

WEDDERBURN GOLDFIELDS LIMITED

ABN 31 651 845 439

FINANCIAL STATEMENTS

For the period ended 30 June 2022

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Directors' Report

The Directors present their report, together with the financial statements of the Group, being Wedderburn Goldfields Ltd (WGL) and its wholly owned subsidiary PSD Minerals Pty Ltd (PSD) (“the Company” or “Group”) for the financial period ended 30 June 2022.

Directors:

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

Current Directors

Luke Maxwell Robinson (appointed 3 March 2022)

Richard Sandner (appointed 8 November 2021)

Wayne John Kernaghan (appointed 9 July 2021)

John Tasman Andrew (appointed 9 July 2021)

Former Directors

Paul Andrew George Dickson (appointed 8 November 2021, resigned 19 July 2022)

Peter Arundel Vial (appointed 9 July 2021, resigned 29 January 2022)

Paul Dickson and Peter Vial retired from the Board during the period. The Board thank both Paul and Peter for their enthusiasm and commitment to the Group and wish them well in their respective pursuits.

Information on Current Directors:

Luke Robinson– Non Executive Director-Chairman

Mr Robinson is Managing Director of advisory house Corryong Capital Partners, Non-executive director of AusVan – a Queensland based Vanadium business. Non-executive director of Leigh Creek Magnesium. Also, on the advisory board of Songtrader Inc and over 25 years’ experience in Equity Capital Markets across advisory firms, Colonial First State, Credit Suisse, Morgan Stanley Smith Barney and Sequoia Financial Group

Richard Sandner, B Juris, LLB – Executive Director

Mr Sandner has a long association with exploration and mining in north central Victoria having been a past Managing Director of a number of ASX Listed Companies and Non Listed Exploration Companies. Mr Sandner was responsible for overseeing a number of projects that were taken from exploration to production with the gaining of all appropriate permits to allow work to commence and continue. Mr Sandner is currently a Director of Penshurst Resources Limited.

Wayne Kernaghan -Non Executive Director and Company Secretary

Mr Kernaghan is a member of the Institute of Chartered Accountants in Australia with over 30 years’ experience in various areas of the mining industry. He is a Fellow of the Australian Institute of Company Directors and a Chartered Secretary. Mr Kernaghan is also a Director and Company Secretary of a number of ASX Listed companies.

John Andrew – Non Executive Director

Mr Andrew, has 25 years’ experience in financial markets including BT Financial Group, Credit Suisse Private and for the past 18 years advising retail and institutional clients with Bell Potter Securities Ltd.

Principal activities

The principal activities of the Group are exploration for gold and other minerals on Exploration Licence (E.L.) 6302, (which includes the township of Wedderburn) being some 47 sq. km. in size situated in Central Victoria, in the renowned gold province known geologically, as the “Bendigo Zone” which Zone, historically has produced some 60m oz’s of gold.

Results

The loss attributed to the Consolidated Entity for the financial period was \$319,378. No income tax was attributable to this result.

Directors' Report

Dividends

There were no dividends paid to members during the financial period.

Significant Changes in the State of Affairs

The Company acquired 100% of PSD Minerals Pty Ltd on 30 September 2021, a company in Joint Venture with Ostract Pty Ltd in respect to EL 6302. PSD Minerals Pty Ltd was acquired by the issue of 3m shares and the repayment of a loan of \$150,000 which related to previous exploration work carried funded by Cobold Metals Limited. (Refer Note 14 of the Financial Statements)

The Company raised funds of approximately \$1.8m during the period so that it could undertake exploration work on EL 6302, repay the \$150,000 owing to Cobold Metals Limited and for working capital. (Refer Note 5 of the Financial Statements)

In the opinion of the directors there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial period under review not otherwise disclosed in this report or the consolidated financial statements.

