

25 JANUARY 2023

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2022

TRANSFORMATIONAL DISCOVERY OF THE LUNI & P2 MINERALISED CARBONATITES IN THE WEST ARUNTA

West Arunta Project

- Maiden drill program discovers the Luni and P2 mineralised carbonatites
- Progressed planning for follow up exploration programs in 2023
- Key intersection from each Luni hole (4m composites):
 - o LURC001: 24m at 0.82% Nb₂O₅, 0.21% TREO, 6.44% P₂O₅ from 157m
 - o LURC002: 28m at 0.92% Nb₂O₅, 0.30% TREO, 5.58% P₂O₅ from 28m
 - o LURC003: 8m at 1.06% Nb₂O₅, 0.10% TREO, 0.79% P₂O₅ from 44m
- Key P2 intersections:
 - o 12m at 0.66% Nb₂O₅, 0.62% TREO, 208ppm Ta₂O₅ from 61m
 - o 54m at 0.62% Nb₂O₅, 0.17% TREO, 54ppm Ta₂O₅ from 162m
- Detailed gravity and passive seismic surveys undertaken at Luni and P2
- Expansion of West Arunta regional tenement holdings

Other Projects

- Completion of EM survey at the Hidden Valley Project
- Consultations are ongoing with the aim of entering into heritage agreements to permit the commencement of exploration at the Madura Project

Corporate

- Placement completed in November raising \$10 million (before costs) to accelerate exploration activities at Luni and P2 mineralised carbonatites
- Cash balance of approximately \$11.6 million as at 31 December 2022

WA1 Resources Ltd (ASX: WA1) (WA1 or the Company) is pleased to provide a report on its activities for the quarter ended 31 December 2022.

West Arunta Project (100% owned)

The West Arunta Project is located approximately 490km south of Halls Creek in Western Australia. It comprises the **Pachpadra, Sambhar and Urmia prospect areas** which contain significant geophysical anomalies.

