a director of the Company.

# Great Western Exploration Limited

## REMUNERATION REPORT (AUDITED) (continued)

### OPTIONS GRANTED AS PART OF REMUNERATION

The following options were issued to directors during the year ended 30 June 2022.

	Grant Date	No. of Options	Exercise price	Vesting Date	Expiry Date	Value of Options Granted
Shane Pike	20 June 2022	1,500,000	\$0.00	20 June 2023	20 June 2027	\$120,000
Shane Pike	20 June 2022	1,500,000	\$0.00	20 June 2024	20 June 2027	\$120,000
Shane Pike	20 June 2022	2,000,000	\$0.00	20 June 2025	20 June 2027	\$160,000

The following options were issued to directors during the year ended 30 June 2021.

	Grant Date	No. of Options	Exercise price	Vesting Date	Expiry Date	Value of Options Granted
Thomas Ridges	12 October 2020	1,500,000	\$0.00	12 October 2021	12 October 2025	\$390,000
Thomas Ridges	12 October 2020	1,500,000*	\$0.00	12 October 2022	12 October 2025	\$390,000
Thomas Ridges	12 October 2020	2,000,000*	\$0.00	12 October 2023	12 October 2025	\$520,000

\*Due to the resignation of Mr Thomas Ridges on 14 April 2022, 3,500,000 unvested options lapsed on their terms on 14 April 2022. Note: vested options remain on issue until the earlier of their expiry or exercise.

For details on the valuation of options, including models and assumptions used, refer to Note 17.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

# Great Western Exploration Limited

## REMUNERATION REPORT (AUDITED) (continued)

### OPTION HOLDING OF KEY MANAGEMENT PERSONNEL

30 June 2022	Balance at 1 July 2021	Granted	Expired	Lapsed	Balance at 30 June 2022	Vested
<b>Directors</b>						
Shane Pike <sup>(1)</sup>	-	5,000,000	-	-	5,000,000	Nil
Thomas Ridges <sup>(2)</sup>	5,000,000	-	-	(3,500,000)	1,500,000	1,500,000
Kevin Somes	-	-	-	-	-	n/a
Grey Egerton- Warburton	-	-	-	-	-	n/a
Ross Williams	-	-	-	-	-	n/a
	5,000,000	5,000,000	-	(3,500,000)	6,500,000	1,500,000

30 June 2021	Balance at 1 July 2020	Granted	Expired	Lapsed	Balance at 30 June 2021	Vested
<b>Directors</b>						
Thomas Ridges <sup>(2)</sup>	-	5,000,000	-	-	5,000,000	Nil
Kevin Somes	211,234	-	(211,234)	-	-	n/a
Grey Egerton- Warburton	-	-	-	-	-	n/a
Ross Williams	-	-	-	-	-	n/a
	211,234	5,000,000	(211,234)	-	5,000,000	

# Great Western Exploration Limited

## REMUNERATION REPORT (AUDITED) (continued)

### SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

30 June 2022	Balance 1 July 2021	Granted as Remuneration	On exercise of Options	Net Change Other	Balance 30 June 2022
<b>Directors</b>					
Shane Pike <sup>(1)</sup>	-	-	-	-	-
Thomas Ridges <sup>(2)</sup>	-	-	-	-	-
Kevin Somes	4,267,233	-	-	1,250,000	5,517,233
Grey Egerton- Warburton	20,000,000	-	-	4,225,500	24,225,500
Ross Williams	20,030,260	-	-	4,225,500	24,255,760
	44,297,493	-	-	9,701,000	53,998,493

30 June 2021	Balance 1 July 2020	Granted as Remuneration	On exercise of Options	Net Change Other	Balance 30 June 2021
<b>Directors</b>					
Thomas Ridges <sup>(2)</sup>	-	-	-	-	-
Kevin Somes	1,267,395	-	-	2,999,838	4,267,233
Grey Egerton- Warburton	8,000,000	-	-	12,000,000	20,000,000
Ross Williams	8,012,104	-	-	12,018,156	20,030,260
	17,279,499	-	-	27,017,994	44,297,493

(1) Shane Pike was appointed on 19 April 2022.

(2) Thomas Ridges was appointed on 10 October 2020 and resigned from the Company on 14th April 2022. Options not vested at date of resignation lapsed on their terms, being the date Mr Ridges ceased to be a director of the Company.

### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no transactions with Key Management Personnel during the year (2021: Nil).

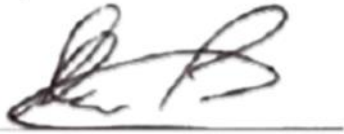
END OF REMUNERATION REPORT (AUDITED)

# Great Western Exploration Limited

## **DIRECTORS' REPORT** (continued)

This Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Directors.

Dated this 8<sup>th</sup> day of September 2022

A handwritten signature in black ink, appearing to read 'Shane Pike', written over a horizontal line.

Shane Pike  
Managing Director

# Great Western Exploration Limited

ABN 53 123 631 470

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 30 JUNE 2022 \$	Consolidated 30 JUNE 2021 \$
Interest revenue		592	713
Other income – Government Grant		-	80,284
Employee benefits expense	16	(274,592)	(219,784)
Administration costs		(336,147)	(343,279)
Depreciation		(10,150)	(6,532)
Compliance and regulatory		(63,009)	(85,556)
Share based payments	17	97,634	(1,009,418)
Mineral exploration written off	11	(12,832)	(679,520)
<b>Loss before income tax</b>		<b>(598,504)</b>	<b>(2,263,093)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(598,504)</b>	<b>(2,263,093)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period attributable to members</b>		<b>(598,504)</b>	<b>(2,263,093)</b>
<b>Earnings per share</b>			
From continuing operations:			
Basic earnings per share (cents)	6	<b>(0.43)</b>	<b>(2.81)</b>

The accompanying notes form part of this consolidated financial report.