Operating and Financial Review for the period

a) Operating Performance

The Groups operating performance over the course of the financial period was affected by COVID-19 restrictions which impacted the Groups ability to progress work and evaluation of E.L. 6302, seriously delaying the progress of exploration. As an example, access to the core facility of the Geological Survey of Victoria situated at Werribee, where core samples of diamond drill core from prior diamond drilling at Wedderburn is stored, was initially made in mid-2020 but access was actually achieved in April 2022.

During the financial period the Group, met its operating requirements including:

- Implementing Safety Manuals for the Groups operations;
- Operation without any lost time injuries;
- No reportable environmental issues;
- Compliance under the Federal, Native Title and Victorian, State Aboriginal Cultural legislation;
- Continued Community communication; and
- Compliance with all other applicable agreements, regulations and laws.

b) Operations for the period Overview

The principal focus of activity during the financial period related to exploration on E.L. 6302.

The Group;

- (1) The Joint Venture and Sale Agreement with Ostract Pty Ltd the Registered Holder of E.L. 6302, where PSD holds a registered 99% operating interest has ended on 30 June 2022, and
- (2) EL 6302 was transferred and then registered to PSD on 3 August 2022. The Group now has a 100% registered interest in EL 6302.

Work carried out during this financial period

Clive Willman & Associates (Willman) carried out detailed geological mapping with particular emphasis on structural aspects. Willman noted that Reefs in Wedderburn congregated in clusters, which he categorized as Western, Central and Eastern Zones, situated on EL 6302. The Western and Central Zones have been structurally mapped by Willman.

The Lane's Reef area (part of the Central Zone) was discovered in 1856 and was regarded by Whitelaw, (Memoir 10, GSV 1910) as one of the more important reefs at Wedderburn because of its potential to host significant quartz veining (in this case laminated quartz) in a strike fault that cuts across bedding. The area includes other closely spaced reefs such as Baker's, Gardiner's, Scotch Jock's Reefs. Scotch Jock's Reef lies 100 m west of Lanes Reef – All the mentioned Reefs have hosted high grade gold mineralization, which was mined at surface and to very shallow depths. This group of Reefs is considered to define the south eastern part of what is now defined as the Lane's Corridor (Figure 1).

Directors' Report

Exploration is being managed by Alex Kemp (the Group's contract geologist). Alex has carried out historical research and created a preliminary 3D model of the Lanes Reef area based on the limited historical information. A multi-phased exploration program is being carried out that has incorporated geological mapping; geophysical surveys; geochemical surveys and analysis; and diamond drilling and assaying to help define structural targets. The exploration program is designed to identify major zones of structural complexity such as dilation zones that are capable of hosting significant high grade gold deposits. An initial diamond drilling program of 16 holes totaling circa 3,400m over a strike extent of about 1.2km was completed in the southern section of Lane's Corridor, to initially gain basic geological data, as no factual geological data existed below about 50m. The diamond drill core has been logged and had first pass analytical sampling and partial petrophysical logging. It is planned to carry out further petrophysical and analytical logging and it is likely that it will be subjected to further logging, sampling and petrophysical analysis as the initial analytical results are received and reviewed. When all the analytical and petrophysical results of this initial diamond drilling program are available and have been fully interpreted, this new geological data will be input into the regional 3-D geological model which will enable definition of priority structural targets and in particular dilation zones in Lanes Corridor. Besides highlighting the priority targets in Lanes Corridor, the results of the initial drilling program will serve as extremely valuable learning to be used to define priority structural targets elsewhere within the EL.

PGN Geoscience (PGN) was contracted to create a preliminary 3-D model of the Wedderburn Goldfield. The regional 3-D model incorporates all the various geological data including structural mapping (particularly linking D2 and D3 faults and the D1 faults associated with the major anticlines and synclines; regional geophysical (gravity and magnetics) data interpretation; surface geochemical data; and the geological logs of the recent drill holes.

