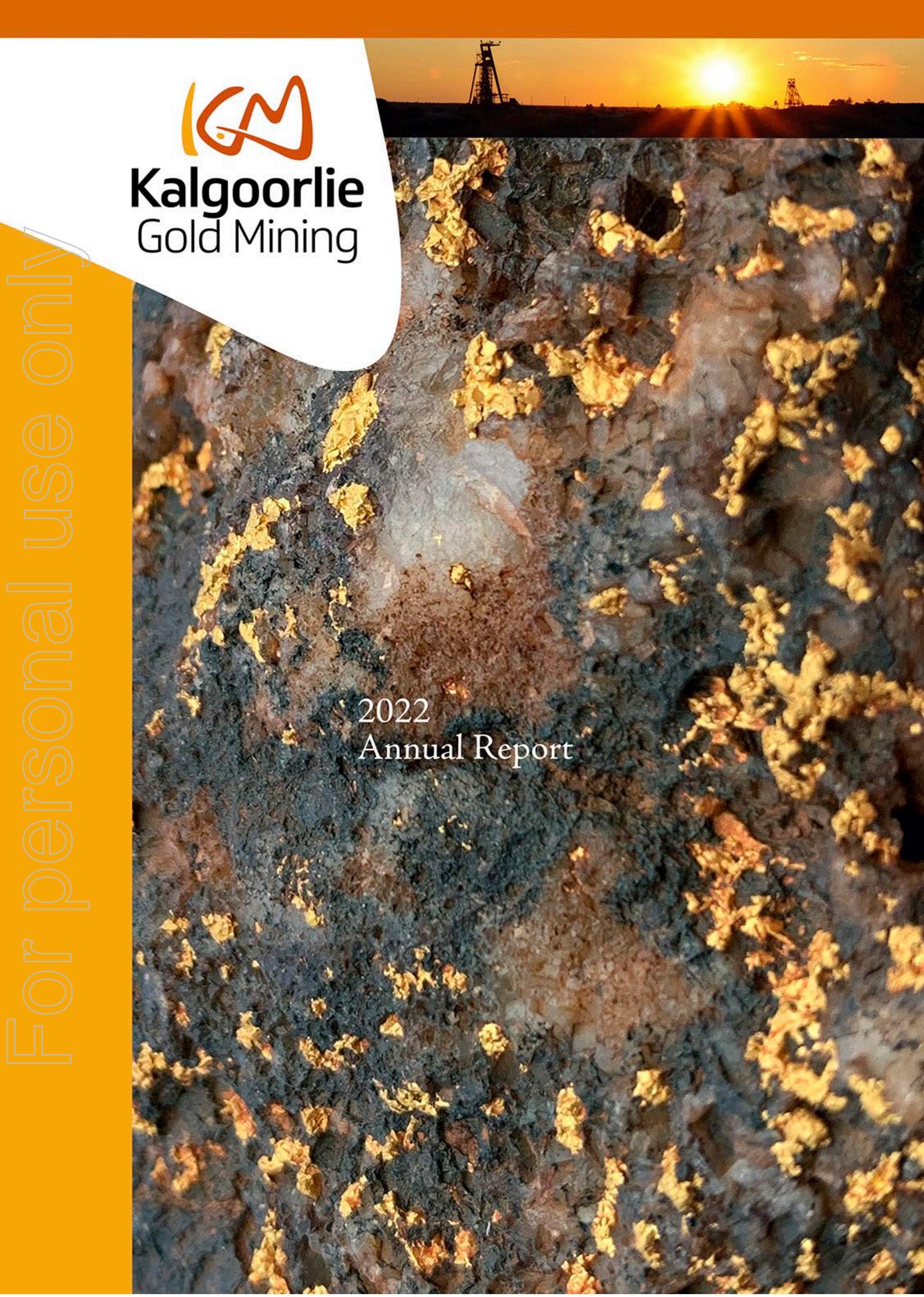




**Kalgoorlie**  
Gold Mining

2022  
Annual Report

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## CORPORATE DIRECTORY

### Directors

Pauline Gately - Non-Executive Chair

Matthew Painter - Managing Director

Carmel McKenzie - Non-Executive Director

Andrew Penkethman - Non-Executive Director

### Company Secretary

Graeme Smith

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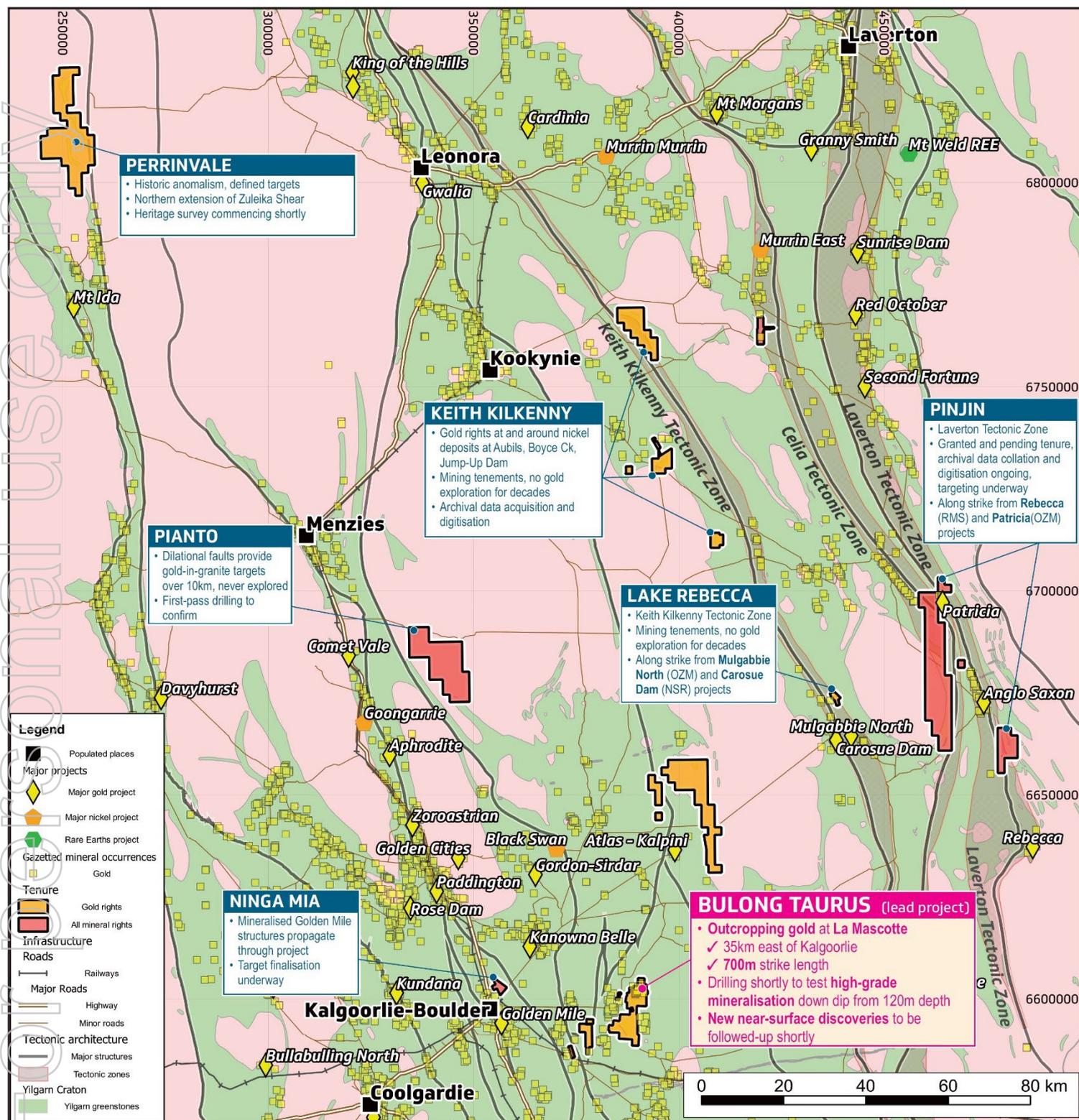


Figure 1 – KalGold’s projects in the Eastern Goldfields of WA, showing current work activities overlaid on gross geology, showing granite/greenstone distributions and major faults and tectonic zones. Towns, railways, and major roads also shown. Projection MGA 94 Zone 51.

## CONTENTS

DISCLAIMER AND CAUTIONARY STATEMENTS	1
CHAIRMAN'S LETTER	2
REVIEW OF OPERATIONS	3
DIRECTORS' REPORT	15
AUDITOR'S INDEPENDENCE DECLARATION	25
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	26
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	27
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	28
CONSOLIDATED STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
DIRECTORS' DECLARATION	51
INDEPENDENT AUDITOR'S REPORT	52
ADDITIONAL ASX INFORMATION	56
TENEMENT REPORT	59

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## CHAIRPERSON'S LETTER

Dear Fellow Shareholders,

Welcome to the first Annual Report for Kalgoorlie Gold Mining Limited.

Kalgoorlie Gold Mining Ltd (KalGold) listed on the Australian Securities Exchange in November 2021 after successfully raising \$7.5 million capital to advance exploration at its highly prospective gold land package in the renowned Eastern Goldfields of Western Australia.

Since listing in late 2021, the KalGold Team has hit the ground running establishing an office in Kalgoorlie-Boulder manned by permanent full-time staff, and undertaking an ambitious exploration program aimed at maximising the potential of the Company's lead Bulong Taurus Project. Situated only 35km east of the Kalgoorlie-Boulder mining centre, Bulong Taurus is adjacent to and along strike from some of the region's most successful and prominent gold explorers and miners.

Through smart exploration encompassing field and desktop assessment, the KalGold Team is progressing its strategy of defining near-surface resources at Bulong Taurus.

Results so far have been extremely encouraging with the KalGold Team successfully establishing Bulong Taurus's gold footprint, defining the Project's gold structural controls, and identifying additional surface targets. All of this activity has occurred since the beginning of 2022. As the Company progresses to testing mineralisation at depth at Bulong Taurus, it is on track to execute its strategy of building value for shareholders by exploring high-value targets to uncover economic quantities of gold.

Field programs at KalGold's other highly prospective gold tenements at Ninga Mia and Pinjin, have also been undertaken under the watchful eye

of MD Dr Matthew Painter, supported by highly experienced Exploration Manager, Scott Herrmann, and Principal Exploration Geologist, Merle Newton, who resides full time in Kalgoorlie- Boulder.

Assays received so far have gone a long way to supporting KalGold's geological model while enhancing the Team's knowledge and confidence as the Company works to unlock the full gold potential of its strategically located gold land package.

I would like to take this opportunity to recognise Matt Painter's efforts in leading the Team to deliver on the Company's strategy as well as my fellow Board members, Andrew Penkethman and Carmel McKenzie for their wise counsel and support.

Lastly, I would like to thank KalGold shareholders for their support over the last ten months. Next year is set to be an exciting year as our dedicated Team focuses on resource growth and further new discoveries.

I hope you will continue to support the Company on this journey, and I look forward to sharing KalGold's progress and successes with you over the coming year.

Yours sincerely,



**Pauline Gately**  
Non-Executive Chair

Dated this 30<sup>th</sup> day of September 2022

EXPLORATION HIGHLIGHTS OF 2022

About Kalgoorlie Gold Mining Limited

Kalgoorlie Gold Mining Ltd (ASX:KAL) ('KalGold' or 'the Company') successfully listed on the Australian Securities Exchange (ASX) on 17 November 2021. Since then, the Company has undertaken a busy schedule of RC drilling (first two programs complete, results from second program pending), auger drilling, and costeaning combined with ongoing geological reinterpretation and target generation at Bulong Taurus and other projects.

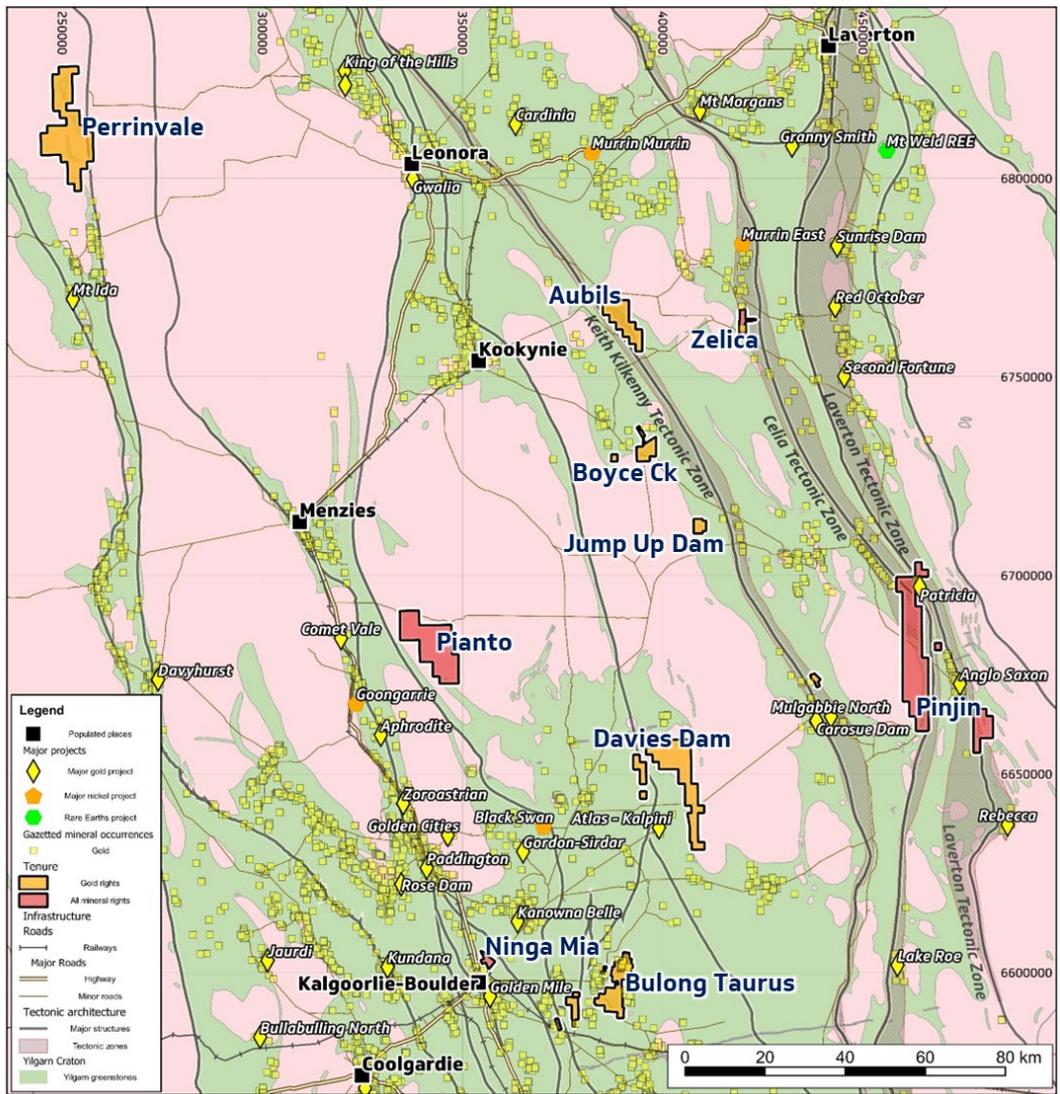


Figure 2 – KalGold's projects in the Eastern Goldfields of Western Australia. Orange tenements = gold rights, red tenements = all mineral rights. Projection MGA 94 Zone 51.

