



# **WESTERN GOLD**

## RESOURCES LIMITED

ABN 54 139 627 446

Half Year Financial Report | 31 December 2023

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## Corporate Directory

### Directors

**Mr Gary Lyons**

*Non-executive Chairman*

**Mr Warren Thorne**

*Managing Director*

**Mr Teck Siong Wong**

*Non-executive Director*

### Company Secretary

**Mr Sonu Cheema**

### Registered Office & Principal Place of Business

Level 4, 46 Colin Street  
West Perth WA 6005

### SHARE REGISTRY

Automic Group Australia  
Level 5, 191 St Georges Terrace  
Perth WA 6000

### Auditors

Stantons  
International Audit and Consulting Pty Ltd  
Level 2, 40 Kings Park Rd,  
West Perth WA 6005

### Company Information

Incorporated in Western Australia, 24 September  
2009

### Securities Exchange

Australian Securities Exchange ("ASX")  
Company code: WGR

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## Directors' Report

Your Directors submit their report for Western Gold Limited ("Western Gold" or the "Company") and its subsidiary (together, the "Group") for the half-year ended 31 December 2023.

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Gary Lyons	Non-executive Chairman
Warren Thorne	Managing Director
Patrick Burke	Non-executive Director (resigned on 29 November 2023)
Teck Siong Wong	Non-executive Director

### Company Secretary

Sonu Cheema

### Dividends

No amounts have been paid or declared by way of dividend by the Company during the half-year or in the period to the date of this report.

### Principal activities

The principal activities of the Company and its subsidiaries during the course of the half-year continued to be the exploration, evaluation and development of its mining projects in Australia and Sweden.

### Operating results

The net loss of the Group for the half-year ended 31 December 2023 was \$1,587,840 (half-year ended 31 December 2022: \$1,137,151).

### Financial Position

The Group's net assets at the end of the half-year totalled \$2,400,496 (30 June 2023: \$1,030,103). As at 31 December 2023, the Group had \$941,455 in cash and cash equivalents (30 June 2023: \$658,710).

### Review of Operations

In August 2023, the Company entered into an agreement to acquire Euro Future Metals Pty Ltd ("EFM"), which holds exploration permit applications over three high grade prospects in Sweden, the Holmtjarn REE, Loberget Graphite and Rullbo Graphite Projects.

The Company acquired EFM in consideration for:

- 1) A cash payment of \$75,000;
- 2) The issue of 17,250,000 shares;
- 3) The issue of 8,500,000 performance rights each convertible into 1 share on the achievement, within 2 years of grant, of an Exploration Target (as defined in JORC 2012) of, or greater than:
  - 30-60Mt at 0.8-1.2% total rare earths oxides in relation to the area the subject of the permits; or
  - 30-60Mt at 5-10% total graphite content in relation to the area the subject of the permits; and
- 4) the issue of 8,500,000 performance rights each convertible into 1 share on the achievement, within 2 years of grant, of a drill intersection on one of the permits of at least 15 meters @ 10% total graphite content or 15 meters @ 0.5% total rare earth oxides.

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## Directors' Report

### Australia

#### Gold Duke Project

Test work was completed by Perth-based BHM Process Consultants to determine the amenability of the orebodies to heap leaching and CIL processing (see ASX announcement 30th October 2023). At the end of 51 days of column leaching 52.9% of the Au has been extracted into the leach liquor and wash. The Au extraction was extrapolated to approximate the Au extraction over a longer period. At 70 days of leaching approximately 71% of the Au should be extracted into the leach liquor.

A typical heap leach cycle rate is 90 days per pad and thus, an 80% gold extraction has been kinetically extrapolated as a likely gold recovery from this material under standard operational heap leach conditions.

Based on the initial positive amenability of the oxide ore to be heap leachable WGR will:

- Work with BHM to create a metallurgical drill program to test effect on recovery on samples from different parts of the orebody.
- Further column leaching test work may further optimise the results and should consider:
- The effect of different crush sizes (including not crushing the ore at all), and
- The effect of particle size on gold recovery.

#### Sandstone Gold Project

WGR has granted the exploration tenement E 53/1339 located within the Sandstone greenstone belt (Figure 1). The Sandstone greenstone belt lies in the central-northern part of the Southern Cross Domain of the Youanmi Terrane, within the Yilgarn Craton of Western Australia where gold was first discovered in 1892 with historic production of 1.21Moz.

Based on the litho-structural controls on ore formation determined by Davies et. al., (2019)<sup>5</sup>, E53/1339 has significant potential for undiscovered shear zone-hosted gold deposits. These deposits are likely to be located adjacent to district-scale jogs in major lithospheric-scale structures. WGR's exploration efforts will target lithology-parallel shear zones and corridors of oblique fault arrays adjacent to the lithospheric-scale Edale shear zone crosscuts the tenement (Figure 1).

The Sandstone Greenstone Belt is also considered prospective for lithium given that within Western Australia, the rare-earth lithium-caesium-tantalum (LCT) family of pegmatite deposits occur dominantly within the Archean greenstone belts in upper greenschist to amphibolite-facies. The prospectivity of the area is confirmed by Rio Tinto Exploration (RTX), exercising its farm-in option with Everest Metals Corporation Limited (ASX:EML) to the North Rover Project, located to the east of the Edale Shear zone in a similar geological setting.

WGR now intends to carry out detailed mapping and geochemical sampling to determine the geological controls on mineralisation.