Dilation Zones – The Main Exploration Targets

At this stage, the main exploration targets are dilation zones. Dilation zones are particular types of geological structures that were formed during folding and faulting whereby openings, voids and spaces were formed underground and, in Central Victoria, gold-bearing quartz fluids were subsequently selectively deposited in these openings and spaces when the right chemical and physical conditions prevailed. Dilation zones are relatively rare structures but, where developed and preserved, they can be exceptionally valuable – such as the Swan Zone at Fosterville that contained over 2Moz at an average grade of over 31g/t gold.

Three main forms of dilation zones are present in Central Victoria:

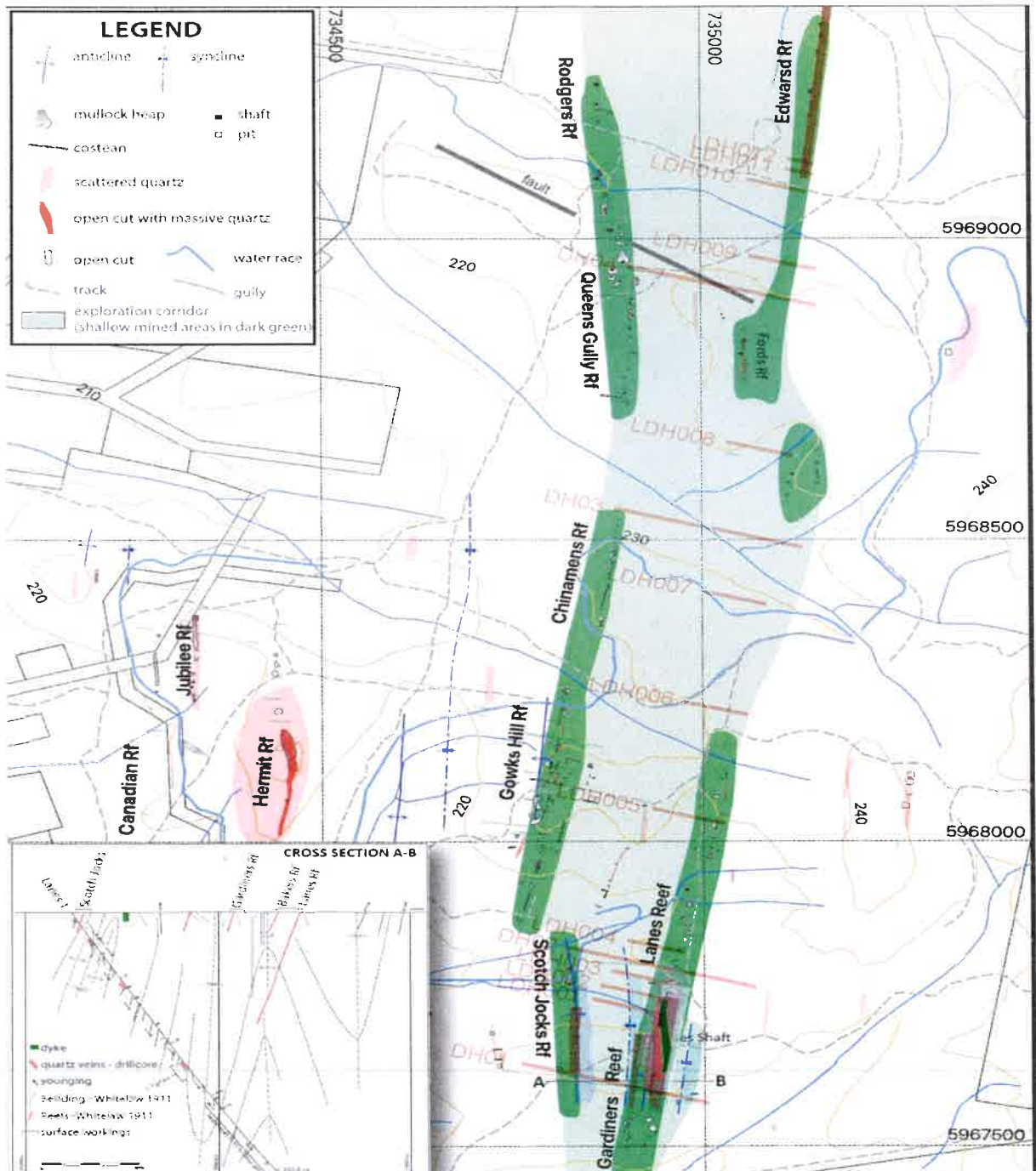
- (i) In the hinges of an anticline (giving rise to the so called classic “saddle reef”);
- (ii) In spur zones, which are usually located in or near reverse faults adjacent to and between anticline and syncline hinges; and
- (iii) In the hinges of a syncline.