Lead Project – The Bulong Taurus Gold Project

The Bulong Taurus project covers the entire historic Taurus mining centre in its northeast, part of the Bulong mining centre at Hammersmith, and historic gold batteries. Measuring over 16km north-south by up to 9km east-west, Bulong Taurus comprises 9 granted mining tenements surrounded by 26 prospecting licences (35 tenements in total). In addition, KalGold holds 3 prospecting tenements and an exploration licence at West Bulong, located 4km further west towards Kalgoorlie.

## REVIEW OF OPERATIONS

Work commenced on the ground at Bulong Taurus prior to the Company's ASX debut with target identification from the compilation and digitisation of all historic work programs, including soil and surface sampling, and RC and diamond drill programs. As a result of this work, KalGold now possesses the first digital record of all historic work undertaken over the entire Taurus Gold Mining Centre.

The Bulong Taurus Project is situated in a prime location, adjacent to and along strike from some of the region's most successful and prominent miners and explorers. At only 35km east of the City of Kalgoorlie-Boulder, and nearby to several gold mills, KalGold is seeking to make the most of the project's location through smart exploration, successful discovery, and aiming to define near-surface resources.

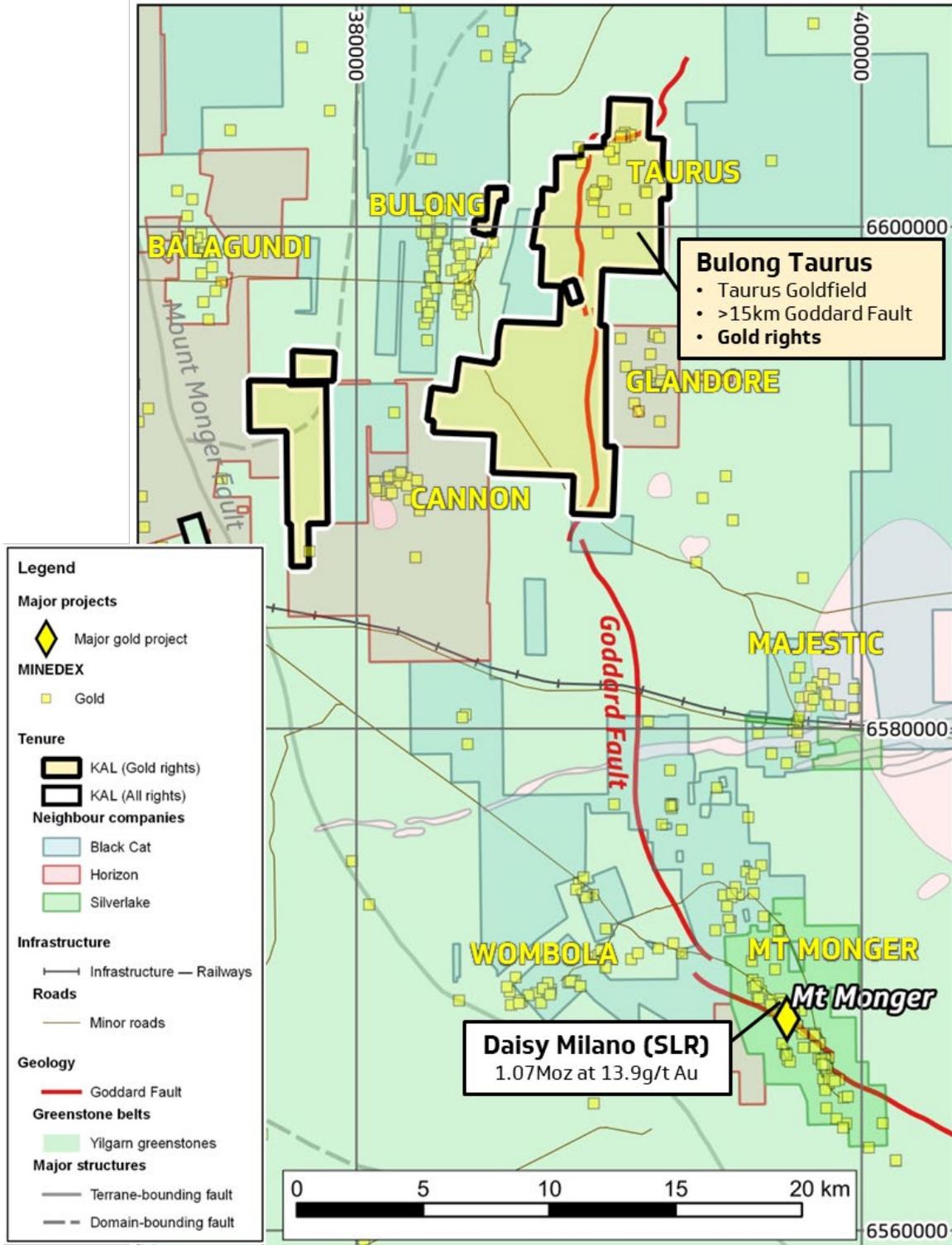


Figure 3 – KalGold's Bulong Taurus project (yellow), showing neighbouring tenure holders 35km east of Kalgoorlie. Historic mining centres also shown. Note: tenure comprises all granted tenure.

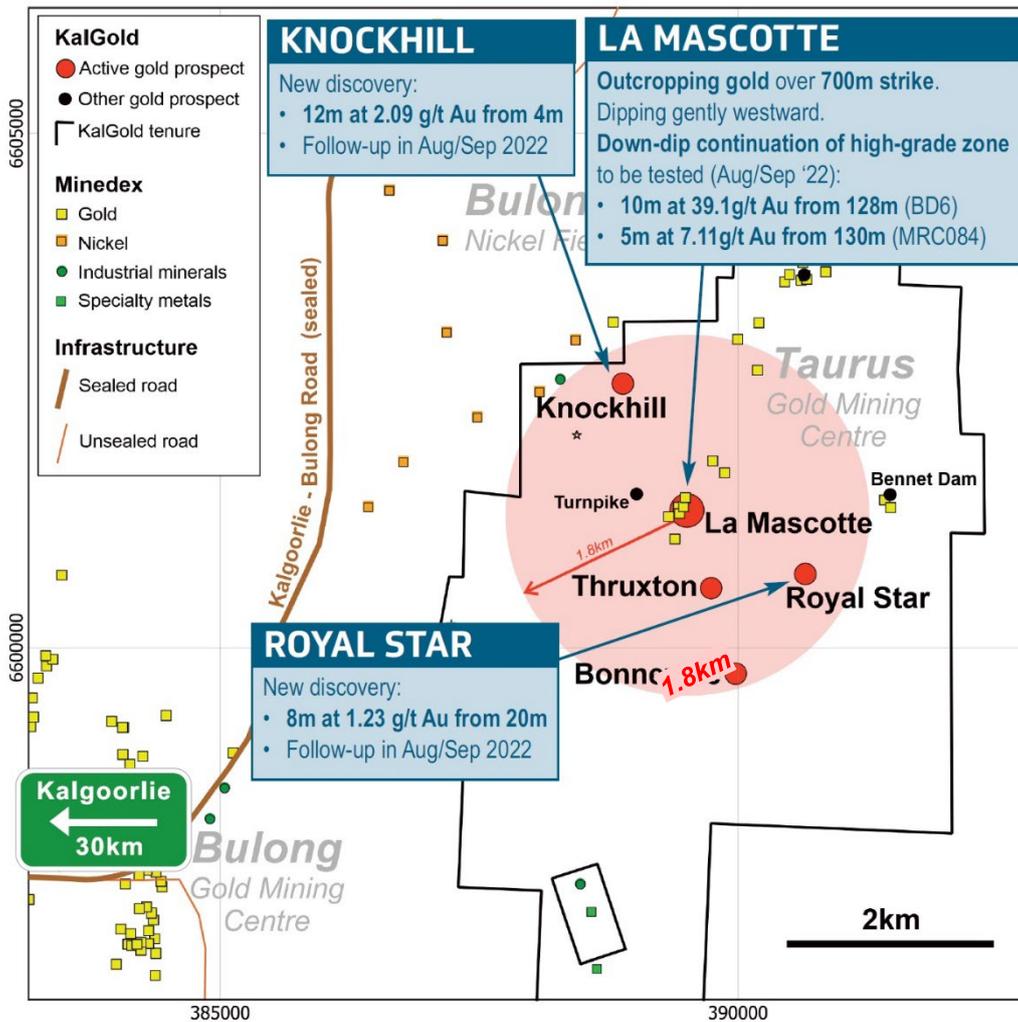


Figure 4 – Location diagram of the north-eastern part of the Bulong Taurus project, containing the Taurus Gold Mining Centre. All new discoveries (red dots) are located within 1.8km of La Mascotte (pink circle).

**La Mascotte prospect**

During the year, work has focused on the La Mascotte prospect at Bulong Taurus. Previously also known as Central and Central Taurus, La Mascotte is an area defined by historical workings and modern prospecting on and around outcropping gold mineralisation. Gold mineralisation dips shallowly to moderately westward, with oxidised gold mineralisation near surface giving way to fresh mineralisation at depth. Last drilled extensively in the 1990s, KalGold is re-evaluating the pre-JORC resource through re-modelling and new drilling.

KalGold’s systematic assessment of La Mascotte has involved confirmation of several historic intercepts, followed by extension of the surface footprint of the outcropping and near-outcropping mineralisation to the north and south. The current focus with forthcoming drilling is to extend mineralisation down-dip where it remains untested. This work is aimed to provide an efficient pathway to define a new JORC 2012 resource estimate.

In total, the La Mascotte gold prospect represents around 1% of the Bulong Taurus project area and is one of dozens of historic mines and structural targets within KalGold’s Lead Project.

During 2022, a systematic approach to exploration of the Bulong Taurus project defined exploration programs throughout the project area. Results from RC drilling programs successfully extended gold mineralisation at La Mascotte during the year and defined several new discoveries nearby:

- La Mascotte strike length was extended to 700m (from 250m). The outcropping gold footprint was also defined.
- New discoveries show near-surface high-grade gold mineralisation at Knockhill and Royal Star. The new discoveries cluster around La Mascotte, possibly as satellite prospects. Knockhill and Royal Star will see follow-up drilling shortly.

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## REVIEW OF OPERATIONS

Structural analysis of diamond drill core and 3D modelling is revealing controls on gold mineralisation at La Mascotte. This also has implications for gold mineralisation throughout the Taurus Goldfield. This work has been used to define a distinct target area for down-dip extension of high-grade gold mineralisation.