# Great Western Exploration Limited

ABN 53 123 631 470

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Consolidated 30 JUNE 2022 \$	Consolidated 30 JUNE 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	4,624,561	5,224,475
Trade and other receivables	8	400,498	212,544
Other assets	9	400	400
<b>TOTAL CURRENT ASSETS</b>		<b>5,025,459</b>	<b>5,437,418</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	10	30,069	27,225
Mineral exploration expenditure	11	13,719,581	10,518,845
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,749,650</b>	<b>10,546,070</b>
<b>TOTAL ASSETS</b>		<b>18,775,109</b>	<b>15,983,488</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	424,637	194,894
Provisions		22,365	28,330
<b>TOTAL CURRENT LIABILITIES</b>		<b>447,002</b>	<b>223,224</b>
<b>TOTAL LIABILITIES</b>		<b>447,002</b>	<b>223,224</b>
<b>NET ASSETS</b>		<b>18,328,107</b>	<b>15,760,264</b>
<b>EQUITY</b>			
Issued capital	13	41,432,354	38,168,373
Reserves	13	1,810,650	1,908,284
Accumulated losses		(24,914,897)	(24,316,393)
<b>TOTAL EQUITY</b>		<b>18,328,107</b>	<b>15,760,264</b>

The accompanying notes form part of this consolidated financial report.

# Great Western Exploration Limited

ABN 53 123 631 470

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

		Issued Capital	Option Reserves	Accumulated Losses	Total
		\$	\$		\$
<b>Consolidated</b>					
<b>Balance at 1 JULY 2021</b>	<b>Note</b>	<b>38,168,373</b>	<b>1,908,284</b>	<b>(24,313,393)</b>	<b>15,760,264</b>
Loss for the period		-	-	(598,504)	(598,504)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(598,504)	(598,504)
Share issue	13	3,500,000	-	-	3,500,000
Options issued		-	54,627	-	54,627
Options lapsed		-	(152,261)	-	(152,261)
Issue costs	13	(236,019)	-	-	(236,019)
<b>Balance at 30 JUNE 2022</b>		<b>41,432,354</b>	<b>1,810,650</b>	<b>(24,914,897)</b>	<b>18,328,107</b>
<b>Consolidated</b>					
<b>Balance at 1 JULY 2020</b>		<b>30,580,106</b>	<b>898,866</b>	<b>(22,053,300)</b>	<b>9,425,672</b>
Loss for the period		-	-	(2,263,093)	(2,263,093)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(2,263,093)	(2,263,093)
Share issue		7,966,904	-	-	7,699,904
Options issued		-	1,009,418	-	1,009,418
Issue costs		(378,637)	-	-	(378,637)
<b>Balance at 30 JUNE 2021</b>		<b>38,168,373</b>	<b>1,908,284</b>	<b>(24,316,393)</b>	<b>15,760,264</b>

The accompanying notes form part of this consolidated financial report.

# Great Western Exploration Limited

ABN 53 123 631 470

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	<b>Consolidated 30 JUNE 2022</b>	<b>Consolidated 30 JUNE 2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(559,413)	(687,443)
Government grant received	-	80,284
Interest received	592	713
Net cash (used in) operating activities	14 (558,821)	(606,446)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposits paid on exploration tenements	(290,413)	(176,772)
Refund on withdrawal of applications	17,864	-
Purchase of property, plant and equipment	(12,994)	(22,228)
Payments for mineral exploration expenditure	(2,995,929)	(1,691,347)
Net cash (used in) investing activities	(3,281,472)	(1,890,347)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	3,500,000	7,966,904
Securities issue costs	(259,621)	(378,636)
Net cash provided by financing activities	3,240,379	7,588,268
Net increase/(decrease) in cash held	(599,914)	5,091,475
Cash and cash equivalents at beginning of period	5,224,475	133,000
Cash and cash equivalents at end of period	<b>4,624,561</b>	<b>5,224,475</b>

The accompanying notes form part of this consolidated financial report.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

These financial statements and notes represent those of Great Western Exploration Limited ('the Company') and its controlled entities ('the Group').

The financial statements were authorised for issue on 8 September 2022 by the Directors of the Company.

### **NOTE 1: 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 Group is a for-profit entity for financial reporting purposes under 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 IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **a) Going Concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$598,504 (2021: \$2,263,093). The Group has a working capital surplus of \$4,578,457 at 30 June 2022 (2021: \$5,214,194). The Group has ongoing expenditures in respect of administration costs and exploration and evaluation expenditure on its Australian exploration projects.

The Directors believe that at the date of signing of the financial statements that the Group has sufficient funds to meet its obligations as and when they fall due and continue to proceed with the Group's objectives beyond the currently committed expenditure for the 12-month period from the date of signing this financial report.

The financials do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Group not continue as a going concern and meet its debts as and when they fall due.

#### **b) Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Great Western Exploration Limited at the end of the reporting period. A controlled entity is any entity over which Great Western Exploration Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 19 to the financial statements.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

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

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the Statement of Profit or Loss and Other Comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

#### **d) Goodwill**

- i. The consideration transferred;
- ii. Any non-controlling interest, and
- iii. The acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

The amount of goodwill recognised on acquisition of each subsidiary in which the Company holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Company can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Company determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Company's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

#### **e) Application of New and Revised Accounting Standards**

##### **i. New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company during the financial year.

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

##### **ii. Accounting Standards that are mandatorily effective for the current reporting year**

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

#### *Changes in accounting policies on initial application of Accounting Standards*

In the year ended 30 June 2022, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the company's operations and effective for annual reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued by the AASB.

#### *Standards and Interpretations in issue not yet adopted*

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ending 30 June 2022. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the company and therefore no material change is necessary to company accounting policies.

#### **f) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **g) Trade and Other Receivables**

Trade receivables, which generally have 30-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

#### **h) Financial Instruments**

##### **i. Classification of financial instruments**

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

##### **ii. Financial assets measured at amortised cost**

#### *Debt instruments*

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in note (i) Impairment of financial assets.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

- iii. Financial assets measured at fair value through other comprehensive income

#### *Equity instruments*

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 "Business Combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Items at fair value through profit or loss Items at fair value through profit or loss comprise:

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

#### *Financial instruments held for trading*

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

#### *Financial instruments designated as measured at fair value through profit or loss*

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.



# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

#### **i) Impairment of Financial Assets**

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

#### Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are Grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

#### **j) Recognition and derecognition of financial instruments**

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

#### **k) Offsetting**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **l) Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and Equipment – over 6 to 15 years

Motor Vehicles – over 4 years

Computer Equipment – over 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

#### **m) Exploration and Evaluation Expenditure**

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project by project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired.

When a licence is relinquished or a project abandoned, the related costs are recognised in the Statement of Comprehensive Income immediately.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount an impairment loss is recognised in the Statement of Comprehensive Income.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

#### **n) Interests in Joint Ventures**

The Company's shares of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements.