An associated key component of a dilation zone is a transverse (D2 or D3 generation) fault, which has been an important component or modifying agent on one of the structures above, creating favorable conduits and potentially additional space for potentially gold-bearing quartz fluids to move along and form as gold deposits. Whilst other styles of dilation zone exist, the above three dilation zones are the main focus of exploration at Wedderburn and will be sought as a priority. Such dilation zones are the priority drill targets for the next phase of exploration drilling. The dilation zone targets will be defined after all current work on the recently drilled core has been completed, which is anticipated to be later in 2022.

Summary of Initial Drilling Program

The Lane's Corridor diamond drilling campaign of circa 3,400m represents by far the most significant drilling program ever carried out at Wedderburn. Previous drilling over about 40 years of modern exploration activity comprised about 89 holes, all but 8 of which were very shallow (mostly less than 50m) and were done by percussion drilling methods (rotary air blast or reverse circulation). Of the 8 historic diamond holes, only 3 were over 60m long. The recent drilling program was concentrated along the eastern boundary of Lane's Corridor and extended over a strike length of about 1.2 km between the north-plunging Lane's anticline in the south and the south-plunging shoot associated with the Edward's and Symon's anticline in the north.

The recent drilling program was carried out in two parts related to rig availability and capability. A small, track mounted drilling rig able to drill flatly angled holes was used to drill the first 12 holes, which were relatively shallow holes each of about 120 – 150m length at generally low angles down to about 30° for a total of about 1,700m. The shallow drill holes were completed in June 2022. A much larger drilling rig was subsequently used to drill the other 4 holes each of about 400m length at angles of around 55° for a total of about 1,700m. The deeper drill holes were completed in September 2022. The main aim of the 12 shallow holes was to explore under and around the historically mined eastern boundary of Lane's Corridor to define the position of Gardiners, Bakers, and Lanes Reefs. The main aim of the 4 deeper holes was to explore and try to define the structural setting at depth at several places along the eastern side of Lanes Corridor.



Directors' Report

The drilling achieved the aim of establishing the position of the eastern boundary of Lanes Corridor. Lanes Reef appears to be a narrow reef, varying from 0.1 – 1.5m wide, which plunges north over a strike length of circa 200 metres. Lanes Reef contain stylonitic quartz and minor associated sulphides. Gardiner's Reef was found to be much wider, varying between 3-10m, whilst Baker's reef was present but narrow. In the area around the south-plunging Edwards and Symons Reefs, several anticlines with associated narrow reef structures were intersected, which could be extensions of Gardiners, Bakers and Lanes Reefs, indicating they are more extensive than previously thought. There are also strong indications of multiple new anticlinal structures and possibly significant cross faults that could be indicative of dilation zones, which need further modelling and analysis to determine their significance.

Assaying, petrophysical (magnetic and conductivity) measurements of all the diamond core is still on going and interpretations have not been completed.