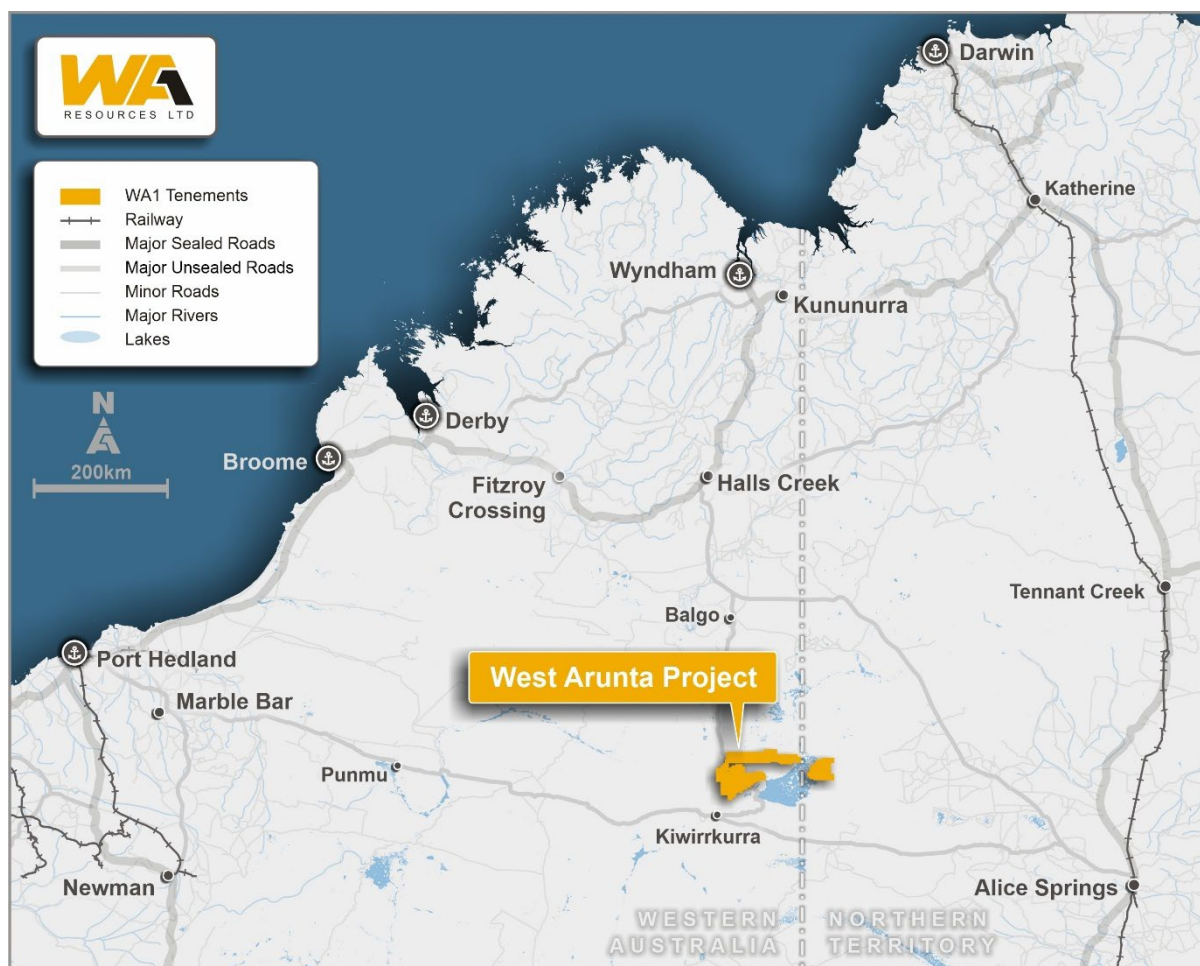


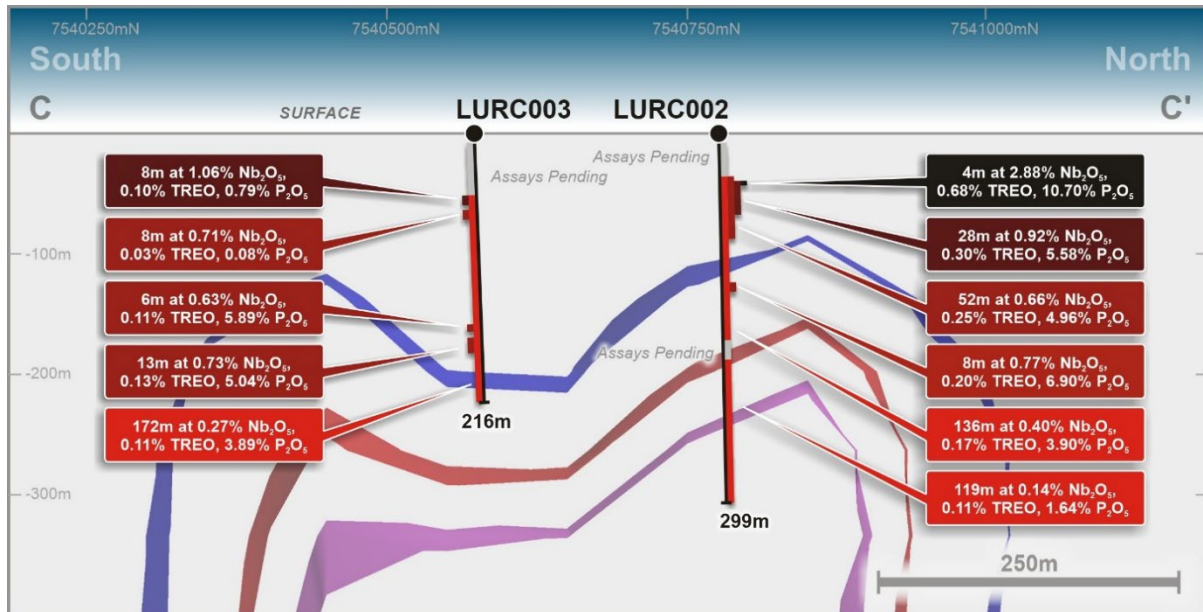
Figure 1: Location of the West Arunta Project