### Sweden

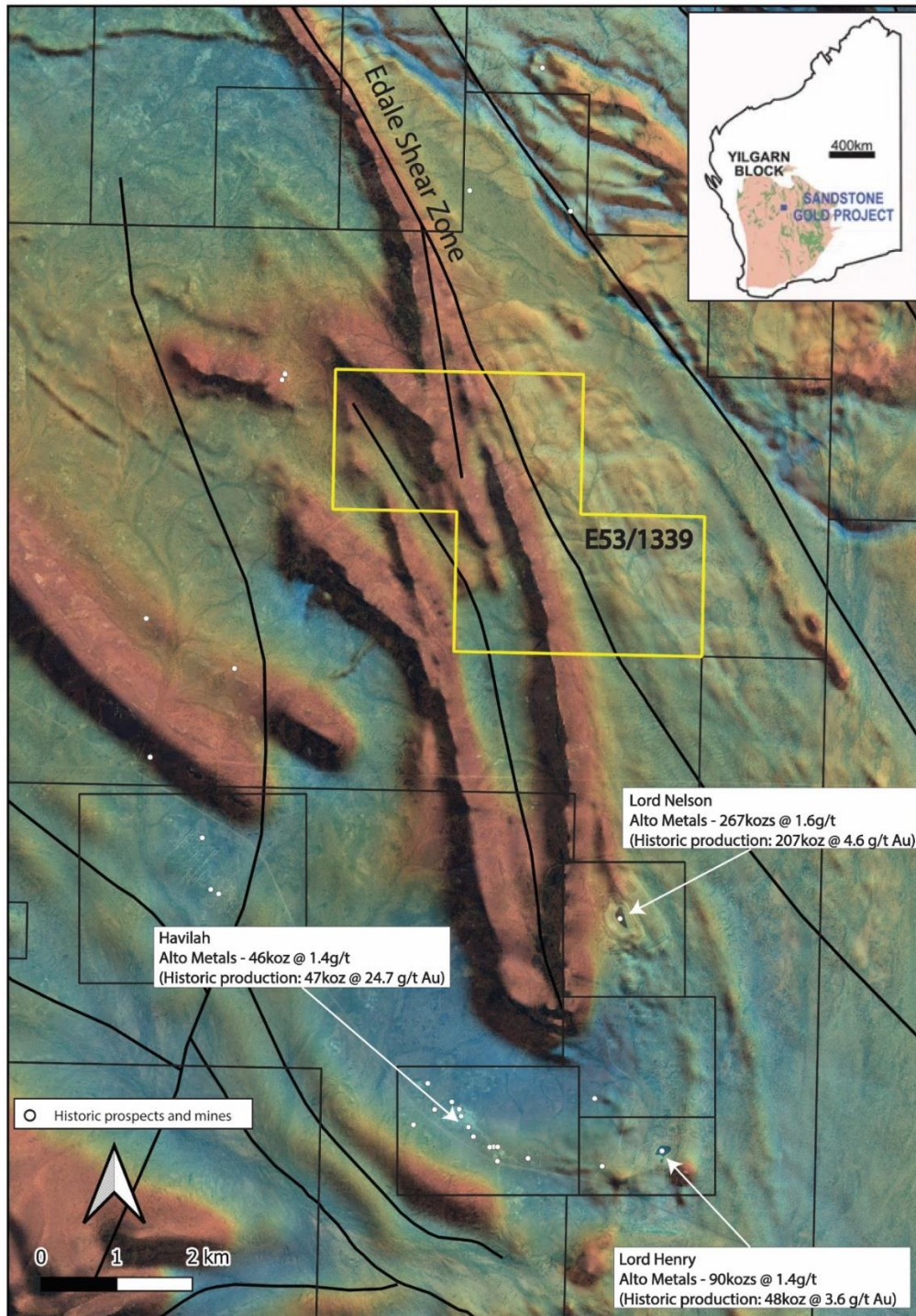
WGR, on 7<sup>th</sup> February 2024, announced that the Natsjon exploration permit (Nätsjön no. 100) within the Gävleborgs län county in central Sweden has been granted. An adjacent permit, Guldgruven, that hosts the historic Los cobalt mine and significant high grade copper drilling intersections has also been applied for and decision on the application is due in the following months. These permits complement the Company's existing graphite, nickel, and REE projects and places the Company at the forefront of meeting Europe's critical mineral needs.

## Directors' Report

WGR has received results from a rock chip sampling and field mapping from the Jättegruvan nickel-copper and the Natsjon copper mines at the Rullbo and Natsjon projects, respectively. In conjunction with the exploration results, Geovista, completed a geophysical and interpretation of historic datasets to support WGR's exploration targeting process.

### Loberget Graphite

A previous field program by the Company identified graphite mineralisation in outcrop of 10% TGC (See ASX announcement 5<sup>th</sup> October 2023). A second field program was completed in October to further define outcropping graphite mineralisation.