Use of Funds

The Group has raised circa A\$1.85m during the period which has been used to repay the Cobold Metals Ltd loan of \$150,000 that was used to finance initial work on the EL, finalize the purchase of EL 6302, and carry out exploration and a significant initial drilling program. At the end of the financial period 30 June 2022, cash on hand was \$1,079,616

Likely Developments and Future Results

The Company has carried out a 1,700m diamond drill campaign DH 001 to 004 which was completed in September 2022. This diamond drill campaign has consisted of four circa 400m down hole, holes. The diamond core has been logged, final assays have not been received, magnetic and conductivity measurements as well as interpretation are ongoing.

A magnetic and conductivity measurement campaign is being carried out on all the diamond core, at the Group's core farm, this campaign has only been partially completed. However, it can be noted that, from measurements to date, the magnetic susceptibilities map clearly to changes in the lithology, in the unoxidized zone, this may make for some positive outcomes as may the conductivity variations around potassically altered and arsenopyrite rich intervals.

Interpretation of the diamond core, developing the position of anticline, synclines, cross faults, dykes, strike faults, in order that "dilation zone" targets can be developed, is continuing. Final interpretations are anticipated when all interpretative work has been completed.

Results received from this drilling program will assist in our next exploration program.

Other than as referred to in this report, further information as to likely developments in the operations of the Consolidated Entity and the expected results of those operations would in the opinion of the directors, be speculative and not be in the best interests of the Consolidated Entity.

Environmental Issues

The Group's operations are subject to environmental regulations in relation to its exploration activities. The Group is compliant with all aspects of these requirements. The Directors are not aware of any environmental law that is not being complied with.

After Balance Date Events

PSD Minerals Pty Ltd has paid the \$100,000 to acquire the remaining 1% interest of the Joint Venture.

The 1,700m diamond drill campaign DH 001 to 004 completed in mid-September. This diamond drill campaign has consisted of four circa 400m down hole, holes. The diamond core has been logged, final assays have not been received, magnetic and conductivity measurements as well as interpretation are ongoing.

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Directors' Report

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Interpretation of the diamond core, developing the position of anticline, synclines, cross faults, dykes, strike faults, in order that "dilation zone" targets can be developed, is continuing. Final interpretations are anticipated when all interpretative work has been completed.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial years, or
- b) The results of those operations in future financial years, or
- c) The Group's state of affairs in future financial years

Meetings of Directors

The number of meetings of the Company's Board of Directors and each board committee held during the period ended 30 June 2022.

The number of meetings attended by each Director was:

Directors	Number attended	Number eligible
R J Sandner	3	3
P Vial	2	2
L Robinson	1	1
P Dickson	3	3
W Kernaghan	5	5
J Andrew	5	5

Options

At the date of this report and at 30 June 2022 the company had 750,000 options on issue over unissued ordinary shares. Refer to Note 8 of the financial statements for further details of the options outstanding.

The options have no rights until they are exercised and become ordinary shares.

During the period no fully paid ordinary shares were issued by virtue of the exercise of options. Since the end of the financial period no shares have been issued by the virtue of the exercise of options.

Proceedings on behalf of the Company

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

Indemnification and Insurance of Directors and Officers.

The Company provides indemnity to Directors and Executive Officers to the extent permitted by the Corporations Law. The Company has paid premiums totally \$3,995 in respect of Directors and Officers Liability Insurance and Company reimbursement policies which covers all Directors and Officers of the Company.

Auditor Independence

The directors have received the auditor's independence for the period ended 30 June 2022 which is on page 8 and forms part of this directors' report. For the period William Buck Audit (Vic) Pty Ltd have provided non-audit services to the consolidated Entity in the amount of \$Nil.

Directors' Report

The directors are satisfied that non-audit services are compatible with the independence requirements of the Corporations Act 2001. The nature and scope of the non-audit services provided has meant that auditor independence was not compromised.

