

ANNUAL REPORT 2022

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CORPORATE INFORMATION

DIRECTORS

Gary Lethridge	Non-Executive Chairperson (Appointed 23 September 2021)
Paul Savich	Managing Director
Rhys Bradley	Non-Executive Director and Company Secretary
Paull Parker	Non-Executive Director (Appointed 29 September 2021, resigned 1 July 2022)
Tom Lyons	Non-Executive Director (Resigned 29 September 2021, re-appointed 1 July 2022)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2, 55 Carrington Street
Nedlands, Western Australia, 6009
ABN 51 646 878 631

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, Western Australia, 6000
Telephone: +61 8 6382 4600

SOLICITORS

EMK Lawyers
Unit 1, 519 Stirling Highway
Cottesloe, Western Australia, 6011
Telephone: +61 8 9794 6192

SHARE REGISTRY

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth, Western Australia, 6000
Investor enquiries: 1300 288 664

WEBSITE

www.wa1.com.au

STOCK EXCHANGE LISTING

WA1 Resources Ltd shares are listed on the Australian Securities Exchange (ASX: WA1)

CONTENTS

CHAIRPERSON'S LETTER TO SHAREHOLDERS	3
REVIEW OF OPERATIONS	4
DIRECTORS' REPORT	11
DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)	15
AUDITOR'S INDEPENDENCE DECLARATION	19
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CHANGES IN EQUITY	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	24
DIRECTORS' DECLARATION	37
INDEPENDENT AUDITOR'S REPORT	38
SHAREHOLDERS' INFORMATION	42

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CHAIRPERSON'S LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the 2022 Annual Report for WA1 Resources Ltd ('WA1', or 'the Company'), our first Annual Report as an ASX listed company.

WA1's key objective upon listing was, and is, to create shareholder value.

We are aiming to achieve this in the first instance by seeking to discover a tier 1 future facing mineral deposit in Western Australia's underexplored regions. We believe that both our West Arunta and Madura Projects, although at an early stage of assessment, present the conceptual exploration potential to achieve this objective.

The West Arunta Project is our most advanced exploration project and is located in the West Arunta Orogen. This orogen contains known Iron-Oxide Copper-Gold ('IOCG') style mineralisation and anomalism, has intrusive features typically associated with IOCG deposits and contains major structural features and a complex deformation history; all important elements which are similar to other established IOCG provinces. The region also continues to attract the interest of major companies such as Rio Tinto who are actively exploring in the region.

Both pre and post listing on the ASX, your Company has completed several on-ground exploration programs at the West Arunta Project culminating in the recent maiden drill program of seven reverse circulation drillholes at three prospects. The drill program was completed on-time and on-budget and was a clear demonstration of WA1's ability to successfully complete remote exploration activities cost effectively.

Also, during the year, the Company entered into a heritage protection and exploration agreement in relation to the Hidden Valley Project. Plans to complete first-pass geophysics at Hidden Valley to assess the exploration potential for intrusive nickel mineralisation are progressing. At the Madura Project negotiations with traditional owners are continuing which will enable exploration to commence.

We are committed to utilising our exploration efforts to deliver both short and long-term opportunities to our traditional owner partners across all our projects and we thank them for their continued support. Over the next year we will look to continue our exploration efforts with a positive impact on the remote communities and lands on which we operate.

Finally, I would also like to take this opportunity to thank our shareholders who have enabled and supported our exploration efforts, along with the strong commitment and considerable efforts of Paul Savich and WA1's Exploration Manager, Stephanie Wray.

Yours sincerely,

Gary Lethridge
Non-Executive Chairperson
WA1 Resources Ltd

REVIEW OF OPERATIONS

SUMMARY OF OPERATIONS

WA1's objective is to discover a tier 1 mineral deposit in Western Australia's underexplored regions and create value for all stakeholders. We believe we can have a positive impact on the remote communities within the lands on which we operate.

The Company currently has three exploration projects in Western Australia, being the West Arunta, Madura and Hidden Valley projects.



Figure 1: Location of WA1's Exploration Projects

WEST ARUNTA PROJECT

The West Arunta Project is located approximately 490km south of Halls Creek in Western Australia. It comprises the Pachpadra, Sambhar and Urmia prospects, which are contained within a granted Exploration Licence.

During the year, the Company's focus at the project was the completion of the exploration and approvals processes required to enable the Company to undertake a maiden drilling program, which commenced in July 2022.

Geophysical Surveys

Pre-drilling geophysical activities were undertaken in November 2021 and comprised a heli-supported ground-based gravity survey over previously unsurveyed portions of the Urmia and Sambhar prospects.

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REVIEW OF OPERATIONS

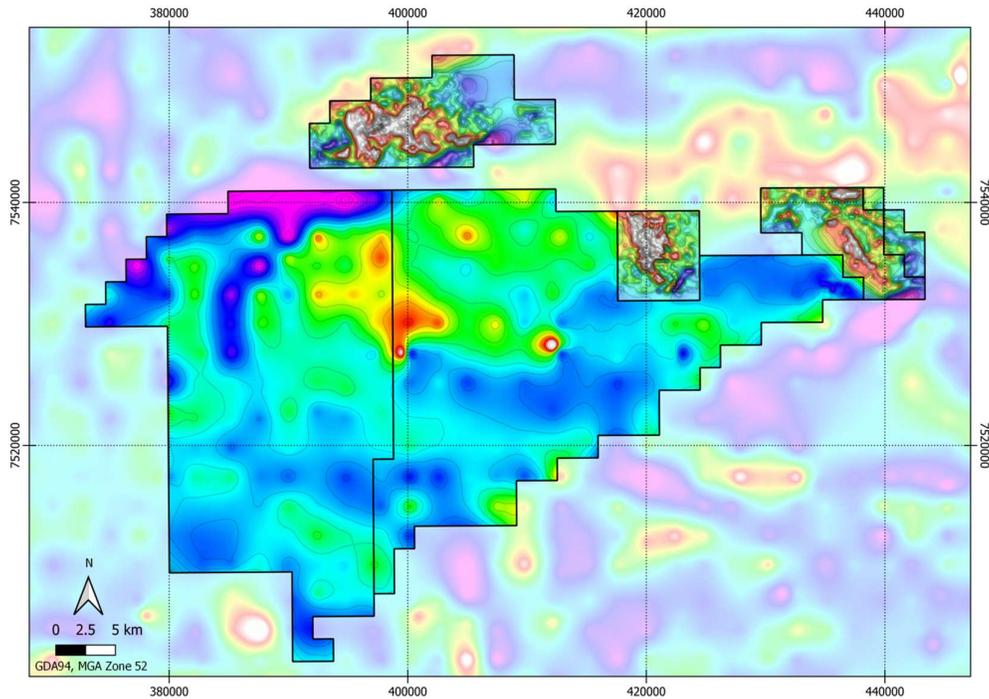


Figure 2: Anomaly image of gravity survey areas with gravity (regional and detailed datasets integrated) underlay and WA1 tenement outline

Along with better defining existing exploration targets, the survey identified a significant new anomaly which is now referred to as the Luni target.

The newly identified Luni anomaly, located to the north-east of the Sambhar prospect area, is characterised by a discrete and high amplitude gravity response with a partially coincidental magnetic anomaly. Luni is also located at the intersection of two key interpreted regional structural features.