Luni Target Mineralised Carbonatite Discovery

On 16 November 2022, the Company announced the discovery of a mineralised carbonatite system at the Luni target (LURC001 to LURC003 within the Sambhar Prospect area) following receipt of assays from the Company's maiden exploration drill program.

A total of three RC holes were drilled for 803m, with all holes drilled to the maximum depth capacity of the rig. All holes were drilled vertically (with LURC001 deviating during drilling) to test the source of the east-west gravity anomaly which is interpreted to extend for approximately 3km long and 1km wide.

Highly elevated niobium, REE and phosphorus mineralisation was encountered in all three drill holes. The downhole intersections suggest the intrusion has a lateral extent of at least 1.3km.



Figures 2: Luni Target Cross-section

Schematic of gravity anomaly image (residual gravity with 2.68-2.77g/cc density shells)

The Luni target is characterised by a discrete, high amplitude gravity anomaly with semi-coincident magnetic responses occurring adjacent to the western and eastern ends and central to the gravity response. Luni is located proximal to the intersection of two key interpreted regional structural features.

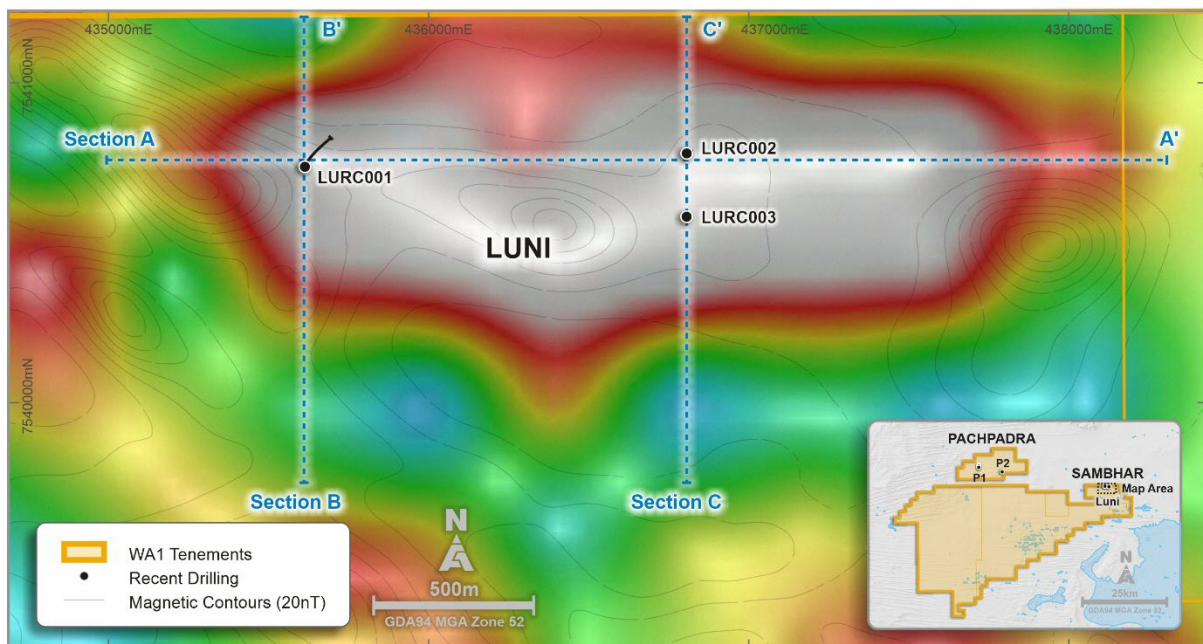


Figure 3: Plan View of Luni Drill Collar Locations

Combined gravity (resUC200m, colour) and magnetic (residual contours) anomaly images

For full details refer to WA1's ASX announcement on 16 November 2022.