Signed in accordance with a resolution of the Board of Directors



Richard Sandner
Director



Wayne Kernaghan
Director

Dated: 20 December 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF WEDDERBURN
GOLDFIELDS LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director
Melbourne, 20th December 2022

DIRECTORS' DECLARATION

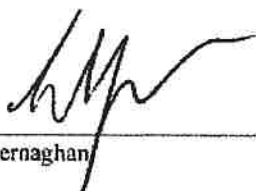
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations; and
 - b) give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the period ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Richard Sandner
Director



Wayne Kernaghan
Director

Dated: 20 December 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2022

	Note	2022 \$
Gross Profit		-
Audit fees		(14,000)
Share based payments		(15,000)
Administration expenses		<u>(290,378)</u>
Loss before income tax		<u>(319,378)</u>
Income tax (credit) expense		-
Loss for the period		<u>(319,378)</u>
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		<u>-</u>
Total other comprehensive income for the period, net of tax		<u>-</u>
Total comprehensive loss for the period		<u>(319,378)</u>

Consolidated Statement of Financial Position as at 30 June 2022

	Note	2022 \$
Assets		
Current Assets		
Cash assets		1,079,616
Receivables		42,665
Total Current Assets		1,122,281
Non-Current Assets		
Security Deposits		10,000
Property, plant and equipment		28,792
Exploration & evaluation	3	735,420
Total Non-Current Assets		774,212
Total Assets		1,896,493
Liabilities		
Current Liabilities		
Accounts payable & accruals	4	37,324
Total Current Liabilities		37,324
Total Liabilities		37,324
Net Assets		1,859,169
Equity		
Contributed equity	5	2,163,547
Share based payment reserve	6	15,000
Accumulated losses		(319,378)
Total Equity		1,859,169

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the period ended 30 June 2022

	Accumulated Losses	Share based payment reserve	Contributed Equity	Total
	\$	\$	\$	\$
Balance at 9/07/2021 (Date of incorporation)	-	-	-	-
Comprehensive income				
Profit/(Loss) attributable to the members	(319,378)			(319,378)
Shares issued during the period	-		2,183,886	2,183,886
Transaction costs	-		(20,339)	(20,339)
Share based payments	-	15,000	-	15,000
Other comprehensive income for the period	-		-	-
Total comprehensive income for the period attributable to members of the entity	(319,378)	15,000	2,163,547	1,859,169
Balance at 30/06/2022	(319,378)	15,000	2,163,547	1,859,169

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the period ended 30 June 2022

	2022 \$
Cash Flow From Operating Activities	
Payments to Suppliers and employees	(84,719)
Net cash provided by (used in) operating activities (note 11)	<u>(84,719)</u>
Cash Flow From Investing Activities	
Payment for:	
Security deposit	(10,000)
Payments for property, plant and equipment	(32,511)
Payments for exploration and evaluation expenditure	(656,701)
Net cash provided by (used in) investing activities	<u>(699,212)</u>
Cash Flow From Financing Activities	
Proceeds of issue of shares (Net of issue costs)	1,863,547
Net cash provided by (used in) financing activities	<u>1,863,547</u>
Net increase (decrease) in cash held	1,079,616
Cash at the beginning of the period	<u>-</u>
Cash at the end of the period	<u>1,079,616</u>

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Note 1: Summary of Significant Accounting Policies

The Company was incorporated on 9 July 2021. The principal accounting policies adopted in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Financial Statements are for the consolidated entity consisting of Wedderburn Goldfields Limited and its subsidiaries.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Wedderburn Goldfields Limited is a for profit entity for the purpose of preparing the financial statements.

a) Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b) Critical accounting estimates

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

Basis of Consolidation

The Group financial statements consolidate those of the Parent and all of its subsidiaries. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Accounting Policies

a) Fair Value of Assets

The company measures some of its assets at fair value. Fair value is the price the company would receive to sell an asset 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. The fair values of assets 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.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) 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, 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.

b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. An assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

The costs of plant and equipment used for exploration activities are carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated.

c) Exploration and evaluation expenditure

Exploration and development expenditure

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

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Accumulated costs in relation to an abandoned area are impaired in full against profit or loss in the period in which the decision to abandon that area is made.