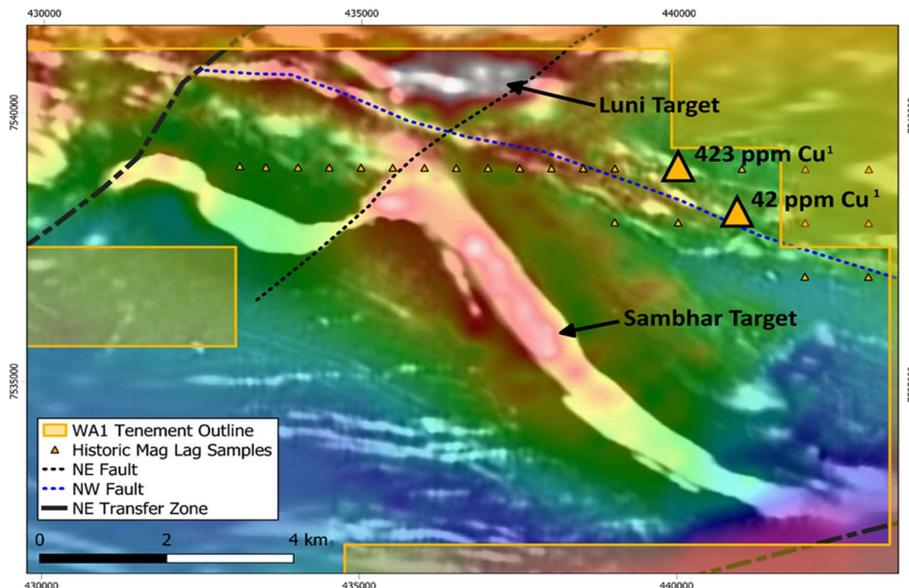


Figure 3: Sambhar Prospect combined gravity and magnetic anomaly images

Figure source: Residual gravity: colour. Magnetics: TMIRTP shadow/shading with structural interp. Note 1: Beadell Resources Ltd WAMEX Report A86251, completed 24 lag samples, average of all samples was 37ppm Cu. Refer to the WA1 Prospectus, Appendix B dated 29 November 2021

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REVIEW OF OPERATIONS

Tenure Significantly Expanded

In February 2022, following the completion of an internal review of regional exploration potential within the West Arunta, the Company sought to significantly expand its tenement holdings via two new Exploration Licence applications EL(A)80/5752 and 5753.

The tenement applications cover areas interpreted to contain the Dwarf Well Granite and the Carrington Suite Granite and Gneiss units. These granites, as well as the Mt Webb Granite, could be key granitic intrusive units correlated with gold and IOCG potential.

WA1 will initially seek to incorporate the new tenements within its existing native title exploration and land access agreements. For full details refer to the ASX Announcement released on 21 February 2022.

Geological Field Mapping & Surface Sampling

In April 2022, geological field mapping, rock chip sampling and surface sampling was undertaken within the Pachpadra prospect area. The objective of the program was to enhance and refine exploration targeting prior to initial drill testing.

Results of the program highlighted anomalous proximate to the P1 target, which is the peak of the Pachpadra geophysical anomaly (refer to ASX Announcement dated 16 June 2022). The enrichment in rare earth elements including cerium, yttrium and lanthanum was considered significant as such elements are often associated with IOCG mineralisation and their presence further validated the exploration potential of the P1 target area.

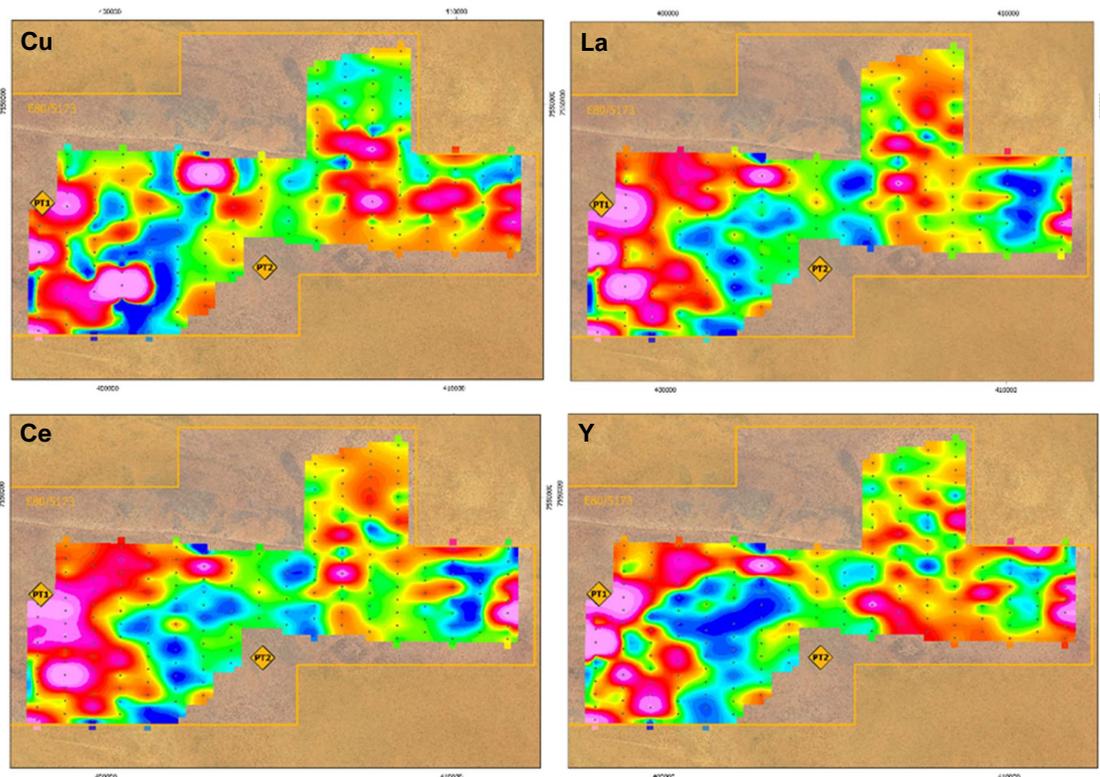


Figure 4: Soil/Lag Geochemical Results

Furthermore, field mapping was completed to identify and map surface expressions at the Pachpadra prospect area. Earlier mapping was completed by the Geological Survey of Western Australia (GSWA) on a 1:250k regional scale, and more recently in a series of GSWA 1:500k compilation maps.

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REVIEW OF OPERATIONS

Heritage & Drill Program Approvals

In March the Company completed on-country heritage monitoring with the Kiwirrkurra People. In May 2022, the Company completed a heritage survey with the Ngurrurpa people to enable works to clear access tracks and drill pads for the maiden West Arunta Project drilling program.

MADURA PROJECT

The Madura Project consists of a series of non-contiguous tenements and are located east of the Albany-Fraser Orogen (approximately 540km east of Kalgoorlie-Boulder) and extend to near the Western Australian south coast.

The Project has seen very limited historic exploration activity and sits proximate to a major north-east trending structure and interpreted igneous intrusions which contain coincident high-amplitude gravity and magnetic anomalies considered prospective for copper-gold mineralisation of an IOCG affinity.

Regional exploration potential is also recognised by other companies active in the area including BHP, Rio Tinto and Chalice Mining.

The Company is currently in the process of negotiating and entering into heritage protection agreements to enable exploration activities to commence within the project area.

Prior to applying for the tenements in 2021, the area had historic exploration in the form of airborne geophysical surveys and regional stratigraphic drilling by the Geological Survey of Western Australia (GSWA). Much of this work was concentrated around the northern most tenement, where indicators for Cu-Au source and host rocks is historically documented.