P2 Target Mineralised Carbonatite Discovery

On 26 October 2022, the Company announced that a single drill hole at the P2 target (PARC003 located within the Pachpadra Prospect area) completed as part of the Company's maiden drill program had discovered a mineralised carbonatite system.

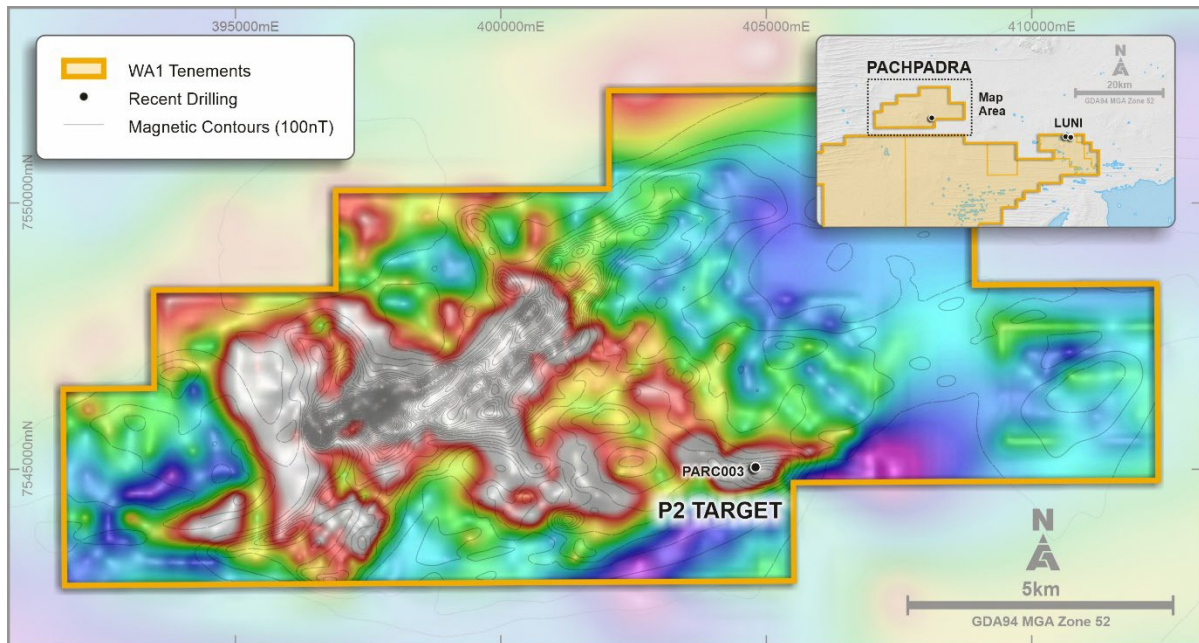


Figure 4: Plan View of the P2 Drill Collar Location

Combined gravity (resUC200m, colour) and magnetic (residual contours) anomaly images

Single metre assay results relating to PARC003 were released on 13 December 2022 and confirmed the existence of high-grade Niobium-Tantalum mineralisation within the weathered zone, along with confirmation of a broad intersection within the primary portion of the drill hole.

