WHITEBARK ENERGY LIMITED (ASX:WBE)

Annual Report
30 June 2021

ABN 68 079 432 796

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Corporate Directory

The Directors present their report together with the consolidated financial report for the financial year ended 30 June 2021 and the review report thereon.

Directors

The Directors of Whitebark Energy Ltd at any time during or since the end of the financial year to the date of this report are:

Charles Morgan	Chairman – Resigned 8th July 2021
David Messina	Managing Director – Resigned 3rd March 2021
Stephen Keenihan	Executive Director – Resigned 3rd March 2021
Duncan Gordon	Director – Appointed 3rd March 2021
Matthew White	Director – Appointed 3rd March 2021
Giustino Guglielmo	Director – Appointed 8th July 2021

Company Secretary

Kevin Hart – ceased 11th June 2021

Kaitlin Smith – appointed 11th June 2021

Principal registered office in Australia	20d William Street Norwood SA 5067 Tel: +61 8 6555 6000
Auditors	KPMG 235 St Georges Terrace Perth WA 6000
Solicitors to the Company	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street, Perth WA 6000
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Tel: +61 3 9415 5000
Banker	ANZ Bank Ltd
Stock exchange	Whitebark Energy Limited shares and options are listed on the Australian Securities Exchange (ASX: WBE)
Company website	www.whitebarkenergy.com

CHAIRMAN'S MESSAGE

Dear Fellow Shareholders,

Despite challenges over the last twelve months, Whitebark Energy Limited ("Whitebark" or the "Company") continues to be focused on its core strategic objectives.

During the year Whitebark made a successful bid to gain effective control of Wizard Lake Oil Field ("Wizard Lake"), using a reverse vesting order mechanism and undertook a strategic review of activities by Dr. Brealey, now Interim CEO, who identified several costs saving initiatives to optimise Wizard Lake.

These initiatives included an independent review of 1P and 2P reserves and assessment of potential growth opportunities present at the Wizard Lake oilfields.

The Company also moved its corporate head office from Perth to Adelaide to reduce fixed overheads necessitating a restructure of the Board and management. In this regard, I would like to take the opportunity to acknowledge the contributions of our former Chairman, Charles Morgan, Director, Stephen Keenihan and Managing Director David Messina along with Company Secretary Kevin Hart.

After reviewing operations and capital requirements, Whitebark successfully acquired Wizard Lake for C$2 million comprising of C$336,000 in cash and C$1.66 million in forfeit of an existing loan made by Whitebark to SBE.

In May, Whitebark completed an AUS$310,000 capital raising via a share placement to fund the cash portion of the Wizard Lake bid. This was completed by issuing 310 million ordinary shares at a price of AU$0.001 per ordinary share with each placement participate receiving one free attaching option for every two placement shares subscribed.

The company commenced oil and gas production from the Wizard Lake field in December 2018 and since then the company's wells have produced 129,400 bbls and 0.86 bcf of gas. The company expects to strengthen production by implementing optimisation strategies identified as part of the strategic review.

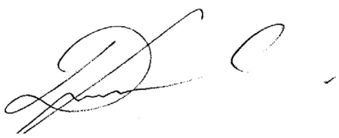
The board and management are excited about the optimisation of the Wizard Lake fields and taking the logical next steps of drilling the Rex-4 pilot well. With significant step-out and appraisal potential including 20+ drilling locations identified, we also see upside potential through acreage acquisition to expand the Rex play.

Your Board is working closely with the ASX in facilitating a return to quotation of its shares and looks forward to optimizing to optimising its business strategies to maximise shareholder return.

On behalf of the Board, I wish to thank Dr Brealey, our consultants and advisors for their contribution throughout the year. The Company remains focused on strengthening production returns and stabilizing the business ready for a return to listing.

To my fellow shareholders, thank you for your continued support.

Yours sincerely,



Duncan Gordon

Chairman

1 Review of Operations

2020/2021 – A Year of Consolidation and Renewal

Following a voluntary suspension of the Company's securities after a Trading Halt requested on 13 January 2021, Whitebark Energy Limited's ("Whitebark" or the "Company") 100% owned Canadian subsidiary, Salt Bush Energy Ltd ("SBE"), filed a Notice of Intention to Make a Proposal ("Notice of Intention") pursuant to Subsection 50.4(1) of the Canadian Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3) (the "BIA"). Whitebark made a successful bid to gain effective control of Wizard Lake Oil Field ("Wizard Lake"), using a reverse vesting order mechanism. This ensured that the asset remained resident in SBE and its creditor balance was transferred to a third-party residual company resulting in SBE no longer having any obligation to settle these creditors.

The Company conducted a strategic review of operations at Wizard Lake to independently ensure the Company is operating as efficiently as possible. The Strategic review identified several cost-saving initiatives and opportunities to optimize production at Wizard Lake. These include Changes to the Company's board and management to leverage significant unconventional O&G experience. The cost base of Wizard Lake and the Australian business has been assessed and reduced, and the corporate head office moved from Perth to Adelaide to reduce fixed overheads. An independent and conservative review of booked 1P and 2P reserves and resources has been conducted and subsequently audited by an accredited and competent person based in Canada. A comprehensive assessment of additional optimisation activities at Wizard Lake has been conducted including a review of potential growth strategies.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and the Company continues to safeguard its staff and business operations while maintaining production from the Wizard Lake oilfield. In this period of heightened uncertainty, it is not practicable to estimate the full extent of the potential impact and recovery from COVID-19 for the period after the reporting date. The Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

Climate Change

The Company recognises climate-related risks and the need for these to be managed effectively particularly across the energy industry.

Key climate-related risks and opportunities relevant to the Company's operations include:

- The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels. In addition, there is increased time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to a lower carbon economy also gives rise to opportunity for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.
- Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.
- Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Canadian Operations

During the financial year, SBE continued to operate Wizard Lake in Canada despite it being in a process as above. SBE acquired the remaining interests in Wizard Lake it did not already own from the Receiver of Point Loma Resources Inc (PLX). Well performance remained relatively stable and reflected expected natural decline levels.

The Company has identified several opportunities to optimise the field through minimising overheads and stabilising production and is currently investigating the preferred projects for capital investment going forward.

Wizard Lake Rex Oil Field

(WBE 100% WI)

Production Rates

Production for the financial year ended 30 June 2021 was 117,672 barrels of oil equivalent, comprising 46,550 bbls oil and ~426,732 mcf gas. Production averaged 128 bbls oil/d and 1,168 mcf/d gas, equating to approximately 322 boe/d. Over the final month of the year, production averaged 80 bbls oil/d and 1,000 mcf/d which equates to 247 boe/d. Extreme heat in June negatively impacted production for the month.

Operations

Rex-3: In July the insert pump and rods were run into the well, with the pump being landed at a 70% tangent at ~1400mSS. The pump was subsequently moved up-hole to 1200mSS after high draw-down resulted in sand influx to the well bore.

Rex-2: In September a workover was conducted to address a rod failure (broken scrapers). The pump and the lower part of the rods were replaced. A clean-out of the toe of the well was conducted and ~8.5m³ of frac. sand was recovered from the toe-half of the well. No evidence was seen of corrosion.

Rex-1: In November a workover was conducted following a pump tubing failure. The pump and lower portion of the tubing were replaced. A casing gas compressor was installed in late December.

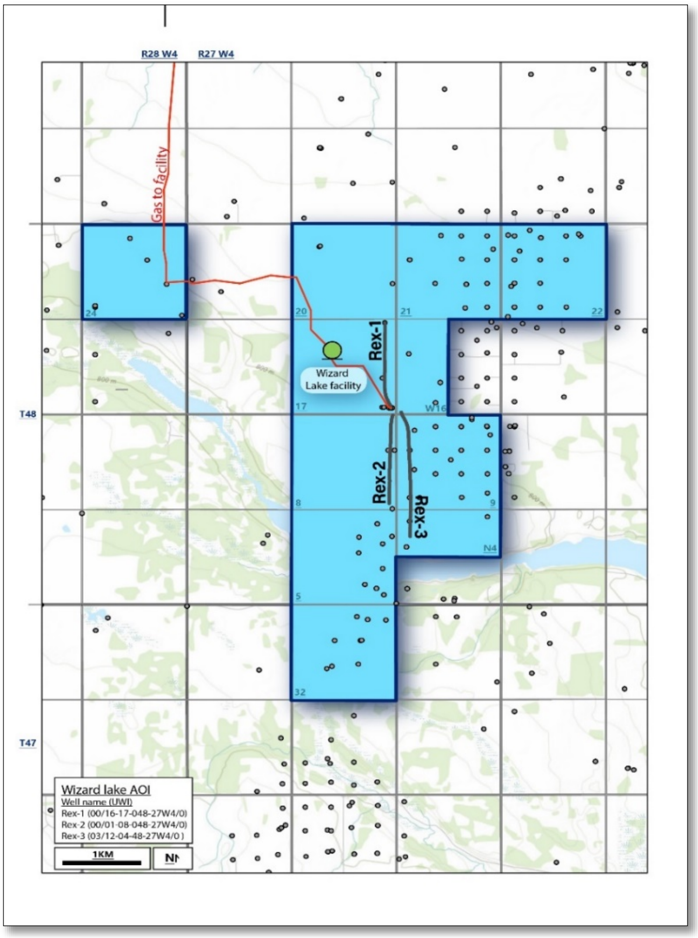


Figure 1 - Wizard Lake wells, pipeline and land map

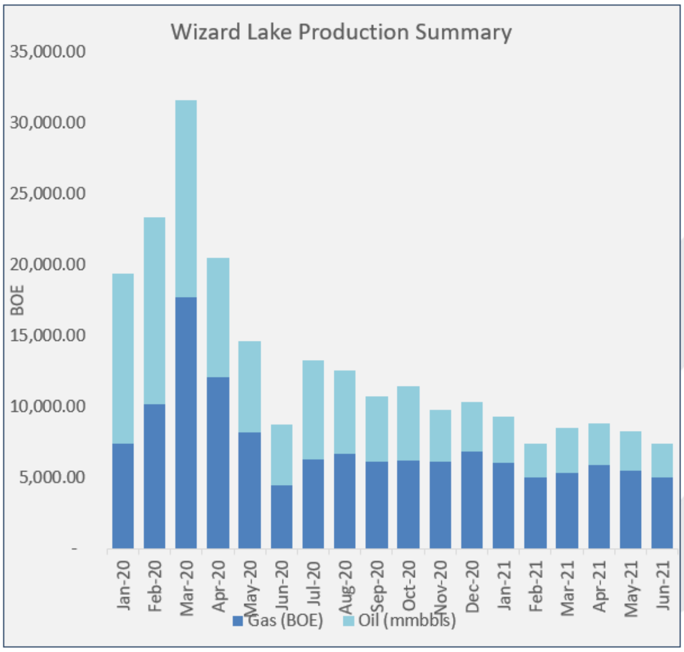


Figure 2 - Wizard Lake production Jan 20 to end FY21

Wizard Lake Land Position Increases

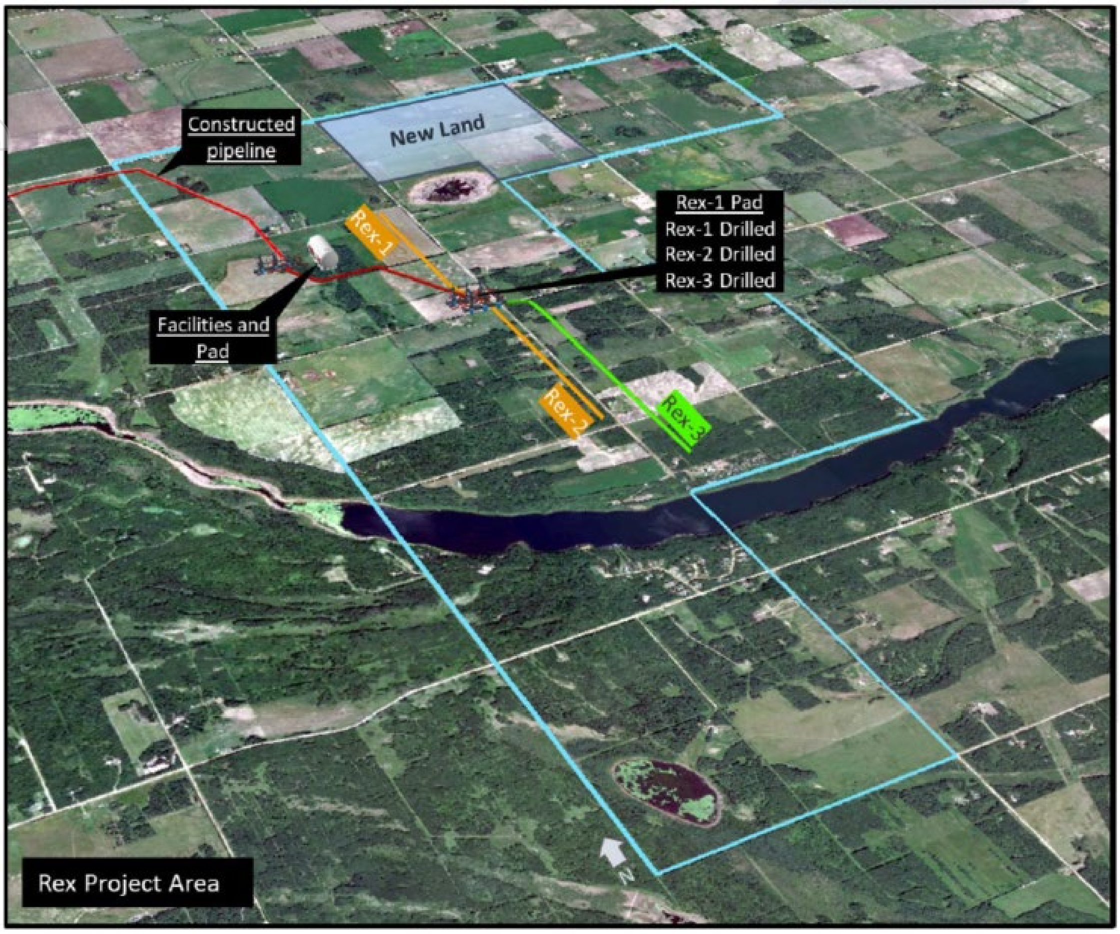


Figure 3 – Land acquired during the reporting period

Additional Mineral Lease at Wizard Lake

During the year SBE acquired the remaining interests in Wizard Lake it did not already own (Section 21, Figure 3) from the Receiver of Point Loma Resources Inc (PLX), on the following key terms and conditions:

- The Effective Date of the Transfer is June 8, 2020, the date the Receiver was appointed;
- SBE's land position increased to 6,400 acres from 5,632 acres prior to the transaction.
- SBE makes no further claims against PLX and releases PLX from paying the amount owed to SBE calculated by SBE to be C$996,481 (A$ 1,123,008) this amount is recognised as an impairment expense on trade receivables in the statement of profit or loss and other comprehensive income. In addition, part of the terms and conditions was to release SBE from all its outstanding liabilities. As at 30 June 2021, C$ 346,108 of SBE's trade payables to Point Loma were waived and recorded as "Gain on waiver of trade payables" in the statement of profit or loss and other comprehensive income; and
- SBE assumes the assets on an "as is, where is" basis.