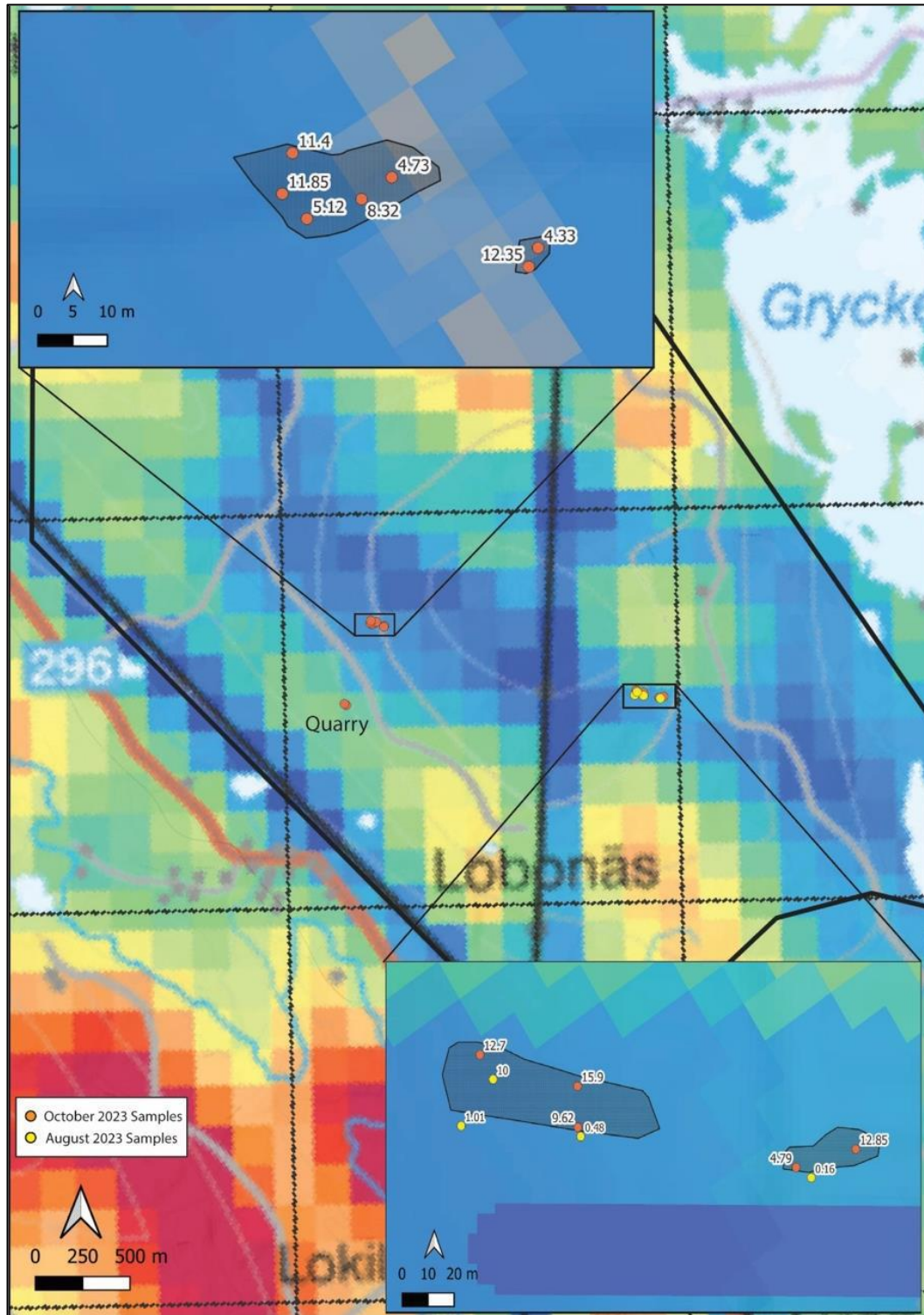


**Figure 1. E53/1339 shown on TMI displaying proximity to Edale Shear Zone and nearby resources. Note potential second-order mineralisation structures that crosscut tenure.**

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## Directors' Report

Two samples were taken from pegmatites from a granite quarry and ten samples of outcropping graphitic schist (Figure 2). The samples are by no means representative of the overall grade of the prospects, which is better determined by drilling. Rather, they were taken to provide confirmation of graphite mineralisation and to define mineral associations at each site. Twelve rock chip samples were submitted for multi-element and TGC analysis.



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## Directors' Report

The two areas of graphitic schist outcrop (Western and Eastern) strike at approximately 290° and dip steeply (70-80°) to the south-west. Mineralization may extend over 1.6 km between the two areas and remains to be tested by further filed programs. Additionally, the application Hogabert nr 100 permit has now been approved and that extends exploration by 9.5km along strike from and between the Woxna Graphite Mine and the Mattsmyra graphite resource. Eight diamond holes drilled within the Hogabert permit are held at the National Drill Core housed at SGU's Mineral Resources Information Office in Malå and will be inspected.

### Rullbo Graphite

Graphitic shale from three historic drill cores (84009, 84008 and 84004) were submitted to ALS, Malmo for analysis and summarized in Table 2 and displayed in Figure 3. Table 2. Historic drillholes resampled for graphite at Rullbo prospect. The mineralisation in drillhole 84004 coincides with a prospect-width magnetic and conductive zone that trends NE-SW (Figure 3).