#### **o) Impairment of Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

#### **p) Trade and other Payables**

Trade and other payables are carried at amortised cost; due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **q) Provisions and Employee Leave Benefits**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

#### *Employee Leave Benefits*

- i. Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

#### ii. Long service leave

The liability for long service leave is recognised and measured as the present level of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

#### **r) Share Based Payment Transactions**

##### *(i) Equity settled transaction:*

The Company provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Company has in place the Great Western Exploration Limited Employee Share Option Plan to provide benefits to directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any vesting conditions other than conditions linked to price of the shares of the Company (market conditions) if applicable.

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

At each subsequent reporting date until vesting the cumulative charge to the Statement of Comprehensive Income is the produce of:

- i. the grant date fair value of the award;
- ii. the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- iii. the expired portion of the vesting period.

The charge to the Statement of Comprehensive Income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### **s) 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.

#### **t) Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

##### **i. Interest Income**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **u) Income Tax and other Taxes**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in the transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not
- a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

#### *Other Taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### **v) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

#### **w) Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

#### **Valuation Techniques**

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### **Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### *Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### *Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly



# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 1. BASIS OF PREPARATION** *(continued)*

#### *Level 3*

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

- i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Equally, the Company continually employs judgement in the application of its accounting policies.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions. Those which may materially affect the carrying amounts of assets and liabilities reported in future years are discussed below.

a) Significant accounting estimates and judgements

i. Impairment of non-financial assets

The Company assesses impairment on all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology and economic environments. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions.

ii. Share-based payment transactions

The Company measures the cost of equity settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. Equity settled transactions comprise only options. Their fair value is determined using the Binomial Options Pricing model. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact expenses and equity.

iii. Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. Adjustments to useful lives are made when considered necessary. Depreciation and amortisation charges as well as estimated useful lives are included in Note 1(l).

iv. Exploration and evaluation costs

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

v. Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Company's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS** *(continued)*

#### vi Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, and are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that Directors best estimate, pending an assessment by the Australian Taxation Office.

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

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	30 JUNE 2022	30 JUNE 2021
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	7	4,624,561	5,224,475
Receivables	8	400,498	212,544
Financial assets	9	400	400
		<u>5,025,459</u>	<u>5,437,418</u>
<b>Financial Liabilities</b>			
Trade and payables	12	424,637	194,894
Provisions		22,365	28,330
		<u>447,002</u>	<u>223,224</u>

### Financial Risk Management Policies

The Company attempts to mitigate risks that may affect its future performance through a systematic process of identifying, assessing, reporting and managing risks of corporate significance.

The management and the Board discuss the principal risks of our businesses, particularly during the strategic planning and budgeting processes. The board sets policies for the implementation of systems to manage and monitor identifiable risks. The Board Risk Committee is responsible for the oversight of risk management.

The Company's principal financial instruments comprise cash and short-term deposits. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main purpose of these financial assets and liabilities is to raise finance for the Company's operations. It is, and has been throughout the entire year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk. Other minor risks are either summarised below or disclosed in Note 8 in the case of credit risk and Note 13 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

#### a) Credit Risk

The Company minimises credit risk by undertaking a review of its potential customers' financial position and the viability of the underlying project prior to entering into material contracts.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Financial instruments other than receivables that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. The Company places its cash deposits with high credit-quality financial institutions, being in Australia only the major Australian (big four) banks. The Company's cash deposits all mature within twelve months and attract a rate of interest at normal short-term money market rates.

The maximum amount of credit risk the Company considers it would be exposed to would be \$4,624,561 (2021: \$5,224,475) being the total of its cash and cash equivalents and financial assets.

#### b) Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. All other financial assets and liabilities

in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

The following table sets out the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount	
		2022	2021	2022	2021	2022	2021
		\$	\$	\$	\$		
<b>Financial Assets</b>							
Cash and cash equivalents	7	1,307,385	5,208,362	3,317,176	16,112	4,624,561	5,224,475
Trade and other Receivables	8	-	-	400,498	212,544	400,498	212,544
Other Financial assets	9	-	-	400	400	400	400
Weighted average interest rate		0.01	0.01				

The effect on profit and equity, after tax, if interest rates at that date had been 10% higher or 10% lower with all other variables held constant as a sensitivity analysis would be a +/- change to profit and equity of nil (2021: nil).

A sensitivity of 10% has been selected as this is considered by management to be reasonable in the current environment. The Company constantly analyses its interest rate exposure to ensure the appropriate mix of fixed and variable rates.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Company continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

#### c) Price Risk

The Company is not exposed to equity securities price risk. There is no active market for available for sale investments.

#### d) Liquidity Risk

The Company's objective is to match the terms of its funding sources to the terms of the assets or operations being financed. The Company uses a combination of trade payables and operating leases to provide its necessary debt funding.

The Company aims to hold sufficient reserves of cash or cash equivalents to help manage the fluctuations in working capital requirements and provide the flexibility for investment into long-term assets without the need to raise debt.

#### **Contracted maturities of payables at balance date**

	<b>30 JUNE 2022</b>	<b>30 JUNE 2021</b>
	\$	\$
Payable		
- Less than 6 months	424,637	194,894
- 6 to 12 months	-	-
- 1 to 5 years	-	-
	<hr/> 424,637	<hr/> 194,894

#### e) Commodity Price Risk

Due to the early stage of the Company's operations its exposure is considered minimal. Risk arises as its operations are involved in exploration and development of mineral commodities, changes in the price of commodities for which the Group is exploring and developing may result in changes to the Company's market price. The Company entity does not hedge any of its exposures.

#### f) Foreign currency exchange rate

A risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Company's functional currency. At present, the Company is not considered to be exposed to any significant foreign currency risk.

#### g) Net fair values

The Company has no financial assets or liabilities where the carrying value amount exceeds fair value at balance date. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

The Company's financial assets at fair value through profit or loss are listed investments (Note 9) and are categorised as Level 1, meaning fair value is determined from quoted prices in active markets for identical assets.