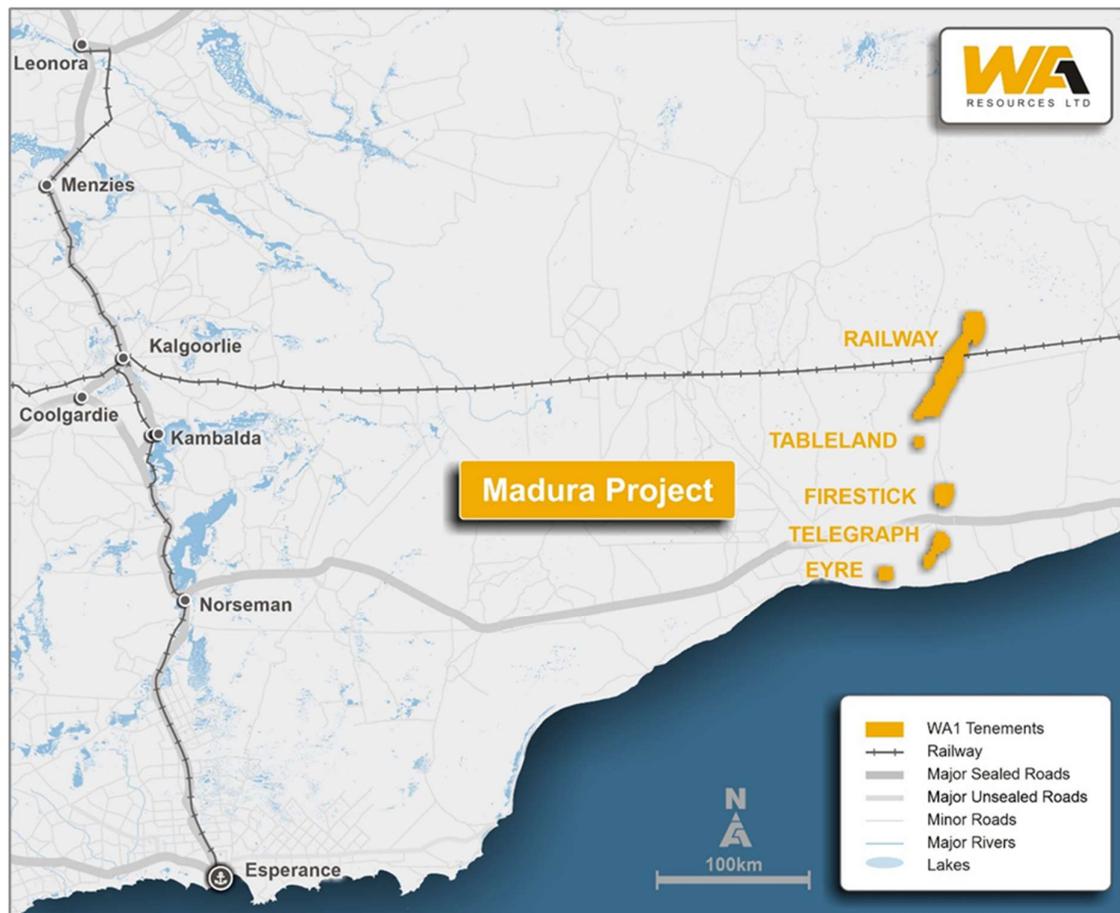


Figure 5: Madura Project tenements plan

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REVIEW OF OPERATIONS

HIDDEN VALLEY PROJECT

The Hidden Valley Project comprises one Exploration Licence application located 150km south of Kununurra, Western Australia. During the year a Native Title Heritage Protection and Mineral Exploration Agreement was entered into with the Kimberley Land Council Aboriginal Corporation, on behalf of the Malarngowem and Purnululu people to enable the grant of the Exploration Licence and subsequent exploration activities.

The tenement lies within the Osmond Ranges on a major structural position straddling the Osmond Fault. The fault is a unique east-north-east trending structural domain immediately east of the Halls Creek Orogen and along strike from IGO Limited's Osmond Valley Project.



Figure 6: Hidden Valley Project tenement plan

No work has been completed in the tenement area since 2007, at which time airborne GEOTEM data collected by BHP in 1996 was reanalysed. This work concluded that the key anomalies in the region, known as the Osmond Pipes (Figure 7), are "wide conductive targets within an extensive zone (possibly middle Proterozoic rocks)" and were recommended for "further evaluation by way of additional electromagnetic ('EM') surveys" (refer to WAMEX Report A78887 by Osmond Range Resources Pty Ltd for full details). In addition, these anomalies, which sit at the intersection of the Osmond Fault and Argyle Corridor, were concluded to be of potential ultramafic source.

REVIEW OF OPERATIONS

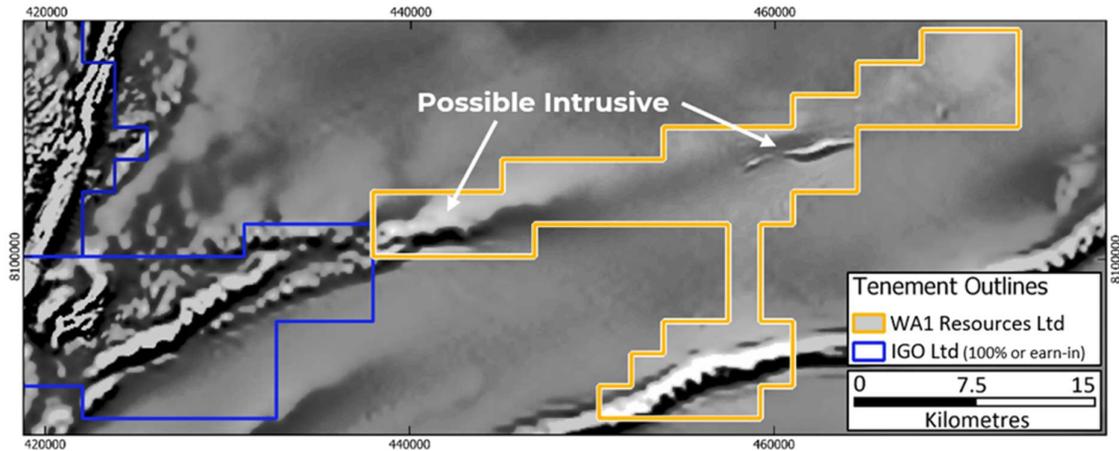


Figure 7: Hidden Valley Tenure over Regional TMIRTP

While several anomalous indicators of nickel, copper and gold mineralisation have been identified through earlier broad geochemical surveys in the region, no modern gravity or EM surveys have been completed and no drilling has been undertaken.

Accordingly, the adoption of EM geophysical techniques will assist with evaluating the Ni-Cu intrusion model, as well the sediment hosted massive sulphide Pb-Zn-Ag and Kimberlite pipe model for which potential also exists. Planning of initial exploration programs is underway.

COMMUNITY & SAFETY

WA1's activities are located within several native title determination and claim areas. The Company values its relationships with the traditional owners of the lands on which it operates and is committed to maintaining these positive partnerships. We believe we can have a positive impact on the remote communities within the lands on which we operate.

During the year, the Company facilitated on-country heritage activities at its West Arunta Project and entered into a heritage protection agreement in respect of its Hidden Valley Project. Consultations with respect to obtaining heritage protection agreements and exploration access for the Madura Project are ongoing.

The Company is committed to ensuring all work activities are carried out safely with all practical measures taken to remove risks to the health, safety and welfare of workers, contractors, authorised visitors and anyone else who may be affected by the Company's activities. The Company is pleased to report that no recordable injuries have been reported during the year.

COVID-19 Pandemic

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic has not had a significant impact on the operations of the Company. The main impacts have related to the postponement of native title meetings.

Corporate

On 20 January 2022, the Initial Public Offer of 22,500,000 fully paid ordinary shares in the capital of WA1 at an issue price of \$0.20 each to raise \$4.5 million before costs, closed oversubscribed.

On 8 February 2022, WA1 was admitted to the official list of the ASX.

On 19 April 2022, the Company changed its principle place of business and registered office to Level 2, 55 Carrington Street, Nedlands, Western Australia 6009.

On 17 June 2022, the Company announced that Paull Parker would be resigning from his position as a Non-Executive Director effective 1 July 2022 due to increasing work commitments.