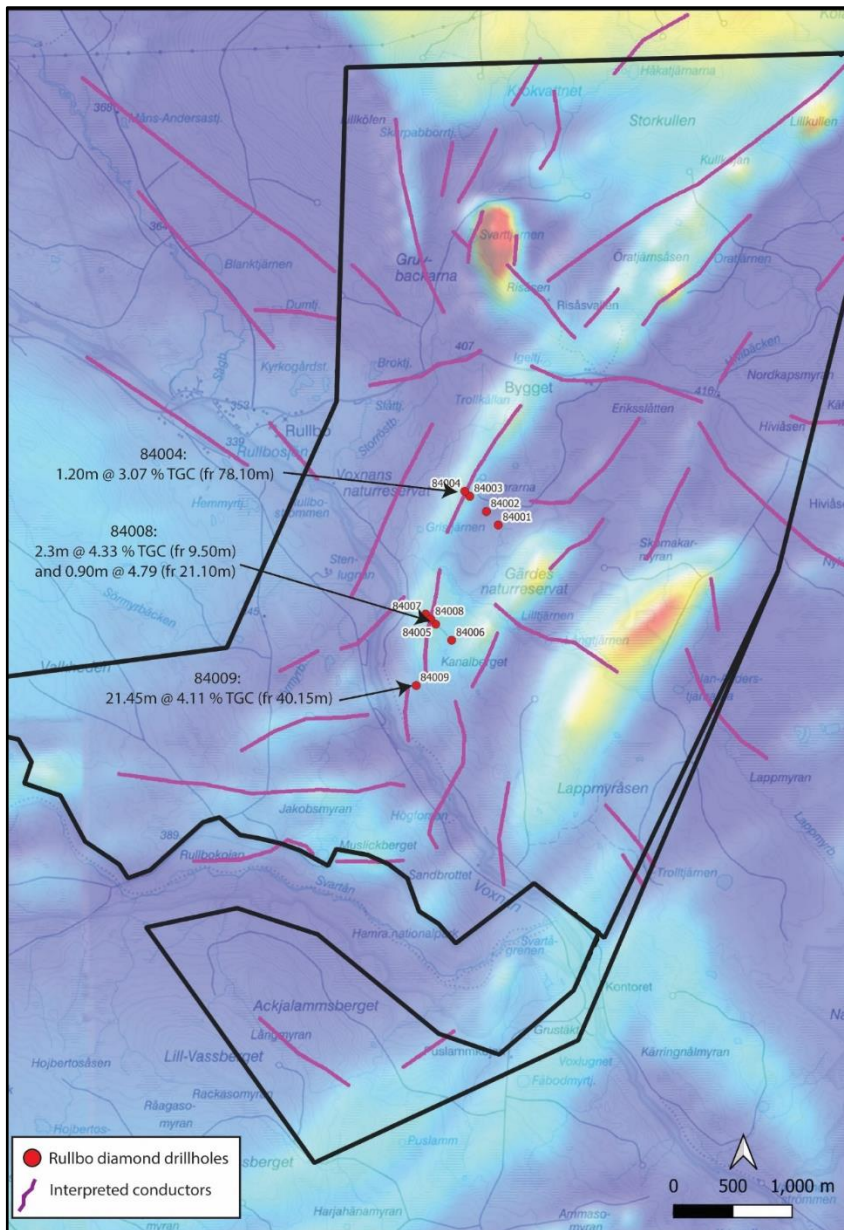


Figure 3. Rullbo drillholes displaying assay results from assayed drillholes on TMI with interpreted conductors shown.

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## Directors' Report

The results support the exploration model that the Rullbo prospect can host significant graphite mineralisation. WGR is currently engaging Geovista to reprocess historic geophysical datasets which will assist WGR in defining targets for further drilling.

**Table 1. Historic drillholes resampled for graphite at Rullbo prospect.**

Hole_ID	Sample_ID	Northing	Easting	Drill Year	Depth	Dip	Azimuth	From	To	Interval	% TGC
84009	Rullbo	6849763	1452435	1984	96.2	55	343	40.15	61.6	21.45	4.11
84008	Rullbo	6850320	1452565	1984	70.2	55	364	9.5	11.8	2.3	4.33
84008					and	55		21.1	22	0.9	4.79
84004	Rullbo	6851389	1452867	1984	95.3	55	384	78.1	79.3	1.2	3.07

With the significant progress made in the Swedish Autumn, WGR will look to conduct further work in 2024 including analysing remaining diamond core from Rullbo held at the SGU Malmo core shed.

### Sidensjo Critical Minerals

The Project is geologically located in the county of Vasternorrland, within 100-200 km from the city of Sundsvall (which is 340 km north of Stockholm). The rocks of the Harno formation consist mainly of metagreywackes (1.9-2.2 Ma old) of varying metamorphic grade. Intercalations of amphibolitic metabasalts occur, where the pillow lava structure can be seen occasionally. The metagreywackes are intruded by synorogenic (1,800 Ma) Harno granite which forms massive and sheet-like intrusions with abundant pegmatite. Muscovite-, biotite- and two-mica granites are known. Rare-element pegmatites are commonly associated with the Harno granite intrusions enclosed by low-grade metamorphic graywacke of the Harno formation.

The Swedish mining company Luossavaara-Kiirunavaara Aktiebolag (LKAB) Prospecting completed exploration programs in the early 1980's across the Vasternorrland region including mapping, boulder sampling and moraine sampling.

Based on this work, LKAB identify numerous Li, Sn, W, Nb, Ta, and Cu anomalies across the Sidensjo project (Figure 5). Outcropping pegmatites were also mapped within the Hinnsjon area coincident with Li boulder and bedrock geochemical targets. The Sidensjo project is in an area that is interpreted to represent the western extent of the same geological terrain that contains the largest lithium deposits in Scandinavia: the Kaustinen Lithium province in Finland.

On approval of the permits, anticipated to be in Q1 2024, WGR aims to start exploration in the Swedish spring including systematic geochemical sampling of known mineral occurrences and geochemical targets within the project area in conjunction with geological mapping.