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 4: OPERATING SEGMENTS**

#### **Segment Information**

##### **Identification of reportable segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's principal activities are mineral exploration. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

##### **Types of products and services by segment**

The Group's exploration projects consist of:

- Mineral exploration
- Finance and administration

##### **Basis of accounting for purposes of reporting by operating segments**

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### **Segment assets**

Segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

##### **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

##### **Unallocated items**

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 4: OPERATING SEGMENTS *(continued)*

#### (i) Segment performance

	Mineral Exploration (\$)	Finance and Administration (\$)	Total (\$)
<b>30 JUNE 2022</b>			
Interest received	-	592	592
Other income – Government Grant	-	-	-
Other income	-	-	-
Total segment revenue	-	592	592
Employee benefit expense	-	(274,592)	(274,592)
Administration expenses	-	(336,147)	(336,147)
Depreciation	-	(10,150)	(10,150)
Compliance and regulatory expenses	-	(63,009)	(63,009)
Share based payments	-	97,634	97,634
Mineral exploration written-off	(12,832)	-	(12,832)
Net profit/ (loss) before tax from operations	(12,832)	(585,672)	(598,504)
<b>30 JUNE 2021</b>			
Interest received	-	713	713
Other income – Government Grant	-	80,284	80,284
Other income	-	-	-
Total segment revenue	-	80,997	80,997
Employee benefit expense	-	(219,784)	(219,784)
Administration expenses	-	(343,279)	(343,279)
Depreciation	-	(6,532)	(6,532)
Compliance and regulatory expenses	-	(85,556)	(85,556)
Share based payments	-	(1,009,418)	(1,009,418)
Mineral exploration written-off	(679,520)	-	(679,520)
Net profit/ (loss) before tax from operations	(679,520)	(1,583,573)	(2,263,093)



# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 4: OPERATING SEGMENTS (Continued)

#### (ii) Segment assets

<b>30 JUNE 2022</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
<i>Current assets</i>			
Cash and cash equivalents	-	4,624,561	4,624,561
Trade and other receivables	331,258	69,240	400,498
Other	-	400	400
<i>Non-current assets</i>			
Exploration and evaluation expenditure	13,719,581	-	13,719,581
Plant & Equipment	20,118	9,951	30,069
Total assets from operations	14,070,957	4,704,152	18,775,109

<b>30 JUNE 2021</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
<i>Current assets</i>			
Cash and cash equivalents	-	5,224,475	5,224,475
Trade and other receivables	183,631	28,913	212,544
Other	-	400	400
<i>Non-current assets</i>			
Exploration and evaluation expenditure	10,518,845	-	10,518,845
Plant & Equipment	7,357	19,868	27,225
Total assets from operations	10,709,833	5,273,655	15,983,488

#### (iii) Segment liabilities

<b>30 JUNE 2022</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
<i>Current liabilities</i>			
Trade and other payables	329,813	94,824	424,637
Provisions	-	22,365	22,365
Total liabilities from operations	329,813	117,189	447,002

<b>30 JUNE 2021</b>	<b>Mineral Exploration (\$)</b>	<b>Finance and Administration (\$)</b>	<b>Total (\$)</b>
<i>Current liabilities</i>			
Trade and other payables	128,346	66,548	194,894
Provisions	-	28,330	28,330
Total liabilities from operations	128,346	94,878	223,224

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 5: INCOME TAX

	30 JUNE 2022	30 JUNE 2021
	\$	\$
a) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Accounting loss before income tax	(598,504)	(2,263,093)
Income tax benefit at the statutory income tax rate of 25% (2021: 26%)	(149,626)	(588,404)
Expenditure not allowable for income tax purposes	(22,481)	446,213
Capitalised mineral exploration expenditure	(800,184)	(443,945)
Other deductible expenditure/non-assessable income	4,806	(15,638)
Capital raising costs	(30,733)	(98,445)
Under/over from prior year	3,953	27,190
Benefit of tax losses not brought to account as an asset	994,265	673,030
Income Tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
b) As at 30 June 2022, the Company has estimated tax losses of approximately \$32,158,235 (2021: \$28,181,172), which may be available to be offset against deferred tax liabilities and taxable income in future years. The availability of these losses is subject to satisfying Australian taxation legislative requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial statements as the Directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.		
c) Deferred Tax Liability		
With regard to Mineral Exploration Expenditure of \$13,719,581 (2021: \$10,518,845) the tax liability in respect of the book value has not been brought to account as it is offset by the tax losses set out in 5(b) above.		

### NOTE 6: EARNINGS PER SHARE

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Loss used in the calculation of basic EPS	(598,504)	(2,263,093)
Weighted average number of ordinary shares used in calculation of basic earnings per share	140,488,695	80,519,854
Basic earnings per share (cents)	(0.43)	(2.81)

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 7: CASH AND CASH EQUIVALENTS

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Cash at bank	3,317,176	16,112
Cash on deposit	1,307,385	5,208,362
	<u>4,624,561</u>	<u>5,224,475</u>

The effective interest rate on short term bank deposits on average was 0.01% (2021: 0.01%), with an average maturity of 6 months.

### NOTE 8: TRADE AND OTHER RECEIVABLES

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current		
Tenement applications and deposits	275,349	156,330
GST receivable	111,819	54,602
Prepayments	13,330	1,612
	<u>400,498</u>	<u>212,544</u>

#### Allowance for impairment loss

Trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

#### Fair value and credit risk

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value. Given the nature of the receivables the Company's exposure to risk is not considered material.

### NOTE 9: OTHER FINANCIAL ASSETS

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Financial assets		
Other	400	400
	<u>400</u>	<u>400</u>

Changes in fair value are included in the statement of comprehensive income.

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Plant and Equipment – at cost	54,229	41,235
Less: accumulated depreciation	(24,160)	(14,010)
	<u>30,069</u>	<u>27,225</u>

Reconciliation of the carrying amount of property, plant and equipment	30 JUNE 2022	30 JUNE 2021
	\$	\$
Carrying amount at beginning of year	27,225	11,528
Additions	12,994	22,229
Disposals	-	-
Depreciation for the year	(10,150)	(6,532)
Carrying amount at end of financial year	<u>30,069</u>	<u>27,225</u>

### NOTE 11: MINERAL EXPLORATION EXPENDITURE

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Balance at beginning of the year	10,518,845	9,490,884
Acquisition of tenements	-	-
Capitalised exploration expenditure <sup>1</sup>	3,213,568	1,707,481
Mineral expenditure written off <sup>2</sup>	(12,832)	(679,520)
Balance at end of financial year	<u>13,719,581</u>	<u>10,518,845</u>

<sup>1</sup> After writing off \$12,832 mineral application expenditures on tenement applications not granted.

<sup>2</sup> This relates to expenditure on tenements relinquished during the year.

The value of the Company's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest or, alternatively, by their sale.