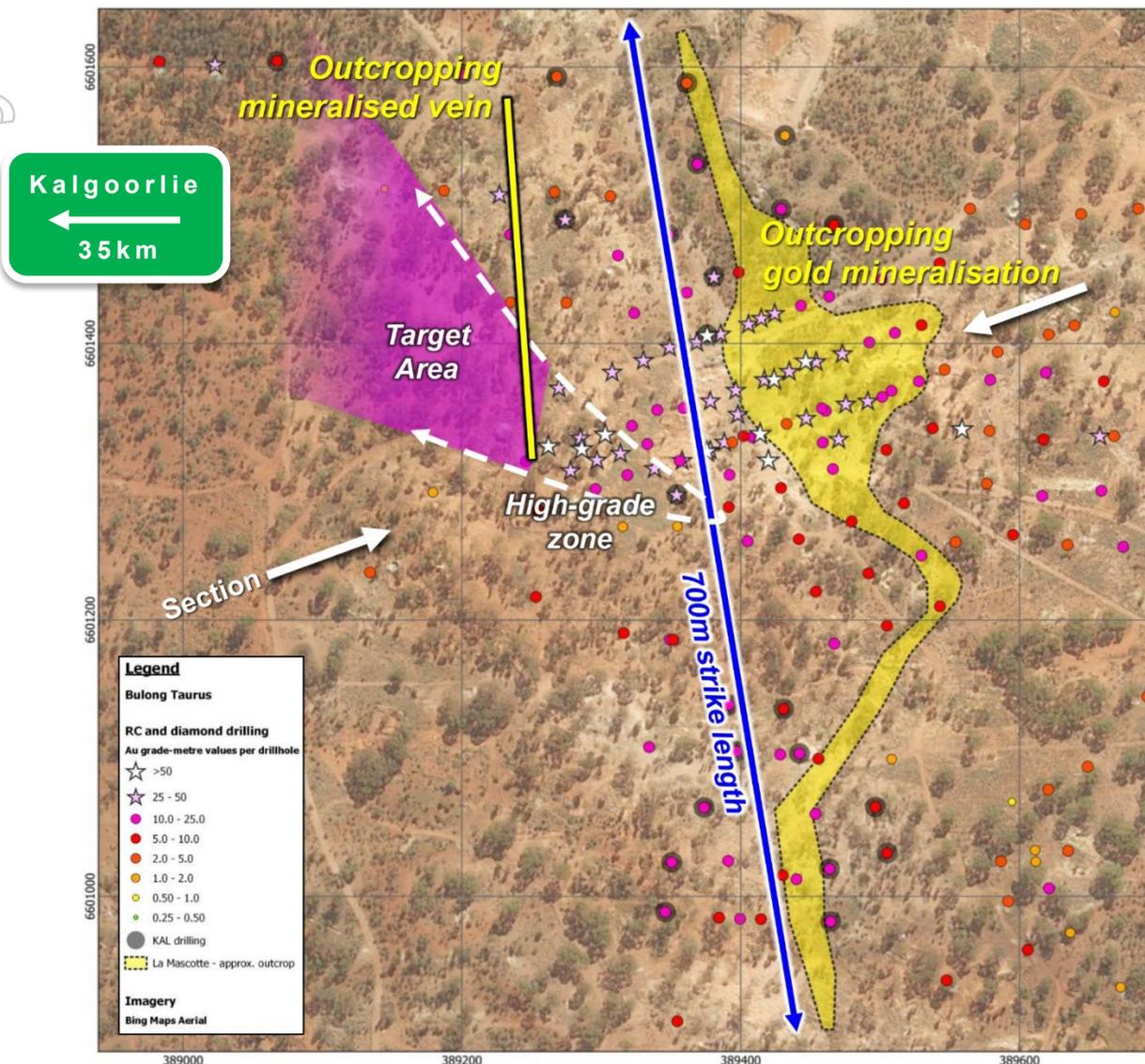


Figure 5 – La Mascotte prospect, showing projected outcropping footprint of gold mineralisation (yellow, dashed outline). An outcropping gold-mineralised vein in the hangingwall to the main mineralised system recently uncovered by Prospecting partners (yellow, black outline), dips moderately westward. Several geological models are being assessed, but one shows a down-dip extension of gold mineralisation plunging shallowly to the northwest (dashed white arrows). The purple area shows the likely area in which to collar drill holes to assess this model. Other models are also being assessed by ongoing structural analysis of diamond drill core. NOTE: some historic drill holes in the target area of interest do not appear to be deep enough to intercept the projected mineralised band.

### Three phases of drilling at La Mascotte

#### Phase 1 – Confirmatory drilling

KalGold's first drill program hit shallow oxide gold at La Mascotte where thick zones of near-surface oxide gold mineralisation were punctuated by higher grades. New results in BLRC210001 included:

- 18m at 1.23g/t Au from 1m, including 2m at 4.95g/t Au from 15m
- 10m at 1.29g/t Au from 23m, including 1m at 8.19g/t Au from 23m
- 10m at 1.16 g/t Au from 52m, including 1m at 6.5g/t Au from 52m

Importantly, these results confirmed historic 1990s pre-JORC resource drill out results and provided confidence that the historic dataset had merit worthy of follow-up, prompting the second phase of drilling.

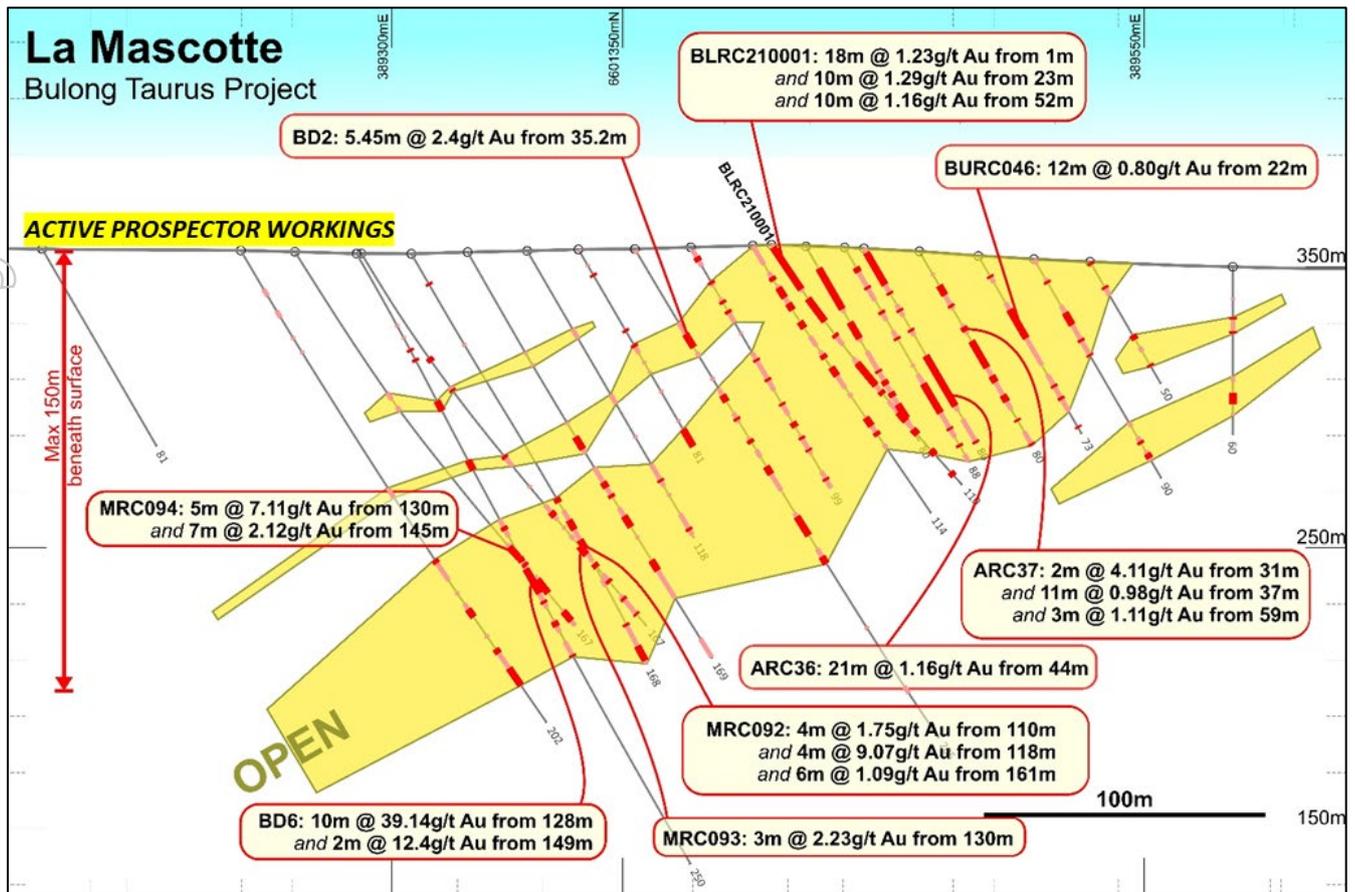


Figure 6 – Cross section of La Mascotte, looking north-northwest. Note that the highest grades of gold mineralisation are towards the western end of the section. One of the models being tested (Figure 3) shows mineralisation plunging down to the northwest, out of this section plane (into the page from the left side of the diagram). To test this model, drilling would be undertaken to the north of this section and to the west of most drilling, thereby intercepting mineralised surface features identified by prospectors.

*Phase 2 – Extension of outcropping and near-surface gold at La Mascotte*

The Phase 2 RC drill program significantly extended the footprint of confirmed gold mineralisation at and around La Mascotte. A total of 12 strategically placed RC drill holes intercepted gold mineralisation. Near-surface oxidised gold mineralisation is common, and gold mineralisation was confirmed to outcrop and be open along strike and down dip.

These results, in conjunction with the third phase of drilling, increased the strike length of gold mineralisation to at least 700m, nearly triple the pre-JORC 1990s resource estimate with a 250m strike length. On the northern side of La Mascotte, intercepts included:

<b>BLRC220008:</b>	<b>6m at 1.47 g/t Au from 17m</b> <i>including 1m at 3.44g/t Au from 18m</i>
	<b>2m at 16.27 g/t Au from 43m</b> <i>including 1m at 31.9g/t Au from 44m</i>
	<b>1m at 7.70 g/t Au from 56m</b>
<b>BLRC220009:</b>	<b>4m at 1.28 g/t Au from 73m</b> <i>including 1m at 4.15 g/t Au from 73m</i>
<b>BLRC220036:</b>	<b>4m at 1.38 g/t Au from 32m</b> <b>4m at 5.47 g/t Au from 100m</b>
<b>BLRC220041:</b>	<b>4m at 1.98 g/t Au from 28m</b> <b>4m at 0.57 g/t Au from 36m</b>

REVIEW OF OPERATIONS

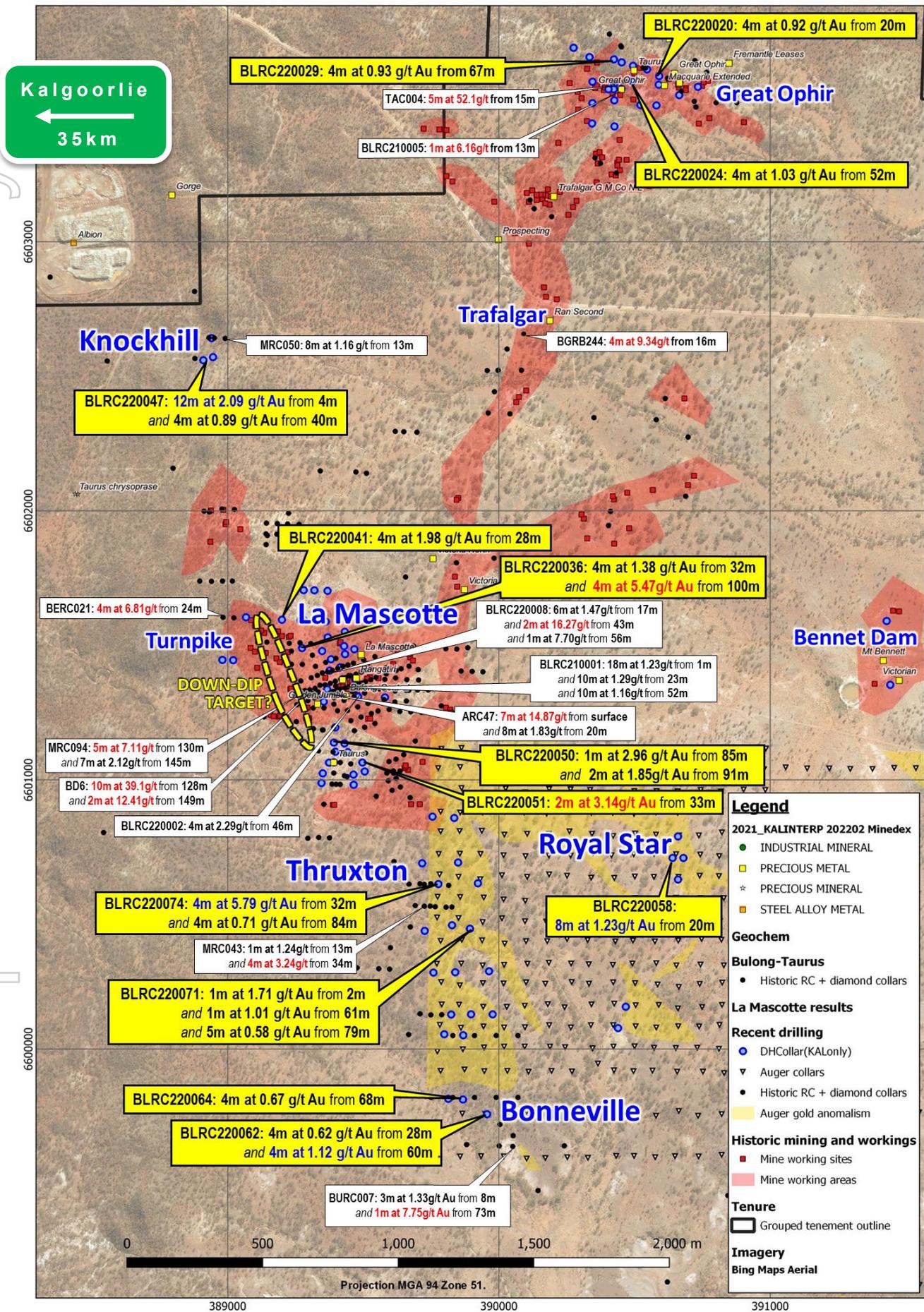


Figure 7 – Map of the north-eastern portion of the Bulong Taurus Project, showing KAL’s activities including auger, RC and diamond drilling programs (blue circles). Intercepts shown are historic (white) and KAL’s results (yellow).

## REVIEW OF OPERATIONS

Gold mineralisation also continues to the south of La Mascotte with results showing broad zones containing higher grade intercepts, including:

<b>BLRC220001:</b>	1m at 1.33 g/t Au from 52m <b>6m at 1.16 g/t Au</b> from 73m
<b>BLRC220002:</b>	<b>4m at 2.29 g/t Au</b> from 46m <i>including 2m at 3.56 g/t Au</i> from 46m
<b>BLRC220006:</b>	<b>6m at 1.18 g/t Au</b> from 57m
<b>BLRC220050:</b>	<b>1m at 2.96 g/t Au</b> from 85m <b>2m at 1.85 g/t Au</b> from 91m <i>including 1m at 2.98 g/t Au</i> from 92m
<b>BLRC220051:</b>	<b>2m at 3.14 g/t Au</b> from 33m <i>including 1m at 5.56 g/t Au</i> from 33m

Additionally, a limited number of shallow diamond drill holes were completed. The aim of this part of the program was to provide structural information regarding controls on the extent of mineralisation and was aimed at interpreted structures around the periphery of La Mascotte rather than the main mineralised zone. Valuable structural information was retrieved that included the association of particular alteration styles with mineralisation, and also confirmation that a particular generation of shallow, west-dipping quartz veins and associated alteration zones host gold mineralisation. Importantly, evidence was retrieved of a series of lineations possibly indicating a westerly to north-westerly plunge to mineralisation. This concept will be tested with planned RC drilling.