REVIEW OF OPERATIONS

Forward-Looking Statements

This report may contain certain “forward-looking statements” which may be based on forward-looking information that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. For a more detailed discussion of such risks and other factors, see the Company’s Prospectus and reports, as well as the Company’s ASX Releases. Readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Ms. Stephanie Wray who is a Member of the Australian Institute of Geoscientists. Ms. Wray is a full-time employee of WA1 Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ms. Wray consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

On behalf of the directors



Paul Savich

Managing Director

Perth

19 September 2022

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, of WA1 Resources Ltd ('WA1' or 'the Company') for the year ended 30 June 2022.

DIRECTORS

The following persons were directors of the Company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Gary Lethridge	Non-Executive Chairperson (Appointed 23 September 2021)
Paul Savich	Managing Director
Rhys Bradley	Non-Executive Director and Company Secretary
Paull Parker	Non-Executive Director (Appointed 29 September 2021, resigned 1 July 2022)
Tom Lyons	Non-Executive Director (Resigned 29 September 2021 and re-appointed 1 July 2022)

NAMES, QUALIFICATIONS, EXPERIENCE AND SOCIAL RESPONSIBILITIES

GARY LETHRIDGE

NON-EXECUTIVE CHAIRPERSON, APPOINTED 23 SEPTEMBER 2021

BCOMM

Mr Lethridge has over 30 years' experience via various successful mid-tier, growth and multinational companies. He has held senior executive roles as Executive Director – Finance at Echo Resources Limited, Managing Director at Talisman Mining Limited, Executive General Manager – Corporate, CFO & Company Secretary at the highly successful Jubilee Mines NL (until its \$3.1 billion takeover by Xstrata Plc), and Australian CFO of diversified miner, LionOre Mining International Limited. In addition, he has also held non-executive director roles with Helix Resources Limited (Chair), Northern Star Resources Limited and Falcon Minerals Limited. Mr Lethridge holds a Bachelor of Commerce degree from the University of Western Australia. The Board considers Mr Lethridge is an independent Director. Mr Lethridge has held no other public directorships in the last 3 years.

PAUL SAVICH

MANAGING DIRECTOR, APPOINTED 10 FEBRUARY 2021

BCOMM, CA, MAPPFIN

Mr Savich has 15 years' experience, including 10+ years working for ASX listed resources companies. Mr Savich is currently Executive Director of SilaTEC Pty Ltd, a private company focussed on the identification, incubation and development of grassroots resources projects and has a track record of successful transactions with ASX listed companies. Prior to this Mr Savich worked at Echo Resources Limited where he was employed as General Manager – Corporate & Compliance and Company Secretary and oversaw the acquisition of the Bronzewing Gold Project and merger with Metaliko Resources Ltd. Mr Savich started his career in Audit, Assurance & Advisory before moving into Corporate Finance at Deloitte (Perth). Mr Savich holds a Bachelor of Commerce from Curtin University, has completed the Chartered Accountants (CA) program and has completed a Master of Applied Finance through the Financial Services Institute of Australasia. The Board considers that Mr Savich is not an independent Director. Mr Savich has held no other public directorships in the last 3 years.

RHYS BRADLEY

NON-EXECUTIVE DIRECTOR AND COMPANY SECRETARY, APPOINTED 9 FEBRUARY 2021

BCOMM, CA, GRADDIPMINEXPLGEOC

Mr Bradley is a Chartered Accountant with 14 years' experience in the resources industry based in Perth and London. Mr Bradley is Chief Commercial Officer of Agrimin Limited (ASX: AMN) and has been responsible for leading the world-class Mackay Potash Project through its feasibility, off-take and project financing. Prior to this Mr Bradley worked as a Resources Analyst covering a broad range of companies. He is experienced in capital markets, financial modelling, marketing and compliance. Mr Bradley is a member of the Institute of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce from the University of Western Australia and a Graduate Diploma in Mineral Exploration Geoscience from Curtin University. The Board considers that Mr Bradley is not an independent Director. Mr Bradley was formerly a director of Indus Energy NL.

DIRECTORS' REPORT

PAULL PARKER

NON-EXECUTIVE DIRECTOR, APPOINTED 29 SEPTEMBER 2021 AND RESIGNED 1 JULY 2022
BSC(HONS), MSC

Mr Parker is a geologist with over 35 years' experience in exploration, resource and mining roles, with a focus on exploration, project evaluation and project generation primarily for base metal and gold deposits. His former roles include key geological positions at IGO (Chief Geologist – Nickel, Chief Geologist - Base Metals and later Chief Geologist) from 2003 – 2017, consultant to IGO 2000 – 2003, as well as roles at Resolute Limited and other companies. The teams he has led and worked with have had success finding and expanding resources from near-mine to greenfields settings for Ni-Cu sulphide, gold and VMS deposits. Since 2017 Mr Parker has advised exploration groups re project generation, project opportunities and exploration approaches on projects. Mr Parker has a B.Sc. (Hons) degree from the University of WA and an M.Sc. from Queen's University in Canada. Mr Parker is currently employed as Principal Technical Geologist with Sandfire Resources Ltd. Mr Parker has held no other public directorships in the last 3 years.

TOM LYONS

NON-EXECUTIVE DIRECTOR, RESIGNED 29 SEPTEMBER 2021 AND RE-APPOINTED 1 JULY 2022
BSC(GEOLOGY), GAICD, MAIG

Mr Lyons has international experience in the resources industry covering mineral exploration through to project development. He has broad experience in a range of commodities including industrial and agricultural minerals, precious and base metals, and bulks.

Mr Lyons is currently Chief Development Officer of Agrimin Limited (ASX: AMN) where he led the acquisition of Agrimin's world-class Mackay Potash Project and has since been responsible for leading the project through its exploration, feasibility and permitting phases. He is also Managing Director of Tali Resources Pty Ltd (Tali) which is a 19% shareholder in WA1. Tali is currently undertaking large-scale exploration efforts in the West Arunta region which is subject to a \$58.5 million dollar Farm-in and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd. Mr Lyons holds a Bachelor of Science (Geology) degree from the University of Western Australia, is a Graduate Member of the Australian Institute of Company Directors and is a Member of the Australian Institute of Geoscientists. Mr Lyons has held no other public directorships in the last 3 years.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report the relevant interests of each director in the shares and options of the Company are:

Director	Ordinary	Options
Gary Lethridge	266,666	700,000
Paul Savich	4,116,666	1,500,000
Rhys Bradley	3,516,666	650,000
Paull Parker	183,333	600,000
Tom Lyons	2,233,333	-

DIRECTORS' MEETINGS

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year were:

Director	Board Meetings	
	Held	Attended
Gary Lethridge	3	3
Paul Savich	3	3
Rhys Bradley	3	3
Paull Parker ⁽¹⁾	3	3
Tom Lyons	-	-

(1) Refers to the number of meetings held during the time the Director held office.

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DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration in Western Australia.

RESULTS OF OPERATIONS

The Company incurred a loss after income tax for the year of \$622,590 (2021: \$49,848). This result was in line with expectations and reflected operating costs incurred during the year which were mainly costs associated with general administration and admission of the Company to the Australian Securities Exchange ('ASX'). During the year, \$478,088 (2021: \$381,837) of exploration expenditure was capitalised to exploration and evaluation assets.

DIVIDENDS

No dividends were paid during the period and no dividend has been declared for the period ended 30 June 2022 (2021: None).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 20 January 2022 the Company's IPO closed. On 1 February 2022 the Company confirmed to ASX that it believed it had satisfied the conditions to the offer to enable WA1 to proceed to the official list of the exchange. On 8 February 2022 the Company commenced trading on the ASX. This follows the completion of the Company's Initial Public Offer which raised gross proceeds of \$4.5 million (before costs) at an issue price of \$0.20 per share.

FUTURE DEVELOPMENTS

Likely developments in the operations of the company are set out in the Review of Operations on page 4.