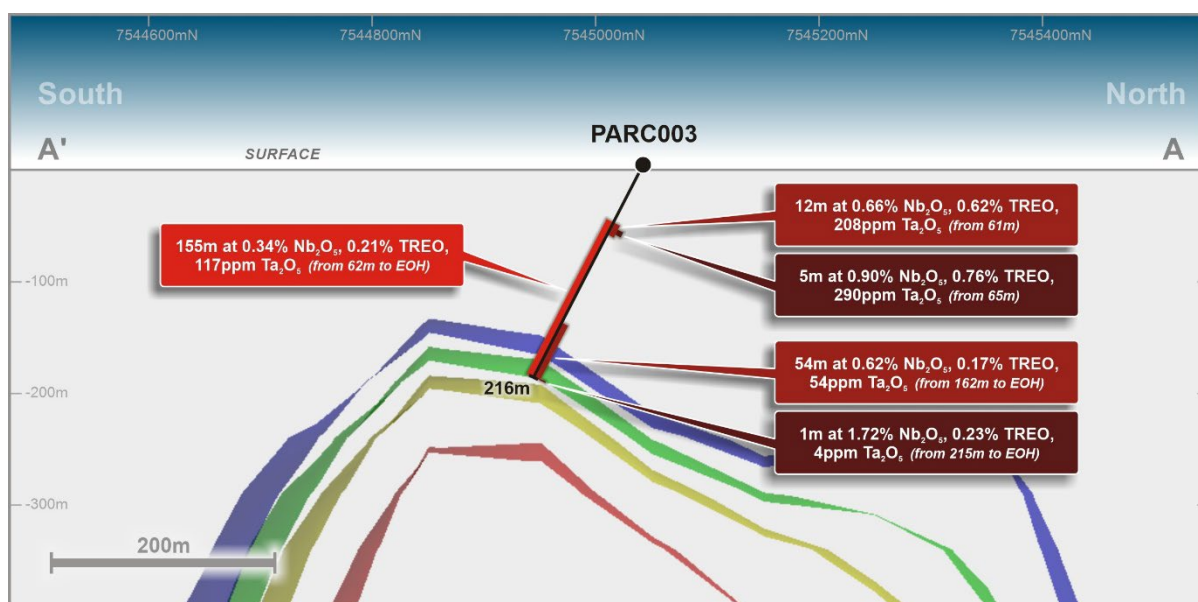


Figure 5: P2 Schematic Cross-section

Schematics of gravity anomaly images (residual gravity with 2.68-2.77g/cc density shells)

The downhole geology intersected in PARC003 included 23m of ferruginous transported clays, followed by a sedimentary sequence of siltstone and sandstone, before transitioning into the carbonatite intrusion at 61m downhole. The weathering profile in the drillhole is moderate, with the lower saprolite boundary occurring at 74m and fresh rock intersected from 152m.

There is a clear correlation between the anomalous niobium-tantalum mineralisation and the appearance of the carbonatite intrusion at 61m downhole. The highest niobium grade occurs in the last metre of the drillhole.

For full details refer to WA1's ASX announcements on 26 October 2022 and 13 December 2022.

Other Projects

Hidden Valley Project (100% owned)

The Hidden Valley Project comprises one Exploration Licence located 150km south of Kununurra, Western Australia. The tenement lies within the Osmond Ranges and 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.

On 15 November 2022, the Company commenced an airborne electromagnetic survey at the Hidden Valley Project to test for bedrock conductive anomalies. Final results of the survey have not yet been received and assessed.