### *Phase 3 – further extension and new discoveries*

The third phase of drilling confirmed the 700m strike length of La Mascotte through further extension of programs after Phase 2. The program confirmed a distinct north-northwest striking trend with gold mineralisation open in every direction.

Latest assay results on the northern side of La Mascotte include:

<b>BLRC220036:</b>	<b>4m at 1.38 g/t Au</b> from 32m <b>4m at 5.47 g/t Au</b> from 100m
<b>BLRC220041:</b>	<b>4m at 1.98 g/t Au</b> from 28m 4m at 0.57 g/t Au from 36m

Gold mineralisation also continues to the south of La Mascotte with results on the southern side showing broad zones containing higher grade intercepts.

<b>BLRC220050</b>	<b>1m at 2.96 g/t Au</b> from 85m <b>2m at 1.85 g/t Au</b> from 91m <i>including 1m at 2.98 g/t Au</i> from 92m
<b>BLRC220051:</b>	<b>2m at 3.14 g/t Au</b> from 33m <i>including 1m at 5.56 g/t Au</i> from 33m

Concepts learned from La Mascotte were applied to a number of targets generated in its vicinity. Several shallow discoveries are very promising and require follow-up, and may well represent satellite gold mineralisation to the La Mascotte gold system.

All tested locations were within 1.6km of La Mascotte. At each discovery, results are shallow, open in all directions, and are typically associated with broad, strong gold anomalism. Results include:

## REVIEW OF OPERATIONS

<b>Knockhill</b>	<b>BLRC220047:</b>	<b>12m at 2.09 g/t Au from 4m</b> <i>including 8m at 2.67g/t Au from 4m</i> <b>4m at 0.89 g/t Au from 40m</b>
	<b>BLRC220046:</b>	2m at 0.72 g/t Au from 16m 1m at 1.09 g/t Au from 22m
<b>Thruyton</b>	<b>BLRC220074:</b>	<b>12m at 2.12 g/t Au from 32m</b> <i>including 4m at 5.79 g/t Au from 32m</i> <i>and 4m at 0.53 g/t Au from 40m</i> <i>and 4m at 0.71 g/t Au from 84m</i>
	<b>BLRC220071:</b>	<b>1m at 1.71g/t Au from 2m</b>
<b>Bonneville</b>	<b>BLRC220062</b>	4m at 0.62 g/t Au from 28m <b>4m at 1.12 g/t Au from 60m</b>
<b>Royal Star</b>	<b>BLRC220058</b>	<b>8m at 1.23 g/t Au from 20m</b>

Each of the prospects is worthy of follow-up, with Knockhill and Royal Star slated to be drilled in the next RC drill program.

### Upcoming drilling to test down-dip extensions and follow-up discoveries

Having successfully defined the surface footprint of gold mineralisation at La Mascotte, work is underway to define high-grade targets down-dip. At its deepest, gold mineralisation is currently defined entirely within 150m of surface.

Incorporating historic drilling with recent KalGold results, has enabled the Company to define a distinct core of gold mineralisation plunging roughly towards the northwest. Ongoing analysis of recent diamond drilling has also uncovered controls on the dip and a plunge component to gold mineralisation.

### Confirmation of suitability of historical drilling for resource modelling

Independent resource modelling expert Modelling Matters Pty Ltd (Modelling Matters) is currently assessing historic drill data from previous exploration at La Mascotte. Initial assessment indicates that historic RC and diamond drilling (158 drill holes for 13,408 metres) is suitable for inclusion into future mineral resource estimates reported in accordance with the JORC Code (2012).

This marks a significant milestone for KalGold as it means that previous exploration data can be incorporated into modelling, saving the Company both time and costs associated with repeat drilling. Redrilling and assaying historic holes would likely cost the Company several million dollars. Instead, KalGold can use its funds to further progress its lead Bulong Taurus project. At most, a few confirmatory drill holes could be required if additional certainty is needed for specific areas of the La Mascotte system.

KalGold has worked systematically at La Mascotte to expand the prospect's potential. By enlarging La Mascotte's mineralisation footprint, first along strike and now down-dip, this systematic approach is proving to be a cost-effective way to define and assess the prospect's potential.

# REVIEW OF OPERATIONS

## Secondary projects

### Ninga Mia gold project

At the Ninga Mia project at Kalgoorlie, a detailed reinterpretation of the geology of the project area shows that it is underlain by the highly prospective Black Flag Formation adjacent to the supergiant Golden Mile gold deposit.

Published geological interpretations show that many of the faults controlling gold mineralisation around the Mt Charlotte deposit terminate to the north at or before the Loongana Fault (Figure 8). KalGold is defining a new geological interpretation (not shown, proprietary intellectual property) using detailed geo physical datasets as a framework for exploration. In this framework, at least some of the faults that control gold mineralisation at Mount Charlotte propagate into the Ninga Mia tenure including the Mount Charlotte, Mystery, Reward, and Maritana Faults (Figure 8). Refining of the extent of these faults and targets on KalGold's Ninga Mia tenure is ongoing. Intersections of these faults with porphyries, other structures, and late-stage conglomerates associated with the Gidji Fault are of particular interest. Such features are often key controls of significant gold deposits in the Eastern Goldfields.

KalGold intends drill-testing a number of targets with similar characteristics to the Two-Up prospect along strike to the northwest, as well as a series of targets with magnetic characteristics similar to gold mineralisation at and around Mt Charlotte to the south. This will only occur once all historic data has been assessed. The uncovering of additional datasets has required delaying the previously planned drill date.

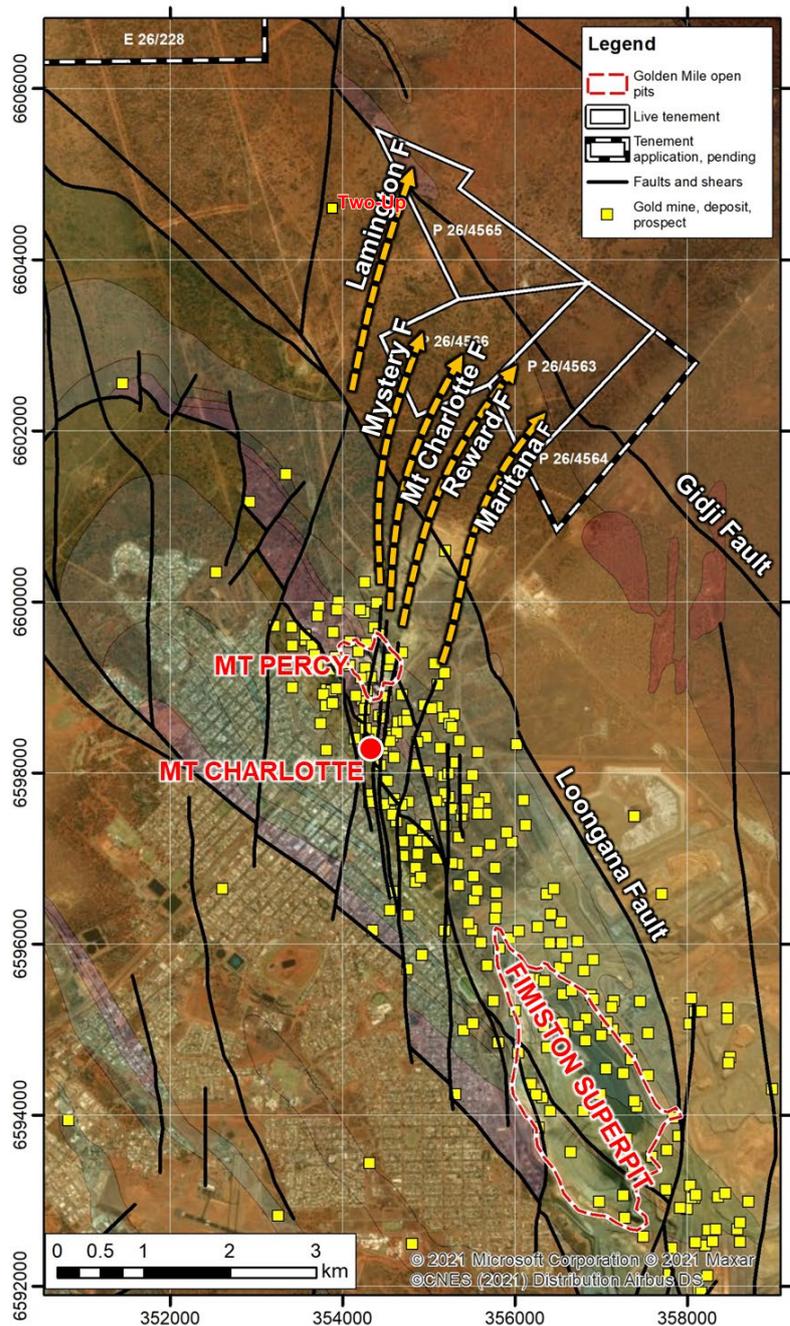


Figure 8 – Geology of the Ninga Mia project and the Golden Mile at Kalgoorlie (Geological Survey of WA, 100k solid geology) superimposed on satellite imagery, showing the Fimiston Superpit, Mt Charlotte, and Mt Percy mines in relation to KalGold's tenure. Yellow dashed arrows diagrammatically show the interpreted extension of faults from Mt Charlotte (black) that appear to extend into the Ninga Mia tenure. Targets are being defined throughout the project area. (Geology: purple = ultramafic rocks, green = mafic rocks, yellow/brown = felsic rocks (Black Flag Formation), pink = granites and porphyries). Fault nomenclature as per Bateman and Hagemann 2004, "Gold mineralisation through about 45Ma of Archaean orogenesis: protracted flux of gold in the Golden Mile, Yilgarn Craton, WA", *Mineralium Deposita* v39 p.536-559. Projection MGA 94 Zone 51.

## REVIEW OF OPERATIONS

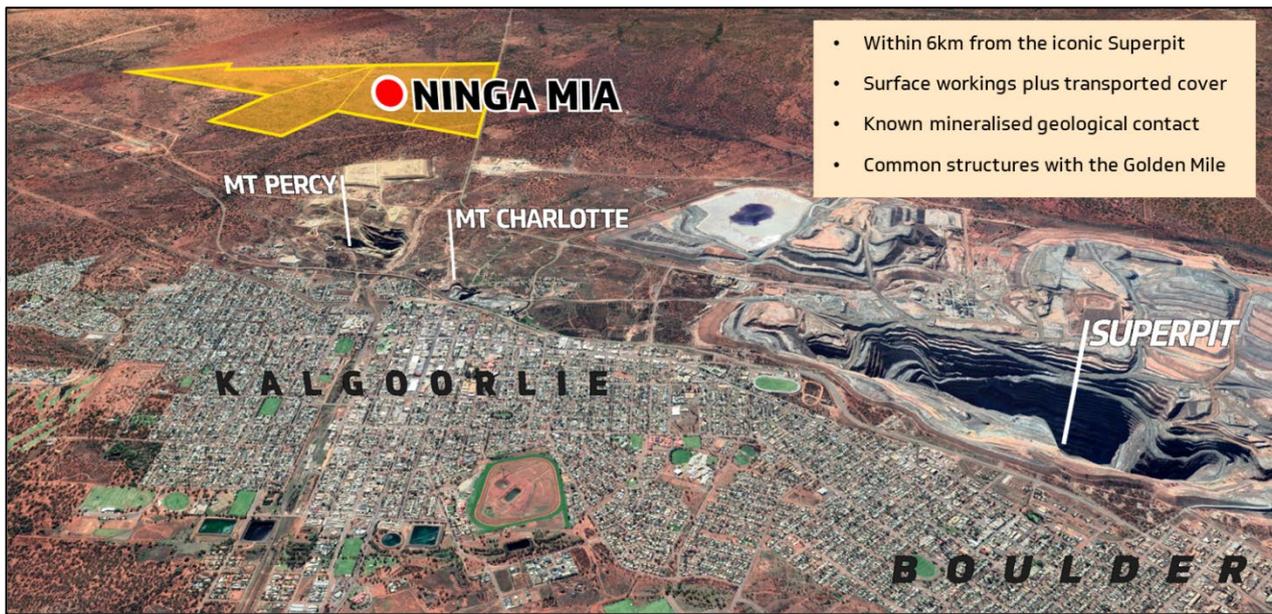


Figure 9 – Oblique view of Kalgoorlie-Boulder, the Superpit, Mt Percy and Mt Charlotte on the Golden Mile, and KalGold's Ninga Mia gold project. New ideas will be drill tested, including the first deep drilling for many years.

### Pinjin gold project

The Pinjin project is located in the highly prospective Laverton and Celia Tectonic Zones. KalGold's tenure (granted and application) is located to the southeast of the Edjudina mining centre, either side of the Pinjin mining centre. The area is of particular interest as it contains over 20km of prospective strike that is located only 16km to the north, and along strike from Ramelius' recent acquisition, the 1.1Moz Rebecca Gold Project 1. RMS has planned a 75,000m drill program for resource definition, expansion, and exploration.

Historic data compilation and digitisation is nearing completion, and recently applications for new tenements were submitted. One of the applications shares a corner point with KalGold's granted E31/1119 and lies adjacent to the Patricia mining centre, currently being explored by OzAurum Minerals (Figure 10). Northern Star holds the adjacent ground to the northwest.

Reconnaissance field trips are preparing for initial assessment of several defined targets, with further targets being defined.

### Jungle Dam prospect

The Jungle Dam prospect is a gold-in-granite prospect located on E31/1119 that was last explored during the 1990s. Anomalism is associated with a rupture within the internal Jungle Dam Granite. That granite has intruded into the supracrustal sequence that has been strongly deformed by the Celia and the Laverton Tectonic Zones. Work is ongoing to identify and digitise all historic datasets.

Additional gold plays are also apparent around the margins of the Jungle Dam Granite and elsewhere in the shear zones that wrap around it.

Though only gold has been explored and assayed historically, the area may also be prospective for lithium.

<sup>1</sup> See RMS announcement: "Rebecca Gold Project Update", 12 April 2022.