The transaction is not subject to Alberta Energy Regulator (AER) approval, however the AER has approved the transfer of the two well licenses (Rex-1 and Rex-2).

SBE now owns 100% of the Rex-1,2 & 3 wells and all associated facilities and infrastructure.

Figure 4 - Installed and commissioned upgraded Wizard Lake Facilities

Reserves & Resources Update

The Company has conducted an independent review of its booked 1P and 2P reserves and resources. This review has resulted in a 16.6% decrease in 1P reserves and 8.3% decrease in 2P reserves. This decrease reflects the results of an in-depth field study conducted by Dr. Simon Brealey during H2 FY21 which was based on six months greater historical production data (than previously available) from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves are most significantly affected by less than forecast oil production rates from all three existing wells and is largely attributed within 1P Proven Developed Producing ("PDP") and Proven Undeveloped ("PUD") Reserves. This decrease in forecast oil production is somewhat offset by increased gas yield (approximately 56% of the reserves are natural gas). Updated operating costs and price forecasts were also incorporated.

Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders. The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at 30 June 2021 was A$50.6mm*.

Strategic Review

The Strategic Review identified several opportunities to optimise cashflow and production from Wizard Lake – these included the following:

- Purchase of rental equipment. Whitebark is currently using rented heated storage tanks, pumps and generators for oil handling which are scaled to accommodate anticipated future enhanced production levels. Purchase would decrease fixed costs by over 60%. By bringing these assets on to the balance sheet, long term cashflow can be improved generating opportunity for reinvestment in optimisation strategies or exploration
- Installation of a water-disposal flowline to the third-party salt-water disposal well would eliminate water trucking costs of approx. C$3.50/bbl
- Future development potential. The company has identified 5 PUD locations including 2 which are already permitted. Drilling of Rex-4 would be conducted with a more conservative approach to development, an initial pilot well to determine wellbore in oil-saturated reservoir, with subsequent completion and fracking based on success. Well performance expectations have been revised to an initial 300 bopd plus gas output, dropping to 80 bopd plus gas over the first 12 months
- Installation of a new 8" oil flow line would facilitate an increase in production of 25% from existing wells and accommodate enhanced production from future wells Rex-4 and Rex-5

***FSX AUD 1.0 = CAD 0.93**

Western Australian Operations – Warro Gas Project (WBE 100% WI)

The Company commenced a formal divestment process for its Warro Gas Project during September 2020. The decision to divest was a culmination of a strategic review of the asset over the previous 12 months together with heightened interest in the project in the WA gas market at that time.

The Warro gas field is located in Retention Lease 7, 200 kilometres north of Perth and is 100% owned by Whitebark. The project is ideally located just north of the large ~650 Terajoule per day Perth market and is 30km east of both the Dampier-Bunbury Natural Gas Pipeline and the Dongara-Perth Parmelia Pipeline which gives full access to the 1,200 Terajoule per day Western Australian gas market.

The Warro project continues to be in care and maintenance, awaiting Government guidance on the regulatory changes to be made to implement the recommendations of the Fracking Inquiry.

The new Board of Directors is currently assessing the Warro Gas Project to determine whether it is to be retained or divested to focus on core projects.

Corporate

Trading Halt, Suspension and Wizard Lake Oil Field

On 13 January 2021 Whitebark requested a trading halt be placed on its securities pending an announcement to the market regarding the outcome of a review of Whitebark's investment in its wholly owned subsidiary Salt Bush Energy Ltd, which is the owner and operator of the group's Wizard Lake oil and gas project. Whitebark then requested that a voluntary suspension be applied to the Company's securities.

On 13 January 2021, Whitebark's wholly owned Canadian subsidiary, Salt Bush Energy Ltd (SBE) filed a Notice of Intention to Make a Proposal ("Notice of Intention") pursuant to Subsection 50.4(1) of the Canadian Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3) (the "BIA"). A Notice of Intention is the first stage of a restructuring process under the BIA with the objective of permitting SBE to pursue a restructuring of its financial affairs. The filing of the Notice of Intention had the effect of imposing an automatic stay of proceedings ("Stay") that protected SBE and its assets from the claims of creditors while the Company pursued this objective. The initial Stay period of 30 days was extended by court order, during which time SBE assessed its ability to restructure its business.

Pursuant to the Notice of Intention, Deloitte Restructuring Inc was appointed as the proposal trustee in SBE's proposal proceedings and assisted SBE in its restructuring efforts. The Wizard Lake oil and gas project was offered for sale by Deloitte Restructuring Inc. via a competitive bid process. During this process, SBE continued to operate the asset in the normal course of business.

WBE was the largest SBE creditor, representing approximately 83.5% of the total SBE creditors. WBE via a Canadian subsidiary "Iron Bark Energy" (IBE) submitted a bid for the Wizard Lake asset which, in effect, offered a net purchase price of C$0.3 million (A$ 341,563) after a waiver of SBE's outstanding debt with WBE of C$1.7 million ($AU 1,808,975). This effectively valued the Wizard Lake asset at a purchase consideration of C$2 million (A$ 2,150,538).

The bid was successful and WBE gained effective control of the Wizard Lake oil and gas project via SBE using a reverse vesting order mechanism ("RVO") on 19 May 2021. The RVO process meant that IBE was not used to purchase the asset and it stayed resident in SBE. As part of this process, all SBE creditors, with a total amount of C$19.6 million as at 19 May 2021 (C$20.2 million as at 30 June 2021 before repayment subsequent to reporting date) were transferred to a third-party residual company along with any residual SBE cash resulting in SBE no longer having any obligation to settle these creditors. Oversight of the Trustee was withdrawn as part of the transaction effective, 19 May 2021, SBE is now back under the full and effective control of WBE.

Capital Raisings/Share Placement

The Company has raised A$ 310,000 and issued 310,000,000 Ordinary Shares (the "Ordinary Shares") to sophisticated and institutional investors at a price of $0.001 per ordinary share before costs via a share placement which was completed on 26 May 2021. Under the Placement, shareholders received one free attaching Option for every two shares subscribed for, which will be exercisable at $0.002 per share with a two-year expiry. A total of 155,000,000 options were issued to participating shareholders. The placement was completed pursuant to the company's 15 % placement capacity under Listing Rule 7.1.

Placement proceeds were utilised to:

- Repurchase the Wizard Lake Oil Field via WBE subsidiary, Saltbush Energy – Royal court of Alberta has approved Whitebark's bid for C$2m including C$1.66m worth of debt relinquishment and C$0.34m in cash, and therefore have retained the asset
- Fund working capital requirements whilst the Company seeks to exit it's ASX suspension and completes its review of its forward strategy

The Placement price represents a discount of:

- 75% to the Company's last close (12 January 2021) of $0.004;
- 74% to the Company's 5-day VWAP since last traded of $0.0038;

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares.

Resignation and Appointment of Directors

Mr David Messina and Mr Stephen Keenihan resigned as Directors of the Company on 3rd March 2021.

Mr Charlie Morgan resigned as a Director of the Company on 8th July 2021.

Mr Matthew White and Mr Duncan Gordon were appointed to the board on 3rd March 2021.

Mr Giustino Guglielmo was appointed to the board on 8th July 2021.

Mr White has over 28 years' experience as a Chartered accountant, business and tax advisor. He has over 13 years' experience as a registered mortgage broker and 5 years' experience as a financial planner. Matthew has a degree in Accountancy from the University of South Australia and has completed the Chartered Accountancy qualification with Certificates of Merit in Taxation and Ethics. He also has a diploma in mortgage broking and financial planning. He is currently a Director of ASX listed Aerometrex Limited (AMX).

Mr Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience in as a corporate and financial advisor to the mining and natural resources sector. Mr Gordon has taken principal roles in advising ASX-listed companies on a range of corporate matters including identification of major corporate acquisition and divestment opportunities; Initial Public Offerings; raising debt and raising equity capital both within and outside Australia.

Mr Guglielmo is the Managing Director of Bass Oil Limited. He is a well credentialed Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. He is the previous Managing Director of two Cooper Basin focused ASX-listed oil and gas companies (Stuart Petroleum and Ambassador Oil & Gas) which were both sold, creating significant shareholder value. His experience spans the Indonesian, Australian and US land-based Basins.

The Company appointed Dr. Simon Brealey as interim Chief Executive Officer to progress the acquisition of Wizard Lake via Saltbush Energy, to plan for the future of Wizard Lake and to seek further opportunities for the Company. Dr Brealey has over 30 years of experience in onshore and unconventional oil and gas asset exploration and development with companies including Amoco Limited, Santos Limited, Beach Energy Limited and Cooper Energy Limited in Australia, Europe, Asia and Africa. He was most recently Head of New Ventures at Bass Oil Limited and holds a Ph.D. in oil field geology from the University College, University of London.

2 Reserves and Resources Statement

The following summarises Whitebark Energy Limited's (WBE) Proved Reserves (1P), Proved plus Probable Reserves (2P) and contingent and prospective resources as of the evaluation date of 30 June 2021. The Company conducted an independent review of its booked 1P and 2P reserves and resources during H2 FY21 which resulted in a 16.6% decrease in 1P reserves and 8.3% decrease in 2P reserves. Reserves are most significantly affected by less than forecast oil production rates from all three existing wells and is largely attributed within 1P PDP and PUD Reserves.

Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders. The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at 30 June 2021 was A$50.6mm(@ CAD 1.0 = AUD 1.075).

Resources & Reserves as at 30 June, 2021		
100% Field Reserves (MMboe)		
Category	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.39	4.998
100% Field Contingent Resources (MMboe)		
Category	1C	2C
Total	1.855	4.821

Reserves

The total 100% Field 2P Reserves in WBE's Wizard Lake Oil and Gas Field (Figure 5) at 30 June, 2021 are assessed to be 4.998 million barrels of oil equivalent. The barrels of oil equivalent figure constitutes: 2,073,000 barrels of crude oil; 15,672,092 million cubic feet of natural gas; and 313,000 barrels of natural gas liquids. The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at June 30th 2021 was A$50.645mm (@ CAD1.0 = AUD1.075).

2P Reserves comprise: 1P Proven Developed Producing Reserves ("PDP" – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves ("PUD" – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15). The value of each component of 2P reserves (NPV10), at June 30 2021, is given in the following table:

Contingent Resources

The total 100% Field 2C Contingent Resources for the Wizard Lake Field at 30 June, 2021 are assessed to be 4.821 million barrels of oil equivalent. The barrels of oil equivalent figure constitutes: 2,008,000 barrels of crude oil; 15,078,000 million cubic feet of natural gas; and 300,000 barrels of natural gas liquids (assumes 20 barrels NGL per million cubic feet of natural gas).

The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional production facilities.

Reporting Period Movements in Reserves and Contingent Resources

Resources & Reserves as at 30 June, 2021		
100% Field Reserves (MMboe)		
Category	**Proved 1P**	**Proved & Probable 2P**
100% Field Reserves at 30 June 2020	**2.790**	**5.566**
FY21 Production	**0.118**	**0.118**
Revisions **% change from June 30 2020**	**(0.464)** **-16.6%**	**(0.464)** **-8.3%**
100% Field Reserves at 30 June 2021	**2.39**	**4.998**
100% Field Contingent Resources (MMboe)		
Category	**1C**	**2C**
100% Field Contingent Resources at 30 June 2020	**1.461**	**3.797**
Revisions **% change from June 30 2020**	**0.394** **+27%**	**0.851** **+22%**
100% Field Contingent Resources at 30 June 2021	**1.855**	**4.821**

The reporting period movements show that the overall level of reserves has decreased slightly over and above the production volume from the field during FY21 to June 30, 2021. This decrease reflects the results of an in-depth field study conducted by Dr. Simon Brealey during H2 FY21 which was based on six months greater historical production data from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves were then adjusted for production during the period. The difference between the two reporting periods is most significantly affected by less than forecast oil production rates from all three existing wells and is largely attributed within 1P PDP and PUD Reserves. This decrease in oil production is somewhat offset by increased gas yield (approximately 56% of the reserves are natural gas). Updated operating costs and price forecasts were also incorporated. Contingent resources are slightly improved through application of the updated EUR for the Rex-3 well to nominal well locations Rex-16 through Rex-28 and assumes similar completion strategy and well performance to Rex-3.

The evaluation was carried out under the standards contained in the Petroleum Resource Management System (PRMS) revised June 2018 version.

Notes on Calculation of Reserves and Resources:

The Wizard Lake Oil and Gas Field has one producing reservoir, the Rex Sand Member of the Lower Cretaceous Upper Mannville Group.

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Under the SPE PRMS guidelines, "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Contingent Resources are "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies".

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Whitebark Energy Ltd reserves and contingent resources is based on and fairly represents information and supporting documentation compiled by Dr. Simon Brealey who is a consultant to Whitebark Energy Ltd and holds a PhD. in oilfield geology. All ValNav runs and decline analysis of the existing wells and future type curve wells were generated by Whitebark with input parameters reviewed and validated for the Reserves report to be released to the ASX.

KD Angus Corp consents that the reserve and resource forecasts used in this report relating to the Wizard Lake Oil and Gas Field are based on an independent review conducted by KD Angus Corp and fairly represent the information and supporting documentation reviewed. The information was reviewed by Kevin Angus. Mr. Angus, P. Geoph., has an ICD.D designation from the Institute of Corporate Directors. He holds a Bachelor of Science in Geology from the University of Calgary and is registered as a Professional Geoscientist with the Alberta Professional Engineers and Geoscientists of Alberta (APEGA). Mr Angus was both the Chairmen and member of the reserve committee of Painted Pony Energy for 5+ years, a publicly traded Canadian company with over 3tcf of reserves.

Warro Field, Western Australia

Retention Licence 7 in WA, which contains the Warro tight gas discovery, is the subject of ongoing review by Management. At this time no commercial resources are associated with the license.