ENVIRONMENTAL REGULATION

The Company is subject to environmental regulation in respect to its exploration activities and aims to ensure that the highest standard of environmental care is achieved, and it complies with all relevant environmental legislation. There have been no material breaches during the period covered by this report.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has entered into deeds of indemnity with each director and the company secretary whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors and the company secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The Company paid \$9,680 for directors' and officers' insurance (2021: Nil).

INDEMNITY AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

DIRECTORS' REPORT

NON-AUDIT SERVICES

The Board has considered the non-audit services provided during the financial year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor's independence requirements of the Corporations Act 2001. The non-audit services were reviewed by the Board to ensure:

- they do not impact the integrity and objectivity of the auditor; and
- they do not undermine the general principles relating to auditor independence set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

During the year, BDO provided the Independent Limited Assurance Report for the Company's IPO. The Company paid \$16,542 (2021: Nil).

CORPORATE GOVERNANCE

This statement outlines the main corporate governance practices adopted by the Board of WA1 which comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

The Board and management of WA1 recognise their duties and obligations to shareholders and other stakeholders to implement and maintain a proper system of corporate governance. The Company believes that good corporate governance adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council ('Recommendations') in the reporting period. The Recommendations are guidelines designed to improve the efficiency, quality and integrity of the Company. They are not prescriptive and if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and give reasons for not following them.

The Corporate Governance Statement ('Statement') sets out a description of the Company's main corporate practices and provides details of the Company's compliance with the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation.

The Statement is current as at 30 June 2022 and has been approved by the Board of Directors of WA1. It is available on the Company's website (<https://www.wa1.com.au/corporate-governance/>).

PROCEEDINGS ON BEHALF OF THE COMPANY

The company was not a party to any such proceedings during the year.

UNISSUED SHARES UNDER OPTION

Number of Options	Exercise Price	Expiry Date
3,750,000	\$0.30	1/11/2025

During the year, no shares were issued upon the exercise of options.

SUBSEQUENT EVENTS

There were no subsequent events after the reporting date.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

1. PRINCIPLES OF REMUNERATION

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company.

The Key Management Personnel of WA1 are:

Gary Lethridge	Non-Executive Chairperson (Appointed 23 September 2021)
Paul Savich	Managing Director
Rhys Bradley	Non-Executive Director and Company Secretary
Paull Parker	Non-Executive Director (Appointed 29 September 2021, resigned 1 July 2022)
Tom Lyons	Non-Executive Director (Resigned 29 September 2021 and re-appointed 1 July 2022).

All the above persons were key management personnel during the financial year to 30 June 2022 unless otherwise stated. The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

KEY ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION STRATEGY

The following principles of remuneration have been agreed by the Board and formed the basis of the principles of remuneration during the relevant periods of employment and will remain relevant to future employment arrangements. No remuneration consultants were engaged during the year.

Remuneration levels for key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives and as relevant to the circumstances of the Company from time to time. The remuneration 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 remuneration structures consider the capability and experience of the key management personnel and the Company's performance including:

- the successful planning and implementation of exploration programs;
- the growth in share price and delivering enhancement of shareholder value;
- the relevant prevailing employment market conditions; and
- the amount of incentives within each key management person's remuneration.

Executive remuneration comprises two elements:

- Fixed remuneration; and
- Director Options.

1.1 FIXED REMUNERATION

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits) as well as employer contributions to superannuation funds, as required by law. Remuneration levels are reviewed annually the Board through a process that considers individual performance, employment market conditions and overall performance of the Company.

MANAGING DIRECTOR REMUNERATION

The Company has entered into an employment agreement with Managing Director, Mr Paul Savich. The material terms of the agreement are set out as follows:

- Commencement date: 9 February 2021
- Term: Ongoing and reviewed annually in accordance with the policy of the Company for the annual review of salary
- Fixed remuneration: \$200,000 per annum exclusive of superannuation
- Termination for cause: no notice period or one-month notice period in some circumstances
- Termination without cause: three-month notice period

The Board reviewed the performance of the Managing Director for the reporting period. This evaluation is based on criteria that includes the performance of the Company and whether the objectives for the period were achieved. The Board also concluded that Mr Savich's remuneration is in line with the prevailing market for similar companies.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

DIRECTOR FEES

The maximum aggregate amount of fees that can be paid in total to non-executive directors is currently at \$300,000 as set by the Board. The levels of fees set were based on a review involving reference to fees paid to other Non-Executive Directors of comparable companies at the time. Fees for non-executive directors are not linked to the performance of the Company.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration periodically, based on market practice, duties and accountability.

Non-Executive fees for FY2022 were:

Fee	\$ per annum
Chairperson	\$60,000
Non-Executive Director	\$40,000

1.2 DIRECTOR OPTIONS

In October 2021, the Company issued a total of 3,450,000 Director Options to Paul Savich, Rhys Bradley, Gary Lethridge and Paull Parker.

	Director Options
Assumptions:	
Grant date	21/10/2021
Underlying share price	\$0.12
Exercise price	\$0.30
Expiry date	1/11/2025
Risk free interest rate	1.030%
Dividend yield	Nil
Expected future volatility	50%
Life of options (years)	4.05
Indicative value per option	\$0.05
Number of options	3,450,000
Total value of options	\$175,950

The options were issued on 21 October 2021 with a vesting condition of continued service until expiry (or such longer period as determined by the Board). They have been valued using a Black-Scholes method, in accordance with *AASB 2 Share Based Payments* and brought to account over their vesting period. The lengths of the expected vesting period is consistent with the expiry date for the options, and a value of \$55,483 (2021: Nil) has been expensed for the year.

The Board determined that the Director Options issued to Paull Parker would not lapse, despite ceasing to be a director on 1 July 2022, in recognition of Mr Parker's contribution to the Company.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

2.0 REMUNERATION TABLE OF DIRECTORS

2022	Short-term employee benefits	Post-employment superannuation benefits	Other long term	Director options	Total	Proportion of remuneration performance related
	Salary & fees					
	\$	\$	\$	\$	\$	%
G Lethridge	23,750	2,375	-	6,112	32,237	0%
P Savich	79,167	7,917	6,090	13,096	106,270	0%
R Bradley ⁽¹⁾	35,062	1,948	-	5,675	42,685	0%
Paull Parker	15,833	1,583	-	30,600	48,016	0%
Tom Lyons	-	-	-	-	-	0%
Total	153,812	13,823	6,090	55,483	229,208	

(1) Mr Bradley acted as company secretary during the year. His salary and fee include his non-executive director and company secretary fee.

No remuneration was paid to the directors in the 2021 financial year.

2.1 SHAREHOLDINGS OF DIRECTORS

Shares held, directly, indirectly or beneficially, by key management personnel, including their related parties during the financial year, were as follows:

2022	Held at beginning of year	Purchases / other acquisitions	Sales / other disposals	Held at the end of year
Gary Lethridge	-	266,666	-	266,666
Paul Savich	-	4,116,666	-	4,116,666
Rhys Bradley	-	3,516,666	-	3,516,666
Paull Parker	-	183,333	-	183,333
Tom Lyons	-	2,233,333	-	2,233,333
Total	-	10,316,664	-	10,316,664

2.2 OPTIONS GRANTED TO DIRECTORS

2022	Held at beginning of year	Granted as remuneration during the year	Exercised / lapsed	Total vested as at 30 June 2022	Total exercisable and unvested as at 30 June 2022
Gary Lethridge	-	700,000	-	-	700,000
Paul Savich	-	1,500,000	-	-	1,500,000
Rhys Bradley	-	650,000	-	-	650,000
Paull Parker	-	600,000	-	-	600,000
Tom Lyons	-	-	-	-	-
Total	-	3,450,000	-	-	3,450,000

The Board determined that the Director Options issued to Paull Parker would not lapse, despite ceasing to be a director on 1 July 2022, in recognition of Mr Parker's contribution to the Company.