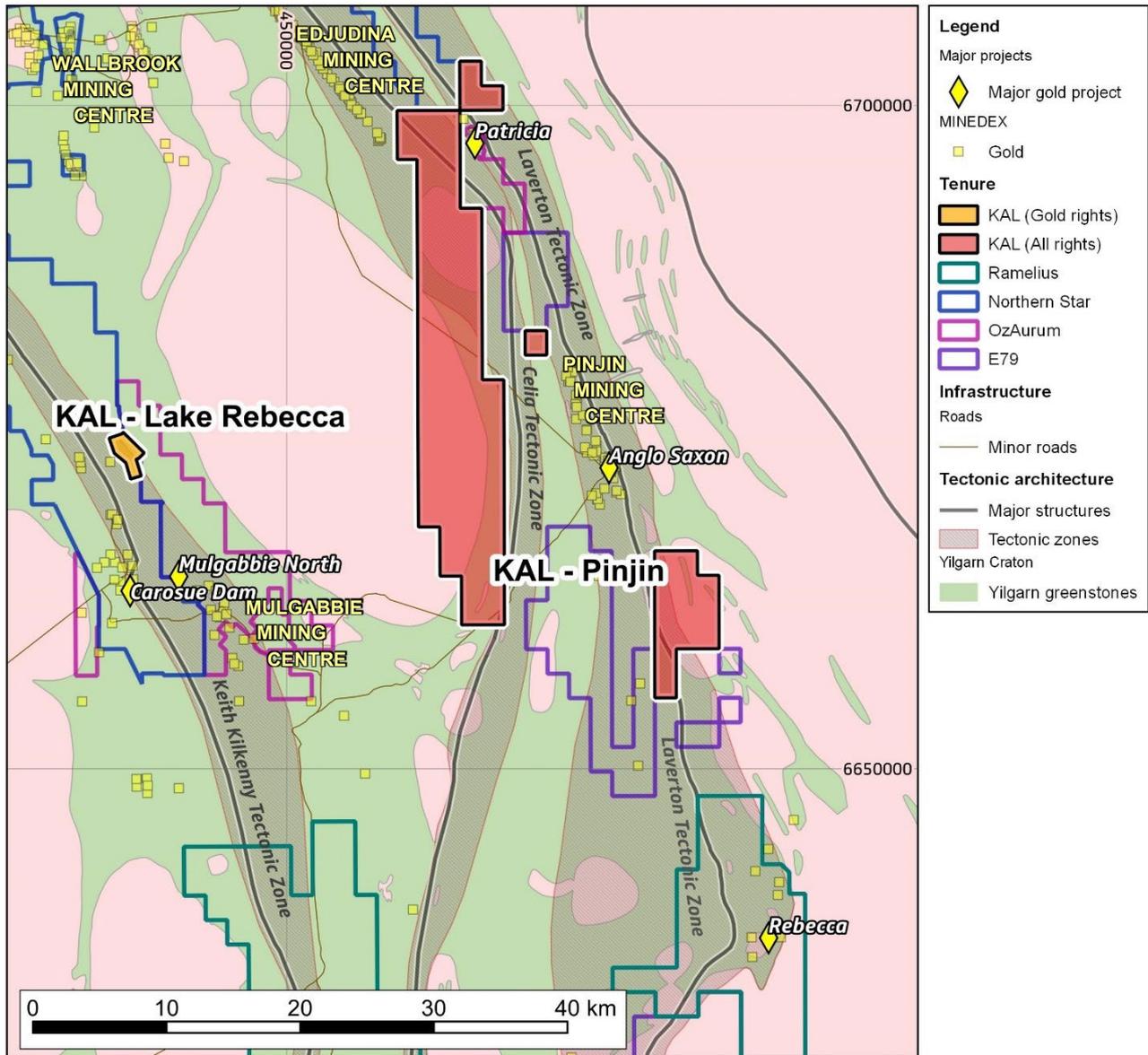


Figure 10 – KalGold’s Pinjin (red) and Lake Rebecca (orange) projects, showing neighbouring tenure holders in the highly prospective eastern extents of the Eastern Goldfields. Historic mining centres also shown. Note: tenure comprises all granted tenure and applications.

### Generative Projects

KalGold’s extensive tenement position in the highly prolific Eastern Goldfields of Western Australia is strategically situated along the major geological structures of the region. These structures, such as the Laverton Tectonic Zone and the Keith-Kilkenny Tectonic Zone, provide the plumbing for hydrothermal gold mineralisation throughout the region.

Whether the tenements host buried greenstone belts, gold-in-granite targets, or have been the focus of nickel resource definition whilst neglecting gold mineralisation, KalGold’s projects all have enormous potential but are at an early stage of exploration. Efforts to generate specific targets for drill testing are proceeding on all tenure, with particular focus at Perrinvale and Pianto.

### Perrinvale gold project

A thorough review of historic exploration programs at Perrinvale have identified several targets showing low-level gold anomalism. Cover thickness varies between prospects from very thin (metre scale) to over 40m in places. None of the targets have been tested.

## REVIEW OF OPERATIONS

The Zuleika/Ballard Shear system controls gold mineralisation throughout the region. To the north of the Perrinvale project is the Ida Valley project (Techgen Resources; ASX: TG1), and to the south is the Mt Ida mining centre in the Mt Ida greenstone belt. The Zuleika/Ballard Shear passes through the eastern portion of the tenure, with second-order structures following the greenstone sequences throughout the tenure.

KalGold has commissioned a heritage survey over the area to ensure that the target areas can be explored without impacting any important sites. A high-level historic survey identified several minor sites of avoidance in the south and west of the Perrinvale tenure but no significant sites. Undertaking this due diligence will ensure that all stakeholders' needs are catered prior to committing to exploration expenditure.

Pending the results of the heritage survey, the identified targets will be drill tested with an aircore program.

### Keith Kilkenny projects

Work is advancing on several projects along the Keith Kilkenny Tectonic Zone. Each of these projects has been drilled extensively to define nickel laterite resources and held within companies undertaking such work since the later 1980s or early 1990s. In the interim, gold exploration has been absent.

As a result of the nickel laterite focus on these projects, drilling and sampling is typically limited to ultramafic units only, with adjacent mafic units remaining mostly unsampled. Gold anomalism has been noted in several locations, but gold assays were generally not taken systematically and a thorough interrogation of the dataset is currently underway.

The southernmost of these projects, Lake Rebecca, is the first to undergo review. This is particularly relevant considering that it lies around 12 km directly along strike from Northern Star's Carosue Dam gold mine and OzAurum's promising Mulgabbie North project, with these companies holding the ground surrounding the Lake Rebecca project. Strong gold anomalism is evident at some locations along the sheared western ultramafic/mafic contact. Work is ongoing.

### Pianto gold project

Tenement E29/1125 was recently granted by the Department of Mines, Industry Regulation and Safety (DMIRS). The tenement hosts the Pianto project which comprises laterally extensive gold-in-granite targets, similar to the Golden Cities gold mine to the south, that are entirely obscured by transported material and calcrete. An aircore/slimline RC program is being designed to test the targets.

## DIRECTORS' REPORT

Your Directors submit their report together with the annual financial statements of Kalgoorlie Gold Mining Limited ("KalGold" or the "Company") and the entities it controlled (together "the Company") for the year ended 30 June 2022 and the auditor's report thereon.

### DIRECTORS

The names of the Directors who held office during or since the end of the year are:

- Ms Pauline Gately – Non-Executive Chair – Appointed 23/08/2021
- Dr Matthew Painter - Managing Director and CEO – Appointed 23/07/2021
- Ms Carmel McKenzie – Non-Executive Director – Appointed 23/07/2021
- Mr Andrew Penkethman – Non-Executive Director – Appointed 05/11/2020

#### Information on Directors

##### Pauline Gately - Non-Executive Chair (Independent)

Ms Gately is an accomplished Chair and non-executive director, with more than a decade of experience across a portfolio of Board positions in the mining and resources, FMCG, financial technology, and not-for-profit sectors.

Pauline's experience within the mining sector spans acquisitions, exploration, and project development through to production.

Her Board contributions are underpinned by 20 years investment banking experience spanning senior roles in investment strategy, economics, equity and fixed income research, and funds management. She is a graduate and member of the Australian Institute of Company Directors (GAICD), and holds a BA Hons Economics and Graduate Diploma in Accounting.

Directorships held in other listed entities: Ardiden Limited (August 2018 to present), The Sustainable Nutrition Company Ltd (October 2019 to present).

Shares held	-	50,000
Options held	-	750,000 options exercisable @ \$0.25 and expiring 16/09/2024
	-	16,666 options exercisable @ \$0.25 and expiring 29/03/2023

##### Dr Matthew Painter - Managing Director

Dr Painter is a geologist with over 25 years experience in the mining industry with Companies including Ardea Resources, AngloGold Ashanti and the Geological Survey of Western Australia. He has worked globally on gold mining, development and exploration projects. Dr Painter was the founding MD of Ardea Resources, overseeing delivery of the pre-feasibility study on the Goongarrie nickel-cobalt laterite project before stepping back to a technical role, targeting and defining a string of Ardea gold discoveries. Dr Painter has no other public company directorships

Directorships held in other listed entities: Nil.

Shares held	-	250,626
Options held	-	1,000,000 options exercisable @ \$0.25 and expiring 16/09/2024
	-	83,541 options exercisable @ \$0.25 and expiring 29/03/2023

##### Carmel McKenzie– Non-Executive Director (Independent)

Ms McKenzie is a practicing lawyer and principal of legal firm, McKenzie & McKenzie based in Kalgoorlie-Boulder. Ms McKenzie has been advising exploration and mining companies in legal matters for over 25 years. Ms McKenzie is particularly active within the Kalgoorlie-Boulder community, being from a local business, mining and pastoral family.

## DIRECTORS' REPORT

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Directorships held in other listed entities: Nil.

Shares held	-	101,721
Options held	-	625,000 options exercisable @ \$0.25 and expiring 16/09/2024
	-	33,906 options exercisable @ \$0.25 and expiring 29/03/2023

### Andrew Penkethman – Non-Executive Director

Andrew Penkethman is a geologist with more than 25 years technical and corporate experience with a number of listed public companies from exploration through to discovery, feasibility study management, development and operations within Australia and overseas.

Directorships held in other listed entities: Mr Penkethman is the current Managing Director and CEO of Ardea Resources Limited (February 2020 to present).

Shares held	-	131,399
Options held	-	625,000 options exercisable @ \$0.25 and expiring 16/09/2024
	-	43,799 options exercisable @ \$0.25 and expiring 29/03/2023

### Company Secretary

**Graeme Smith** Mr Smith is a corporate governance and finance professional with over 30 years experience in accounting and company administration. He is a Fellow of the Australian Society of Certified Practising Accountants, the Chartered Governance Institute and the Governance Institute of Australia. He is the principal of Wembley Corporate which provides Company Secretarial, CFO, and Corporate Governance services to public and private companies.

### Principal Activities

The principal activities of the Company during the financial period were the exploration of a number of gold tenements in Western Australia.

### Operating Results

The consolidated loss of the Company after providing for income tax amounted to \$799,869 (2021: Nil).

### Financial Position

The net assets of the Company at 30 June 2022 are \$16,663,018 (2021: \$100). The cash and cash equivalent of the Company at 30 June 2022 are \$3,664,246 (2021: \$100). The net current assets of the Company at 30 June 2022 are \$3,232,297 (2021: \$100).

### Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board. The Board believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

## DIRECTORS' REPORT

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### COVID-19

The COVID-19 outbreak has continued to affect everybody in 2022. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people (like social distancing and working from home).

At this stage, the impact on our business and results is limited. We will continue to follow the various national institutes policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

### Significant Changes in State of Affairs

The company was admitted to the Australian Securities Exchange as of 17 November 2021. There have been no other significant changes in the affairs of the Company during the year.

### Significant Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### Likely Developments and Expected Results

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the Company's operations.

### Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

### Environmental Regulation and Performance

The Company is subject to significant environmental regulation in respect to its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

### Dividends Paid or Recommended

No dividend has been paid or recommended.

### Meetings of Directors

During the financial period, the following meetings of Directors were held. Attendances by each Director during the period were as follows:

## DIRECTORS' REPORT

	Directors' Meetings	
	Number eligible to attend	Number attended
P Gately	7	7
M Painter	7	7
C McKenzie	7	5
A Penkethman	7	7

### Indemnifying Officers or Auditor

During or since the end of the financial period, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
- The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$15,790 (2021: Nil).
- No indemnity has been given to the Company's auditors.

### Options

At the date of this report, the following options were on issue over ordinary shares of the Company.

Date options granted	Number of unissued shares under option	Exercise price per option	Expiry date of options
16 September 2021	3,000,000	\$0.25	16 /09/2024
05 November 2021	17,031,950	\$0.25	05/11/2024
29 March 2022	28,808,837	\$0.25	29/03/2023
<b>Total options on issue</b>	<b>48,840,787</b>		

Options were issued for no consideration. Options granted carry no dividend or voting rights.

During the year 1,293 options were exercised at \$0.25 per share and 1,293 new ordinary shares were issued by the Company as a result.

### Performance Rights

On 17 February 2022, 744,827 Performance Rights were issued under the Company's Employee Share Plan. The fair value of these Performance Rights granted was estimated as at the date of grant using a Binomial Option Pricing Model taking into account the terms and conditions upon which the Performance Rights were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. Refer to note 2 for further details.

### Non-audit Services

The following non-audit services were provided by the entity's auditor, Dry Kirkness (Audit) Pty Ltd, or associated entities. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are

## DIRECTORS' REPORT

satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Dry Kirkness (Audit) Pty Ltd, or associated entities, received or are due to receive the following amounts for the provision of non-audit services:

	2022	2021
	\$	\$
Independent Accounts Report for IPO	8,750	-

### Corporate

The Company was admitted to the Australian Securities Exchange on 17 November 2021, raising \$7.5 million.

The Company had 86,435,893 ordinary shares on issue and cash and cash equivalents of \$3.7 million as at 30 June 2022.

The Company manages its costs in accordance with the projects it holds and the requirements these projects have for either management or exploration funds.

The Company continues to assess new opportunities presented. The board remains focused on gold and base metal projects.