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 12: TRADE AND OTHER PAYABLES

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Current		
Trade payables	300,370	93,352
Sundry payables and accruals	98,220	33,969
PAYG Withholding	26,047	67,573
	<u>424,637</u>	<u>194,894</u>

Due to the short-term nature of these payables, their carrying value is assumed to approximate fair value.

Trade payables are non-interest bearing and are generally settled within 30 days.

### NOTE 13: EQUITY

	30 JUNE 2022	
	No. on issue	\$
<b>ISSUED CAPITAL</b>		
<b>Ordinary shares on issue</b>	<u>179,948,117</u>	<u>41,432,354</u>
	No. on issue	\$
<b>Movements in Ordinary Shares</b>		
Balance at the beginning of the year 1/7/21	136,198,117	38,168,373
Issued during the year	43,750,000	3,500,000
Issue costs	-	(236,019)
Balance at year end 30/06/22	<u>179,948,117</u>	<u>41,432,354</u>
<b>Options Reserve</b>		
<b>Unlisted</b>		
Balance at the beginning of the year 1/7/21	10,466,667	1,908,284
Amount recognised during the year	5,000,000	54,628
Expired or lapsed during the year	(3,500,000)	(152,261)
Balance at the end of the period 30/06/22	<u>11,966,667</u>	<u>1,810,651</u>
<b>Listed</b>		
Balance at the beginning of the year 1/7/21	-	-
Expired or exercised during the year	-	-
Balance at the end of the period 30/06/22	<u>-</u>	<u>-</u>

# Great Western Exploration Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 13: EQUITY (Continued)

30 JUNE 2021

	No. on issue	\$
<b>ISSUED CAPITAL</b>		
<b>Ordinary shares on issue</b>	136,198,117	38,168,373
	No. on issue	\$
<b>Movements in Ordinary Shares</b>		
Balance at the beginning of the year 1/7/20	40,879,063	30,580,106
Issued during the year	95,319,054	7,966,904
Issue costs	-	(378,637)
Balance at year end 30/06/21	136,198,117	38,168,373
<b>Options Reserve</b>		
<b>Unlisted</b>		
Balance at the beginning of the year 1/7/20	516,667	898,866
Options issued during the year	10,200,000	1,009,418
Expired during the year	(250,000)	-
Balance at the end of the period 30/06/21	10,466,667	1,908,284
<b>Listed</b>		
Balance at the beginning of the year 1/7/20	4,791,789	-
Expired or exercised <sup>(1)</sup> during the year	(4,791,789)	-
Balance at the end of the period 30/06/21	-	-

<sup>(1)</sup> 56 options were exercised on the expiry of the quoted options in June 2021

The Company at 30 June 2022 has issued share capital amounting to 179,948,117 (2021:136,198,117) ordinary shares with no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

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.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 14: CASH FLOW STATEMENT RECONCILIATION

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Reconciliation of net loss after tax to net cash flows from operations		
Loss for the year	(598,504)	(2,263,093)
Depreciation	10,150	6,532
Share based payments	(97,634)	1,009,418
Mineral exploration expenditure written off	12,832	679,520
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables and prepayments	(109,444)	(127,774)
Increase/(Decrease) in trade and other payables	229,744	117,281
Increase /(Decrease) in provisions	(5,965)	(28,330)
	(558,821)	(606,446)

### NOTE 15: RELATED PARTY DISCLOSURE

There were no related party transactions with Directors and Directors related entities during the year ended 30 June 2022 or 30 June 2021.

### NOTE 16: KEY MANAGEMENT PERSONNEL

		30 JUNE 2022	30 JUNE 2021
		\$	\$
(a) Remuneration for Key Management Personnel			
Short term employee benefits	16 (b)	308,457	193,537
Post-employment benefits	16 (b)	30,672	18,386
Share based payments		165,750	542,260
Entitlements lapsed <sup>(1)</sup>		(449,064)	-
		55,815	754,183

<sup>(1)</sup> Options granted in 2020 to Mr Thomas Ridges lapsed on their terms at the date of his resignation from the Company and were relinquished.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 16: KEY MANAGEMENT PERSONNEL *(Continued)*

	30 JUNE 2022	30 JUNE 2021
	\$	\$
(b) Reconciliation of Directors' Remuneration		
Cash component of remuneration	331,129	211,923
Portion capitalised in mineral exploration expenditure	(189,828)	(66,018)
Directors' remuneration included in Employee Benefits Expense	141,301	145,905
	30 JUNE 2022	30 JUNE 2021
	\$	\$
(c) Reconciliation of Employee Benefits Expense		
Directors' remuneration included in employee benefits expense	141,301	145,905
Other employees' remuneration expense	133,291	73,859
Total Employee Benefits Expense	274,592	219,764

### NOTE 17: SHARE BASED PAYMENTS

#### (a) Recognised share-based payment

The share-based payment expense recognised for employee services, consultants and tenement acquisition received during the year is shown in the table below:

	30 JUNE 2022	30 JUNE 2021
	\$	\$
Expense arising from equity share-based payment transactions settled via options	54,627	1,009,418
Lapsed equity share-based payment transactions settled during period	(152,261)	-
Total expense arising from share-based payment transactions	(97,634)	1,009,418

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2022 and 2021.



# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### **NOTE 17: SHARE BASED PAYMENTS** *(Continued)*

(b) Types of Share based payment plans

#### **Great Western Exploration Limited, Employee Share Option Plan**

Share options are granted to senior executives and designed to provide executives an incentive and participate along with shareholders by increasing the value of the Company's shares. The options are issued by the Board having regard, in each case to:

- i. the contribution to the Company which has been made by the Participant;
- ii. the period of employment of the Participant with the Company, including (but not limited to) the years of service by that Participant;
- iii. the potential contribution of the Participant to the Company; and

any other matters which the Board considers in its absolute discretion, to be relevant.