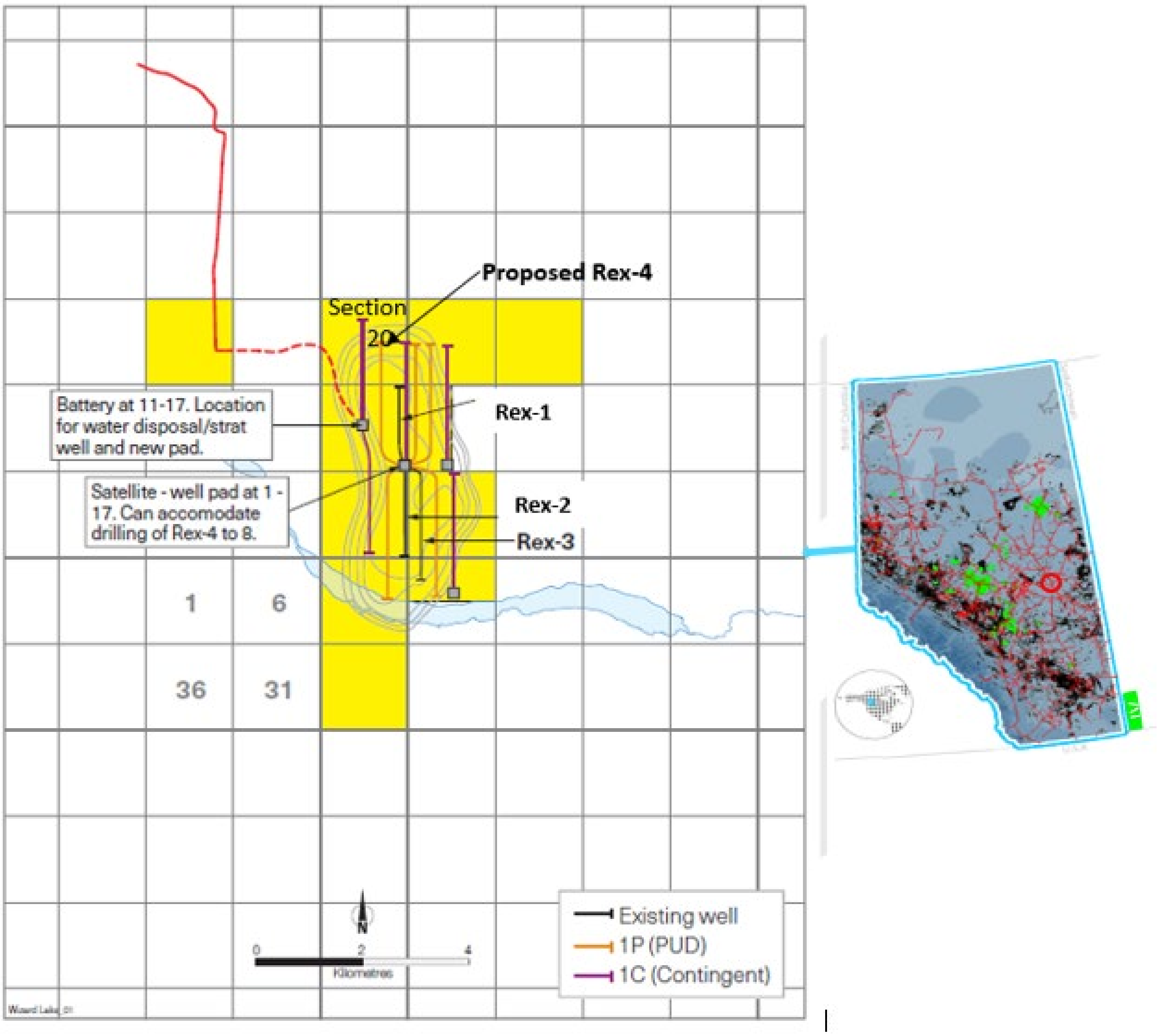


Figure 5 – Wizard Lake Oil Field: Location; Field reservoir map; Existing and planned wellbores

1 Directors' Report

1.1 Directors' Meetings

Board meetings held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors	
Director	Present	Eligible to attend
Charles Morgan	5	5
David Messina	3	3
Stephen Keenihan	3	3
Duncan Gordon	3	3
Matthew White	3	3
Giustino Guglielmo	-	-

Mr Charles Morgan resigned on 8 July 2021
Mr David Messina and Mr Stephan Keenihan resigned on 3 March 2021
Mr Duncan Gordon and Mr Matthew White were appointed on 3 March 2021
Mr Giustino Guglielmo was appointed on 8 July 2021

Board and Management Committees

In view of the current composition of the Board (which comprises a non-executive chairman and two non-executive directors) and the nature and scale of the Company's activities, the Board has considered that establishing formally constituted committees for audit, board nominations, remuneration and general management functions would contribute little to its effective management.

1.2 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Whitebark Energy Limited support the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

1.3 Directors' Information

Duncan Gordon B. Eng| Non-executive Chairman
Appointed 8 July 2021, previously was non-executive director (appointed 3 March 2021)

Experience and expertise:
Mr Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience working within the mining and natural resources sector. A qualified engineer with accompanying financial background, he has taken principal roles in assisting ASX-listed companies in an advisory capacity, including the identification of major corporate acquisition and divestment opportunities, Initial Public Offerings and raising debt and equity capital both within and outside Australia.
Other ASX Directorships in the last 3 years:
Mr Gordon is a former director of Dreadnought Resources Ltd (resigned in April 2019).

Matthew White ACA, B. Accg | Non-executive Director
Appointed 3 March 2021

Experience and expertise:
Mr White has over 28 years' experience as an accountant, business and tax advisor. He has over 13 years' experience as a registered mortgage broker and over 5 years' experience as a financial planner. Mr White is the founder and sole director of Business Initiatives Pty Ltd, an Adelaide based Chartered Accountancy firm. The firm offers a holistic approach to clients' financial needs, offering a wide range of services with a strong focus on continuous business improvement and wealth creation. Mr White works in a client advisory role for small to medium sized businesses.
Other ASX Directorships in the last 3 years:

Aerometrex Limited appointed in September 2011 (current)

Charles Morgan | Non-executive Chairman
Resigned on 8 July 2021

Experience and expertise:
Mr Morgan has extensive experience in equity capital markets and has been involved with numerous project over a 30-year period. The bulk of these were in the resources/oil & gas industries and in the technology sector.
Other ASX Directorships in the last 3 years:

Mr Morgan is a former director of Grand Gulf Energy Limited (resigned in March 2019).

Giustino (Tino) Guglielmo B. Eng | Non-executive Director
Appointed 8 July 2021

Experience and expertise:
Mr Guglielmo is a Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. Mr Guglielmo was the CEO and Managing Director of two ASX listed companies; Stuart Petroleum Limited for seven years and Ambassador Oil & Gas Limited for three years. Both companies merged with larger ASX listed companies generating significant value for shareholders following the identification of compelling resource potential in their respective petroleum resource portfolios. Mr Guglielmo also worked at Santos Limited, Delhi Petroleum Limited, and internationally with NYSE listed Schlumberger Corp. His experience spans the Cooper basin, Timor Sea, Gippsland basin, and exposure to US land and other international basins. Mr Guglielmo was a member of the Resources and Infrastructure Task Force and the Minerals and Energy Advisory Council, both South Australian Government advisory bodies. He is a Fellow of the Institution of Engineers, Australia, a member of the Society of Petroleum Engineers and Australian Institute of Company Directors.
Other ASX Directorships in the last 3 years:

Appointed Managing Director of Bass Oil Limited 1 February 2017 (current) previously Executive Director (Appointed 16 December 2014)

Mr Guglielmo is a former director of Octanex Limited (resigned in July 2018).

David Messina | Managing Director
Resigned on 3 March 2021

Experience and expertise:
Experienced international executive with proven entrepreneurial skills and solid track record in developing and managing a diverse range of businesses, raising finance, stakeholder engagement and delivering results to shareholders. Mr Messina has over twenty years' multi-sector experience in the Energy and Agricultural industries, holding senior positions at the board and executive management level. Having lived and worked in numerous countries he has acquired global management experience with both start-up and mature businesses.
Other ASX Directorships in the last 3 years: Nil

Stephen Keenihan B. Sc (Hons) | Executive Director
Resigned on 3 March 2021

Experience and expertise:
Mr Keenihan has more than 45 years' experience in the energy industry, within and outside Australia. He has primarily been involved with oil and gas activities but also a broad range of experience in other energy and electricity projects including coal, gas, wind, biofuels and geothermal. He has previously held management roles with Apache Energy, Griffin Energy, Novus Petroleum, WMC Petroleum and LASMO.
Other ASX Directorships in the last 3 years:

Mr Keenihan was a former director of Grand Gulf Energy Limited (resigned in March 2019).

Kaitlin Smith CA, FGIA, B. Com (Acc)|Company Secretary
Appointed 11 June 2021

Experience and expertise:
Ms Kaitlin Smith was appointed to the position of Company Secretary on 11 June 2021. Ms Smith provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

Kevin Hart, CA, B. Comm |Company Secretary
Resigned 11 June 2021

Experience and expertise:
Mr Hart is a Chartered Accountant and holds a Bachelor of Commerce degree. He is a partner in an advisory firm which provide company secretarial and accounting services to listed entities.

2 Remuneration Report (Audited)

This Remuneration Report outlines the remuneration arrangements which were in place during the period and remain in place as at the date of this report, for the key management personnel of Whitebark Energy Limited. For the purposes of this report, "key management personnel" is defined as persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

2.1 Remuneration Policy

Key management personnel remuneration is based on commercial rates and the existing level of activities in the Group at this point of time. Should the extent of those activities change, the remuneration of key management personnel would be amended to reflect that change.

2.2 Principles of Compensation

Remuneration is referred to as compensation throughout this report.

Under overall authority of the Board, key management personnel and other executives have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity. Key management personnel include the most highly remunerated executives for the Company and the consolidated entity.

Compensation levels for key management personnel of the Company and relevant key management personnel of the consolidated entity are competitively set to attract and retain appropriately qualified and experienced key management personnel. The Company from time to time obtains independent advice on the appropriateness of compensation packages of both the Company and consolidated entity given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy. For the year ended 30 June 2021 no independent advice has been obtained in relation to compensation packages.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- The capability and experience of the key management personnel;
- The key management personnel's ability to control the relevant assets' performance;
- The amount of incentives within each key management person's compensation.

Compensation packages may include a mix of fixed and variable compensation and short and long-term performance-based incentives.

In addition to their salaries, the consolidated entity may also provide non-cash benefits to its key management personnel in the form of share-based payments.

2.2.1.1 Fixed Compensation

Fixed compensation consists of base compensation, which is calculated on a total cost basis and includes any Fringe Benefit Tax charges related to employee benefits.

2.2.1.2 Performance-linked Compensation

The Company currently has no performance-based remuneration built into key management personnel remuneration packages.

2.2.1.3 Long-term Incentive

The Company currently has no long-term incentives built into key management personnel remuneration packages.

2.2.1.4 Service Contracts

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the terms, including compensation, relevant to the office of the director.

Remuneration and other terms of employment for the executive directors and other non-director key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of bonuses, other benefits including health and superannuation, and participation in the issuance of options. Other major provisions of the agreement relating to remuneration are set out below.

Directors and Key Personnel	Term of agreement	Base fee or salary including superannuation	Termination benefit
Directors			
Duncan Gordon **Non-Executive Chairman**	On-going commencing 3 March 2021	$50,000pa	Nil
Matthew White **Non-Executive Director**	On-going commencing 3 March 2021	$50,000pa	Nil
Giustino Guglielmo **Non-Executive Director**	On-going commencing 8 July 2021	$50,000pa	Nil
Charles Morgan **Non-Executive Chairman**	Commencing 9 October 2015 until 8 July 2021	$75,000pa	Nil
Stephen Keenihan **Executive Director**	Commencing 1 January 2017 until 3 March 2021	$36,000pa	Nil
David Messina **Managing Director**	On-going commencing 1 July 2017 until 3 March 2021 Termination terms: Three months' notice period by employee which the Company may elect to waive. Company may terminate upon 6 months' notice or by making payment in lieu of whole part of the notice period, or a combination of both.	$430,000pa	$ 81,981

Non-Executive Directors

Total compensation for all non-executive Directors is to be approved by the Company in general meeting as detailed in the Company's Constitution.

The Directors have agreed to accrue their Director's fees until such time as the company raises over $ 1.0m in capital.

3 Directors and Executive Officers' Remuneration (Consolidated Entity)

The following table sets out remuneration paid to Directors and key executive personnel of the Company and the consolidated entity during the reporting period:

30 June 2021	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Executive directors									
Stephen Keenihan	49,256	-	-	-	-	37,099	86,335	43%	-
David Messina (MD from 1/7/20 to 3/3/2021)	192,511	-	81,980	-	17,021	74,198	365,710	20%	-
Non-Executive directors									
Charles Morgan	18,750	-	-	-	-	37,502	56,252	67%	-
Duncan Gordon	18,333	-	-	-	-	-	18,333	-	-
Matthew White	18,333	-	-	-	-	-	18,333	-	-
Total	297,183	-	81,980	-	17,021	148,799	495,727		

*Consists of $36,000 directors fees and $118,533 consultancy fees

30 June 2020	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Executive directors									
Stephen Keenihan*	154,533	-	-	-	-	109,683	264,216	43%	-
David Messina	365,538	41,436	-	44,000	25,000	219,367	695,341	32%	12%
Non-Executive directors									
Charles Morgan**	71,068	-	-	-	-	109,683	180,751	61%	-
Total	591,139	41,436	-	44,000	25,000	438,733	1,140,308		

**Consists of $67,068 directors fees and $4,000 consultancy fees

4 Analysis of bonuses included in remuneration

Details of the vesting profile of bonuses awarded as remuneration are detailed below:

Executive Directors	30-Jun-21 Cash Bonus	Non-cash Bonus	% vested in year	30-Jun-20
David Messina	-	-	-	85,436

5 Equity Instruments

5.1 Options Granted as Compensation

No options, rights or other equity-based compensation was granted during the year ended 30 June 2021.