### Substantial Shareholders

At year end, the following substantial shareholders were noted:

Holder Name	Holding Balance	% IC
Ardea Resources Limited	9,025,585	10.44%
Citicorp Nominees Pty Limited	5,892,555	6.82%
Merrill Lynch (Australia) Nominees Pty Limited	4,441,124	5.14%

## REMUNERATION REPORT (AUDITED)

This report details the nature and amount of each element of the remuneration of each of the key management personnel ("KMP") of the Company (defined as "Directors", both Non-Executive and Executive).

### A. Remuneration Policy

The remuneration policy of Kalgoorlie Gold Mining Limited has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and Directors to run and manage the Company, as well as create goal congruence between Directors, executives and shareholders.

## DIRECTORS' REPORT

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The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the Managing Director and other senior executives, was developed and approved by the Board. All Executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews Executive packages periodically by reference to the Company's performance, Executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors is valued at the cost to the Company and expensed. Options given to Directors are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration periodically based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and KMP's performance. The Company believes this policy will be effective in increasing shareholder wealth. There is no direct link between remuneration paid to Non-Executive Directors and corporate performance.

### **Use of remuneration consultants**

The Company did not employ the services of any remuneration consultants during the financial period ended 30 June 2022.

## DIRECTORS' REPORT

### B. Details of Remuneration for Period Ended 30 June 2022

The following table outlines benefits and payment details, in respect to the financial year, as well as the components of remuneration for each member of the KMP of the Company.

**Table of Benefits and Payments for the Period Ended 30 June 2022**

	Short-term benefits	Post-employment benefits	Equity-settled share-based payments		
	Salary, fees and leave	Superannuation	Options and Performance Rights <sup>1</sup>	Total	Remuneration performance based
	\$	\$	\$	\$	%
<b>2022</b>					
P Gately	46,667	4,667	60,488	111,822	54%
M Painter	193,333	19,333	80,650	293,316	27%
C McKenzie	26,667	-	50,406	77,073	65%
A Penkethman	26,667	2,667	50,406	79,740	63%
	<b>293,334</b>	<b>26,667</b>	<b>241,950</b>	<b>561,951</b>	<b>43%</b>
<b>2021</b>					
A Penkethman	-	-	-	-	-
	-	-	-	-	-

*P Gately – Appointed 23/08/2021*

*M Painter – Appointed 23/07/2021*

*C McKenzie – Appointed 23/07/2021*

*A Penkethman – Appointed 05/11 /2020*

<sup>1</sup> Refer Note 2 for details

### Equity instrument disclosures relating to KMP

#### Ordinary Shares

The number of ordinary shares held by each KMP of the Company during the financial period is as follows:

	Balance at the start of the period	Other changes during the period <sup>1</sup>	Balance at the end of the period
<b>2022</b>			
<b>Ordinary Shares</b>			
P Gately	-	50,000	50,000
M Painter	-	250,626	250,626
C McKenzie	-	101,721	101,721
A Penkethman	-	131,399	131,399
<b>Total</b>	<b>-</b>	<b>533,746</b>	<b>533,746</b>

(1) Pursuant to the IPO.

## DIRECTORS' REPORT

### Options

The number of options on issue over ordinary shares of the Company held by each KMP of the Company during the financial period is as follows:

	Balance at the start of the period	Other changes during the period <sup>(1)</sup>	Other changes during the period <sup>(2)</sup>	Balance at the end of the period	Vested and exercisable
<b>2022</b>					
<b>Unlisted Options</b>					
P Gately	-	750,000	16,666	766,666	766,666
M Painter	-	1,000,000	83,541	1,083,541	1,083,541
C McKenzie	-	625,000	33,906	658,906	658,906
A Penkethman	-	625,000	43,799	668,799	668,799
<b>Total</b>	<b>-</b>	<b>3,000,000</b>	<b>177,912</b>	<b>3,177,912</b>	<b>3,177,912</b>

(1) Pursuant to shareholder approval at a general meeting held on 16 September 2021. Refer Note 2 for further details.

(2) Loyalty Options issued pursuant to a Prospectus dated 21 March 2022.

### Service Agreements

The Company has entered into formal employment contracts with Matthew Painter in July 2021. The employment contract for Mr Painter has no fixed term and does not prescribe how remuneration levels are to be modified from year to year. A summary of the main provisions of this contract for the year ended 30 June 2022 is set out below:

NAME	TERMS
Matthew Painter (Managing Director and CEO)	Base salary of \$290,000 (exclusive of superannuation contributions), reviewed annually. 3 months' notice by Mr. Painter or the Company Termination payments to reflect appropriate notice, except in cases of termination for cause. Mr. Painter shall be eligible to participate in any Short Term or Long Term Incentive Schemes that the Company may offer.

## DIRECTORS' REPORT

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### C. Share-based compensation

#### Incentive Option Scheme

Options, where appropriate, may be granted under the Kalgoorlie Gold Mining Limited Employee Share Option Plan ("ESOP"). Options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Options are granted for up to a five year period. Options granted under the plan carry no dividend or voting rights.

The ability for the employee to exercise the options is restricted in accordance with the terms and conditions detailed in the ESOP. Each option will automatically lapse if not exercised within five years of the date of issue. The exercise period may also be affected by other events as detailed in the terms and conditions in the ESOP. The options vest as specified when the options are issued.

### D. Other Transactions with Directors and Key Management Personnel

Other than noted elsewhere in this report, no significant related party transactions have arisen during the year ended 30 June 2022.

### Company's Performance

The table below sets out information about the Company's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2022	2021
Net loss after tax (\$)*	(\$799,869)	-
Basic loss per share (cents)*	(1.42)	-
Share Price at year end (cents)	9.7	-

----- End of Audited Remuneration Report -----

### Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2022 has been received and can be found on the following page.

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

### Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.



**Pauline Gately**  
Non-Executive Chair

Dated this 30<sup>th</sup> day of September 2022

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of Kalgoorlie Gold Mining Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kalgoorlie Gold Mining Limited and the entity it controlled during the year.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 30 September 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June

	Note	2022 \$	2021 \$
Other income		-	-
Accounting and audit fees		(7,800)	-
Computers and software		(20,553)	-
Consulting expense		(199,695)	-
Depreciation	8	(19,404)	-
Depreciation of Right of Use Asset	9	(2,716)	-
Employee benefits expense		(5,184)	-
Insurance		(16,759)	-
Investor relations		(53,973)	-
Legal fees		(24,362)	-
Office rental and occupation expenses		(116,359)	-
Share based payments	2	(250,205)	-
Share registry and listing fees		(67,541)	-
Travel and accommodation		(9,844)	-
Other expenses		(5,474)	-
<b>Loss before income tax</b>		<b>(799,869)</b>	-
Income tax (expense) / benefit		-	-
<b>Loss for the year</b>		<b>(799,869)</b>	-
Basic & Diluted loss per share (cents per share)	5	(1.42)	-

*The accompanying notes form part of these financial statements*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June

	Note	2022	2021
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	6	3,664,246	100
Trade and other receivables	7	23,034	-
Prepayments		8,129	-
<b>Total Current Assets</b>		<b>3,695,409</b>	<b>100</b>
<b>Non-Current Assets</b>			
Plant and equipment	8	100,214	-
Right of Use Assets	9	99,832	-
Exploration and evaluation	10	13,298,759	-
<b>Total Non-Current Assets</b>		<b>13,498,805</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>17,194,214</b>	<b>100</b>
<b>Current Liabilities</b>			
Trade and other payables	11	323,342	-
Lease liability	9	31,870	-
Provisions		107,900	-
<b>Total Current Liabilities</b>		<b>463,112</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Lease liability	9	68,084	-
<b>Total Non- Current Liabilities</b>		<b>68,084</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>531,196</b>	<b>-</b>
<b>NET ASSETS</b>		<b>16,663,018</b>	<b>100</b>
<b>Equity</b>			
Issued capital	12	15,839,055	100
Reserves	13	1,623,832	-
Accumulated losses		(799,869)	-
<b>TOTAL EQUITY</b>		<b>16,663,018</b>	<b>100</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>				
<b>Loss attributable to members of the entity for the period</b>				
Loss for the period	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	-
<b>Transaction with owners, directly in equity</b>				
Shares issued during the year, net of issue costs	100	-	-	100
<b>Balance at 30 June 2021</b>	<b>100</b>	-	-	<b>100</b>
<b>Loss attributable to members of the entity for the period</b>				
Loss for the period	-	-	(799,869)	(799,869)
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	<b>(799,869)</b>	<b>(799,869)</b>
<b>Transaction with owners, directly in equity</b>				
Shares issued during the year, net of issue costs (note 12(a))	15,838,955	-	-	15,838,955
Options issued during the year (note 13)	-	1,623,832	-	1,623,832
<b>Balance at 30 June 2022</b>	<b>15,839,055</b>	<b>1,623,832</b>	<b>(799,869)</b>	<b>16,663,018</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest paid		(323)	-
Payments to suppliers and employees		(466,189)	-
Other receipts		-	-
<b>Net cash used in operating activities</b>	<b>15a</b>	<b>(466,512)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(118,430)	-
Payments for exploration and evaluation expenditure		(2,701,150)	-
<b>Net cash used in investing activities</b>		<b>(2,819,580)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares during the period		7,487,223	100
Costs associated with shares issued during the period		(534,391)	-
Payment of lease liabilities		(2,594)	-
Proceeds from related party loan		1,102,225	-
Repayment of related party loan		(1,102,225)	-
<b>Net cash provided by financing activities</b>		<b>6,950,238</b>	<b>100</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>3,664,146</b>	<b>100</b>
Cash and cash equivalents at beginning of the period		100	-
<b>Cash and cash equivalents at 30 June</b>	<b>6</b>	<b>3,664,246</b>	<b>100</b>

*The accompanying notes form part of these financial statements.*

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Kalgoorlie Gold Mining Limited (“the Company”) and controlled entities (“the Company”). Kalgoorlie Gold Mining Limited is a listed public company, incorporated and domiciled in Australia. The financial information is presented in Australian dollars.

#### 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 and the *Corporations Act 2001*. Kalgoorlie Gold Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors. The Directors have the power to amend and reissue the financial statements.

#### Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company’s assets and the discharge of their liabilities in the normal course of business.

As disclosed in the financial report, the Company recorded an operating loss of \$799,869 (2021: \$-), net current assets of \$3,232,297 (2021: \$100), net cash outflows used in operating activities of \$466,512 (2021: \$-), net cash outflows used in investing activities of \$2,819,580 (2021: \$-) and had cash and cash equivalents of \$3,664,246 (2021: \$100) for the year ended 30 June 2022.

The board considers that the Company is a going concern. In arriving at this position the Directors have had regard to the fact that based on the matters noted below the Company has, or in the Directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Kalgoorlie Gold Mining Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 16.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (A) INCOME TAX

The income tax expense for the period comprises current income tax expense and deferred tax expense.

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

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

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

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

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

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

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

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

### (B) PROPERTY, PLANT & EQUIPMENT

#### Property, Plant, and Equipment

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

#### Plant and equipment

Plant and equipment are measured on the historical cost basis.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets is 33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

### (C) EXPLORATION & EVALUATION EXPENDITURE

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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) LEASES

#### Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

#### Leases of 12-months or greater

##### Lease Asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

##### Lease Liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (E) FINANCIAL INSTRUMENTS

#### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

#### Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following category upon initial recognition:

- equity instruments at fair value through other comprehensive income (FVOCI)
- amortised cost

#### Classification is determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss (FVPL). Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The Company has not designated any financial liabilities at FVPL.

### (F) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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 goodwill and intangible assets with indefinite lives.

### (G) EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### Equity-settled compensation

The Company operates an Incentive Option Scheme share-based compensation plan. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the Consolidated Statement of Profit of Loss and Other Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The issue of Shares pursuant to the plan may be undertaken by way of provision of a limited-recourse, interest-free loan to be used for the purposes of subscribing for the Shares. The Shares issued are fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares, other than being subject to any Loan being extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes.

### (H) PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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 Consolidated Statement of Financial Position.

### (J) OTHER INCOME

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All other income is stated net of the amount of goods and services tax (GST).

### (K) 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 during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

### (L) GOODS AND SERVICES TAX (GST)

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

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of financing activities, which are disclosed as operating cash flow.

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

### (M) EQUITY AND RESERVES

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Retained earnings include all current and prior period retained profits.
- Share based payments reserves – comprises expenses recorded for share based payments.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (N) EARNINGS PER SHARE

#### Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the Company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

#### Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (O) PERFORMANCE RIGHTS

The Company measures the fair value of Performance Rights at the date of grant using a Binomial Option Pricing Model taking into account the terms and conditions upon which the Performance Rights were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. The Company then determines the probability that performance conditions attaching to the rights will be met and the rights will convert. The value of the Performance Rights is then proportioned against the probability the performance conditions will be met. The value of the rights are then amortised into expense evenly over the service period to the date of expiry, resulting in a share based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and accumulating in the performance rights reserves in equity on the Consolidated Statement of Financial Position.

### (P) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

#### Key Estimates — Impairment of Assets

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recorded for the year ended 30 June 2022.

#### Key Estimates – Performance Rights Probability

In the fiscal 2022 report period, the Company issued 744,827 performance rights to employees. The rights convert on a one-to-one basis into fully paid ordinary shares as specified in note 12. Management has estimated the probability the performance objective being achieved, and expensed that portion of the probability.

#### Key Judgments – Benefit from Deferred Tax Losses

The future recoverability of the carried forward tax losses are dependent upon Company's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

### (Q) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There is no material impact on any new or amended Accounting Standards and Interpretations adopted by the Company. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following relevant standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective for the year ending 30 June 2022:

#### ***AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments***

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:

- (a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- (b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
- (c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- (d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- (e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
- (f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Company in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

#### ***AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections***

AASB 2014-10 amends AASB 10: Consolidated Financial Statements and AASB 128: Investments in Associates and Joint Ventures to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:

- (a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and
- (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2021-7 defers the mandatory effective date of amendments that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2022. They will first be applied by the Company in the financial year commencing 1 July 2025.