The options are issued to participants at a price the Board considers appropriate, but in any event, no more than nominal consideration. Details of options expiry date and exercise price are set out in Note 17 (c) below.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 17: SHARE BASED PAYMENTS *(Continued)*

#### (c) Summary of Options on issue

	30 JUNE 2022		30 JUNE 2021	
	No.	Exercise Price	No.	Exercise Price
Outstanding at beginning of financial year	10,466,667		5,308,456	
Granted during the year:				
- unlisted options expiring 12 Oct 2025	-	-	1,500,000	-
- unlisted options expiring 12 Oct 2025	-	-	1,500,000	-
- unlisted options expiring 12 Oct 2025	-	-	2,000,000	-
- unlisted options expiring 29 Dec 2023	-	-	1,200,000	\$0.31
- unlisted options expiring 31 Mar 2024	-	-	1,250,000	\$0.52
- unlisted options expiring 31 Mar 2024	-	-	2,750,000	\$0.37
- unlisted options expiring 19 Apr 2027	1,500,000	-	-	-
- unlisted options expiring 19 Apr 2027	1,500,000	-	-	-
- unlisted options expiring 19 Apr 2027	2,000,000	-	-	-
Lapsed during the year <sup>(1)</sup>	(3,500,000)	-	-	-
Expired during the year <sup>(2)</sup>	(266,667)	-	(5,041,733)	-
Exercised during the year	-	-	(56)	-
Outstanding at end of financial year	11,700,000		10,466,667	

<sup>(1)</sup>Includes unlisted options issued to Mr Thomas Ridges that lapsed on their terms on his resignation from the Company on 14<sup>th</sup> April 2022.

<sup>(2)</sup>Includes listed options that expired on 31 December 2021 and on 30 June 2021.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Grant Date	No of Options	Grant Date Fair Value	Exercise Price	Expiry Date	Vesting Date	Value recognized during the year	Value recognized in future years
<b>30 JUNE 2022</b>							
12/10/2020	1,500,000	\$0.26	\$0.00	12/10/2025	12/10/2021	\$111,123	-
20/06/2022	1,500,000	\$0.080	\$0.00	20/06/2027	20/06/2023	\$28,110	\$114,390
20/06/2022	1,500,000	\$0.080	\$0.00	20/06/2027	20/06/2024	\$14,036	\$128,464
20/06/2022	2,000,000	\$0.080	\$0.00	20/06/2027	20/06/2025	\$12,482	\$177,518
6/4/2021	2,750,000	\$0.0645	\$0.37	31/3/2024	6/4/2021	-	-
6/4/2021	1,250,000	\$0.0442	\$0.52	31/3/2024	6/4/2021	-	-
29/12/2020	1,200,000	\$0.0124	\$0.31	29/12/2023	29/12/2020	-	-
Total	11,700,000					\$165,751	\$420,372

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 17: SHARE BASED PAYMENTS *(Continued)*

Grant Date	No of Options	Grant Date Fair Value	Exercise Price	Expiry Date	Vesting Date	Value recognized during the year	Value recognized in future years
<b>30 JUNE 2021</b>							
12/10/2020	1,500,000	\$0.26	\$0.00	12/10/2025	12/10/2021	\$278,877	\$111,123
12/10/2020	1,500,000	\$0.26	\$0.00	12/10/2025	12/10/2022	\$139,438	\$250,562
12/10/2020	2,000,000	\$0.26	\$0.00	12/10/2025	12/10/2023	\$123,673	\$396,055
29/12/2020	1,200,000	\$0.0124	\$0.31	29/12/2023	29/12/2020	\$148,807	-
6/4/2021	2,750,000	\$0.0645	\$0.37	31/3/2024	6/4/2021	\$265,997	\$166,909
6/4/2021	1,250,000	\$0.0442	\$0.52	31/3/2024	6/4/2021	\$52,355	\$126,238
14/12/2018	266,667	\$0.00216	\$1.20	31/12/2021	14/12/2019	-	-

(d) Option pricing model

#### Equity-settled transactions

The fair value of the equity-settled share options granted under the Employee Share Option Plan is estimated as at the date of the grant using a Monte Carlo Pricing Model as part of the term of the issued options, the options will vest immediately when the Share Price Equals or exceeds the Exercise Price of the respective shares after the date of issues of the options.

Binomial Model Pricing Model and Black and Scholes Model taking into account the terms and conditions upon which the options were granted options included in relation to acquisition of tenements and corporate advisory services during the period.

Binomial Model Pricing Model		
Grant Date	12/10/20	20/06/22
Dividend yield (%)	-	-
Expected volatility (%)	54	131.5
Risk free interest rate (%)	0.08	3.82
Expected life of options (yrs)	5.0	5.0
Option exercise price (\$)	0.00	0.00
Weighted average share price at measurement date (\$)	0.26	0.08

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 17: SHARE BASED PAYMENTS *(Continued)*

<b>BlackScholes Model</b>			
<b>Grant Date</b>	<b>06/04/2021</b>	<b>06/04/2021</b>	<b>29/12/20</b>
<b>Dividend yield (%)</b>	-	-	-
<b>Expected volatility (%)</b>	117	117	117
<b>Risk free interest rate (%)</b>	0.08	0.08	0.08
<b>Expected life of options (yrs)</b>	3.0	3.0	3.0
<b>Option exercise price (\$)</b>	0.37	0.52	0.31
<b>Grant Date Share Price</b>	0.25	0.25	0.2

(e) Share issued in lieu of services

No shares were issued in lieu of services during the years ended 30 June 2022 or 30 June 2021.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 18: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

#### STATEMENT OF FINANCIAL POSITION

	30 JUNE 2022	30 JUNE 2021
	\$	\$
<b>ASSETS</b>		
Current Assets	5,024,691	5,436,650
Non-current assets	13,744,814	10,550,901
<b>TOTAL ASSETS</b>	<b>18,769,505</b>	<b>15,987,551</b>
<b>LIABILITIES</b>		
Current liabilities	441,398	217,619
Non-current liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>441,398</b>	<b>217,619</b>
<b>NET ASSETS</b>	<b>18,328,107</b>	<b>15,769,932</b>
<b>EQUITY</b>		
Issued capital	41,147,188	37,883,207
Reserves	1,810,650	1,908,285
Accumulated losses	(24,629,731)	(24,021,560)
<b>TOTAL EQUITY</b>	<b>18,328,107</b>	<b>15,769,932</b>

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total loss	(598,504)	(2,264,392)
Total comprehensive income	(598,504)	(2,264,392)

#### Guarantees

Great Western Exploration Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

#### Contingent Liabilities

At 30 June 2022, there were no contingent liabilities in relation to the subsidiaries (2021: Nil).

#### Contractual commitments

At 30 June 2022, Great Western Exploration Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2021: Nil).