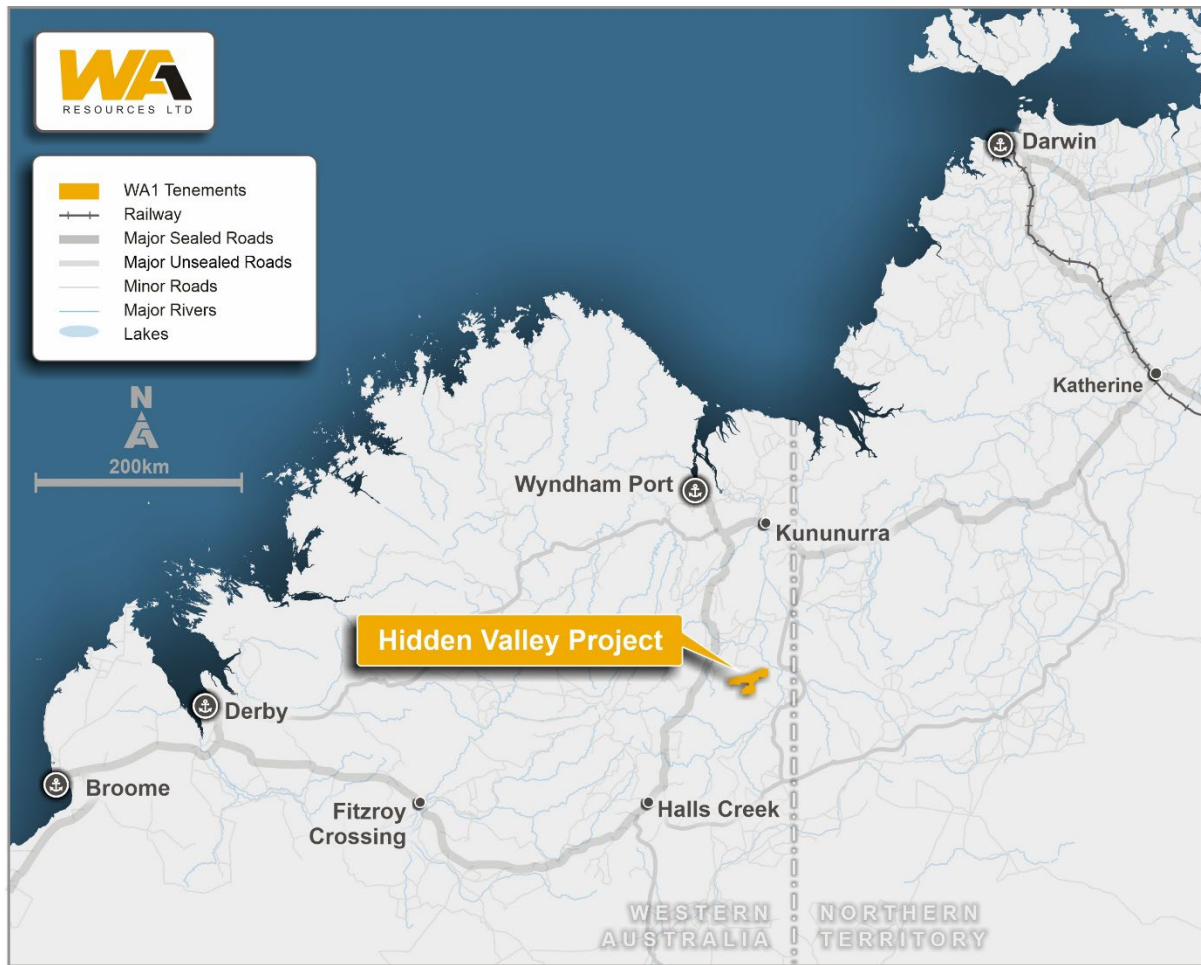


Figure 6: Hidden Valley Project tenement plan

Prior to this survey, no work had been completed in the tenement area since 2007, at which time airborne GEOTEM data collected by BHP in 1996 was reanalysed and 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.