This accounting standard is not expected to have a material impact on the financial statements of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### **AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date**

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Company in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

### **AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

AASB 2020-1 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:

- (a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
- (c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Company in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

## NOTE 2: SHARE-BASED PAYMENTS

Share based payments recognised during the year are:

	2022	2021
	\$	\$
Options issued to Directors <sup>(i)</sup>	241,950	-
Performance Rights issued <sup>(ii)</sup>	8,255	-
	<b>250,205</b>	-

(i) On 16 September 2021, Shareholders approved the issue of 3,000,000 options with an exercise price of \$0.25 to the Directors of the Company. The fair value of the options granted was estimated as at the date of grant using the Black Scholes model taking into account the terms and conditions upon which the options were granted and factors such as the share price at grant date, volatility of the share price and risk free rate. As there were no vesting conditions attached, the expense of \$241,950 was recognised in full in the year ended 30 June 2022.

(ii) On 17 February 2022, 744,827 Performance Rights were issued under the Company's Employee Share Plan. The fair value of these Performance Rights granted was estimated as at the date of grant using a Binomial Option pricing Model taking into account the terms and conditions upon which the Performance Rights were granted and factors such as the share price at grant date, volatility of the share price and risk

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

free rate. An expense of \$8,255 was recognised for the year ended 30 June 2022.

The options and performance rights were issued for nil consideration.

The Performance Rights are subject to the following vesting conditions:

- The Company, in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, defines a JORC Inferred Mineral Resource of more than 1M oz = or > 1g/t Au; and
- Makes three or more new gold discoveries with multiple significant hole intersections confirming a significant new discovery; and
- Achieves share price equal to or greater than A\$0.50 based on a 30-day VWAP.

Employees must comply with all obligations contained in this Offer and must be continuously employed by the Company from 1 January 2022 until 31 December 2024 or an earlier date when vesting conditions have been achieved

For the avoidance of doubt, both the Employment Condition and the relevant Milestone (together, the **Vesting Conditions**) must be satisfied before a Performance Right will vest.

### Change of control

In the event that there is Change of Control Event (as defined in the Plan rules) occurs or the Board determines that either such an event is likely to occur before the Vesting Conditions are met, the Board will have a discretion whether to allow the vesting of the Performance Rights and on what terms. When determining the vesting of the Performance Rights, the Directors will take into consideration a number of criteria, but in particular the value to shareholders as a result of the event.

### Valuation of Share Based Payments

A summary of the key assumptions used in applying the Binomial Option Pricing model to the share based payments recognised is as follows:

	Performance Rights issued	Options issued to Directors	Options issued to Others
Number of instruments	744,827	3,000,000	17,031,950
Date of grant	17-Feb-2022	16-Sept-2021	05-Nov-2021
Share price at grant date	\$0.165	\$0.20	\$0.20
Volatility factor	60%	70.00%	70.00%
Risk free rate	1.48%	0.01%	0.01%
Expected life of instrument (years)	2.9 years	3 years	3 years
Valuation per instrument	\$0.165	\$0.08065	\$0.08065
Exercise price per instrument	-	\$0.25	\$0.25
Vesting conditions	As above	None	None
Number of instruments exercisable as at 30 June 2022	Nil	3,000,000	17,031,950

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### NOTE 3: INCOME TAX

	2022 \$	2021 \$
<b>(a) Income tax (benefit)/expense</b>		
Current tax	-	-
Deferred tax	-	-
	-	-
<b>Reconciliation of income tax expense to prima facie tax payable</b>		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss of \$799,869 (2021: Nil) at 30%	(239,961)	-
Add / (Less) tax effect of:		
Permanent items	75,001	-
Temporary differences	(794,385)	-
Other allowable expenditure	(41,896)	-
Deferred tax asset not brought to account	1,001,241	-
Income tax benefit attributable to operating loss	-	-
<b>(b) Deferred tax assets</b>		
<i>Unrecognised deferred tax assets</i>		-
Accruals and provisions	399,187	-
Blackhole Expenditure	558,614	-
Carry forward tax losses	3,337,470	-
Gross deferred tax assets	4,295,271	-
<i>Unrecognised deferred tax assets</i>		-
Capitalised exploration and evaluation expenditure	3,039,009	-
Prepayments	8,129	-
<i>Unrecognised deferred tax assets</i>	3,047,138	-
<b>(c) Deferred tax liabilities</b>		
Surplus deferred tax assets not recognised	1,248,133	-
Potential benefit at 30%	374,440	-

#### (e) Franking credits

The consolidated entity has no franking credits as at 30 June 2022 available for use in future years (2021: Nil)

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and exploration expenditure.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### NOTE 4: AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report by Dry Kirkness (Audit) Pty Ltd	20,500	-
Remuneration of the auditor, or associated entities, of the parent entity for non-audit services:		
- IAR for IPO	8,750	-

2022	2021
\$	\$
20,500	-
8,750	-

### NOTE 5: LOSS PER SHARE

(a) Reconciliation of earnings to loss		
Earnings used in the calculation of basic EPS	(799,869)	-
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	56,346,501	-
Basic loss per share (cents per share)	(1.42)	-

2022	2021
\$	\$
(799,869)	-
56,346,501	-
(1.42)	-

### NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank	3,664,246	100
Reconciliation of cash		
Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	3,664,246	100

2022	2021
\$	\$
3,664,246	100
3,664,246	100

### NOTE 7: TRADE AND OTHER RECEIVABLES

<b>CURRENT</b>		
GST receivable	21,114	-
Trade and other receivables	1,920	-

2022	2021
\$	\$
21,114	-
1,920	-
23,034	-

There are no balances within trade and other receivables that contain assets that are impaired and are past due. It is expected these balances will be received when due.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

#### NON-CURRENT

Plant and equipment – cost  
Accumulated depreciation

Motor vehicle – cost  
Accumulated depreciation

**Total plant and equipment**

	2022 \$	2021 \$
Plant and equipment – cost	41,963	-
Accumulated depreciation	(7,680)	-
	<b>34,283</b>	-
Motor vehicle – cost	77,655	-
Accumulated depreciation	(11,724)	-
	<b>65,931</b>	-
<b>Total plant and equipment</b>	<b>100,214</b>	-

#### a) Reconciliation of Carrying Amounts

##### Plant & Equipment

Opening balance  
- Additions  
- Depreciation expense  
Carrying amount at the end of the period

##### Motor Vehicles

Opening balance  
- Additions  
- Depreciation expense  
Carrying amount at the end of the period

##### Totals

Opening balance  
- Additions  
- Depreciation expense  
**Carrying amount at the end of period**

	2022 \$	2021 \$
Opening balance	-	-
- Additions	41,963	-
- Depreciation expense	(7,680)	-
Carrying amount at the end of the period	<b>34,283</b>	-
Opening balance	-	-
- Additions	77,655	-
- Depreciation expense	(11,724)	-
Carrying amount at the end of the period	<b>65,931</b>	-
Opening balance	-	-
- Additions	119,618	-
- Depreciation expense	(19,404)	-
<b>Carrying amount at the end of period</b>	<b>100,214</b>	-

### NOTE 9: LEASES

#### Accounting Policies

##### (i) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

##### (ii) *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### (iii) Leases - Estimating the incremental borrowing rate

When the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### (iv) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

<b>Right-to-use assets recognised and movements during the year</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening net carrying amount	-	-
Additions	102,548	-
Depreciation expense	(2,716)	-
Net carrying amount	99,832	-
<b>Lease liabilities and movements during the year</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening net carrying amount	-	-
Additions	102,548	-
Interest expense	323	-
Payments	(2,917)	-
Closing net carrying amount	99,954	-
Current	31,870	-
Non-current	68,084	-
	99,954	-

Total cash outflow for leases for the year ended 30 June 2022 was \$2,917 (2021:Nil)

The company has no short term or low value leases as at 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### NOTE 10: EXPLORATION AND EVALUATION

	2022	2021
	\$	\$
Exploration and evaluation phases – at cost	13,298,759	-
<b>Exploration and evaluation - movement</b>		
Opening balance	-	-
Exploration expenditure	3,039,009	-
Shares issued in IPO (Refer Note 12)	9,050,000	-
Options issued in IPO (Refer Note 12)	1,209,750	-
Impairment of exploration and evaluation	-	-
Closing balance	13,298,759	-

The Directors' assessment of the carrying amount for the Company's exploration properties was after consideration of prevailing market conditions; previous expenditure for exploration work carried out on the tenements; and the potential for mineralisation based on the Company's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Company's interests in these exploration properties for an amount at least equal to the carrying value. There may exist on the Company's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance to Aboriginal people. As a result, the Company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

As at 30 June 2022, the Directors have concluded that there remains an expectation that the carrying amount of the Company's exploration and evaluation assets will be recovered in full on the basis of the above factors, and hence no impairment triggers exist. Consequently, no detailed impairment assessment has been performed.

### NOTE 11: TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
<b>Current – Unsecured Liabilities</b>		
Trade and other payables	32,055	-
Accrued expenses	291,287	-
	323,342	-

All amounts in trade and other payables are short term and the carrying values are considered a reasonable approximation of fair value. Refer to Note 18 related party transactions for payable balances with related parties.

### NOTE 12: ISSUED CAPITAL

#### (a) Issued capital

	2022	2021
	\$	\$
86,435,893 (2021: 100) Fully paid ordinary shares	15,839,055	100

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (b) Ordinary shares

	2022 No.	2022 \$	2021 No.	2021 \$
The following movements in ordinary share capital occurred during the reporting period:				
Balance at beginning of the period	100	100	-	-
<b>Shares issued during the period</b>				
IPO	37,434,500	7,486,900	-	-
In-Specie Distribution	35,000,000	7,000,000	-	-
In-Specie Distribution	9,000,000	1,800,000	-	-
Acquisition of tenements	5,000,000	250,000	-	-
Option exercise	363	90	-	-
Option exercise	930	233	-	-
<b>Prior year</b>				
Shares issued on company formation	-	-	100	100
Costs associated with equity raisings	-	(698,268)	-	-
Balance at end of the period	89,435,893	15,839,055	100	100

### (c) Performance rights

	2022 No.	2022 \$	2021 No.	2021 \$
The following movements in performance rights occurred during the reporting period:				
Balance at beginning of the period	-	-	-	-
Performance rights issued during the period	744,827	8,255	-	-
Balance at end of the period	744,827	8,255	-	-

### (d) Unlisted Options

	2022 No.	2022 \$	2021 No.	2021 \$
The following movements in unlisted options occurred during the reporting period:				
Balance at beginning of the period	-	-	-	-
<b>Options issued during the period:</b>				
3,000,000 \$0.25 Options exp 16 Sept 2024	3,000,000	241,950	-	-
17,031,950 \$0.25 Options exp 05 Nov 2024	17,031,950	1,373,627	-	-
28,810,130 \$0.25 Loyalty options exp 29 Mar 2023	28,810,130	-	-	-
Options exercised	(1,293)	-	-	-
Balance at end of the period	48,840,787	1,615,577	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### (e) Capital Management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Company has no debt therefore has no externally imposed capital restrictions.

The focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings or alternative funding arrangements as required. The Company's working capital position, being current assets less current liabilities as at 30 June 2022 is a surplus of \$3,332,457 (2021: surplus of \$100).

### (f) Dividends

No dividends were paid or proposed during the financial year (2021: Nil).

The Company has no franking credits available at 30 June 2022 (2021: Nil).

### NOTE 13: RESERVES

	2022 \$	2021 \$
Share based payments reserve	1,623,832	-
	<b>1,623,832</b>	-

#### Movements in reserves

	2022 \$	2021 \$
<b>Share-based payments reserve</b>		
Balance at beginning of the period	-	-
Issue of performance rights during the period <sup>(i)</sup>	8,255	-
Issue of options to Directors during the period <sup>(i)</sup>	241,950	-
Issue of options to Ardea Resources Limited during the period	1,209,750	-
Issue of other options during the period <sup>(ii)</sup>	163,877	-
Balance at end of the period	<b>1,623,832</b>	-

This reserve is used to record the value of equity benefits provided to Directors, employees and third parties of the Company in accordance with its accounting policy.

- (i) Refer to Note 2 for details of share-based payments made during the reporting period.
- (ii) Issue of Options to brokers pursuant to the IPO.

### NOTE 14: FINANCIAL INSTRUMENTS

Note 1(E) provides a description of each category of financial instrument and related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Amortised Cost \$	FVOCI \$
<b>30 June 2022</b>		
<b>Financial assets</b>		
Cash and cash equivalents <sup>(i)</sup>	3,664,246	-
Trade and other receivables <sup>(i)</sup>	23,034	-
<b>Total financial assets</b>	<b>3,687,280</b>	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Amortised Cost \$	FVOCI \$
<b>Financial liabilities</b>		
Trade and other payables <sup>(i)</sup>	(323,342)	-
Lease liability - current	(31,870)	-
Lease liability – non-current	(68,084)	-
<b>Total financial liabilities</b>	<b>(423,296)</b>	<b>-</b>
<b>30 June 2021</b>		
<b>Financial assets</b>		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Equity instruments <sup>(ii)</sup>	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>		
Trade and other payables	-	-
Loans and borrowings	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>

- (i) The carrying amount of the following financial assets and liabilities is considered reasonable approximation of fair value:
- cash and cash equivalents
  - trade and other receivables
  - trade and other payables

### NOTE 15: CASH FLOW INFORMATION

	2022 \$	2021 \$
Loss after income tax	(799,869)	-
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss from ordinary activities:		
Depreciation	22,120	-
Share based payments	250,205	-
Impairment of Exploration and Evaluation	-	-
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	(6,349)	-
(Increase) / Decrease in prepayments	(8,129)	-
Increase / (Decrease) in payables	75,510	-
Cash flow used in operations	<b>(466,512)</b>	<b>-</b>

#### Change in liabilities from financing activities

	Opening balance 1-Jul-21	Additions during the year	Interest expense	Payments	Closing balance 30-Jun-22
Lease liabilities (Refer Note 9)	-	102,548	323	(2,917)	99,954
	-	102,548	323	(2,917)	99,954

### NOTE 16: CONTROLLED ENTITIES

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Details of Controlled Entities	Country of Incorporation	Class of Shares	Percentage Owned %	
			2022	2021
Yerilla Nickel Pty Ltd	Australia	Ordinary	100%	-

### NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

Other than as disclosed elsewhere within this report, there were no other subsequent events after the reporting date.