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 19: CONTROLLED ENTITIES

Interests are held in the following:

Name	Principal Activity	Country of Incorporation	Shares	Ownership Interest	
				30 JUNE 2022	30 JUNE 2021
Vanguard Exploration Limited	Mineral Exploration	Australia	Ordinary	100%	100%

### NOTE 20: COMMITMENTS AND CONTINGENCIES

#### COMMITMENTS

	30 JUNE 2022	30 JUNE 2021
	\$	\$

#### a) Exploration Tenement Leases

In order to maintain rights of tenure to exploration tenements currently granted, the Group is required to outlay lease rentals and to meet the minimum expenditure requirements of the Western Australian Department of Mines, Industry Regulation & Safety.

Within one year	2,248,500	1,337,500
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#### CONTINGENCIES

There were no contingencies at the end of the financial year (2021: Nil).

### NOTE 21: EVENTS AFTER BALANCE DATE

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2022 which has 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 years, other than:

- On 21 July 2022, the Company announced that drilling at the Company's Yandal West Project has been completed with multiple drill intersections of sulphide mineralization.
- On 31 August 2022, the Company announced the results from the Yandel West Project Drilling Program, with significant results returned from Harris' Find.

# Great Western Exploration Limited

ABN 53 123 631 470

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 22: AUDITORS' REMUNERATION

	30 JUNE 2022	30 JUNE 2021
	\$	\$
The Auditor of Great Western Exploration Limited is Hall Chadwick WA Audit Pty Ltd (previously known as Bentleys).		
Amounts received or due and receivable for		
• an audit or review of the financial report of the Group	39,321	35,283
• other services in relation to the Group – other services	-	-
	<hr/>	<hr/>
	39,321	35,283
	<hr/>	<hr/>

# GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

## ***DIRECTORS' DECLARATION***

In accordance with a resolution of the directors of Great Western Exploration Limited, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 38 to 77, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company;
2. in the Directors' opinion, subject to the matters mentioned in Note 1(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by s 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

Dated this 8<sup>th</sup> day of September 2022

A handwritten signature in black ink, appearing to read 'Shane Pike', written over a horizontal line.

Shane Pike  
Managing Director



To the Board of Directors,

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of Great Western Exploration Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

*Hall Chadwick*  
**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*  
**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 8<sup>th</sup> day of September 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT WESTERN EXPLORATION LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Great Western Exploration Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2022 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As disclosed in note 11 to the financial statements, during the year ended 30 June 2022 the Company capitalised exploration and evaluation expenditure was carried at \$13,719,581.</p> <p>Mineral exploration expenditure is a focus area due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Consolidated Entity's financial position;</li> <li>• The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset; and</li> <li>• The assessment of impairment of mineral exploration expenditure being inherently difficult.</li> </ul>	<p>Our review procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 <i>Exploration and Evaluation of Mineral Resources</i> ("AASB 6");</li> <li>• Assessing the Consolidated Entity's rights to tenure for a sample of tenements;</li> <li>• By reviewing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the mineral exploration expenditure: <ul style="list-style-type: none"> <li>• The licenses for the rights to explore expiring in the near future or are not expected to be renewed;</li> <li>• Substantive expenditure for further exploration in the area of interest is not budgeted or planned;</li> <li>• Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> <li>• Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and</li> </ul> </li> <li>• We also assessed the appropriateness of the related disclosures in note 11 to the financial statements.</li> </ul>

## Other Information

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

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

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 Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity or to cease operations, or has 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.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit

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

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## Auditor's Opinion

In our opinion, the Remuneration Report of Great Western Exploration Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated in Perth, Western Australia this 8<sup>th</sup> day of September 2022

# GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

## ADDITIONAL INFORMATION

### 1. SHAREHOLDER INFORMATION

#### 1.1 VOTING RIGHTS

Every member has one vote for every fully paid ordinary share held.

#### 1.2 SUBSTANTIAL SHAREHOLDERS AS AT 18 August 2022

<u>Shareholder</u>	<u>No of Shares</u>
Seascope Capital Pty Ltd	24,255,760
Budworth Capital Pty Ltd	24,225,500

#### 1.3 DISTRIBUTION OF HOLDERS AS AT 18 August 2022

	<u>Fully Paid Ordinary Shares</u>	<u>No. of Ordinary Shares</u>
1 – 1000	776	168,670
1001 – 5,000	289	749,406
5001 – 10,000	123	913,504
10,001 – 100,000	304	11,524,239
100,001 – and over	171	168,092,298
<b>Total number of holders</b>	<b>1,663</b>	<b>181,448,117</b>

At 18 August the Company had 1,125 unmarketable parcels

#### 1.4 TOP TWENTY HOLDERS:

Ordinary Shares fully paid: The names of the twenty largest shareholders as at **18 August 2022** are as follows:

	<u>Name</u>	<u>%</u>	<u>No. of Shares</u>
1	SEASCAPE CAPITAL PTY LTD	13.36	24,236,820
2	BUDWORTH CAPITAL PTY	13.35	24,225,500
3	WESTGATE CAPITAL PTY LTD	3.88	7,033,334
4	NINAN PTY LTD	3.00	5,450,000
5	SIMON LEE	2.30	4,166,667
6	MRS J E SOMES + MS A J SOMES	1.51	2,741,120
7	MR JORDAN LUCKETT	1.51	2,739,087
8	QUICKSILVER ASSET PTY LTD	1.38	2,495,290
9	PORTCULLIS HOUSE PTY LTD	1.32	2,400,000
10	AGILIS PTY LTD	1.27	2,300,000
11	WOMBAT SUPER INVESTMENTS PTY LTD	1.22	2,211,250
12	COVENTINA HOLDINGS PTY LTD	1.21	2,199,645
13	P & L CAPITAL INVESTMENTS PTY LTD	1.17	2,120,000

# GREAT WESTERN EXPLORATION LIMITED

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14	MR GEOFF BARNES	1.10	2,000,000
15	NARRAWALLEE CAPITAL PTY LTD	1.10	2,000,000
16	MRS GEORGINA MUNRO	1.10	1,990,000
17	SUNDEN PTY LTD	1.08	1,953,162
18	TAZGA TWO PTY LTD	0.99	1,793,056
19	SIMORE PTY LTD	0.88	1,603,749
20	ESM LIMITED	0.83	1,500,000
		<b>53.56</b>	<b>97,158,680</b>

At 30 June 2022, the Company had no quoted options (GTEOA) outstanding.