5.2 Option Holdings of Key Management Personnel (Consolidated Entity)

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Unlisted Options	Balance at 01-Jul-20	Acquired during financial year	Granted as Remuneration	Net other changes	Balance at 30-Jun-21	Not Exercisable
Executive directors						
Stephen Keenihan*	48,000,000	-	-	(48,000,000)	-	-
David Messina**	92,000,000	-	-	(92,000,000)	-	-
Non-Executive directors						
Duncan Gordon***	-	10,000,000	-	(10,000,000)	-	-
Charles Morgan****	40,000,000	-	-	(20,000,000)	20,000,000	-
Matthew White	-	-	-	-	-	-
Total	180,000,000	10,000,000	-	(170,000,000)	20,000000	-

* 48,000,000 unlisted options lapsed due to resignation of Mr Keenihan

** 92,000,000 unlisted options lapsed due to resignation of Mr Messina

*** 10,000,000 unlisted options lapsed on 20 June 2021

**** 20,000,000 unlisted options lapsed on 31 May 2021

Listed Options	Balance at 01-Jul-20	Granted as Remuneration	Net other changes	Balance at 30-Jun-21	Not Exercisable
Executive directors					
Stephen Keenihan*	10,052,665		(10,052,665)	-	-
David Messina*	25,000,000		(25,000,000)	-	-
Non-Executive directors					
Duncan Gordon	-	-	-		-
Charles Morgan*	31,050,147		(31,050,147)	-	-
Matthew White	-	-			
Total	66,102,812	-	(66,102,812)	-	-

* Listed options lapsed on 31 August 2020

5.3 Other Transactions of Key Management Personnel

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Shares held in Whitebark Energy Ltd:

Ordinary Shares	Balance at 01-Jul-20	Acquired during the financial year	Granted as Remuneration	Net other changes	Balance at 30-Jun-21
Executive directors					
Stephen Keenihan*	91,749,999	-	-	8,333,333	100,083,332
David Messina**	45,612,000	-	-	8,333,333	53,945,333
Non-Executive directors					
Duncan Gordon	-	41,926,237	-	-	41,926,237
Matthew White	-	-	-	-	-
Charles Morgan***	171,950,679	-	-	83,333,333	255,284,012
Total	351,238,915	41,926,237	-	99,999,999	451,238,914

* Mr Keenihan participated in a non-renounceable entitlement offer and acquired 8,333,333 fully paid ordinary shares. At time of his resignation, Mr Keenihan held 100,083,332 fully paid ordinary shares.

** Mr Messina participated in a non-renounceable entitlement offer and acquired 8,333,333 fully paid ordinary shares. At time of his resignation, Mr Messina held 53,945,333 fully paid ordinary shares.

*** Mr Morgan participated in a non-renounceable entitlement offer and acquired 83,333,333 fully paid ordinary shares. At time of his resignation, Mr Morgan held 255,284,012 fully paid ordinary shares.

Duncan Gordon shares held in the name of Chesser Nominee Pty Ltd of which Mr Gordon is a Director

The aggregate amounts recognised during the year relating to directors' related parties (included in table at 5) were as follows:

	Transactions during the year		Balance outstanding as at:	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
TB&S Consulting Pty Ltd [i]	-	154,533	-	126,000
Loan - Charles Morgan[ii]	120,120	100,000	-	100,000
Adelaide Equity Partners Ltd[iii]	47,584	-	8,250	-
Business Initiatives Pty Ltd [iv]	42,403	-	18,333	-
	210,107	254,533	26,583	226,000

The terms and conditions of the transactions were no more favourable than those available, or which might be reasonably available, on similar transactions to non-director related entities on an arms-length basis.

(i) TB&S Consulting Pty Ltd is a Company associated with Mr Stephen Keenihan. The charges from TB&S Consulting are for director's fees and consulting fees.

(ii) Mr Charles Morgan provided a short-term loan of $100,000. The loan was unsecured with interest payable at 10%. The loan was repaid following the completion of the non-renounceable entitlement offer in July 2020.

(iii) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services provided.

(iv) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping and financial control functions undertaken for the group.

6 Company Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between the shareholders, key management personnel, and other employees. However, the Company continues to investigate alternative means for achieving this goal to the benefit of all stakeholders. There is no direct relationship between the remuneration policy and Company performance.

7 Voting and Comments Made at the Company's 2020 Annual General Meeting

Whitebark Energy Ltd received 65% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

8 Use of Remuneration Consultants

During the financial year ended 30 June 2021, the Company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') program and long-term incentives ('LTI') program.

End of Audited Remuneration Report

9 Principal Activities

The principal activity of the consolidated entity during the course of the financial period was the production of oil and gas in Alberta, Canada and the evaluation of oil and gas exploration projects in Western Australia.

10 Results and Dividends

The consolidated entity's loss after tax attributable to members of the Company for the financial year ending 30 June 2021 was $ 9,602,944 (30 June 2020 loss: $4,147,411). No dividends have been paid or declared by the Company during the period ended 30 June 2021.

11 Financial Position

The net assets of the consolidated entity at 30 June 2021 were $ 1,693,954 (30 June 2020: $8,803,247) of which $ 515,883 (30 June 2020: $1,115,951) represents cash and cash equivalents.

During the financial year the company raised an amount of 3,164,858 (after costs) (2020: 8,839,309) from the issue of 1,332,909,180 ordinary fully paid shares (2020: 1,073,050,000).

12 Earnings / (Loss) Per Share

The basic earnings/(loss) per share for continuing operations of the consolidated entity for the financial year ending 30 June 2021 was (0.24) cents loss per share (30 June 2020: 0.16 cents loss per share).

13 Events Subsequent to Reporting Date

Whitebark Energy has been in discussion with the ASX with regard to exiting its voluntary trading halt (see "Corporate", above) during the period August to October 2021. ASX requirements to resume trading are currently being refined and WBE is developing an appropriate strategy to meet requirements.

Other than the above, no material matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the consolidated entity.

14 Likely Developments and Expected Results

There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Significant Events after the Balance Date sections of the Directors' Report.

The Company continues to look for acquisition opportunities as they arise.

15 Environmental Regulations

The operations of the Group are subject to environmental regulation from two government bodies.

The Australian assets are monitored under the laws of the State of Western Australia. The Group holds various environmental licenses issued under these laws, to regulate its exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of exploration activities and the storage of hazardous substances. All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

The Canadian assets are subject to regulation by the Alberta Energy Regulator (AER). The AER ensures companies are prepared to meet their obligations at the end of a project's life including environmental obligations.

16 Directors and Executives Interests

The interests of the Directors and Executives in the shares and options of the Company, as notified by the Directors to the ASX in accordance with S205G (1) of the Corporations Act 2001, at the date of this report and including transactions since 30 June 2021 are as follows:

	Ordinary Shares	Unlisted Options
Non-Executive directors		
Duncan Gordon*	41,926,237	-
Matthew White	-	-
Giustino Guglielmo**	50,000,000	25,000,000

* Held in the name of Chesser Nominees Pty Ltd of which Mr Gordon is a Director .

**Held in the name of Miller Anderson Pty Ltd ATF Longhorn Ridge Superannuation account. Mr Guglielmo is Director of Miller Anderson Pty Ltd and sole beneficiary of Longhorn Ridge Superannuation account. Mr Guglielmo participated in the Company's share issue placement in May 2021 where he purchased 50,000,000 shares at $0.001 and received 25,000,000 free attaching unlisted options.

17 Share Options

17.1 Options Granted to Officers of the Company

No options were granted to officers of the company during the 2021 financial year (2020: 80,000,000).

No options have been granted to officers of the Company since the end of the financial year to the date of this Directors' report.

17.2 Unissued shares under options

As at the date of the report, there were 177,800,000 unlisted options on issue detailed as follows:

Grant Date	Exercisable	Expiry Date	Exercise price	Number of options
15-Nov-19	15-Nov-19 to 15-Nov-22	13-Nov-22	$0.012	22,800,000
28-May-21	28-May-21 to 28-May-23	28-May-23	$0.002	155,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

17.3 Shares Issued on Exercise of Options

During the financial year there were 909,937 shares issued as a result of the exercise of listed options. 601,410,430 listed options expired on 31 August 2020.

No shares were issued on the exercise of unlisted options during or subsequent to the financial year. 141,000,000 unlisted options expired during the year, 65,000,000 unlisted options lapsed during the year and 20,000,000 unlisted options lapsed subsequent to year end.

18 Indemnification and Insurance of Officers and Auditors

18.1 Indemnification

An indemnity agreement has been entered into with each of the Directors and Company Secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

18.2 Insurance Premiums

During the financial year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current Directors and Officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The company was only able to secure run off cover for a 12-month period at the date of renewal due to its listing suspension.

The premiums were paid in respect of the following Directors and Officers: Stephen Keenihan, Charles Morgan, David Messina, Kevin Hart, Duncan Gordon, Matthew White, Giustino Guglielmo.

There were no legal proceedings entered into on behalf of the Company or the consolidated entity by any of the Directors or Executive Officers of the Company.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

19 Corporate Structure

Whitebark Energy Limited is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange under code WBE.

20 Non-Audit Services

During the year KPMG, the Company's auditor, performed no other services in addition to their statutory duties.

21 Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.

Adelaide, 26 October 2021

Duncan Gordon

Chairman

KPMG

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

To the Directors of Whitebark Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Whitebark Energy Limited for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg
Partner
Perth
27 October 2021

Independent Auditor's Report

To the shareholders of Whitebark Energy Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Whitebark Energy Ltd (the Company) and its subsidiaries (the Group).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2021;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(b), "Going Concern" in the financial report. The conditions disclosed in Note 2(b) indicate material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern, including the forecast level of oil and gas production and realising gross profit margins, particularly in light of the history of the Group's loss-making operations, and alternative funding opportunities; and

- Determining the completeness of the Group's going concern disclosures for the principal matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

The ***Key Audit Matters*** we identified is valuation of property, plant and equipment and Wizard Lake Oil and Gas Project transactions.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Property, plant and equipment

Refer to Note 12 *Impairment expenses* and Note 19 *Property, plant and equipment* of the Financial Report. As at 30 June 2021, the Group's balance sheet included property, plant and equipment of $3,614,254. The Group recognised $10,351,783 of impairment expense during the year.

The key audit matter	How the matter was addressed in our audit
The assessment of the existence of impairment indicators and impairment testing for impairment of property, plant and equipment was a key audit matter, given: • The size of the Property, plant and equipment (82% of total assets); • Greater estimation uncertainty from continued business disruption, arising from the COVID-19 global pandemic; and • Operating losses of the Canadian subsidiary (Rex Energy Ltd. formerly Salt Bush Energy Ltd. or SBE). Further, the conditions described in Note 37 to the financial statements in relation to the Reverse Vesting Order ('RVO') mechanism impacted the Group and increased the judgement applied. At 31 December 2020, following the identification of impairment indicators and subsequent impairment testing, the Group recognised an impairment of $10.438 million in the Canadian production assets cash generating unit (CGU). The Group's impairment testing based on fair value less cost of disposal assessment considered both market transactions and discounted cash flow models. The models are developed in house and use life of operation plans, approved budgets and reports evaluated by external experts, such as reserve reports, as inputs.	Our procedures included: We assessed the Group's view of the indicators leading to impairment testing for the Canadian production assets CGU. We recalculated the impairment charge to the CGU and compared to the impairment expense recognised. We compared the fair value less costs of disposal model of the Canadian assets' CGU to the fair value determined by the RVO mechanism as described in Note 37, to assess the impairment. Working with our valuation specialists, we assessed the integrity of the models used for impairment testing and assessment of impairment indicators, including accuracy of the underlying calculation formulas and consistency of modelling to the prior year. We assessed the historical accuracy of the Group's forecasts to inform our assessment of current year forecasts. We assessed and challenged the key forecast assumptions included in the models, including: • Oil and gas production by comparing to the proved reserves estimates evaluated by the Group's external expert; • The production profile of the oilfields by comparing it to actual performance achieved to date; and

Modelling using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of inputs, and their consistent application. We focused on the significant forward-looking assumptions the Group applied in their models, including: • Oil and gas reserve estimates; • Discount rates; and • Forecast operating cash flows, production volumes, oil and gas pricing, foreign exchange rates and capital expenditure, which are determined based on historical performance or external consensus reports or forecasts. This drives additional audit effort specific to the reasonableness of the forecasts and the Group's strategy. We involved valuation specialists to supplement our senior audit team members in addressing this key audit matter. As at 30 June 2021, management re-performed an impairment trigger assessment by reviewing its value in use through modelling and fair value through the recent RVO transaction, and concluded that there were no impairment triggers.	• Operational and capital costs by comparing to actual production costs incurred and capital expenditure cost budget: - Oil and gas pricing and foreign exchange rates by comparing to published views of market commentators. Working with our valuation specialists, and considering the risk factors specific to the Group, we compared the discount rates to publicly available market data for comparable entities. We considered the sensitivity of the models by varying key assumptions, such as discount rates, oil and gas pricing, production volumes, and operating costs within a reasonably possible range, to identify assumptions at higher risk of bias or inconsistency in application. We assessed the scope, objectivity and competence of the Group's external experts responsible for preparation of the reserve estimate. We assessed the Group's determination of the CGU for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards. We assessed the RVO mechanism result, including the sale and purchase of the Canadian assets within the CGU. We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards. At year-end, we have considered management's impairment indicator assessment.

Wizard Lake Oil and Gas Project Transactions

Refer to Note 37 of the Financial Report

The key audit matter	How the matter was addressed in our audit
On 13 January 2021, the Group filed a Notice of Intention ("NOI") pursuant to the Canadian Bankruptcy and Insolvency Act for SBE to restructure its financial affairs. On the same date, the Group offered for sale its Wizard Lake oil and gas project ("the Asset"). In May 2019, the Group as the sole bidder, re-acquired the Asset via a reverse vesting order ("RVO") and all SBE's outstanding trade and other payables as at 19 May 2021 were transferred to a third-party residual company including cash. This was considered a key audit matter due to: • The financial significance of the transaction to the Group;	Our procedures included: Reading the Asset Purchase and Sale Agreement and other agreements to obtain an understanding of the key terms and nature of the transaction. Involving senior audit team members to evaluate the accounting of the Group's transfer of trade and other payables to a third-party residual company, and the acquisition accounting against the criteria of a business combination based on the accounting standards. Reviewing the Group's assessment of control during the restructuring period, and subsequent to the RVO process, with reference to the underlying agreements.

• The significance of Group's assessment in determining whether the transaction is a business combination and if there is a loss of control before, during and after the restructuring process; and • The complexity of the accounting treatment of the transfer of trade and other payables to a third-party residual company as a result of the RVO. These conditions required significant audit effort and involvement of senior audit team members in assessing this key audit matter.	Evaluating the Group's external specialists' valuations of assets disposed of and reacquired as discussed in KAM above, *Valuation of Property, plant and equipment*. Assessing the Group's disclosures in the financial report against our understanding obtained from our testing and the requirements in the accounting standards.