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

2.3 RELATED PARTY TRANSACTIONS

During the period an expense of \$42,000 was recognised to Maple West Group Pty Ltd for accounting services, a company controlled by Directors Rhys Bradley, Paul Savich and their spouses respectively. No amount was payable to Maple West Group Pty Ltd at 30 June 2022.

Eureka Geoscience Pty Ltd, a company controlled by Director Paull Parker, was paid \$41,937 for consulting services during the period. No amount was payable to Eureka Geoscience Pty Ltd at 30 June 2022.

There are no current loans to any related party of the company.

2.4 CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The Board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Company's exploration tenements. The Board considers that the director and employee options incentivise key management personnel to successfully explore the Company's tenements by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

The factors that are considered relevant to affect total shareholder returns as required to be disclosed by the Corporations Act 2001 are summarised in the following table. The table excludes return on capital employed as a relevant measure given the exploration basis of activity and operations of the Company.

	2022 \$	2021 \$
Net loss after tax	(622,590)	(49,848)
Dividends paid	-	-
Share price at year end	0.13	-

The Company also notes that as an exploration and development company, operating revenue and profits are not KPIs in reviewing key management personnel STIs or LTIs. When establishing guidelines for any STIs, the Company looks to other measures such as enhancement of share price and capital raising opportunities (as relevant), achievement of exploration milestones, conducting operations in line with Company values and maximising value of the Company's exploration projects.

- End of the remuneration report -

This report is made with a resolution of the directors:



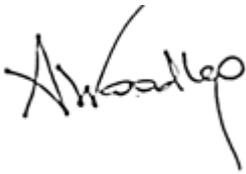
Paul Savich
Managing Director
Perth
19 September 2022

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF WA1 RESOURCES LTD

As lead auditor of WA1 Resources Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 19 September 2022

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	Note	2022 \$	2021 \$
Finance income		28	-
Administrative expenses	3	(556,024)	(38,038)
Share based payments		(55,483)	-
Exploration expenses		(11,110)	(11,810)
Loss before income tax		(622,590)	(49,848)
Income tax expense		-	-
Loss after income tax expense for the year		(622,590)	(49,848)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of the company		(622,590)	(49,848)
Loss per share (basic and dilutive) for the year attributable to the owners of the company	11	(0.02)	(0.01)

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

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	3,677,733	206,150
Exploration deposits	6	119,132	36,830
Other receivables		34,670	3,563
Total current assets		3,831,536	246,543
Non-current assets			
Exploration and evaluation assets	7	859,925	381,837
Total non-current assets		859,925	381,837
Total assets		4,691,460	628,380
LIABILITIES			
Current liabilities			
Trade and other payables	8	123,019	234,229
Provisions		8,673	-
Total current liabilities		131,691	234,229
Total liabilities		131,691	234,229
Net assets		4,559,769	394,151
EQUITY			
Share capital	9	5,176,724	443,999
Reserves	10	55,483	-
Accumulated losses		(672,438)	(49,848)
Total equity		4,559,769	394,151

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

	Note	Share capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021		443,999	-	(49,848)	394,151
Loss for the year		-	-	(622,590)	(622,590)
Total comprehensive loss for the year		-	-	(622,590)	(622,590)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	9	5,076,000	-	-	5,076,000
Costs from issue of ordinary shares	9	(343,275)	-	-	(343,275)
Share based payments	10	-	55,483	-	55,483
Balance at 30 June 2022		5,176,724	55,483	(672,438)	4,559,769
Balance at incorporation 2 January 2021					
		-	-	-	-
Loss for the period		-	-	(49,848)	(49,848)
Total comprehensive loss for the period		-	-	(49,848)	(49,848)
Issue of ordinary shares		443,999	-	-	443,999
Balance as 30 June 2021		443,999	-	(49,848)	394,151

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

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Finance income		28	-
Payments to suppliers and employees		(729,508)	(19,912)
Net cash used in operating activities	12	(729,480)	(19,912)
Cash flows from investing activities			
Payments for exploration deposits		(90,201)	(48,640)
Payments for exploration and evaluation assets		(441,461)	(19,297)
Net cash used in investing activities		(531,662)	(67,937)
Cash flows from financing activities			
Proceeds from issue of share capital		5,076,000	293,999
Transaction costs related to issues of equity securities		(343,275)	-
Proceeds from borrowings		-	45,442
Repayment of borrowings		-	(45,442)
Net cash flows from financing activities		4,732,725	293,999
Net increase in cash and cash equivalents		3,471,583	206,150
Cash and cash equivalents at the beginning of the financial year		206,150	-
Cash and cash equivalents at the end of the financial year	5	3,677,733	206,150

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

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NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

WA1 Resources Ltd ('WA1' or the 'Company') is a for profit company limited by shares, incorporated on 2 January 2021 and domiciled in Australia. The Company is primarily involved in the exploration for mineral resources in Western Australia. WA1 was listed on the Australian Stock Exchange on 8 February 2022. The address of the registered office is Level 2, 55 Carrington Street, Nedlands, WA, 6009.

The financial statements were authorised for issue by the Board of Directors on 19 September 2022.

2. BASIS OF PREPARATION

(a) Basis of Preparation

The financial statements are general purpose financial statements for the period ended 30 June 2022 prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements of WA1 also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on historical cost basis and are presented in Australian dollars which is the functional currency of the Company.

The accounting policies adopted in the preparation of this financial report have been consistently applied to all periods presented, unless otherwise stated.

(b) Adoption of new and revised accounting standards

In the period ended 30 June 2022, the Company adopted all new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. At the date of authorisation of these financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the company's accounting policy, however, further analysis will be performed when the relevant standards are effective.

(c) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. On 30 June 2022, the Company had net assets of \$4,559,769 (30 June 2021: \$394,151), a working capital surplus of \$3,699,844 (30 June 2021: \$12,314) and cash at bank of \$3,677,733 (30 June 2021: \$206,150). For the year ended 30 June 2022, the Company recorded a loss of \$622,590 (30 June 2021: \$49,848) and had cash outflows from operating and investing activities of \$1,261,142 (30 June 2021: \$87,849).

On 8 February 2022 WA1 successfully raised \$4.5 million (before costs) via an IPO and was granted admission to the Official List of the ASX. These funds will be used for ongoing exploration over the next few years.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

(d) Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Company as the Managing Director and other members of the Board of Directors. The Company operates only in one reportable segment being predominantly in the area of mineral exploration in Western Australia.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Basis of Preparation (continued)

(e) Estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset and pre-license exploration expenditure through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(ii) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes model, using assumptions provided by the Company. The fair value is expensed over the vesting period.

(f) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. When measuring fair value of an asset or liability, the Company uses market observable data as far as possible.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in the highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) market price in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Basis of Preparation (continued)

(g) Income Tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(h) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Impairment of non-financial assets

Assets are reviewed for impairment at each reporting date to determine if events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are consolidated at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets (cash-generating units).

Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Basis of Preparation (continued)

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less.

(l) Exploration deposits

Exploration deposits represent annual tenement rents paid to the Western Australian Department of Mines Industry Regulations and Safety (DMIRS) in advance when application for tenements was made during the year. These amounts are held in trust by the DMIRS pending the grant of the tenements and are refundable if for any reason the tenements do not get granted.

(m) Exploration and evaluation assets

Exploration and evaluation costs are capitalised as exploration and evaluation assets on an area of interest basis. Such costs comprise net direct costs, research and development expenditure and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Costs incurred before the Company has obtained the legal right to explore an area of interest are recognised in profit or loss.

An exploration and evaluation asset is only recognised if the right to the area of interest is current and either:

- the expenditure is expected to be recouped through successful development and exploitation of an area of interest, or by its sale; 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.