### NOTE 18: RELATED PARTY TRANSACTIONS

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

#### Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Company's KMP for the year ended 30 June 2022. The totals of remuneration paid to KMP during the year are as follows:

	2022	2021
	\$	\$
Short-term employee benefits <sup>(i)</sup>	298,000	-
Post-employment benefits	22,000	-
Share based payments	241,950	-
	<b>561,950</b>	-

(i) A portion of short-term employee benefits are paid to director-related parties.

#### Other Related Party Transactions

During the year, an amount of \$1,323,720 was paid and/or payable to Ardea Resources Limited, a related party to Director Andrew Penkethman. This amount was for the provision of geological staff, office rent and back office support.

### NOTE 19: EXPENDITURE COMMITMENTS

#### Capital commitments

There are no commitments for capital expenditure as at 30 June 2022.

#### Exploration expenditure commitments

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to \$817,072 (2021 - Nil). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

### NOTE 20: FINANCIAL INSTRUMENT RISK

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. The main purpose of non-derivative financial

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

instruments is to raise finance for Company operations. The Company does not speculate in the trading of derivative instruments.

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk.

### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

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

#### *Credit risk exposures*

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

There are no other material amounts of collateral held as security at 30 June 2022. Trade and other receivables are expected to be settled within 30 days and there is no history of credit losses.

Credit risk related to balances with banks and other financial institutions is managed by the Company in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2022 \$	2021 \$
Cash and cash equivalents			
- AA Rated	6	3,664,246	-

### (b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings or alternative funding arrangements as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Company include trade and other payables, and loans and borrowings, as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. All loans and borrowings are interest bearing and due within 12 months of the reporting date.

### (c) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. Interest rate risk is managed by closely monitoring the interest rates at various financial institutions and using fixed rate debt.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

A summary of the Company's financial assets and liabilities exposed to interest rate risk, and contractual maturity analysis, is shown below:

	Floating Interest Rate	Fixed Int maturing in 1 year or less	Fixed Int maturing over 1 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>2022</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	3,664,246	-	-	-	3,664,246
Other receivables				23,034	23,034
<b>Total Financial Assets</b>	<b>3,664,246</b>	<b>-</b>	<b>-</b>	<b>23,034</b>	<b>3,687,280</b>
Weighted ave int rate					
<b>Financial Liabilities at cost</b>					
Trade & Other Payables	-	-	-	(323,342)	(323,342)
Lease Liabilities	(99,954)	-	-	-	(99,954)
<b>Total Financial Liabilities</b>	<b>(99,954)</b>	<b>-</b>	<b>-</b>	<b>(323,342)</b>	<b>(423,296)</b>
Weighted ave int rate	3.78%				
<b>Net financial assets</b>	<b>3,564,292</b>	<b>-</b>	<b>-</b>	<b>(300,308)</b>	<b>3,263,984</b>

2021 – An analysis for 2021 is not applicable

### (ii) Sensitivity Analysis

The Company is not materially exposed to the changes in interest rates.

### (d) Net Fair Values

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

## NOTE 21: PARENT ENTITY DISCLOSURES

### (a) Financial Position of Kalgoorlie Gold Mining Limited

	2022	2021
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,664,246	100
Trade and other receivables	23,034	-
Prepayments	8,129	-
<b>TOTAL CURRENT ASSETS</b>	<b>3,695,409</b>	<b>100</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	100,214	-
Right of Use Assets	99,832	-
Exploration and evaluation	13,298,759	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,498,805</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>17,194,214</b>	<b>100</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2022 \$	2021 \$
<b>CURRENT LIABILITIES</b>		
Trade and other payables	323,342	-
Lease liability	31,870	-
Provisions	107,900	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>463,112</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liability	68,084	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>68,084</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>531,196</b>	<b>-</b>
<b>NET ASSETS</b>	<b>16,663,018</b>	<b>100</b>
<b>EQUITY</b>		
Issued capital	15,839,055	100
Reserves	1,623,832	-
Accumulated losses	(799,869)	-
<b>TOTAL EQUITY</b>	<b>16,663,018</b>	<b>100</b>
<b>(b) Financial Performance of Kalgoorlie Gold Mining Limited</b>		
Loss for the year	(799,869)	-
<b>Total comprehensive loss</b>	<b>(799,869)</b>	<b>-</b>

### NOTE 22: CONTINGENT LIABILITIES

As at 30 June 2022 the Company has bank guarantees to the value of \$10,000 (2021: Nil) to secure rental bonds.

## DIRECTORS' DECLARATION

The Directors declare that:

1. The financial statements and notes set out on pages 26 to 50 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory reporting requirements; and
  - b. giving a true and fair view of the Company's financial position as at 30 June 2022 and of their performance for the financial year ended on that date;
2. In their opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. A statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



**Pauline Gately**  
Non-Executive Chair

Dated this 30<sup>th</sup> day of September 2022

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KALGOORLIE GOLD MINING LIMITED**

**Report on the financial report**

**Opinion**

We have audited the financial report of Kalgoorlie Gold Mining Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, 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 year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for opinion**

We have 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 ethical requirements in accordance with the Code.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Capitalised mineral exploration expenditure</b> <i>(refer notes 1(C) and 10)</i></p> <p>The Group operates as an exploration entity and as such its primary activities entail expenditure focussed on the exploration for and evaluation of economically viable mineral deposits. These activities currently relate to several projects areas in the Eastern Goldfields of Western Australia.</p> <p>All exploration and evaluation expenditure incurred has been capitalised and recognised as an asset in the Statement of Financial Position. The closing value of this asset is \$13,298,759 as at 30 June 2022.</p> <p>The carrying value of capitalised mineral exploration assets is subjective and is based on the Group's intention and ability to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• ensuring the Group's continued right to explore for minerals in the relevant exploration areas including assessing documentation such as exploration and mining licences;</li> <li>• enquiring of management and the directors as to the Group's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts;</li> <li>• assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset;</li> <li>• assessing the Group's ability to finance the planned exploration and evaluation activity; and</li> <li>• assessing the adequacy of the disclosures made by the Group in the financial report.</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year 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 accordingly we do not express any form of assurance conclusion thereon.

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

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

### Directors' responsibilities 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significant in the audit of the financial report for the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

## **Report on the remuneration report**

### **Opinion**

We have audited the remuneration report included on pages 19 to 23 of the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Kalgoorlie Gold Mining Limited for the year complies with section 300A of the Corporations Act 2001.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the remuneration report based on our audit conducted in accordance with Australian Auditing Standards.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 30 September 2022

## ADDITIONAL ASX INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in the report is as follows. The information is current as at 18 September 2022.

### (a) Twenty largest holders of quoted equity securities

Position	Holder Name	Holding	% IC
1	Ardea Resources Limited	9,025,585	10.44%
2	Citicorp Nominees Pty Limited	5,892,555	6.82%
3	Merrill Lynch (Australia) Nominees Pty Limited	4,441,124	5.14%
4	Steven Kean	3,500,000	4.05%
5	BNP Paribas Nominees Pty Ltd	2,199,703	2.54%
6	Hazurn Pty Ltd	2,087,751	2.42%
7	Josco Pty Ltd	1,787,805	2.07%
8	Mr Olivier Dupuy & Ms Julie Dupuy	1,700,000	1.97%
9	Patrick Costanzo	1,500,000	1.74%
10	BNP Paribas Noms Pty Ltd	1,482,912	1.72%
11	Ironside Pty Ltd	1,340,000	1.55%
12	Mr Iwan Jones & Ms Joyce Christine Jones	1,301,750	1.51%
13	Jetonian Pty Ltd	1,250,000	1.45%
13	Tvct Pty Ltd	1,250,000	1.45%
14	B & J O'Shannassy Management Pty Ltd	1,192,904	1.38%
15	HSBC Custody Nominees (Australia) Limited	1,012,795	1.17%
16	Mr Austin Keith Jury & Mrs Judith Dorothy Jury	1,000,000	1.16%
16	C J Superannuation Fund Pty Ltd	1,000,000	1.16%
17	Martin Buckley	846,524	0.98%
18	BNP Paribas Nominees Pty Ltd	837,750	0.97%
19	Kurana Pty Ltd	826,999	0.96%
20	Forty Evandale Pty Ltd	803,131	0.93%
	<b>Total</b>	<b>46,279,288</b>	<b>53.54%</b>

## ADDITIONAL ASX INFORMATION

### (b) Substantial Shareholders

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Holder Name	Holding Balance	% IC
Ardea Resources Limited	9,025,585	10.44%
Citicorp Nominees Pty Limited	5,892,555	6.82%
Merrill Lynch (Australia) Nominees Pty Limited	4,441,124	5.14%

### (c) Distribution of equity securities

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	1,334	540,549	0.63%
above 1,000 up to and including 5,000	924	2,162,666	2.50%
above 5,000 up to and including 10,000	340	2,481,436	2.87%
above 10,000 up to and including 100,000	578	18,200,190	21.06%
above 100,000	103	63,051,052	72.95%
<b>Totals</b>	<b>3,279</b>	<b>86,435,893</b>	<b>100.00%</b>

The number of fully paid ordinary shareholdings held in less than marketable parcels is 2,029 (based on a share price of \$0.16).

### (d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

### (e) Unquoted securities

The names of the security holders holding more than 20% or more of any unlisted class of security, other than those securities issued or acquired under an employee incentive scheme, are listed below:

	UNLISTED OPTIONS \$0.25 EXP 16/09/2024	UNLISTED OPTIONS \$0.25 EXP 05/11/2024
Matthew Painter	1,000,000	
Pauline Gately	750,000	
Raw Power (Aust) Pty Ltd	625,000	
Carmel Anne Mckenzie	625,000	
Ardea Resources Limited		15,000,000

## ADDITIONAL ASX INFORMATION

### (f) Corporate governance statement

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the Appendix 4G released to ASX and posted on the Company website. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 4th Edition" established by the ASX Corporate Governance Council. Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance. The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

### (g) Information Pursuant to Listing Rule 4.10.19

Between the date of the Company's admission to the official list of the ASX on 17 November 2021 and the end of the reporting period on 30 June 2022, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

## ADDITIONAL ASX INFORMATION

### Kalgoorlie Gold Mining Limited Tenement Schedule (WA)

as at 30 June 2022

Project Group	Project	Tenement	Mineral rights		Status
			Minerals	% Rights	
Bulong Taurus	Northern	M25/19	Gold	100%*	Live
		M25/59	Gold	100%*	Live
		M25/151	Gold	100%*	Live
		M25/171	Gold	100%*	Live
		M25/187	Gold	100%*	Live
		P25/2295	Gold	100%*	Live
		P25/2296	Gold	100%*	Live
		P25/2297	Gold	100%*	Live
		P25/2304	Gold	100%*	Live
		P25/2305	Gold	100%*	Live
		P25/2307	Gold	100%*	Live
		P25/2308	Gold	100%*	Live
		P25/2408	Gold	100%*	Live
		P25/2409	Gold	100%*	Live
		P25/2306	Gold	100%*	Live
		P25/2482	Gold	100%*	Live
		P25/2483	Gold	100%*	Live
		P25/2484	Gold	100%*	Live
	Southern	M25/134	Gold	100%*	Live
		M25/145	Gold	100%*	Live
		M25/161	Gold	100%*	Live
		M25/209	Gold	100%*	Live
		P25/2454	Gold	100%*	Live
		P25/2455	Gold	100%*	Live
		P25/2456	Gold	100%*	Live
		P25/2457	Gold	100%*	Live
		P25/2458	Gold	100%*	Live
		P25/2459	Gold	100%*	Live
		P25/2460	Gold	100%*	Live
		P25/2461	Gold	100%*	Live
		P25/2609	Gold	100%*	Live
		P25/2613	Gold	100%*	Live
		P25/2614	Gold	100%*	Live
P25/2615	Gold	100%*	Live		
Western	E25/578	Gold	100%*	Live	
	P25/2559	Gold	100%*	Live	
	P25/2560	Gold	100%*	Live	
	P25/2561	Gold	100%*	Live	
Hammersmith	P25/2650	Gold	100%*	Live	
Kalgoorlie	Ninga Mia	P26/4563	All	100%	Live
		P26/4564	All	100%	Pending
		P26/4565	All	100%	Live
		P26/4566	All	100%	Live
	Boorara	P26/4542	All	100%	Live
		P26/4543	All	100%	Live
Keith Kilkenny TZ	Aubils	E39/1954	Gold	100%*	Live
	Boyce Creek	E31/1169	Gold	100%*	Live
		E31/1208	Gold	100%*	Live
		E31/1213	Gold	100%*	Live

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## ADDITIONAL ASX INFORMATION

Project Group	Project	Tenement	Mineral rights		Status
			Minerals	% Rights	
		E31/1092	Gold	100%*	Live
		M31/483	Gold	100%*	Live
		M31/493	Gold	100%*	Pending
	Jump Up Dam	M31/475	Gold	100%*	Live
		M31/477	Gold	100%*	Live
		M31/479	Gold	100%*	Live
	Lake Rebecca	M31/488	Gold	100%*	Pending
		P31/2038	Gold	100%*	Live
		P31/2039	Gold	100%*	Live
		P31/2040	Gold	100%*	Live
<b>Laverton TZ</b>	Pinjin	E28/3134	All	100%	Pending
		E31/1119	All	100%	Live
		E31/1326	All	100%	Pending
	Zelica	E39/2188	All	100%	Live
<b>Pianto</b>	Pianto South	E29/1125	All	100%	Live
<b>Perrinvale</b>	Perrinvale	E29/1006	Gold	100%*	Live
		E29/1078	Gold	100%*	Live
<b>Davies Dam</b>	Davies Dam	E27/606	Gold	100%	Live
		E27/607	Gold	100%	Live
		E27/643	Gold	100%	Pending
		E27/646	Gold	100%	Pending
		E27/647	Gold	100%	Pending
		E28/2978	Gold	100%	Live

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