Other Information

Other Information is financial and non-financial information in Whitebark Energy Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report were the Review of Operations, Reserves and Resource Statement, Directors' Report, Shareholder Information and Permits. The Chairman's Letter is expected to be made available to us after the date of the Auditor's Report. Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Whitebark Energy Ltd for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 17 to 22 of the Directors' Report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Graham Hogg
Partner
Perth
27 October 2021

	Note	**30 June 2021 $**	30 June 2020 $
Revenue	5	**3,342,663**	3,378,369
Royalties	5	**(657,037)**	(502,225)
Cost of goods sold	6	**(1,842,616)**	(2,418,231)
Gross Profit		**843,010**	457,913
Other income	7	**3,763,087**	75,846
Finance income	8	**56,348**	61,566
Profit on disposal of assets	9	**9,071**	1,324,833
Change in fair value of financial assets		**-**	(350,493)
Expenses			
Administrative expenses	10	**(1,776,230)**	(2,811,768)
Finance costs	11	**(20,025)**	(58,329)
Impairment expense on property, plant and equipment	12	**(10,351,783)**	-
Impairment expense on trade receivables	12	**(1,123,008)**	-
Share based payments expense	30	**434,057**	(504,960)
Depletion, depreciation and amortisation		**(689,896)**	(1,670,396)
Other operating expenses	13	**(747,575)**	(671,623)
Loss before income tax expense from continuing operations		**(9,602,944)**	(4,147,411)
Income tax benefit	14	**-**	-
Loss after income tax expense for the period		**(9,602,944)**	(4,147,411)
Other comprehensive loss, net of tax			
Items reclassified through profit and loss:			
Foreign currency translation		**(237,150)**	(387,094)
Total comprehensive loss for the period		**(9,840,094)**	(4,534,505)
Loss per share		**cents**	Cents
Basic and diluted loss per share	15	**(0.24)**	(0.16)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the condensed consolidated interim financial report.

	Note	**30 June 2021 $**	30 June 2020 $
Current assets			
Cash and cash equivalents	16	**515,883**	1,115,951
Trade and other receivables	17	**260,180**	867,652
Other current assets	18	**7,248**	83,210
Other investments	21	**-**	269,849
Total current assets		**783,311**	2,336,662
Non-current assets			
Property, plant and equipment	19	**3,614,254**	14,735,267
Exploration and evaluation assets	20	**-**	22,232
Other receivables	17	**-**	581,345
Total non-current assets		**3,614,254**	15,338,844
Total assets		**4,397,565**	17,675,506
Current liabilities			
Trade and other payables	22	**686,367**	6,100,250
Borrowings	24	**-**	200,000
Provisions	23	**-**	147,832
Total current liabilities		**686,367**	6,448,082
Non-current liabilities			
Provisions	23	**-**	13,773
Decommissioning liabilities	25	**2,017,244**	2,410,404
Total non-current liabilities		**2,017,244**	2,424,177
Total liabilities		**2,703,611**	8,872,259
Net Assets		**1,693,954**	8,803,247
Equity			
Issued capital	26	**70,373,317**	67,208,459
Reserves	27	**(130,489)**	1,257,497
Accumulated losses		**(68,548,874)**	(59,662,709)
Total equity		**1,693,954**	8,803,247

	Share capital	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2020	67,208,459	(140,059)	1,397,556	(59,662,709)	8,803,247
Loss for the period	-	-	-	(9,602,944)	(9,602,944)
Other comprehensive loss for the period net of income tax - Foreign currency translation	-	(237,150)	-	-	(237,150)
Total comprehensive loss for the period	-	(237,150)	-	(9,602,944)	(9,840,094)
Net proceeds from share issue, net of cost	3,110,759	-	-	-	3,110,759
Shares issued on exercise of options	9,099	-	-	-	9,099
Shares issued as payment for services	45,000	-	-	-	45,000
Options lapsed/expired	-	-	(716,779)	716,779	-
Share option forfeited - net	-	-	(434,057)	-	(434,057)
Balance at 30 June 2021	**70,373,317**	**(377,209)**	**246,720**	**(68,548,874)**	**1,693,954**
Balance at 1 July 2019	58,369,150	247,035	766,969	(55,515,298)	3,867,856
Loss for the period	-	-	-	(4,147,411)	(4,147,411)
Other comprehensive income for the period net of income tax					
- Foreign currency translation	-	(387,094)	-	-	(387,094)
Total comprehensive loss for the period	-	(387,094)	-	(4,147,411)	(4,534,505)
Net proceeds from share issue, net of cost	8,791,559	-	-	-	8,791,559
Shares issued on exercise of options	3,750	-	-	-	3,750
Share based payments	44,000	-	-	-	44,000
Share option expense	-	-	630,587	-	630,587
Balance at 30 June 2020	**67,208,459**	**(140,059)**	**1,397,556**	**(59,662,709)**	**8,803,247**

The accompanying notes form part of these financial statements.

30 June	30 June
2021	2020

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	Note	$	$
Cash flows from operating activities			
Receipts from customers		**3,368,398**	3,693,221
Payment for royalties on production revenue		**(657,037)**	(543,843)
Government grants - COVID-19 stimulus		**128,000**	-
Interest received		**1,348**	9,561
Interest paid		**(5,817)**	(6,034)
Payment for production, suppliers and employees		**(4,353,317)**	(5,054,034)
Net cash flows used in operating activities	28	**(1,518,425)**	(1,901,129)
Cash flows from investing activities			
Proceeds from sale of securities		**278,920**	235,124
Payment for purchase of securities		**-**	(1,626)
Payment for plant and equipment		**(105,051)**	(6,878)
Payment for re-acquisition of Wizard Lake assets		**(370,201)**	-
Payment for interest in Wizard Lake assets		**-**	(1,278,365)
Payment for tenements		**-**	(258,845)
Payment for development		**(1,761,953)**	(7,739,623)
Payments for exploration assets		**-**	(29,245)
Net cash flows used in investing activities		**(1,958,285)**	(9,079,458)
Cash flows from financing activities			
Proceeds from share issue (net of costs)		**3,110,759**	8,920,935
Repayments of loans		**(200,000)**	200,000
Net cash flows from financing activities		**2,910,759**	9,120,935
Net decrease in cash and cash equivalents		**(565,951)**	(1,859,652)
Cash at the beginning of the financial period	16	**1,115,951**	2,923,228
Effect of movement in exchange rates on cash held		**(34,117)**	52,375
Cash and cash equivalents at 30 June 2021		**515,883**	1,115,951

The condensed consolidated statement of cash flow is to be read in conjunction with the notes to the condensed consolidated interim financial report.

1 Reporting entity

Whitebark Energy Limited (the 'Company') is domiciled and incorporated in Australia. The address of the Company's registered office is 20d William Street, Norwood SA 5067. The consolidated financial report of the consolidated entity for the period ended 30 June 2021 comprises the Company and its subsidiaries. The consolidated entity is involved in oil and gas exploration and production in Alberta, Canada and oil and gas exploration in Western Australia.

The financial report was authorised for issue by the directors on 26 October 2021.

2 Basis of preparation

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. 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 the International Financial Reporting Standards (IFRS).

Whitebark Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

(b) Going concern

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

The Consolidated Entity incurred a loss after tax of $9,602,944 for the year ended 30 June 2021 (2020: loss $4,147,411), including a net gain on disposal of assets of $9,071 (2020: $1,324,833). The net cash outflows from operations and investing activities were $1,518,425 and $1,958,285 respectively. As at 30 June 2021 the Consolidated Entity's current assets exceeded current liabilities by $96,944 (30 June 2020: deficit of $4,111,420). As at 30 June 20201 the consolidated Entity's cash balance was $515,883 and the creditor balance was $686,367.

On 13 January 2021 Whitebark requested a trading halt be placed on its securities pending an announcement to the market regarding the outcome of a review of Whitebark's investment in its wholly owned subsidiary Salt Bush Energy Ltd, which is the owner and operator of the group's Wizard Lake oil and gas project. Whitebark then requested that a voluntary suspension be applied to the Company's securities.

On 13 January 2021, Whitebark's wholly owned Canadian subsidiary, Salt Bush Energy Ltd (SBE) filed a Notice of Intention to Make a Proposal ("Notice of Intention") pursuant to Subsection 50.4(1) of the Canadian Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3) (the "BIA"). A Notice of Intention is the first stage of a restructuring process under the BIA with the objective of permitting SBE to pursue a restructuring of its financial affairs.

Pursuant to the Notice of Intention, Deloitte Restructuring Inc was appointed as the proposal trustee in SBE's proposal proceedings and assisted SBE in its restructuring efforts. The Wizard Lake oil and gas project was offered for sale by Deloitte Restructuring Inc. via a competitive bid process. During this process, SBE continued to operate the asset in the normal course of business.

WBE via a Canadian subsidiary "Iron Bark Energy" (IBE) submitted a bid for the Wizard Lake oil and gas project for a net cash consideration of A$ 341,563 and total consideration of A$ 2,150,538. (C$2,000,000) including related party creditors forgiven.

The bid was successful and WBE gained full ownership and control of the Wizard Lake oil and gas project via SBE using a reverse vesting order mechanism ("RVO") on 19 May 2021. The RVO process meant that IBE was not used to purchase the asset and it stayed resident in SBE. As part of this restructure process the outstanding third-party creditors of SBE as at 19 May 2021 amounting to A$ 3.3 million were transferred to a third party residual company along with any residual SBE cash, resulting in SBE no longer having any obligation to settle these creditors.

In May 2021, Whitebark raised $310,000 through share placements. These share placements and the financial effect of the restructure of SBE as noted above, has allowed the Consolidated entity to return to a positive working capital and positive net asset position.

The Consolidated Entity has prepared a cash flow forecast for the next twelve months from the date of signing the financial report which demonstrates that the Consolidated Entity will have sufficient cash to continue as a going concern, with the following key assumptions:

- The profitable and cash flow positive operation of its interest in the Wizard Lake operation. The cash flow forecast assumes the continued optimisation of Wizard Lake oil and gas operations without any expansion or substantial capital cost. Critical to the forecast cash flows is the Consolidated Entity's ability to achieve forecast levels of oil and gas production based on the production decline curve at current forecast market prices and discounts, and forecast gross profit margins; and
- No further material deterioration occurs in the global oil and gas market, nor the price adjustments the Consolidated Entity receives for its sales.

Should the Consolidated Entity not achieve its cashflow forecasts as planned, it will be dependent on successful equity and/or debt fund raisings over the next 12 months.

The Directors have a reasonable expectation that the Wizard Lake operation will achieve its forecast positive cash flows. Should operations not perform as expected, or further deterioration in the global oil and gas market materialise, the Directors are confident that the Consolidated Entity will be able to secure sufficient funding through equity and/or debt to continue as a going concern based on demonstrated past successes in raising equity. The directors are currently working with the ASX to relist the company.

For these reasons, the Directors have reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable and the Directors consider that the going concern basis of preparation to be appropriate for these financial statements. Should the Wizard Lake operation not generate cash flow as forecast and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.

(c) Basis of measurement

The financial report is prepared on the historical costs basis except for the following assets and liabilities that are stated at their fair value: financial instruments classified at fair value through profit and loss (FVTPL).

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company. The functional currency of the Company's United States of America subsidiary is USD and CAD for the Canadian subsidiary.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

(e) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

The Company's accounting policy for the recognition of rehabilitation provisions requires significant estimates including the magnitude of possible works for removal or treatment of waste materials and the extent of work required and the associated costs of rehabilitation work. These uncertainties may result in future actual expenditure, different from the amounts currently provided.

The provision recognised for each production well is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the balance sheet by adjusting the rehabilitation asset and provision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 12 and 19 – Impairment expense (see note 3(k)) and depletion and depreciation (see note 3(o))

Note 23 – Provisions (see note 3(r))

(f) New and revised standards that are effective for these financial statements

The Group has consistently applied the accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2020 but determined that their application to the financial statements is either not relevant or not material.

(g) New standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group. The Group's assessment of the impact of these new standards and interpretations is that they would not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions except for the following:

AASB 116 Property, Plant and Equipment

The amendment requires an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset.

The Group plans to adopt this amendment from 1 July 2021 for the year ending 30 June 2022.

3 Summary of accounting policies

(a) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Business combination

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income in the foreign currency translation reserve of equity.

(d) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences and the costs of acquiring the rights to explore, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment of non-financial assets note 3(k)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of petroleum resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to property plant and equipment assets.

(e) Determination of recoverability of asset carrying values

The recoverability of development and production asset carrying values are assessed at a cash-generating unit ("CGU") level. Determination of what constitutes a CGU is subject to management judgements. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- Reserves – Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- Oil and natural gas prices – Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.

- Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

(f) Reserve estimates

Proved plus probable reserves are defined as the "best estimate" of quantities of oil, natural gas and related substances estimated to be commercially recoverable from known accumulations, from a given date forward based on drilling, geological, geophysical and engineering data, the use of established technology and specified economic conditions. It is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. The estimates are made using all available geological and reservoir data as well as historical production data. Estimates are reviewed as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes and reservoir performance or changes in the Company's plans with respect to future development or operating practices.

(g) Restoration, rehabilitation and environmental costs and decommissioning obligations

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation and subsequent monitoring of the environment.

Costs are estimated on the basis of future assessed costs, current legal requirements and current technology, which are discounted to their present value. The present value of the costs is included as part of the cost of the exploration and evaluation asset or the property plant and equipment asset. Estimates are reassessed at least annually. Changes in estimates are dealt with prospectively, with any amounts that would have been written off or provided against under accounting policy for exploration and evaluation immediately written off.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology. Other provisions are recognized in the period when it becomes probable that there will be future cash outflow.

(h) Development expenditure

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of hydrocarbon resource has commenced.

When further development expenditure is incurred in respect of an asset after commencement of production, such expenditure is carried forward as part of the asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs is provided on the unit-of-production method with separate calculations being made for each hydrocarbon resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the reserves life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the development and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(i) Trade and other receivables

Other receivables are recorded at amounts due less any allowance for doubtful debts.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Cash equivalents include deposits and other highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

(k) Impairment of non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognised in the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Share capital

(i) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing 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.

(n) Property, plant and equipment

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Buildings and IT equipment also include leasehold property held under a finance lease (see note 36). Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Developed and producing assets are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in expenses as incurred. Such capitalised oil and gas interests generally represent costs incurred in developing proven and/or probable reserves and bringing on or enhancing production from such reserves. The carrying amount of any replaced or sold component is derecognised. The costs of periodic servicing of property plant and equipment is recognised as an expense.

(o) Depletion and depreciation

The net carrying value of developed and producing assets are depleted using the unit of production method by reference to the ratio of production in the period to the related proven developed and undeveloped reserves, taking into account estimated future development costs necessary to bring those undeveloped reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers on an annual basis.

Proven and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

In determining reserves for use in the depletion and impairment calculations, a BOE conversion ratio of six thousand cubic feet of natural gas ("Mcf") to one barrel of oil ("bbl") is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the reserve reports are derived by converting natural gas to oil in the ratio of six Mcf of gas to one barrel of oil.

For other assets, depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

- IT equipment: 4 years
- Other equipment: 4-5 years

In the case of leasehold property, expected useful lives are determined by reference to the lesser of comparable owned assets useful lives and the lease term.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit and loss.

(p) Fair value measurement

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

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

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

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

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

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

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

Level 1 – Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

(q) Employee benefits

As at balance date, the company had no employees and hence no entitlement provisions are accounted for.

(r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(s) Trade and other payables

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

(t) Revenue recognition

Revenue is recognised when the control of the goods or services is transferred to the customer. Determining the timing of the transfer of control requires judgement. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

(i) Net financial income

Net financial income comprises interest on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss on the date the entity's right to receive payments is established which in the case of quoted securities is the ex-dividend date.