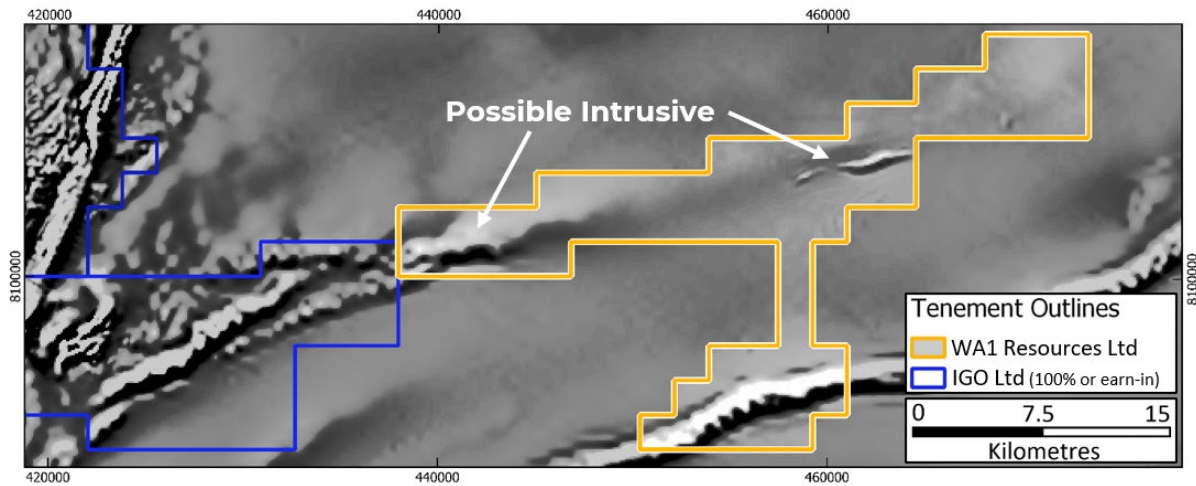


Figure 7: Hidden Valley Tenure over Regional TMIRTP

Madura Project (100% owned)

The Madura Project tenements are located approximately 540km east of Kalgoorlie-Boulder, with non-contiguous tenements extending to near the Western Australian south coast. The exploration project consists of five granted Exploration Licences and two Exploration Licence applications in the Madura Province of south-eastern Western Australia.

During the quarter, the Company continued the process of negotiating heritage protection agreements, along with planning for potential initial exploration programs.

Historical exploration on the tenements, prior to WA1's applications in 2021 included airborne geophysical surveys and a regional stratigraphic hole by the Geological Survey of Western Australia. Much of this work was concentrated around the northern most tenement, where indicators for copper-gold source and host rocks is historically documented.

There is potential for copper-gold mineralisation of an IOCG affinity and other styles of mineralisation, and this is the basis for the initial proposed exploration program within the project area.



Figure 8: Madura Project tenements plan

New Project Generation

While the Company is focused on advancing exploration at its existing projects, ongoing efforts continue to be made to identify and assess new opportunities to enhance the Company's exploration portfolio.

Corporate

On 18 November 2022 the Company announced that it had received firm commitments to raise \$10 million (before costs) at \$2.00 per share, a 13% premium to the last traded price. Funds raised from the placement, which settled on 25 November 2022, are intended to be primarily applied to additional geophysical surveys and a substantial drilling program at the West Arunta Project, along with initial exploration and geophysical surveys at the Company's Madura Project, and for general working capital purposes.

On 7 November 2022, the Company held its Annual General Meeting with all resolutions put to shareholders carried on a poll.

At quarter-end the Company held approximately \$11.6 million in cash.

Summary of Expenditure Incurred on Activities & Use of Funds Comparison

As required by the ASX Listing Rules, WA1 provides a comparison of actual expenditure to 31 December 2022 against the estimated expenditure set out in the Company's Prospectus dated 29 November 2021.

Table 1: Use of Funds Comparison

Use of Funds (2yr estimate, refer to section 2 of the WA1 Prospectus)	Prospectus Estimated Use of Funds \$m	Actual to 31 December 2022 \$m
Exploration and related expenses	2.8	1.4
Corporate and administration expenses	1.0	0.9
Reimbursement of West Arunta Project vendor	0.2	0.2
Costs of the Offer	0.4	0.4
General Working Capital	0.1	-
Total	4.5	3.0

The Company incurred \$195,743 which for accounting purposes has been allocated to exploration and evaluation activities during the quarter and related to field work and consultants.