Accumulated costs in respect of areas of interest are recognised in profit or loss when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development. The aggregated cost is first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment. The costs of a productive area are amortised over the life of the area of interest to which such costs relate on the production output basis.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount of the asset exceeds the recoverable amount. Such indicators of impairment include the following:

- the right to explore has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration and evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale even if development in the specific area is likely to proceed.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with exploration activity. The cash generating units are not larger than the areas of interest.

(n) Trade and other payables

Trade amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. Other payables represent liabilities of the company with payment terms less than 12 months that are outside the general nature of business expenses.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Basis of Preparation (continued)

(o) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(p) Financial Assets

Financial assets are classified at amortised cost.

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss.

(iii) Impairment of financial assets

Financial assets carried at amortised cost requires an expected credit loss model to be applied. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Due to the short-term nature of the receivables, the Company measures the loss allowance based on lifetime expected credit loss (ECL). ECL's are based on the difference between contractual cashflows due in accordance with the contract and all the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

3. ADMINISTRATIVE EXPENSES

	2022	2021
	\$	\$
Fees, salaries and benefits	(179,846)	-
External professional fees	(206,429)	(29,148)
ASX Fees	(68,736)	(5,082)
Office rent and outgoings	(29,265)	-
Insurance	(16,658)	(2,892)
Other administrative costs	(55,090)	(916)
	(556,024)	(38,038)

4. INCOME TAX

	2022	2021
	\$	\$
Reconciliation between tax expense and pre-tax accounting loss		
Loss for the year	(622,590)	(49,848)
Income tax using the Company's domestic tax rate 25% (2021: 26%)	(155,648)	(12,960)
Changes in unrecognised temporary difference	(155,648)	(12,960)
Income tax expense	-	-
Unrecognised deferred tax asset		
Deferred tax asset calculated at 25% (2021: 26%) have not been recognised in respect to the following items:		
Deductible temporary differences		
Deductible temporary differences	68,655	-
Tax losses carried forward	377,140	18,906
Tax losses and temporary differences brought to account to reduce the provision for deferred tax liabilities	-	(9,207)
	445,795	9,699

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

	2022	2021
	\$	\$
Provision for deferred tax liability		
Deferred tax liability comprises the estimated expense at the applicable rate of 25% (2021: 26%) on the following items:		
	-	(9,207)
Exploration and evaluation assets		
Deferred tax asset attributable to tax losses and temporary differences brought to account to reduce the provision for deferred income tax	-	(9,207)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash and bank balances	3,677,733	206,150
	3,677,733	206,150

Cash at bank earns interest at floating rates based on daily bank deposit rates.

6. EXPLORATION DEPOSITS

	2022 \$	2021 \$
Tenement rent (DMIRS)	119,132	36,830
	119,132	36,830

Exploration deposits represent annual tenement rents paid to the Western Australian Department of Mines Industry Regulations and Safety (DMIRS) in advance when application for tenements was made during the year. These amounts are held in trust by the DMIRS pending the grant of the tenements and are refundable if for any reason the tenements do not get granted.

7. EXPLORATION AND EVALUATION ASSETS

	2022 \$	2021 \$
Opening balance / initial recognition at fair value	381,837	362,540
Additions	478,088	19,297
	859,925	381,837

The carrying amount of the exploration and evaluation asset at 30 June 2022 relates to the exploration capitalised on the West Arunta Project and Madura Project.

At 30 June 2022 the Company assessed the carrying amount of the assets for impairment. No impairment triggers were present (30 June 2021: Nil).

8. TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade payables	52,643	689
Accrued expenses	28,302	33,540
Other payables	42,074	-
Consideration payable	-	200,000
	123,019	234,229

NOTES TO THE FINANCIAL STATEMENTS

9. SHARE CAPITAL

	2022	
	Number	\$
Share capital		
Fully paid ordinary shares	44,800,000	5,176,724
Balance at 1 July 2021	17,500,000	443,999
Issue of fully paid ordinary shares at \$0.12	4,800,000	576,000
Issue of fully paid ordinary shares at \$0.20	22,500,000	4,500,000
Share issue costs	-	(343,275)
Balance at 30 June 2022	44,800,000	5,176,724

All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

	2021	
	Number	\$
Share capital		
Fully paid ordinary shares	17,500,000	443,999
Balance at incorporation	-	-
Issue of fully paid ordinary shares at \$0.02	7,500,000	149,999
Issue of fully paid ordinary shares at \$0.02	7,650,000	153,000
Issue of fully paid ordinary shares at \$0.06	2,350,000	141,000
Balance at 30 June 2021	17,500,000	443,999

NOTES TO THE FINANCIAL STATEMENTS

10. RESERVES

	2022	2021
	\$	\$
Share based payments expense	55,483	-
	55,483	-

Director and Employee Options

During the year, the Company issued a total of 3,750,000 Share Options to directors and employee as a reward and incentive as follows:

	Director Options	Employee Options
Assumptions:		
Grant date	21/10/2021	27/05/2022
Underlying share price	\$0.12	\$0.12
Exercise price	\$0.30	\$0.30
Expiry date	1/11/2025	1/11/2025
Risk free interest rate	1.030%	1.030%
Dividend yield	Nil	Nil
Expected future volatility	50%	50%
Life of options (years)	4.05	3.44
Indicative value per option	\$0.05	\$0.08
Number of options	3,450,000	300,000
Total value of options	\$175,950	\$24,000

The options were issued on 21st October 2021 and 27th May 2022 with a vesting condition of continued service until expiry. They have been valued in accordance with *AASB 2 Share Based Payments* and brought to account over their vesting period. The lengths of the expected vesting period is consistent with the expiry date for the options, and a value of \$55,483 has been expensed for the period.

The Board determined that the Director Options issued to Paull Parker would not lapse, despite ceasing to be a director on 1 July 2022, in recognition of Mr Parker's contribution to the Company.

The following table illustrates the number and weighted average exercise price (WAEP) of and movements in share options during the period:

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired / Cancelled	Vested and exercisable	Balance at the end of the year
21/10/2021	1/11/2025	\$ 0.30	-	3,450,000	-	-	-	3,450,000
27/05/2022	1/11/2025	\$ 0.30	-	300,000	-	-	-	300,000
TOTAL			-	3,750,000	-	-	-	3,750,000

NOTES TO THE FINANCIAL STATEMENTS

11. LOSS PER SHARE

(a) Reconciliation of Loss

	2022 \$	2021 \$
Loss attributable to the owners of the Company used to calculate basic and diluted loss per share	622,590	-

(b) Weighted average number of ordinary shares used as the denominator

	2022 \$	2021 \$
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	29,768,767	-

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

12. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash flows from operating activities

	2022 \$	2021 \$
Loss for the year	(622,590)	(49,848)
Adjustments for:		
Share based payments	55,483	-
Payments for exploration deposits	-	11,810
Change in operating assets and liabilities		
Increase in other receivables	(31,107)	(3,563)
Decrease/(increase) in trade and other payables	(139,938)	21,689
Increase in provisions	8,673	-
	(729,480)	(19,912)

(b) Non-cash financing and investing activities

\$150,000 of shares were issued as consideration to Tali Resources Pty Ltd as part of the acquisition of one of its granted tenements.

13. COMMITMENTS

(a) Exploration commitments

As a condition of retaining right to explore its mining tenements, the Company is required to pay an annual rental and incur a minimum level of expenditure for each tenement.

Outstanding exploration commitments are as follows:

Project	Within 1 year	Between 2 - 3years	Total
Exploration expenditure	474,429	1,408,409	1,882,838
Total	474,429	1,408,409	1,882,838

The Company has no expenditure commitments on mining tenements which have not been granted.

NOTES TO THE FINANCIAL STATEMENTS

14. CONTINGENCIES

The Company had no contingent assets or liabilities at reporting date.

15. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

	2022	2021
	\$	\$
Short-term benefits	153,812	-
Post-employment superannuation benefit	13,823	-
Other long-term benefits	6,090	-
Share based payments	55,483	-
	229,208	-

(b) Transactions with directors, director related entities and other related parties

During the period an expense of \$42,000 was recognised to Maple West Group Pty Ltd for accounting services, a company controlled by Directors Rhys Bradley, Paul Savich and their spouses respectively. No amount was payable to Maple West Group Pty Ltd at 30 June 2022.

Eureka Geoscience Pty Ltd, a company controlled by Director Paull Parker, was paid \$41,937 for consulting services over the period. No amount was payable to Eureka Geoscience Pty Ltd at 30 June 2022.

16. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market, liquidity and credit risks arising from its financial instruments. The Company'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 its exploration and evaluation activities, which primarily relate to the West Arunta Project. 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 Company through regular reviews of risk.

Market (including interest rate risk), liquidity and credit risks arise in the normal course of business. These risks are managed under Board approved treasury processes and transactions.

The principal financial instruments as at reporting date include cash, exploration deposits and payables.

This note presents information about exposures to the above risks, the objectives, policies, and processes for measuring and managing risk, and the management of capital.

(a) Credit Risk

Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022	2021
	\$	\$
Cash and cash equivalents	3,677,733	206,150
Exploration deposits	119,132	36,830
	3,796,865	242,980

The Company's significant concentration of credit risk is cash, which is held with major Australian Banks with Aa3 credit rating and accordingly the credit risk exposure is minimal. Exploration deposits are held by DMIRS a reputable government institution.

NOTES TO THE FINANCIAL STATEMENTS

Note 16 - Financial Risk Management (continued)

(b) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments. Due to the nature of the Company's activities, being mineral exploration and evaluation, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings.

The Board of Directors constantly monitors the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables. Trade and other payables are non-interest bearing and are due within 12 months of the reporting date.

2022					
	Weighted Average Effective Interest Rate	Less than 6 months	6months to 1 year	1 to 5 years	Total
	%	\$	\$	\$	\$
Financial Assets:					
Non-interest bearing		57,706	-	-	57,706
Variable interest rate instruments	0.20%	3,620,028	-	-	3,620,028
		3,677,733	-	-	3,677,733
Financial Liabilities:					
Non-interest bearing		52,643	-	-	52,643
NET FINANCIAL ASSETS		3,625,091	-	-	3,625,091

2021					
	Weighted Average Effective Interest Rate	Less than 6 months	6months to 1 year	1 to 5 years	Total
	%	\$	\$	\$	\$
Financial Assets:					
Non-interest bearing		206,150	-	-	206,150
Variable interest rate instruments	0.00%	-	-	-	-
		206,150	-	-	206,150
Financial Liabilities:					
Non-interest bearing		689	-	-	689
NET FINANCIAL ASSETS		205,461	-	-	205,461

(c) Fair values

The current term deposits, receivables and payables carrying values approximate their fair values due to the short term-maturities of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

Note 16 - Financial Risk Management (continued)

(d) Capital management

The Board's policy is to preserve a strong capital base and maintain investor and equity market confidence in order to sustain the Company's exploration and evaluation activities and supporting functions.

The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital, and retained earnings.

17. REMUNERATION OF AUDITORS

During the year, the following fees were paid or were payable to the auditor of the Company.

	2022 \$	2021 \$
Category 1 - fees to the Company auditor for: Auditing the statutory financial report for the Company.	29,000	21,000
	29,000	21,000
Category 4 - fees for other services	14,600	-
	14,600	-
	43,600	21,000

18. EVENTS SUBSEQUENT TO BALANCE DATE

There were no events after the reporting date.

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DIRECTORS' DECLARATION

In the opinion of the directors of WA1 Resources Ltd ('the Company'):

1. the financial statements and notes set out on pages 20 to 36 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date;
2. the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board disclosed in note 2;
3. there are reasonable grounds to believe that the Company will be able to pay debts as and when they become due and payable; and

The directors have been given the declarations by the Managing Director and Company Secretary required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.



Paul Savich
Managing Director
Perth
19 September 2022

INDEPENDENT AUDITOR'S REPORT

To the members of WA1 Resources Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WA1 Resources Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of WA1 Resources Ltd, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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

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Carrying Value of Exploration and Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 7, the carrying value of the exploration and evaluation asset represents a significant asset of the Company.</p> <p>The Company's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in notes 2 and 7 of the financial report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Company and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition criteria of AASB 6; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any factors or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 2 and 7 to the Financial Report.

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Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) 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 on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of WA1 Resources Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Ashleigh Woodley

Director

Perth, 19 September 2022

SHAREHOLDERS' INFORMATION

ASX additional information

(a) Distribution of member holdings

Number of shares	Holders	Securities	%
1 - 1,000	6	2,150	0.00%
1,001 - 5,000	47	152,206	0.34%
5,001 - 10,000	88	824,907	1.84%
10,001 - 100,000	223	9,508,356	21.22%
100,001 and over	74	34,312,381	76.59%
	438	44,800,000	100.00%

There are 438 shareholders holding less than a marketable parcel of shares.

(b) Twenty largest shareholders

Party	Listed Ordinary Shares	
	No. of Ordinary Shares	Percentage of issued capital
TALI RESOURCES PTY LTD	8,525,000	19.03%
RYECROFT HOLDINGS PTY LTD <RYECROFT INVESTMENT A/C>	3,416,666	7.63%
LUCID INVESTMENTS GROUP PTY LTD <LUCID INVESTMENTS GROUP A/C>	2,916,666	6.51%
NERANO HOLDINGS PTY LTD <NERANO INVESTMENT A/C>	2,183,333	4.87%
MR PAUL ANTHONY SAVICH & MRS DEANNE MARIE SAVICH <LUCID SUPER FUND A/C>	1,200,000	2.68%
WALLOON SECURITIES PTY LTD	1,070,000	2.39%
LINESTART PTY LTD <THE JONES A/C>	1,000,000	2.23%
BURRA PTY LTD <THE BURRA INVESTMENT A/C>	538,333	1.20%
CHEYNES WEST PTY LTD <TERMITE SUPER FUND A/C>	511,666	1.14%
EXXTEN PTY LTD <C&T MITCHELL SUPER FUND A/C>	500,000	1.12%
AP MITCHELL SUPERANNUATION FUND PTY LTD <AP MITCHELL SUPERFUND A/C>	500,000	1.12%
T H LAWRIE NOMINEES PTY LTD <LAWRIE FAMILY A/C>	500,000	1.12%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	442,500	0.99%
PP CAPITAL PTY LTD	424,940	0.95%
MATARANKA PTY LTD ATF THE DAMPIER TRUST	400,000	0.89%
STUDIO NOMINEES PTY LTD <THE MICHAEL A/C>	385,000	0.86%
MR RICHARD JOHN DUNDAS & MRS WENDY ANNE DUNDAS <WENARD FUND A/C>	325,000	0.73%
GOLDLIFE HOLDINGS PTY LTD <K M RETIREMENT FUND A/C>	300,000	0.67%
PP CAPITAL PTY LTD	291,666	0.65%
MR MICHAEL HARTLEY	291,666	0.65%
	25,722,436	57.42%

Shares on issue as at 2 September 2022 is: 44,800,000.

SHAREHOLDERS' INFORMATION

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Party	Number of ordinary shares held	Percentage of issued capital
TALI RESOURCES PTY LTD	8,525,000	19.03%
LUCID INVESTMENT GROUP PTY LTD AND ASSOCIATED ENTITIES	4,116,666	9.19%
RYECROFT HOLDINGS PTY LTD AND ASSOCIATED ENTITIES	3,516,666	7.85%

(d) Voting rights

All shares carry one vote per share without restriction.

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