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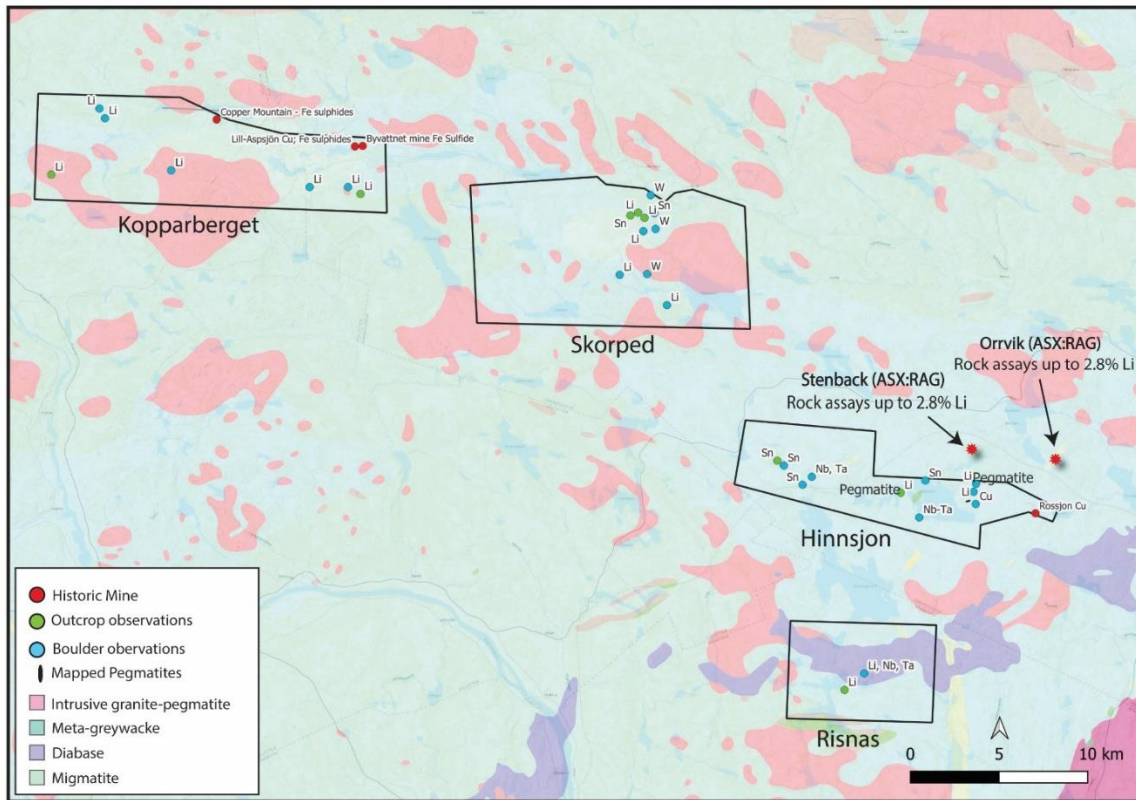


Figure 5. The four permits of the Sidensjö project showing identified outcrop and boulder observations and mapped pegmatites. Note spatial association of intrusive granites and geochemical anomalies.

**Competent Persons Statements**

The information in this report which relates to Exploration Results is based on information compiled by Dr Warren Thorne, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of the Company. Dr Thorne who is an option-holder, 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, Exploration Targets, Mineral Resources and Ore Reserves” (JORC Code). Dr Thorne consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Where the Company refers to previous Exploration Results and to the Mineral Resource estimate included in its recently announced Prospectus dated 18 May 2021 and in previous announcements, it notes that the relevant JORC 2012 disclosures are included in the Prospectus and those previous announcements and it confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all information in relation to the Exploration Results and material assumptions and technical parameters underpinning the Mineral Resource estimate within those announcements continues to apply and has not materially changed.

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## Directors' Report

### Corporate

During the half year, the Company raised \$1.5 million @ \$0.035 per share. The raising was conducted in two tranches. Under Tranche 1, WGR issued 8,971,839 shares raising \$314,014 (before costs) on 28 August 2023.

Under Tranche 2, WGR issued 33,885,304 shares to raise \$1,185,986 (before costs) on 23 October 2023.

On 23 October 2023, 833,333 fully paid ordinary shares were issued by way of Directors' participation to a share placement at an issue price of \$0.045 per share to raise \$37,500.

Following shareholder approval on 9 October 2023, the Company issued 17,000,000 Performance Rights to Directors on 23 October 2023.

On 9 October 2023, the shareholders approved the issue of 17,250,000 Consideration Shares and 17,000,000 Performance Rights to acquire Euro Future Metals Pty Ltd, which holds exploration permit application over three high grade prospects in Sweden. The acquisition of Euro Future Metals Pty Ltd was completed on 22 November 2023. On 28 November 2023, the Company paid \$75,000 in cash consideration.

### Events after balance date

There has been no matter or a circumstance that has arisen since balance date to the date of this report, 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 subsequent to the reporting date.

This report is signed in accordance with a resolution of the Directors.



Gary Lyons  
Chairman

Dated at Perth this 26<sup>th</sup> day of February 2024

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## Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

	Note	Consolidated	
		December 2023	December 2022
		\$	\$
Interest income		6,961	100
Other Income		4,645	-
Exploration and evaluation expenditure	3	(614,626)	(837,361)
Personnel expenses	3	(335)	(11,732)
Directors' expenses	3	(693,645)	(129,395)
Corporate, legal and compliance expenses	3	(207,006)	(116,913)
Occupancy expenses	3	(15,086)	(13,336)
Administration expenses	3	(66,207)	(27,592)
Depreciation	3	(815)	(922)
Interest expense	3	(1,726)	-
Profit/(Loss) before income tax		(1,587,840)	(1,137,151)
Income tax expense		-	-
Profit/(Loss) for the period		(1,587,840)	(1,137,151)
Other comprehensive income		-	-
Other comprehensive (loss) / income for the period		(1,587,840)	(1,137,151)
Total comprehensive (loss) / income for the period		(1,587,840)	(1,137,151)
Loss per share			
Basic and diluted loss per share (cents per share)	8	(1.38)	(1.40)

The above statement should be read in conjunction with the accompanying notes.