(ii) Sales revenue

Revenue from the sale of oil and natural gas will be recorded when control of the goods or services transfer to the customer. The transfer of control of oil, natural gas, natural gas liquids usually occurs at a point in time and coincides with title passing to the customer and the customer taking physical possession.

(u) Income tax

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Whitebark Energy Ltd.

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. Included in the income tax benefit are research and development grants provided during the year.

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 year as well as unused tax losses.

Current and deferred income tax expense (income) 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.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the income statement at the time the claim is lodged and received with the Australian Tax Office.

(v) Segment reporting

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. Based on the information used for internal reporting purposes by the chief operating decision maker, being the executive management that makes strategic decisions, at 30 June 2021 the group's assets are in two reportable geographical segments being Australia and Canada.

(w) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(x) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the asset.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(y) Leases

Right-of-use assets
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 Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
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, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. 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 not 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 or lease term extension 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.

(z) Interest in other entities

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(aa) Adoption of new and revised accounting standards

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

4 Segment reporting

During the period the group operated in two business segments (two geographical areas) – exploration, development and production of oil and gas – Australia and Canada.

The group has identified its operating segment based on the internal report that is reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

30 June 2021	Australia AUD	Canada AUD	Total Segment AUD	Unallocated AUD	Consolidated AUD
Total sales revenue	-	3,342,663	3,342,663	-	3,342,663
Royalties	-	(657,037)	(657,037)	-	(657,037)
Financial income	56,329	19	56,348	-	56,348
Other income	265,810	3,497,276	3,763,086	-	3,763,086
Total revenue and other income	322,139	6,182,921	6,505,060	-	6,505,060
Segment result	230,266	8,836,536	9,066,802	-	9,066,802
Depletion, depreciation & amortisation	(10,186)	(679,709)	(689,895)	-	(689,895)
Impairment expenses	-	(11,474,791)	(11,474,791)	-	(11,474,791)
Loss / (gain) before income tax expense	(102,059)	(9,500,886)	(9,602,944)	-	(9,602,944)
Assets					
Total current assets	275,154	508,157	783,311	-	783,311
Total non-current assets	-	3,614,254	3,614,254	-	3,614,254
Total assets	275,154	4,122,411	4,397,565	-	4,397,565
Liabilities					
Total current liabilities	(435,927)	(250,440)	(686,367)	-	(686,367)
Total non-current liabilities	(1,111,143)	(906,101)	(2,017,244)	-	(2,017,244)
Total liabilities	(1,547,070)	(1,156,541)	(2,703,611)	-	(2,703,611)

30 June 2020	Australia AUD	Canada AUD	Total Segment AUD	Unallocated AUD	Consolidated AUD
Total sales revenue	-	3,378,369	3,378,369	-	3,378,369
Royalties	-	(502,225)	(502,225)	-	(502,225)
Financial income	61,304	262	61,566	-	61,566
Other income	75,846	-	75,846	-	75,846
Total revenue	137,150	2,876,406	3,013,556	-	3,013,556
Segment result	(2,774,093)	300,901	(2,473,192)	(3,823)	(2,477,015)
Depletion, depreciation & amortisation	(3,285)	(1,667,111)	(1,670,396)	-	(1,670,396)
Loss before income tax expense	(2,777,378)	(1,366,210)	(4,143,588)	(3,823)	(4,147,411)
Assets					
Total current assets	1,265,914	1,070,748	2,336,662	-	2,336,662
Total non-current assets	10,396	15,328,448	15,338,844	-	15,338,844
Total assets	1,276,310	16,399,196	17,675,506	-	17,675,506
Liabilities					
Total current liabilities	(938,414)	(5,509,668)	(6,448,082)	-	(6,448,082)
Total non-current liabilities	(1,355,230)	(1,068,947)	(2,424,177)	-	(2,424,177)
Total liabilities	(2,293,644)	(6,578,615)	(8,872,259)	-	(8,872,259)

5 Revenue from continuing operations

	30-Jun-21 AUD	30-Jun-20 AUD
Product sales	3,342,663	3,207,657
Other sales	-	170,712
Total sales from production	3,342,663	3,378,369
Royalties on production	(657,037)	(502,225)
Net revenue from continuing operations	2,685,626	2,876,144

6 Cost of goods and services sold

	30-Jun-21 AUD	30-Jun-20 AUD
Production expenditure (excluding depletion, depreciation, amortisation and workover expenses)	(1,842,616)	(2,418,231)

7 Other income

	30-Jun-21 AUD	30-Jun-20 AUD
Government grants – COVID-19 stimulus	128,000	-
Gain on waiver of trade payables – reverse vesting order (refer note 37) and Point Loma (refer note 38)	3,497,276	-
Recoveries	120,151	-
Other	17,659	75,846
	3,763,087	75,846

8 Finance income

	30-Jun-21 AUD	30-Jun-20 AUD
Interest income	1,348	9,562
Foreign currency gain	55,000	52,004
	56,348	61,566

9 Profit on disposal of assets

	30-Jun-21 AUD	30-Jun-20 AUD
Gain on disposal of developed and producing land – Canada	-	1,310,322
Gain on disposal of financial assets – Triangle Energy Limited	9,071	14,511
	9,071	1,324,833

10 Administration expenses

	30-Jun-21 AUD	30-Jun-20 AUD
Director's costs	(115,092)	(103,068)
Administration and finance support	(213,113)	(901,403)
Employee benefits	(384,765)	(895,043)
General and administration	(1,063,260)	(912,254)
	(1,776,230)	(2,811,768)

11 Finance costs

	30-Jun-21 AUD	30-Jun-20 AUD
Interest expense	(5,817)	(6,732)
Decommissioning liabilities – accretion	(14,208)	(51,597)
	(20,025)	(58,329)

12 Impairment expense

	30-Jun-21 AUD	30-Jun-20 AUD
Impairment – property plant and equipment	(10,351,783)	-
Impairment – trade receivables (refer note 38)	(1,123,008)	-
	(11,474,791)	-

13 Other operating expenses

	30-Jun-21 AUD	30-Jun-20 AUD
Project costs	(458,012)	(176,414)
Legal fees	(54,562)	(12,325)
Tax advisory services	(33,407)	(20,332)
Consultancy fees	(166,521)	(199,345)
Revision of Rehab and Abandonment provision	539,182	(34,035)
Workover expense	(418,959)	(229,172)
Auditor remuneration	(128,331)	(89,231)
Share registry	(26,965)	-
	(747,575)	(671,623)

Auditor remuneration		
Auditors of Whitebark Energy Ltd	(128,331)	(89,231)
	(128,331)	(89,231)

14 Income tax benefit

	30-Jun-21 AUD	30-Jun-20 AUD
Current income tax expense / (benefit)	-	-
Aggregate income tax expense / (benefit)	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax from continuing operations	(9,602,944)	(4,147,411)
Tax at statutory rate of 26% (2020 was 27.5%)	(2,496,765)	(1,140,538)
Adjustment for tax rate difference (Canada 26.5%)	(41,963)	33,993
	(2,538,729)	(1,106,545)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Share-based payments	(112,855)	138,864
Impairment of property plant and equipment	2,691,464	-
Waiver of trade receivables	291,982	-
Waiver of trade payables	(909,292)	-
Sundry items	(12,567)	43,094
	(589,997)	(924,587)
Deferred tax asset on losses/(recouped) not recognised	1,544,802	1,319,609
Deferred tax asset on temporary differences not recognised	(954,806)	(395,022)
Income tax benefit	-	-

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. It is in the opinion of management of the Company that there will be no taxable profits generated in the near future and the deferred tax asset is not to be recognised.

15 Loss per share

The calculation of basic loss per share at 30 June 2021 of 0.24 cents per share (30 June 2020 basic loss: 0.16 cents per share) was based on the loss attributable to the ordinary shareholders of $ 9,602,944 (30 June 2020 loss: $4,147,411) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2021 of Y (30 June 2020: 2,634,610,019 shares) being calculated as follows:

	30-Jun-21 AUD	30-Jun-20 AUD
Loss per share		
Loss attributable to ordinary shareholders		
Loss for the period	(9,602,944)	(4,147,411)
Attributed to:		
Members of the parent entity	(9,602,944)	(4,147,411)
Weighted average number of ordinary shares		
Opening balance	3,040,216,371	1,963,166,371
Movement during the year	957,942,581	671,443,648
Closing balance	3,998,158,952	2,634,610,019
Loss – cents per share	(0.24)	(0.16)
Continuing operations	(0.24)	(0.16)
	(0.24)	(0.16)

16 Cash and cash equivalents

	30-Jun-21 AUD	30-Jun-20 AUD
Cash at bank	515,883	1,075,951
Term deposits	-	40,000
	515,883	1,115,951

17 Trade and other receivables

	30-Jun-21 AUD	30-Jun-20 AUD
Current		
Trade and other receivables	260,180	867,652
Non-Current		
Trade and other receivables	-	581,345
	260,180	1,448,997

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

18 Other current assets

	30-Jun-21 AUD	30-Jun-20 AUD
Prepayments	7,248	83,210

19 Property, plant and equipment

	30-Jun-21 AUD	30-Jun-20 AUD
Plant and equipment at cost	3,636,473	20,946,967
Accumulated depletion, depreciation and amortisation	(22,219)	(1,326,685)
Accumulated impairment	-	(4,885,015)
	3,614,254	14,735,267
Reconciliation of carrying amounts		
Developed and Producing		
Opening balance	14,723,988	8,034,267
Acquisition of additional 10% Wizard Lake interest	-	2,492,061
Revaluation of Point Loma Joint Venture assets	-	1,213,697
Increase in asset retirement obligation asset	-	991,104
Additions	105,051	10,831,319
Transfer from exploration and evaluation assets	-	258,845
Foreign exchange	(175,717)	(171,178)
Disposals	(8,667)	(7,325,028)
Impairment -	(10,351,783)	-
Disposal of ownership through Reverse Vesting Order – note 37	(3,882,230)	-
Resumption of ownership through Reverse Vesting Order – note 37	3,882,230	-
Other write-offs	1,091	-
Depletion	(679,709)	(1,601,099)
	3,614,254	14,723,988
Furniture and fixtures		
Opening balance	1,035	1,295
Depreciation expense	(1,035)	(260)
	-	1,035
Office equipment		
Opening balance	10,244	5,562
Additions	-	7,708
Depreciation expense	(10,244)	(3,026)
	-	10,244
Software assets		
Opening balance	-	8,176
Depreciation expense	-	(8,176)
	-	-
	3,614,254	14,735,267

Impairment test of property, plant and equipment – at 30 June 2021

Oil and gas properties impairment testing requires an estimation of the value in use of the cash generating unit to which deferred costs have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. In determining the fair value less costs of disposal, the company used a discount rate of 10% for the Wizard Lake CGU and the Proven Developed Producing Reserve base (those reserves recoverable from existing wells with no further capital investment – see above, Section 2, Reserves and Resources Statement). Other assumptions used in the calculations which could have an impact on future years include changes to available reserves and oil prices, royalties, and operating costs.

The impairment test of property, plant and equipment at 30 June 2021 concluded that the estimated recoverable amount was higher than the carrying amount of the Wizard Lake CGU and therefore no impairment required on these assets. At year-end there is no impairment trigger identified based on internal and external impairment criteria as required by the accounting standard.

** please refer note 37 regarding the disposal and reacquisition of the Wizard Lake asset

Impairment test of property, plant and equipment – at 31 December 2020

The recoverable amount of property, plant and equipment is determined as FVLCOS using the discounted cash flow method and is assessed at the CGU level. Key input estimates used in the determination of cash flows from oil and gas reserves include estimates regarding recoverable reserves, forward price estimates of crude oil and natural gas prices, royalties forward price estimates of production costs and required capital expenditures and discount rate.

In determining the fair value, the Company used a discount rate of 10% (30 June 2020: 12%) for the Wizard Lake CGU's to value its assets based on proved developed reserves. The Company has based its impairment on the value of its proved developed reserves, as it believes this is what a market participant would be valuing the asset, given the significant uncertainty in developing future fields and accessing capital. Similarly, the timing of the evaluation of these valued reserves is more certain and the timing of production beyond this is not quantified and valued. The following table outlines the forecast benchmark commodity prices used in the impairment calculation of property, plant and equipment at 31 December 2020. Forecast benchmark commodity price assumptions tend to be stable because short-term increases or decreases in prices are not considered indicative of long-term price levels but are nonetheless subject to change.

	2021 (6 months)	2022	2023	2024	2025
WTI Crude Oil ($US/bbl)	30.00	41.18	49.88	55.87	57.98
Edmonton Light Crude Oil ($Cdn/bbl)	29.72	47.20	59.66	67.00	71.33
Western Canadian Select ($Cdn/bbl)	20.12	34.77	45.91	52.70	55.26
Natural Gas Alberta AECO Spot ($Cdn/MMBtu)	1.78	2.22	2.42	2.54	2.61

The impairment test of property, plant and equipment at 31 December 2020 concluded that the estimated recoverable amount was lower than the carrying amount by $10.3 million. As such, property, plant and equipment existed at the Wizard Lake CGU.

In determining the impairment position of the CGU for the half-year ended 31 December 2020, the Company evaluated its developed and producing Wizard Lake CGU and its exploration and evaluation assets for indicators of impairment. The developed and producing Wizard Lake CGU consists of production facilities, wells, land and associated reserves. The recoverable amount of Wizard Lake CGU has been established by reference to an independently prepared reserve report based on proved reserved (1P). An impairment amount of $10.3 million has been charged in relation to the Wizard Lake assets. This amount was also compared with the successful bid made by WBE through its Canadian Subsidiary, Iron Bark Energy on 19 May 2021 where WBE gained an effective control of the Wizard Lake assets using the reverse vesting order (RVO) mechanism which was discussed in detail in note 37. The assumptions used to determine recoverable amount as at 31 December 2020 would not materially differ from the recoverable amount of Wizard Lake CGU as at 19 May 2021's RVO, as operations in the Wizard Lake Oil Field during the intervening period from 1 January 2021 to 19 May 2021 remained the same; no wells were shut nor newly constructed.

The model contained in the Reserves Report reflects the Proved Developed Producing (PDP) reserves and demonstrated that the existing three wells declining at 2% per month until the field becomes uneconomic in 22.67 years generating a net present value of C$3.1 million. The Company considers this to be the fair value as it approximates the purchase price of C$2 million ($AU 2,150,138).

To consider any other part of reserves in determining the fair value, for instance the Proven Undeveloped (PUD), this assumes the successful capital raising and conducting of future drilling campaigns. Whilst these possibilities have all been considered the Company has determined that to include any other part of the reserves as part of the asset's current fair valuation is not appropriate.