## 1.5 Unlisted option holders:

Class of Unlisted Option	No. of unlisted options on issue	No of holders
Exercisable at \$0.31 and expiring 29 December 2023	1,200,000	1
Zero Exercise price expiring 12 Oct 2025 s.t. milestones	1,500,000	1
Zero Exercise price expiring 19 Apr 2027 s.t. milestones	5,000,000	1
Exercisable at \$0.37 and expiring 31 March 2024	2,750,000	4
Exercisable at \$0.52 and expiring 31 March 2024	1,250,000	3

## 1.6 Restricted Securities:

The Company has no restricted securities on issue.



**GREAT WESTERN EXPLORATION LIMITED**  
**ABN 53 123 631 470**

**2. SCHEDULE OF MINERAL TENEMENTS**

**Tenement Schedule at 30 June 2022**

Project	Tenement	Status	Holder	Ownership	Comments
Atley	E 57/1130	Live	Great Western Exploration Limited	100%	
Atley	E 57/1131	Live	Great Western Exploration Limited	100%	
Atley	E 57/1160	Live	Great Western Exploration Limited	100%	
Atley	E 57/1161	Live	Great Western Exploration Limited	100%	
Atley	E 57/1162	Live	Great Western Exploration Limited	100%	
Atley	E 57/1164	Live	Great Western Exploration Limited	100%	
Atley	E 57/1165	Live	Great Western Exploration Limited	100%	
Atley	E 57/1166	Live	Great Western Exploration Limited	100%	
Atley	E 57/1204	Pending	Great Western Exploration Limited	100%	
Fairbairn	E 69/3443	Live	Vanguard Exploration Ltd	100%	100% Owned Subsidiary
Fairbairn	E 69/3810	Pending	Great Western Exploration Limited	100%	
Fairbairn	E 69/3899	Live	Great Western Exploration Limited	100%	
Fairbairn	E 69/3903	Pending	Great Western Exploration Limited	100%	
Fairbairn	E 69/3906	Live	Great Western Exploration Limited	100%	
Forrestania South	E 74/603	Live	Western Areas Ltd	10%	Free Carried To PFS
Three Springs	E51/2010	Live	Great Western Exploration Limited	90%	Westex Resources Free Carried to BFS
Firebird	E 53/2129	Live	Jindalee Resources Limited	0%	JV with Jindalee Resource Ltd, GTE Earning 80%
Golden Corridor	E 51/1855	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 51/2046	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/1983	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/2124	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/2138	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/2139	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/2141	Live	Great Western Exploration Limited	100%	
Golden Corridor	E 53/2142	Live	Great Western Exploration Limited	100%	
Lake Way Potash	E 53/1949	Live	Great Western Exploration Limited	100%	
Lake Way Potash	E 53/2017	Live	Great Western Exploration Limited	100%	
Lake Way Potash	E 53/2026	Live	Great Western Exploration Limited	100%	
Lake Way Potash	E 53/2146	Live	Great Western Exploration Limited	100%	

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Project	Tenement	Status	Holder	Ownership	Comments
Lake Way Potash	E 53/2206	Pending	Great Western Exploration Limited	100%	Competing Application, second drawn in ballot.
Yandal West	E 53/1369	Live	Vanguard Exploration Ltd	100%	100% Owned Subsidiary
Yandal West	E 53/1612	Live	Diversified Asset Holdings Pty Ltd	80%	Diversified Free Carried To BFS,
Yandal West	E 53/1816	Live	Diversified Asset Holdings Pty Ltd	80%	Diversified Free Carried To BFS
Copper Ridge	E 51/1727	Live	Great Western Exploration Limited	100%	
Copper Ridge	E 51/1734	Live	Great Western Exploration Limited	100%	
Copper Ridge	E 51/1856	Live	Great Western Exploration Limited	100%	
Copper Ridge	E 53/1894	Live	Great Western Exploration Limited	100%	Extension of Term pending
Copper Ridge	E53/2156	Pending	Great Western Exploration Limited	100%	
Yerrida South	E 51/1732	Live	Great Western Exploration Limited	100%	
Yerrida South	E 51/1733	Live	Great Western Exploration Limited	100%	
Yerrida South	E 51/1993	Live	Great Western Exploration Limited	100	
Yerrida South	E51/2062	Live	Great Western Exploration Limited	100%	
Yerrida South	E51/2063	Live	Great Western Exploration Limited	100%	
Yerrida South	E 53/2027	Live	Great Western Exploration Limited	100%	
Yerrida South	E 53/2077	Live	Great Western Exploration Limited	100%	
Yerrida South	E 53/2196	Live	Great Western Exploration Limited	100%	
Yerrida South	E 51/2078	Pending	Great Western Exploration Limited	100%	
Calyerup	E 70/6032	Live	Great Western Exploration Limited	100%	
Weld Spring	E 69/4021	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4022	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4023	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4024	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4025	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4026	Pending	Great Western Exploration Limited	100%	
Weld Spring	E 69/4027	Pending	Great Western Exploration Limited	100%	
<b>Joint Venture with Sandfire Resources Limited (1)</b>					
Yerrida North JV	E 51/1324	Live	Great Western Exploration Limited	100%	Sandfire Earning 70%
Yerrida North JV	E 51/1330	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1560	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%

# GREAT WESTERN EXPLORATION LIMITED

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Project	Tenement	Status	Holder	Ownership	Comments
Yerrida North JV	E 51/1712	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1723	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1724	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%. Extension of Term pending
Yerrida North JV	E 51/1728	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1746	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1747	Live (2)	Great Western Exploration Limited	100%	Sandfire Earning 70%, Extension of Term pending
Yerrida North JV	E 51/1819	Live	Great Western Exploration Limited	100%	Sandfire Earning 70%
Yerrida North JV	E 51/1827	Live	Great Western Exploration Limited	100%	Sandfire Earning 70%
Yerrida North JV	E 51/2033	Live	Great Western Exploration Limited	100%	Sandfire Earning 70%
Yerrida North JV	E 51/2068	Pending	Great Western Exploration Limited	100%	Sandfire Earning 70%

## Notes

- (1) Pursuant to clause 3 (e) of the Farm-in Letter Agreement between Sandfire and the Company dated 10 April 2017, Sandfire's earn-in is subject to it maintaining the joint venture tenements in good standing and it meeting all statutory expenditure conditions relating to the joint venture tenements.
- (2) These eight tenements are the subject of a plaint application by a third party in the Warden's Court. The outcome of this plaint application is unknown at the date of this report. The Company, with the support of Sandfire, intends to seek orders in the Warden's court for the dismissal of the plaint applications.