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## Consolidated statement of financial position

As at 31 December 2023

	Note	Consolidated	
		December 2023	June 2023
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		941,455	658,710
Trade and other receivables		20,096	70,575
Prepayments		7,203	-
<b>Total non-current assets</b>		<b>968,754</b>	<b>729,285</b>
<b>Non-current assets</b>			
Property, plant & equipment		12,943	13,758
Exploration and evaluation expenditure	4	1,583,000	549,000
<b>Total non-current assets</b>		<b>1,595,943</b>	<b>562,758</b>
<b>Total assets</b>		<b>2,564,697</b>	<b>1,292,043</b>
<b>Current liabilities</b>			
Trade and other payables		102,383	200,457
Employee leave liabilities		23,020	22,685
<b>Total current liabilities</b>		<b>125,403</b>	<b>223,142</b>
<b>Non-current liabilities</b>			
Rehabilitation provision		38,798	38,798
<b>Total non-current liabilities</b>		<b>38,798</b>	<b>38,798</b>
<b>Total liabilities</b>		<b>164,201</b>	<b>261,940</b>
<b>Net assets</b>		<b>2,400,496</b>	<b>1,030,103</b>
<b>Equity</b>			
Issued capital	5	18,956,800	17,035,567
Reserves	6	2,319,000	1,282,000
Accumulated losses		(18,875,304)	(17,287,464)
<b>Total equity</b>		<b>2,400,496</b>	<b>1,030,103</b>

The above statement should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	Contributed equity	Accumulated losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance as at 1 July 2022	16,560,328	(15,382,811)	1,282,000	2,459,517
Loss for the period	-	(1,137,151)	-	(1,137,151)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(1,137,151)	-	(1,137,151)
Balance as at 31 December 2022	16,560,328	(16,519,962)	1,282,000	1,322,366
Balance as at 1 July 2023	17,035,567	(17,287,464)	1,282,000	1,030,103
Loss for the period	-	(1,587,840)	-	(1,587,840)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(1,587,840)	-	(1,587,840)
Share Placement	1,500,000	-	476,000	1,976,000
Directors' participation	37,500	-	561,000	598,500
Acquisition Consideration Shares	483,000	-	-	483,000
Other share issue costs paid	(99,267)	-	-	(99,267)
Balance as at 31 December 2023	18,956,800	(18,875,304)	2,319,000	2,400,496

The above statement should be read in conjunction with the accompanying notes.

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## Consolidated statement of cash flows

For the half-year ended 31 December 2023

	Note	Consolidated	
		December 2023	December 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(573,177)	(318,850)
Payments for exploration and evaluation		(564,751)	(1,103,793)
GST received		50,479	-
Interest received		6,961	-
Net cash used in operating activities		<b>(1,080,488)</b>	<b>(1,422,643)</b>
Cash flows from investing activities			
Payment for acquisition of tenements	4	(75,000)	-
Net cash used in investing activities		<b>(75,000)</b>	-
Cash flows from financing activities			
Proceeds from the issue of securities	5	1,537,500	-
Payment of share issue costs	5	(99,267)	-
Net cash provided by financing activities		<b>1,438,233</b>	-
Net increase/(decrease) in cash and cash equivalents		282,745	(1,422,643)
Cash and cash equivalents at beginning of the period		658,710	2,132,627
Cash and cash equivalents at the end of the period		941,455	709,984

The above statement should be read in conjunction with the accompanying notes.

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## Directors' declaration

### Note 1: Corporate information

The financial report of Western Gold Resources Limited and its subsidiaries ('the consolidated entity' or 'the Group') for the half-year ended 31 December 2023 was authorized for issue in accordance with a resolution of the directors on 9<sup>th</sup> February 2024. Western Gold Resources Limited is a company limited by shares, incorporated in Australia.

### Note 2: Basis of preparation and accounting policies

#### a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year.

#### b. Accounting Policies

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

##### *Changes in accounting standards*

The Group has considered the implications of new and amended Accounting Standards effective for annual reporting periods beginning on or after 1 July 2023 but determined that their application to the financial statements is either not relevant or not material.

#### c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and Entities (including special purpose entities) controlled by the Group (its subsidiaries). The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.



## Directors' declaration

### Note 2: Basis of preparation and accounting policies (cont'd)

#### d. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. During the half-year ended 31 December 2023, the Group incurred a loss before tax of \$1,587,840 and net cash outflows from operating and investing activities of \$1,155,488. As at 31 December 2023, the Group had \$941,455 in cash and cash equivalents and net current assets of \$843,351.