Other than as referred to above, no expenditure was allocated to development activities during the quarter. The Company's focus remains on planning and executing exploration activities.

The Company currently believes it is still on track to meet its expenditure forecasts.

Payments to Related Parties of the Entity

A description of and explanation for payments to related parties and their associates per Section 6.1 of the Appendix 5B for the quarter ending 31 December 2022 is set out below.

Table 2: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter \$	Previous Quarter \$
Managing Director Salary & Superannuation	115,104	55,250
Non-Executive Director Fees	38,675	38,675
Company Secretarial Fees	12,431	12,431
Tom Lyons Consulting Fees	20,000	3,750
Accounting Services	17,277	18,000
Total payments to related parties of the entity and their associates	203,488	128,106

Tenement Interests

In accordance with the ASX Listing Rules, WA1 provides the following information in relation to its tenement holdings.

Table 3: Schedule of Tenement Interests as at 31 December 2022

Tenement	Project	Holder	Status	Location	Current Interest	Nature of Change
E80/5173	West Arunta	WA1	Granted	WA	100%	-
E80/5646	West Arunta	WA1	Granted	WA	100%	-
E80/5656	West Arunta	WA1	Granted	WA	100%	-
E80/5752	West Arunta	WA1	Application	WA	100%	-
E80/5753	West Arunta	WA1	Application	WA	100%	-
E80/5860	West Arunta	WA1	Application	WA	100%	-
E80/5861	West Arunta	WA1	Application	WA	100%	-
E80/5862	West Arunta	WA1	Application	WA	100%	-
E80/5865	West Arunta	WA1	Application	WA	100%	-
E80/5866	West Arunta	WA1	Application	WA	100%	-
EL33378	West Arunta	WA1	Application	NT	100%	-
E69/3843	Madura	WA1	Granted	WA	100%	-
E69/3844	Madura	WA1	Granted	WA	100%	-
E69/3854	Madura	WA1	Granted	WA	100%	-
E69/3855	Madura	WA1	Granted	WA	100%	-
E69/3861	Madura	WA1	Granted	WA	100%	-
E69/4028	Madura	WA1	Application	WA	100%	-
E69/4029	Madura	WA1	Application	WA	100%	-
E69/4102	Madura	WA1	Application	WA	100%	-
E69/4103	Madura	WA1	Application	WA	100%	-
E80/5651	Hidden Valley	WA1	Granted	WA	100%	-

ENDS

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Authorised for market release by WAL's Board.

Competent Person Statements

The information in this announcement 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 WAL 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 announcement of the matters based on her information in the form and context in which it appears.

About WA1

WA1 Resources Ltd is based in Perth, Western Australia and was admitted to the official list of the Australian Securities Exchange (ASX) in February 2022. WA1's shares are traded under the code WA1.

WA1's objective is to discover a Tier 1 deposit in Western Australia's under explored 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. We will execute our exploration using a proven leadership team which has a successful track record of exploring in WA's most remote regions.

Forward-Looking Statements

This ASX Release 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 Annual Reports, as well as the Company's other 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 ASX Release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

WA1 Resources Ltd

ABN

51 646 878 631

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(173)	(279)
	(e) administration and corporate costs	(169)	(330)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (net GST receivable)	81	117
1.9	Net cash from / (used in) operating activities	(253)	(481)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(141)	(141)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(196)	(925)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(337)	(1,066)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	10,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(546)	(546)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	9,454	9,454

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,721	3,678
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(481)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(337)	(1,066)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,454	9,454

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,585	11,585

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,585	2,721
5.2	Call deposits	9,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,585	2,721

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	183
6.2	Aggregate amount of payments to related parties and their associates included in item 2	20
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(253)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(196)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(449)
8.4 Cash and cash equivalents at quarter end (item 4.6)	11,585
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	11,585
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	25.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24/01/2023

Authorised by: The Board of WA1 Resources Ltd.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.