The modelled life of the field in the PDP Reserves Report as it exists today is 22.67 years. The Company does not consider that the field life itself has a material impact as this is only an estimate of how long it could take to exploit the reserves.

The fair value less costs of disposal values used to determine the recoverable amounts of the property, plant and equipment assets are categorized as Level 3 on the fair value hierarchy as the key assumptions are not based on observable market data.

The impairment tests completed during the half year ended 31 December 2020 are sensitive to changes in any of the key judgements such as a revision in reserves, a change in forecast benchmark commodity prices, changes in expected royalties, change in operating costs, changes in production or production profile which could increase or decrease the recoverable amount of the assets and result in additional impairment expense or recovery of the impairment expense.

20 Exploration and evaluation expenditure

	30-Jun-21 AUD	30-Jun-20 AUD
Exploration and evaluation assets	-	22,232
Movement in exploration and evaluation assets		
Opening balance	22,232	919,584
Additions – Canada	-	288,091
	-	-
Impairment of exploration and evaluation assets	(22,232)	-
Disposals	-	(907,003)
Transfer to property, plant and equipment	-	(258,845)
Foreign currency movement	-	(19,595)
	-	22,232

The ultimate recoverability of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying areas of interest.

The Group undertakes at each reporting date, a review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgments in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review included:

- Recent drilling results and reserves/resource estimates;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of assets at the review date;
- Independent valuations of underlying assets that may be available;
- Fundamental economic factors such as prices, exchange rates and current and anticipated operating cost in the industry; and
- The group's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information as appropriate.

Changes in these estimates and assumptions as new information about the presence or recoverability of a reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss in accordance with accounting policy 3(d). As at balance date, these assets have been written off

21 Other investments

	30-Jun-21 AUD	30-Jun-20 AUD
Listed equity securities	-	269,849
	-	269,849

22 Trade and other payables

	30-Jun-21 AUD	30-Jun-20 AUD
Current:		
Trade creditors	686,367	5,873,527
Other payables	-	226,723
	686,367	6,100,250

All amounts are short-term. The carrying value of trade payables and other payables are considered to be a reasonable approximation of fair value.

23 Provisions

	30-Jun-21 AUD	30-Jun-20 AUD
Current:		
Annual leave	-	94,376
Long service leave	-	53,456
		147,832
Non-Current:		
Long service leave	-	13,773
	-	161,605

24 Borrowings

	30-Jun-21 AUD	30-Jun-20 AUD
Current:		
Loans	-	200,000

25 Decommissioning liabilities

	30-Jun-21 AUD	30-Jun-20 AUD
Balance at the beginning of the period	2,410,404	8,568,740
Liabilities acquired – Canada [1]	-	849,086
Change in inflation rate of liabilities	-	(14,946)
Movement in Warro Project liability	(230,314)	34,035
Change in discount rate of liabilities	169,761	65,344
Revision of estimates	(308,868)	91,621
Disposal of assets [2]	-	(7,077,877)
Accretion expense	14,208	51,987
Expenditure	-	(2,875)
Foreign currency movement	(37,947)	(154,711)
Balance at the end of the period	2,017,244	2,410,404

The Company's decommissioning obligations result from its ownership interest in oil and natural gas well sites and facilities. The total decommissioning obligation is estimated based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be $2,017,244 as at 30 June 2021 (2020: $2,410,404). The provision in respect of the Wizard Lake asset is $ 906,101 after factoring in an inflation rate of 2% p.a., a long-term discount rate of 1.84% and remaining project life of 22.17 years. In respect of the Warro asset, it is $ 1,111,143 after factoring in an inflation rate of 2% p.a., a remaining project life of 2 years and an 0.06 RBA 2-year bond rate.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as a finance cost whereas increases/decreases due to changes in the estimated future cash flows are capitalized where there is a future economic benefit associated with the asset. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent the provision had been established.

26 Issued capital

	30-Jun-21 AUD	30-Jun-20 AUD
Ordinary Shares	70,373,317	67,208,459

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Reconciliation of movement in issued capital

Issued capital – Shares	**30 June 2021 Number**	30 June 2020 Number	**30 June 2021 AUD**	30 June 2020 AUD
Share capital				
Issued ordinary shares	4,373,125,551	3,040,216,371	70,373,317	67,208,459
Movements in issued capital				
Issued capital				
Opening balance	3,040,216,371	1,963,166,371	69,511,300	59,900,550
Issue of shares for cash	1,323,406,339	1,072,675,000	3,350,219	9,563,000
Shares issued on exercise of Options	909,937	375,000	9,099	3,750
Share based payments	8,592,904	4,000,000	45,000	44,000
			72,915,618	69,511,300
Less share issue costs				
Opening balance			(2,302,841)	(1,531,400)
Current period costs			(239,460)	(771,441)
Closing balance share issue costs			(2,542,301)	(2,302,841)
	4,373,125,551	3,040,216,371	70,373,317	67,208,459

27 Reserves

	30-Jun-21 AUD	30-Jun-20 AUD
Share based payment reserve	246,720	1,397,556
Foreign currency translation reserve	(377,209)	(140,059)
	(130,489)	1,257,497
Movement in reserves		
Share based payment reserve		
Opening balance 1 July	1,397,556	766,969
Fair value of options (forfeited net)/expense during the period	(434,057)	630,587
Options lapsed/expired during the period	(716,779)	-
Closing balance 30 June	246,720	1,397,556
Foreign currency translation reserve		
Opening balance 1 July	(140,059)	247,035
Exchange gains/(losses) for the period	(237,150)	(387,094)
Closing balance 30 June	(377,209)	(140,059)

Share based payments reserve

The reserve represents the value of options issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements.

This reserve will be reversed against share capital when the underlying options are exercised by the employee or consultant or expire. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

28 Reconciliation of cash flow from operating activities

	30-Jun-21 AUD	30-Jun-20 AUD
Cash flows used in operating activities		
Profit/(loss) for the period	(9,602,944)	(4,147,411)
Adjustments for:		
Depreciation, depletion and amortisation expense	689,895	1,670,396
Accretion expense	14,208	51,987
Profit on disposal of assets	(9,071)	(1,324,833)
Gain on fair value of financial assets	-	350,493
Impairment expenses	11,497,023	-
Revision of provision for rehabilitation and abandonment	(369,421)	34,035
Waiver of trade payables	3,497,276	-
Disposal of plant and equipment	8,667	-
Foreign exchange differences	(65,261)	(128,369)
Equity settled share-based payment expenses	(379,958)	548,960
Operating profit before changes in working capital and provisions	5,280,414	(2,944,742)
(Increase)/Decrease in other receivables and prepayments	141,771	241,718
Increase/(Decrease) in trade and other payables	(6,940,610)	801,895
Net cash used in operating activities	(1,518,425)	(1,901,129)

29 Related Party Transactions

Detailed disclosures relating to Directors and Key Management Personnel are set out in the Directors' Report under the section entitled Remuneration Report.

The totals of remunerations paid to Key Management Personnel of the Company and the consolidated entity during the year are as follows:

	30-Jun-21 AUD	30-Jun-20 AUD
Short-term employee benefits	(247,927)	(676,575)
Post-employment benefits	(17,021)	(25,000)
Termination payments	(81,980)	-
Share based payments	(148,799)	(438,733)
	(495,727)	(1,140,308)

The aggregate amounts recognised during the year relating to directors' related parties and other related parties were as follows:

	Transactions value year end		Balance outstanding at	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
TB&S Consulting Pty Ltd (i)	49,256	154,533	49,256	126,000
Loan - Charles Morgan(ii)	100,000	100,000	-	100,000
Interest – Charles Morgan(ii)	2,740	-	-	-
Adelaide Equity Partners Ltd(iii)	47,584	-	8,250	-
Business Initiatives Pty Ltd(iv)	42,403	-	18,333	-
	241,983	254,533	75,839	226,000

(i) TB&S Consulting Pty Ltd is a Company associated with Mr Stephen Keenihan. The charges from TB&S Consulting are for director's fees and consulting fees.

(ii) Mr Charles Morgan provided a short-term loan of $100,000. The loan was unsecured with interest payable at 10% pa. The loan was repaid following the completion of the non-renounceable entitlement offer in July 2020.

(iii) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services provided.

(iv) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping and financial control functions undertaken for the group.

30 Share –based payments and options issued

Options are granted and approved by the directors and shareholders.

Options are granted to directors, employees, consultants and others. Entitlements to the options are exercisable as soon as they have vested and performance conditions have been met. There are no cash settlement alternatives. Options granted carry no dividend or voting rights.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of any movements in share options issued during the year:

	No. 2021	WAEP 2021	No. 2020	WAEP 2020
Outstanding at the beginning of the year	851,120,367	0.012	723,695,367	0.012
Granted during the year	-	-	127,800,000	0.015
Exercised during the year	(909,937)	0.01	(375,000)	0.01
Lapsed/expired during the year	(807,410,430)	-	-	-
	42,800,000	0.014	851,120,367	0.012

The number of options vested and exercisable as at 30 June 2021 was 42,800,000 (2020: 763,320,367).

No unlisted options were granted during the year ended 30 June 2021.

The outstanding balance of unlisted options over ordinary shares as at 30 June 2021 represented by:

Unlisted Options

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
15-Nov-19[2]	15-Nov-19	13-Nov-22	$0.012	22,800,000	99,938
02-Jan-20[1]	02-Jan-20	02-Jan-23	$0.016	10,000,000	73,593
02-Jan-20[1]	02-Jan-21	02-Jan-23	$0.016	10,000,000	73,593
28-May-21[3]	28-May-21	28-May-23	$ 0.002	155,000,000	-

1. Options were granted as remuneration to Charles Morgan in FY20.
2. Options granted in FY20 to advisors
3. Options granted during the year as part of share placement

The outstanding balance of unlisted options over ordinary shares as at 30 June 2020 represented by:

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
28-Apr-17	28-Apr-17	1-Apr-21	$0.015	11,000,000	70,191
24-Jul-17	24-Jul-17	31-May-21	$0.015	100,000,000	633,019
20-Jun-19	20-Jun-19	20-Jun-21	$0.008	10,000,000	25,688
13-Nov-19[3]	13-Nov-20	13-Nov-22	$0.012	12,500,000	66,551
13-Nov-19[3]	13-Nov-21	13-Nov-22	$0.012	12,500,000	66,551
15-Nov-19[2]	15-Nov-19	13-Nov-22	$0.012	22,800,000	99,938
02-Jan-20[1]	02-Jan-20	02-Jan-23	$0.016	40,000,000	294,371
02-Jan-20[1]	02-Jan-21	02-Jan-23	$0.016	40,000,000	294,371

The weighted average remaining contractual life for the unlisted share options outstanding as at 30 June 2021 is 1.8 years. The exercise price for options outstanding at the end of the year is 20,000,000 at A$0.016, 22,800,000 at A$0.012 and 155,000,000 at A$0.002 (2020: 80,000,000 at A$0.016, 47,800,000 at A$0.012, 111,000,000 at A$0.015 and 10,000,000 at A$0.008).

During the reporting period, no unlisted options were exercised or cancelled during the period. 33,500,000 unlisted options unexercised and expired on expiry date, 172,500,000 unlisted options lapsed on vesting condition no longer being met.

An expense of $181,647 has been recognised in the consoidated statement of profit or loss and other comprehensive income in respect of options vested during the year (2020: $504,960). An amount of $615,703, in relation to fair value of options forfeited due to employees' resignation, has been recognised as an income in the consoidated statement of profit or loss and other comprehensive income during the year. The net effect of $434,057 has been recogised as an income in the consoidated statement of profit or loss and other comprehensive income during the year.

Subsequent to the end of the reporting period, 20,000,000 unlisted options granted on 2 January 2020 with exercise price of $0.016 expiring 2nd January 2023 lapsed due to resignation of Chairman Charles Morgan.

Listed Options

	30-Jun-21	30-Jun-20
Options on issue at balance date	-	602,320,367
Options issued at start of the year	602,320,367	602,695,367
Options exercised during the year	(909,937)	(375,000)
Options lapsed unexercised during the year	(601,410,430)	-
	-	602,320,367

During the period, 909,937 listed options were exercised at 1 cent each and 601,410,430 listed options lapsed unexercised on the expiry date of 31 August 2020.

No other listed options were granted, exercised or cancelled during the period.

31 Parent Company disclosures

	30-Jun-21	30-Jun-20
Current Assets	171,543	1,136,219
Non-Current Assets	1,694,565	8,243,120
Total Assets	1,866,108	9,379,339
Current Liabilities	310,996	576,094
Non-Current Liabilities	-	-
Total Liabilities	310,996	576,094
Net Assets	1,555,113	8,803,245
Contributed Equity	70,373,317	67,208,459
Share based payments reserve	246,720	1,397,555
Accumulated losses	(69,064,924)	(59,802,769)
Total Equity	1,555,113	8,803,245
Results of Parent Entity for the year		
Profit / (loss) for the year	(9,262,155)	(4,534,505)
Other Comprehensive income	-	-
Total Comprehensive income	(9,262,155)	(4,534,505)

The Company has no contingent liabilities or commitments and no guarantees due to subsidiaries at 30 June 2021.

32 Financial risk management and financial instruments

Financial Risk Management

Overview

The consolidated entity has exposure to the following risks from its use of financial instruments:

- credit risk;
- commodity risk;
- currency risk;
- liquidity risk;
- market risk; and
- climate change risk.

The consolidated entity's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- Meet all its financial commitments; and
- Maintain the capacity to fund the consolidated entity's operating activities.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the consolidated entity through regular reviews of the risks.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of business. These risks are managed under Board approved directives which underpin treasury practices and processes.

This note presents information about the Company's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers and deposits with banks.

Trade and other receivables

As at 30 June 2021 there were no significant concentrations of credit risk on the statement of financial position. $260,180 of current trade receivables at 30 June 2021 relate to amounts to be received from future operational receipts from the Wizard Lake oil and gas field.

The consolidated entity monitors receivable balances on an ongoing basis and as a result believes its exposure to bad debts is insignificant.

Impairment losses

None of the Company's receivables are past due (2020: nil). As at 30 June 2021 there is no allowance for impairment in respect to other receivables for the consolidated entity (2020: nil).

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

Financial Instruments

	30-Jun-21	30-Jun-20
Trade and other receivables	260,180	1,448,997
Cash and cash equivalents	515,883	1,115,951
	776,063	2,564,948

The consolidated entity limits credit risk on its cash deposits by only transacting with high credit-rated financial institutions.