Whilst not immediately required, the Group may need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads. The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders or placements to new and existing investors. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

However, should the above planned activities to raise or conserve capital not be successful, there exists a material uncertainty surrounding the Group's ability to continue as a going concern and, therefore, realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

#### e. Exploration, evaluation and development expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

### Note 3: Expenses

	Consolidated	
	December 2023	December 2022
	\$	\$
Exploration and evaluation expenditure	614,626	837,361
Personnel expenses	335	11,732
Directors' expenses	693,645	129,395
Corporate, legal and compliance expenses	207,006	116,913
Occupancy expenses	15,086	13,336
Administration expenses	66,207	27,592
Depreciation	815	922
Interest Expenses	1,726	-
	<u>1,599,446</u>	<u>1,137,251</u>

## Directors' declaration

### Note 4: Exploration and evaluation expenditure

	Consolidated	
	December 2023	June 2023
	\$	\$
Exploration & evaluation expenditure	1,583,000	549,000
Carrying amount at beginning of the year	549,000	549,000
Acquisition of exploration projects in Sweden		
- Cash	75,000	-
- Consideration Shares (note 7)	483,000	-
- Consideration Performance Rights (note 7)	476,000	-
Carrying amount at end of year	1,583,000	549,000

In August 2023, the Company entered into an agreement to acquire Euro Future Metals Pty Ltd ("EFM"), which holds exploration permit applications over three high grade prospects in Sweden, the Holmtjarn REE, Loberget Graphite and Rullbo Graphite Projects. The acquisition of EFM has been accounted for as an asset acquisition rather than a business combination under the Accounting Standard.

The Company acquired EFM in consideration for:

- 1) A cash payment of \$75,000;
- 2) The issue of 17,250,000 shares. The shares have an issue price of \$0.028 at completion date of 22 November 2023.
- 3) The issue of 8,500,000 performance rights each convertible into 1 share on the achievement, within 2 years of grant, of an Exploration Target (as defined in JORC 2012) of, or greater than:
  - 30-60Mt at 0.8-1.2% total rare earths oxides in relation to the area the subject of the permits; or
  - 30-60Mt at 5-10% total graphite content in relation to the area the subject of the permits; and
- 4) the issue of 8,500,000 performance rights each convertible into 1 share on the achievement, within 2 years of grant, of a drill intersection on one of the permits of at least 15 meters @ 10% total graphite content or 15 meters @ 0.5% total rare earth oxides.

During the half-year, the Group incurred \$614,626 (half-year ended 31 December 2022: \$837,361) of exploration and evaluation expenditure which, in accordance with the Group's accounting policies described in Note 2, was expensed as incurred.

The ultimate recoupment of exploration and evaluation expenditure relating to the Group's projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

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## Directors' declaration

### Note 5: Issued capital

	December 2023		June 2023	
	No.	\$	No.	\$
<b>Ordinary Shares</b>				
Issued and fully paid	153,688,387	18,956,800	92,747,911	17,035,567
<b>Movement in ordinary shares on issue:</b>				
At the beginning of the period	92,747,911	17,035,567	81,375,000	16,560,328
Share Placement on 13 March 2023 (a)	-	-	11,372,911	511,781
Share Placement – Tranche 1 (b)	8,971,839	314,014	-	-
Share Placement – Tranche 2 (b)	33,885,304	1,185,986	-	-
Directors' participation (a)	833,333	37,500	-	-
Acquisition Consideration Shares (c)	17,250,000	483,000	-	-
Other share issue costs paid	-	(99,267)	-	(36,542)
At the end of the period	153,688,387	18,956,800	92,747,911	17,035,567

(a) On 8 March 2023, the Company announced a Share Placement of up to 12,206,244 Shares at an issue price of \$0.045 per share to raise \$549,281 before costs, which consisted of:

- 11,372,911 shares issued on 13 March 2023 to new and existing sophisticated and professional investors raising \$511,781; and
- 833,333 shares issued on 23 October 2023 to the Participation Directors, Gary Lyons, Teck Siong Wong, Patrick Burke under the March Placement raising \$37,500.

(b) During the half year, the Company raised \$1.5 million @ \$0.035 per share. The raising was conducted in two tranches. Under Tranche 1, WGR issued 8,971,839 shares raising \$314,014 on 28 August 2023. Under Tranche 2, WGR issued 33,885,304 shares to raise \$1,185,986 on 23 October 2023.

(c) On 9 October 2023, the shareholders approved the issue of 17,250,000 Consideration Shares to acquire Euro Future Metals Pty Ltd, which holds exploration permit application over three high grade prospects in Sweden. The acquisition of Euro Future Metals Pty Ltd was completed on 22 November 2023. The share price on the date of issue was \$0.028 per share.

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## Directors' declaration

### Note 6: Reserves

	Consolidated	
	December 2023	June 2023
	\$	\$
Share based payments reserve	2,319,000	1,282,000
	<u>2,319,000</u>	<u>1,282,000</u>
Movements:	No	\$
Balance at the beginning of the period	13,000,000	1,282,000
Performance Rights issued as consideration (note 7)	17,000,000	476,000
Performance Rights issued to Directors (note 7)	17,000,000	561,000
Balance at the end of the period	<u>47,000,000</u>	<u>2,319,000</u>

### Note 7: Share-based payments

Share-based payments granted during the half year:

On 9 October 2023, the shareholders approved the issue of 17,250,000 Consideration Shares and 17,000,000 Consideration Performance Rights for the acquisition of Euro Future Metals Pty Ltd ("Acquisition"), which holds exploration permit application over three high grade prospects in Sweden. The Acquisition was completed on 22 November 2023 and the Consideration Shares were valued using the share price on 22 November 2023 at \$0.028 per share. The Acquisition has been treated as an asset acquisition and the value of the Consideration Shares of \$483,000 has been capitalised as Exploration Asset.