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

d) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for intangible assets with indefinite lives.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h) Joint Venture

The Group is a party to a joint venture operation. AS the operation is unincorporated, the Group treats its transactions with the operation separately on its statement of financial position or performance, and not as an investment in a joint venture assets.

i) Investments in controlled entities

Investments in controlled entities are carried in the company's financial statements at cost less impairment. Dividends and distributions are brought to account when they are proposed by the controlled entities.

j) Period

The Period refers to the date of incorporation 9 July 2021 to 30 June 2022.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Note 2: SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In applying the Consolidated Entity's accounting policies management continually evaluates estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Consolidated Entity. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by the management in the preparation of these financial statements are outlined below.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(a) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(b) Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using either a binomial or Black-Scholes model, with the assumptions detailed in Note 9. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(c) Taxes

Income tax

The Consolidated Entity only recognises deferred tax assets arising from carry-forward tax losses or from timing differences to the extent that the Directors consider that those assets can be realised by applying those timing differences and carry-forward tax losses against future assessable income.

(d) Asset Acquisition

On 30 September 2021 the Company acquired PSD Minerals Pty Ltd and it has been treated as a asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Assets acquired during the period were exploration expenditure.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Note 3: Exploration & Evaluation

Costs carried forward in respect of area of interest in the exploration and evaluation phase:

- Exploration expenditure - At cost	735,420
	735,420

The ultimate recoupment of the book value of deferred costs relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Consolidated Entity's ability to continue to meet its financial obligations to maintain the areas of interest.

Note 4: Accounts Payable and Accruals

Unsecured:

- Trade creditors	23,324
- Accrued expenses	14,000
	37,324

Note 5: Contributed Equity

Ordinary shares fully paid (154,821,476 shares) **\$2,163,547**

The company recorded the following amounts within contributed equity as a result of having issued ordinary shares.

	Number of ordinary shares 2022	Share capital 2022 \$
Shares issued during the period		
Date of incorporation	100	1
Issue of free shares to Cobold Metals Limited shareholders	24,502,164	-
Issued at \$0.01 each	42,250,000	422,500
Issued at \$0.02 each	88,069,212	1,761,384
Capital raising costs	-	(20,338)
Closing Balance	154,821,476	2,163,547

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

At 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.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Options

As at 30 June 2022 there are 750,000 unissued shares in respect of which options were outstanding and the details of these are as follows:

Number	Grant Date	Vesting Date	Exercise Price	Expiry Date	Fair Value at Grant Date
750,000	various	Nil vesting conditions	\$0.00	30 June 2023	\$0.02

The options have no rights until they are exercised and become ordinary shares.

Since the end of the financial period no shares have been issued by virtue of the exercise of options.

Note 6: Share Based Payment Reserve

The share based payment reserve represents the cost of the issue of options to directors.

Beginning of the period	-
Share based payments – Issue of options (note 9)	15,000
End of the period	15,000

Note 7: Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the period are as follows:

	\$
- Short-term consultancy benefits paid to directors*	299,000
- Share based payments	15,000
	314,000

*\$270,000 of this amount was settled by the issue of shares in lieu of the payment of cash to conserve the Group's cash reserves.

Note 8: Related Party Transactions

Director-Related Entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties during the period were all paid in cash or the issue of shares/options in lieu of cash.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Note 9: Share Based Payments

a) Recognised share based payment expenses

	2022
Director Options	\$
During the period 750,000 options were issued during the period with an exercise price of \$nil and an expiry date of 30 June 2023 and no vesting conditions in lieu of the payment of Director fees.	15,000

Note 10: Exploration Commitments

In order to maintain current rights to tenure of exploration tenements, the consolidated entity will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. It is likely that variations to the terms of the current and future tenement holdings, the granting of new tenements and changes at renewal or expiry, will change the expenditure commitments for the consolidated entity from time to time.