30 June 2021	Trade and other receivables	Current assets Other investments (including derivatives)	Cash and cash equivalents	Total
Financial assets measured at fair value				
Listed equity investments	-	-	-	-
Financial assets not measured at fair value				
Trade and other receivables	260,180	-	-	260,180
Cash and cash equivalents	-	-	515,883	515,883
	260,180	-	515,883	776,063

30 June 2020	Trade and other receivables	Current assets Other investments (including derivatives)	Cash and cash equivalents	Total	Level 1
Financial assets measured at fair value					
Listed equity investments	-	269,849	-	269,849	268,849
Financial assets not measured at fair value					
Trade and other receivables	1,448,997	-	-	1,448,997	-
Cash and cash equivalents	-	-	1,115,951	1,115,951	
	1,448,997	268,849	1,115,951	2,834,797	

Commodity Risk

The consolidated entity is exposed to commodity price risk through its revenue from the sale of hydrocarbons – gas, crude oil, condensate and LPG – which are priced against world benchmark commodity prices.

The following table details the impact on revenue a 10% and 20% increase and decrease in the oil and gas price would have on current year revenue, using the entities average oil price over this year. The below table shows the increase in profit and equity given an increase in oil price; there would be a negative impact to both profit and equity to the same degree if average oil price decreased by the same percentage.

Oil Price Impact

	2021	2020
Profit or loss: 10%	268,543	287,614
Profit or loss: 20%	537,126	575,229

Currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is exposed to Canadian dollars (CAD) in its Canadian operations.

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the CAD against the Australian dollar. The sensitivity analysis is based on 30 June 2021 year end foreign currency denominated monetary items and adjusts their translation at year end for a 10% and 20% strengthening in foreign currency rates. For a 10% and 20% decrease in foreign currency rates, there would be a comparable impact on the profit and equity, and the balances below would be negative.

Currency Movement Impact

	2021	2020
Profit or loss: 10% CAD	27,019	21,782
Profit or loss: 20% CAD	54,038	43,563

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30- Jun-2021	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1-2 years	2-5 years
Financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities not measured at fair value						
Trade and other payables	686,367	686,367	686,367	-	-	

30- Jun-2020	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1-2 years	2-5 years
Financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities not measured at fair value						
Trade and other payables	6,100,250	6,100,250	6,100,250	-	-	
Other loans	200,000	200,000	200,000	-	-	

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity'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.

Interest rate risk

At the reporting date the interest rate profile of the Company's and the consolidated entity's interest-bearing financial instruments was:

	30-Jun-21	30-Jun-20
Variable rate Instruments		
Financial assets	515,883	1,115,951

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss		Equity	
	100bp increase AUD	100bp decrease AUD	100bp increase AUD	100bp decrease AUD
30-Jun-2021				
Variable rate instruments	5,158	(5,158)	5,158	(5,158)
Cash flow sensitivity	5,158	(5,158)	5,158	(5,158)
30-Jun-2020				
Variable rate instruments	11,160	(11,160)	11,160	(11,160)
Cash flow sensitivity	11,160	(11,160)	11,160	(11,160)

Climate change risk

Key climate-related risks and opportunities relevant to the Company's operations include:

- The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels, increased uncertainty time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to lower carbon economy also gives rise to opportunity for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.
- Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.
- Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

Due to the nature of the uncertainties relating to the above risks, the financial impact has not been quantified for the financial year.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the consolidated entity defines as net operating income divided by total shareholders' equity.

	30-Jun-21	30-Jun-20
Equity attributable to shareholders of the Company	70,373,317	67,208,459
Equity	70,373,317	67,208,459
Total Assets	4,397,565	17,675,506
Equity ratio	6%	26%

There were no changes in the consolidated entity's approach to capital management during the year. As at 30 June 2021, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

33 Consolidated entities

(a) Parent entity

The parent entity of the group is Whitebark Energy Limited, incorporated in Australia.

Registered office: 20D William Street, Norwood SA 5067

(b) Subsidiaries

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described under 1(a)

Name of Entity	Country of incorporation	30-Jun-21 Equity Holding %	30-Jun-20 Equity Holding %
Subsidiaries of Whitebark Energy Ltd			
Tejon Energy Pty Ltd	Australia	100	100
Tejon Energy Inc (100% subsidiary of Tejon Energy Pty Ltd)	USA	100	100
Latent Petroleum Pty Ltd	Australia	100	100
Calor Energy Pty Ltd	Australia	100	100
Kubla Oil Pty Ltd	Australia	100	100
Rex Bush Energy Ltd	Canada	100	100
Iron Bark Energy Ltd	Canada	100	100

34 Contingent Liabilities

There are no contingent liabilities at 30 June 2021 (2020: nil).

35 Commitments

The Group had a lease commitment as at 30 June 2021 in respect of a photocopier that was subsquently paid out in full on 17 September 2021. The future minimum lease payments as represented by the payout were as follows as at 30 June 2021;

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
30-Jun-21	7,937	-	-	7,937
30-Jun-20	8,840	7,020	-	15,860

Lease expense during the period amounted to $ 3,305 (2020: $17,620).

36 Subsequent Events

Whitebark Energy has been in discussion with the ASX with regard to exiting its voluntary trading halt (see “Corporate”, above) during the period August to October 2021. ASX requirements for re-listing are currently being refined and WBE is developing an appropriate strategy to meet requirements.

Effective 13 August 2021, Salt Bush Energy Ltd changed its name to Rex Energy Ltd with the Certificate of Amendment ratified under the Government of Alberta Business Corporations Act.

Other than the above, no material matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the consolidated entity.

37 Wizard Lake Oil and Gas Project Transactions

On 13 January 2021 Whitebark requested a trading halt be placed on its securities pending an announcement to the market regarding the outcome of a review of Whitebark’s investment in its wholly owned subsidiary Salt Bush Energy Ltd, which is the owner and operator of the group’s Wizard Lake oil and gas project. Whitebark then requested that a voluntary suspension be applied to the Company’s securities.

On 13 January 2021, Whitebark’s wholly owned Canadian subsidiary, Salt Bush Energy Ltd (SBE) filed a Notice of Intention to Make a Proposal ("Notice of Intention") pursuant to Subsection 50.4(1) of the Canadian Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3) (the "BIA"). A Notice of Intention is the first stage of a restructuring process under the BIA with the objective of permitting SBE to pursue a restructuring of its financial affairs. The filing of the Notice of Intention had the effect of imposing an automatic stay of proceedings ("Stay") that protected SBE and its assets from the claims of creditors while the Company pursued this objective. The initial Stay period of 30 days was extended by court order, during which time SBE assessed its ability to restructure its business.

Pursuant to the Notice of Intention, Deloitte Restructuring Inc was appointed as the proposal trustee in SBE’s proposal proceedings and assisted SBE in its restructuring efforts. The Wizard Lake oil and gas project was offered for sale by Deloitte Restructuring Inc. via a competitive bid process. During this process, SBE retained effective control and ownership of the asset and continued to operate the asset in the normal course of business. All income generated by the asset was retained by SBE and SBE was also responsible for paying all expenses.

WBE was the largest SBE creditor, representing approximately 83.5% of the total SBE creditors. WBE via a Canadian subsidiary “Iron Bark Energy” (IBE) submitted a bid for the Wizard Lake asset which, in effect, offered a net purchase price of C$0.3 million (A$ 341,563) after a waiver of SBE’s outstanding debt with WBE of C$1.7 million (A$ 1,808,975). This effectively valued the Wizard Lake asset at a purchase consideration of C$2 million (A$ 2,150,538).

The bid was successful and WBE retained effective control of the Wizard Lake oil and gas project via SBE using a reverse vesting order mechanism ("RVO") on 19 May 2021. The RVO process meant that IBE was not used to purchase the asset and it continued resident in SBE. As part of this process, all SBE creditors, with a total amount of C$19.6 million as at 19 May 2021 (C$20.2 million as at 30 June 2021 before repayment subsequent to reporting date) were transferred to a third-party residual company along with any residual SBE cash resulting in SBE no longer having any obligation to settle these creditors. Oversight of the Trustee was withdrawn as part of the transaction effective, 19 May 2021.

During the RVO process, SBE was under the control of WBE. SBE continued to run the business and had effective control of the Wizard Lake oil and gas field at all times during the period of trusteeship. SBE continued to receive the income from the Wizard Lake oil field and also continued to pay all related expenses. It had full control of the bank account and all inputs, process and outputs pertaining to the business.

From an accounting perspective, the asset was disposed of and immediately re-assumed by the Group with a net book value of A$ 3,882,230 (after the recognition of accumulated impairment) as at 15 May 2021.

During the year, the Group recognised impairment losses of A$10,351,783 as the asset was written down to reflect the market value. Refer to Note 12 to the notes to Financial Statements for details of the impairment losses recognised during the financial year.

The group also received a benefit that all unrelated, third party creditors of SBE were extinguished which resulted in a gain on waiver of trade payables to the group of A$3.3 million – please refer note 7 - "Other income". In conjunction with this, the group recognised an impairment in trade receivables in the amount of A$ 1,123,008 – please refer note 12 "Impairment".

38 Point Loma

During the year SBE acquired the remaining interests in Wizard Lake it did not already own (Section 21, Figure 3) from the Receiver of Point Loma Resources Inc (PLX), on the following key terms and conditions:

- The Effective Date of the Transfer is June 8, 2020, the date the Receiver was appointed;
- SBE's land position increased to 6400 acres from 5632 acres prior to the transaction;
- SBE makes no further claims against PLX and releases PLX from paying the amount owed to SBE calculated by SBE to be C$996,481 (A$ 1,123,008)). This amount is recognised as an impairment expense on trade receivables in the statement of profit or loss and other comprehensive income;
- PLX makes no further claims against SBE and releases SBE from paying the amount owed to PLX calculated by SBE to be A$ 352,136. This amount is recognised as a "gain on waiver of trade payables" in the statement of profit or loss and other comprehensive income; and
- SBE assumes the assets on an "as is, where is" basis; and
- SBE paid C$ 10 in respect of this acquisition.

The transaction was not subject to Alberta Energy Regulator (AER) approval, however the AER was required to approve the transfer of the two well licenses (Rex-1 and Rex-2). Such approval was provided 25 August 2021.

SBE now owns 100% of the Rex-1,2 & 3 wells and all associated facilities and infrastructure. Revenue pertaining to Point Loma was grossed-up to 100% from the effective date as Point Loma were no longer paying cash-calls and SBE received 100% of revenue. This revenue was derived purely from the addition of assets (additional 16.5% working interest in Wizard Lake oil and gas project).

Directors Declaration

1. In the opinion of the Directors of Whitebark Energy Ltd ("the Company"):

   a. The financial statements and notes set out on pages 32 to 71, and the remuneration disclosures that are contained in the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

      (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

      (ii) Complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   b. the financial report also complies with International Financial Reporting standards as disclosed in note 2(a);

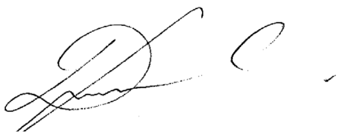
   c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2021.

Dated at Adelaide this 26 October 2021.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Duncan Gordon
Chairman

SHAREHOLDER INFORMATION

Whitebark Energy Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is WBE.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 17 September 2021

Rank	Name	Units	% of Units
1.	MR KIM AARON MULLER	267,850,000	6.10%
2.	MR CHARLES WAITE MORGAN	255,284,012	5.84%

CLASS OF SHARES AND VOTING RIGHTS

At 13 September 2021 there were 2,662 holders of 4,373,125,551 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

a. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

b. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	No of holders	Ordinary Shares
1 - 1,000	150	20,671
1,001 - 5,000	58	186,653
5,001 - 10,000	83	691,975
10,001 - 100,000	949	47,443,023
100,001 - 9,999,999,999	1,422	4,324,483,229
Total	2,662	4,373,125,551

The number of shareholders holding less than a marketable parcel could not be calculated due to no market price.

UNLISTED OPTIONS

Securities	Number of Securities on issue	Number of Holders
Unlisted Options exercise price of $0.012 expiring 15/11/2022	22,800,000	1
Unlisted Options exercise price of $0.002 expiring 28/05/2023	155,000,000	**8**

ESCROWED SECURITIES

The Company does not have any securities on issue that are subject to escrow restrictions.

LISTING OF 20 LARGEST SHAREHOLDERS AS AT 13 SEPTEMBER 2021

Rank	Name	Units	% Units
1	MR KIM AARON MULLER	257,000,000	5.88
2	CHARLES WAITE MORGAN	159,633,571	3.65
3	COMMUNICATIONS POWER INCORPORATED (AUST) PTY LTD	143,000,000	3.27
4	ORABANT PTY LTD <C MEULENGRAAF SUPER A/C>	129,000,000	2.95
5	SKYE EQUITY PTY LTD	125,958,557	2.88
6	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	108,666,669	2.48
7	MR STEPHEN LESLIE KEENIHAN + MRS SHERIDAN JAY KEENIHAN <SL & SJ KEENIHAN S/F A/C>	100,083,332	2.29
8	MR CHARLES WAITE MORGAN	95,650,441	2.19
9	4F INVESTMENTS PTY LTD	87,500,000	2.00
10	MR MARK EDWIN ROBERTS	72,000,000	1.65
11	J & B SMITH SUPERANNUATION PTY LTD <LOCH M FRASER CU TRA SF A/C>	65,000,000	1.49
12	BART SUPERANNUATION PTY LIMITED <4F INVESTMENTS SUPERFUND A/C>	54,148,339	1.24
13	COMMUNICATIONS POWER INCORPORATED (AUST) PTY LTD	52,000,000	1.19
14	SACHA INVESTMENTS PTY LTD	50,549,487	1.16
15	MR FREDERICK BART	50,000,000	1.14
16	COOLRIDGE ENTERPRISES PTY LTD	50,000,000	1.14
17	LEEJAMES NOMINEES PTY LTD <THE HEPBURN SUPER FUND A/C>	50,000,000	1.14
18	MARBEL CAPITAL PTY LTD	50,000,000	1.14
19	MILLER ANDERSON PTY LTD <LONGHORN RIDGE SUPER FUND A/C>	50,000,000	1.14
20	VILLEMARETTE NOMINEES PTY LTD <VILLAMARETTE FAMILY A/C>	46,856,085	1.07
TOTAL		1,797,046,481	41.09

PERMITS

WIZARD LAKE, ALBERTA CANADA			
Block	**Gross Acres**	**WI**	**Net acres**
24-048-28W4	640	100%	640
20-048-27W4	640	100%	640
21-048-27W4	640	100%	640
22-048-27W4	640	100%	640
17-048-27W4	640	100%	640
W 16-048-27W4	320	100%	320
8-048-27W4	640	100%	640
9-048-27W4	640	100%	640
5-048-27W4	640	100%	640
N 4-048-27W4	320	100%	320
32-047-27W4	640	100%	640
Total	**6,400**	**100%**	**6,400**

AUSTRALIAN LAND INTERESTS			
Project	**Net Acres**	**WI**	Location
Warro JV – RL7	54,360	100%	Western Australia