The 17,000,000 Consideration Performance Rights comprise:

- 1) 8,500,000 Class A Performance Rights each convertible into 1 share on the achievement, within 2 years of grant, of an Exploration Target (as defined in JORC 2012) of, or greater than:
  - 30-60Mt at 0.8-1.2% total rare earths oxides in relation to the area the subject of the permits; or
  - 30-60Mt at 5-10% total graphite content in relation to the area the subject of the permits; and
- 2) 8,500,000 Class B Performance Rights each convertible into 1 share on the achievement, within 2 years of grant, of a drill intersection on one of the permits of at least 15 meters @ 10% total graphite content or 15 meters @ 0.5% total rare earth oxides.

The Consideration Performance Rights were valued at the share price at acquisition completion date of \$0.028 and the value of the Consideration Performance Rights of \$476,000 has been capitalised as Exploration Asset.

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## Directors' declaration

### Note 7: Share-based payments (continued)

On 9 October 2023, the shareholders approved the grant of 5,000,000 Performance Rights to Mr Warren Thorne, 4,000,000 Performance Rights to Mr Gary Lyons, 4,000,000 Performance Rights to Teck Siong Wong and 4,000,000 Performance Rights to Patrick Burke with the same vesting terms as Consideration Performance Rights.

The Directors' Performance Rights were valued at the share price at grant date of \$0.033 and the value of the Directors' Performance Rights of \$561,000 has been expensed in the Consolidated Statement in the Profit or Loss.

### Note 8: Loss per share

The Group is not aware of any significant contingencies arising since the last annual reporting date.

	Consolidated	
	December 2023	December 2022
	\$	\$
Basic and diluted loss per share (cents per share)	1.38	1.40
The loss used in the calculation of basic and diluted loss per share is as follows:		
Loss used in the calculation of basic loss per share	1,587,840	1,137,151
The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:		
Weighted average number of ordinary shares for the purpose of basic loss per share	115,439,068	81,375,000
There are no potential ordinary shares as they are considered anti-dilutive	-	-
Weighted average number of ordinary shares for the purposes of diluted loss per share	115,439,068	81,375,000

### Note 9: Contingent liabilities

The Group is not aware of any significant contingencies arising since the last annual reporting date.

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## Directors' declaration

### Note 10: Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of Western Gold Resources Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Western Australia and Sweden. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price. Based on the quantitative thresholds included in AASB 8, there is currently two geographical segments, being Western Australia and Sweden.

#### Segment information

The following table presents revenue and loss information and certain asset and liability information regarding reportable segments for the half year ended 31 December 2023.

	Australia	Sweden	Total
	\$	\$	\$
31 December 2023			
Segment revenue	11,606	-	11,606
Segment (loss) before income tax expense	(1,325,625)	(262,215)	(1,587,840)
Segment assets	1,530,697	1,034,000	2,564,697
Segment liabilities	164,201	-	164,201

During the periods ended 31 December 2022 and 30 June 2023, the Group operated within 1 reportable and geographical segment, being mineral exploration in Western Australia.

### Note 11: Events subsequent to reporting date

There were no matters or circumstances that have arisen since the balance sheet date to the date of this report, which have significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

### Note 12: Controlled entities

Name of controlled entity	Principal activity	Place of incorporation and operation	Proportion of ownership held by the Group	
			30 June 2023	30 June 2022
Wiluna West Gold Pty Ltd	Mineral Exploration	Australia	100%	100%
Euro Future Metals Pty Ltd	Mineral Exploration	Sweden	100%	-

Western Gold Resources Limited is the head entity of the Group.

## Directors' declaration

In accordance with a resolution of the directors of Western Gold Resources Limited, I state that:

In the opinion of the Directors:

- (a) The condensed consolidated financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
  - i. Giving a true and fair view of the financial position as at 31 December 2023 and the performance for the half-year ended on that date of the Group; and
  - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
  
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Gary Lyons  
Non-Executive Chairman

Dated at Perth, this 26<sup>th</sup> day of February 2024

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PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 40 Kings Park Road  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
www.stantons.com.au

26 February 2024

Board of Directors  
Western Gold Resources Limited  
Level 4, 46 Colin Street  
West Perth  
Western Australia 6005

Dear Sirs

**RE: WESTERN GOLD RESOURCES LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Western Gold Resources Limited.

As Audit Director for the review of the financial statements of Western Gold Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

A handwritten signature in blue ink, appearing to read "Martin Michalik".

**Martin Michalik**  
**Director**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
WESTERN GOLD RESOURCES LIMITED**

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

**Conclusion**

We have reviewed the half-year financial report of Western Gold Resources Limited, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Western Gold Resources Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 26 February 2024.

**Material Uncertainty Regarding Going Concern**

We draw attention to note 2(d) of the financial report, which describes that the financial report has been prepared on a going concern basis. During the half-year ended 31 December 2023, the Group incurred a loss before tax of \$1,587,840 and net cash outflows from operating and investing activities of \$1,155,488. As at 31 December 2023, the Group had \$941,455 in cash and cash equivalents and net working capital surplus of \$843,351.

The ability of the consolidated entity to continue as a going concern and meet its exploration, administration, and other commitments is dependent upon the future successful raising of necessary funding through equity or borrowings, successful exploitation of the consolidated entity's capitalised exploration assets and/or sale of core assets. In the event that the consolidated entity cannot raise further equity, or funding, the consolidated entity may not be able to meet its liabilities as they fall due or realise its assets in the normal course of business.

Our conclusion is not modified in respect of this matter.

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

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
26 February 2024