These outlays (exploration expenditure and rent) which arise in relation to granted tenements inclusive of tenement applications granted subsequent to 30 June 2022 but not recognised as liabilities are as follows:

	2022
	\$
Not longer than 1 year	29,000
Longer than 1 year and not longer than 5 years	-
Longer than 5 years	-
Total	29,000

Note 11: Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Loss After Income Tax

Operating loss after income tax	(319,378)
Cash flows excluded from loss attributable to operating activities:	
Non-cash flows in loss:	
- Share based payments	15,000
- Issue of shares in lieu of payments of invoices	225,000
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:	
Increase (decrease) in trade creditors and accruals	37,324
Increase (decrease) in receivables	(42,665)
Net cash provided by (used in) operating activities	(84,719)

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Note 12: Events Subsequent to Reporting Date

There has not arisen in the interval between 1 July 2022 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future years other than:

- The payment of \$100,000 to acquire the 1% interest in the Exploration Licence owned by Ostract Pty Ltd at 30 June 2022 as per Note 13.
- The Company has conducted a 1,700m drilling program on EL 6302 with results pending.

Note 13: Exploration Licence

The Group had a 99% interest in Exploration Licence EL6302 as per Joint Venture and Sale Agreement dated 12 April 2021 between PSD Minerals Pty Ltd (99% ownership) and Ostract Pty Ltd (1% ownership) prior to 30 June 2022. On 30 June 2022, the 1% interest in the Exploration Licence owned by Ostract Pty Ltd was transferred to PSD Minerals Pty Ltd. The Group owned 100% interest in Exploration Licence EL6302 at 30 June 2022.

Note 14: Interest in Subsidiary

Acquisition of PSD Minerals Pty Ltd

The Company acquired 100% of PSD Minerals Pty Ltd on 30 September 2021, a Company in Joint Venture with Ostract Pty Ltd in respect to EL 6302.

Consideration for the acquisition was the issue of 3m shares in the company.

Purchase consideration	<u>30,000</u>
Less	
Exploration expenditure	150,000
Loan payable to Cobold Metals Limited	<u>(150,000)</u>
Identifiable assets acquired and liabilities assumed	<u>30,000</u>

Note 15: Financial Instruments

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries. The main risks the group is exposed to through its financial instruments are interest rate risk and liquidity risk. The Board of Directors is responsible for overseeing the establishment, implementation and ongoing monitoring and review of an effective risk management framework for the group. The group's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the group where such impacts may be material.

Exposure to credit risk and liquidity risk arises in the normal course of the company's operations.

Notes to the Consolidated Financial Statements
For the period ended 30 June 2022

Credit risk

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

At reporting date there were no significant concentrations of liquidity risk. The company's liquidity risk arises from its trade payables and other payables as presented in the statement of financial position. The maturity of these payables is less than 6 months.

The fair values of financial assets and liabilities are equivalent to their carrying values.

Note 16: Parent Entity Financial 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
	\$
Assets	
Current assets	1,079,616
Non-current assets	813,663
Total assets	<u>1,893,279</u>
Liabilities	
Current Liabilities	33,180
Total liabilities	<u>33,180</u>
Equity	
Contributed Equity	2,163,547
Reserves	15,000
Accumulated losses	<u>(318,448)</u>
Total Equity	1,860,099
Statement of profit or loss and other comprehensive income	
Total loss	<u>(318,448)</u>
Total comprehensive losses	(318,448)

Note 17: Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the company:

Audit services – William Buck Audit (Vic) Pty Ltd	
Audit of the financial statements	<u>\$14,000</u>

Note 18: Contingent Liabilities

The Company have contingent liabilities at balance date 30 June 2022 of \$100,000 in respect to the acquisition of the remaining 1% interest in EL 6302. Refer to Note 13. This amount was paid in August 2022 on the transfer of the EL 6302.

Wedderburn Goldfields Limited Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Wedderburn Goldfields Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



N. S. Benbow

Director

Melbourne, 20th December 2022