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Basin
ENERGY

Basin Energy Limited

ABN 46 655 515 110

Annual Report - 30 June 2023

Directors	Blake Steele - Non-Executive Chairman Andrew (Peter) Moorhouse - Managing Director Peter Bird - Non-Executive Director Ben Donovan - Non-Executive Director Jeremy Clark - Non-Executive Director Cory Belyk - Non-Executive Director
Company secretary	Ben Donovan
Registered office	Level 1, 3 Ord Street West Perth WA 6005
Principal place of business	Level 1, 3 Ord Street West Perth WA 6005
Auditor	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth WA 6151
Solicitors	Hamilton Locke Pty Ltd Level 27, 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Basin Energy Limited shares are listed on the Australian Securities Exchange (ASX code: BSN)

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The Directors of Basin Energy Limited ("Group") present their report, together with the financial statements, on the consolidated entity ("Group") comprising Basin Energy Limited ("Company" or "Parent") and the entities it controlled at the end of, or during the year ended 30 June 2023.

Directors

The following persons were Directors of Basin Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Blake Steele - Non-Executive Chairman

Andrew (Peter) Moorhouse - Managing Director - appointed 22 August 2022

Peter Bird - Non-Executive Director

Ben Donovan - Non-Executive Director

Jeremy Clark - Non-Executive Director

Cory Belyk - Non-Executive Director

Company Secretary

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

Ben Donovan

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- Completion of the Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX).
- Completion of acquisition in interests of tenements from CanAlaska Uranium Ltd.
- Exploration for uranium in Saskatchewan, Canada.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,345,762 (30 June 2022: \$552,148).

The Company was successfully admitted to the ASX on the 30 of September 2022 and commenced trading on 4 October 2022. The Company has the exclusive right to earn controlling interests in three highly prospective uranium exploration projects strategically located in near proximity to pre-eminent high-grade operating mines, significant discoveries and milling operations within the world-class Athabasca Basin. Situated in Saskatchewan, Canada, a globally attractive and proven mining jurisdiction, the Athabasca Basin is renowned for uranium mining. Exploration for the 2023 reporting period has primarily focussed on advancing the Geikie project.

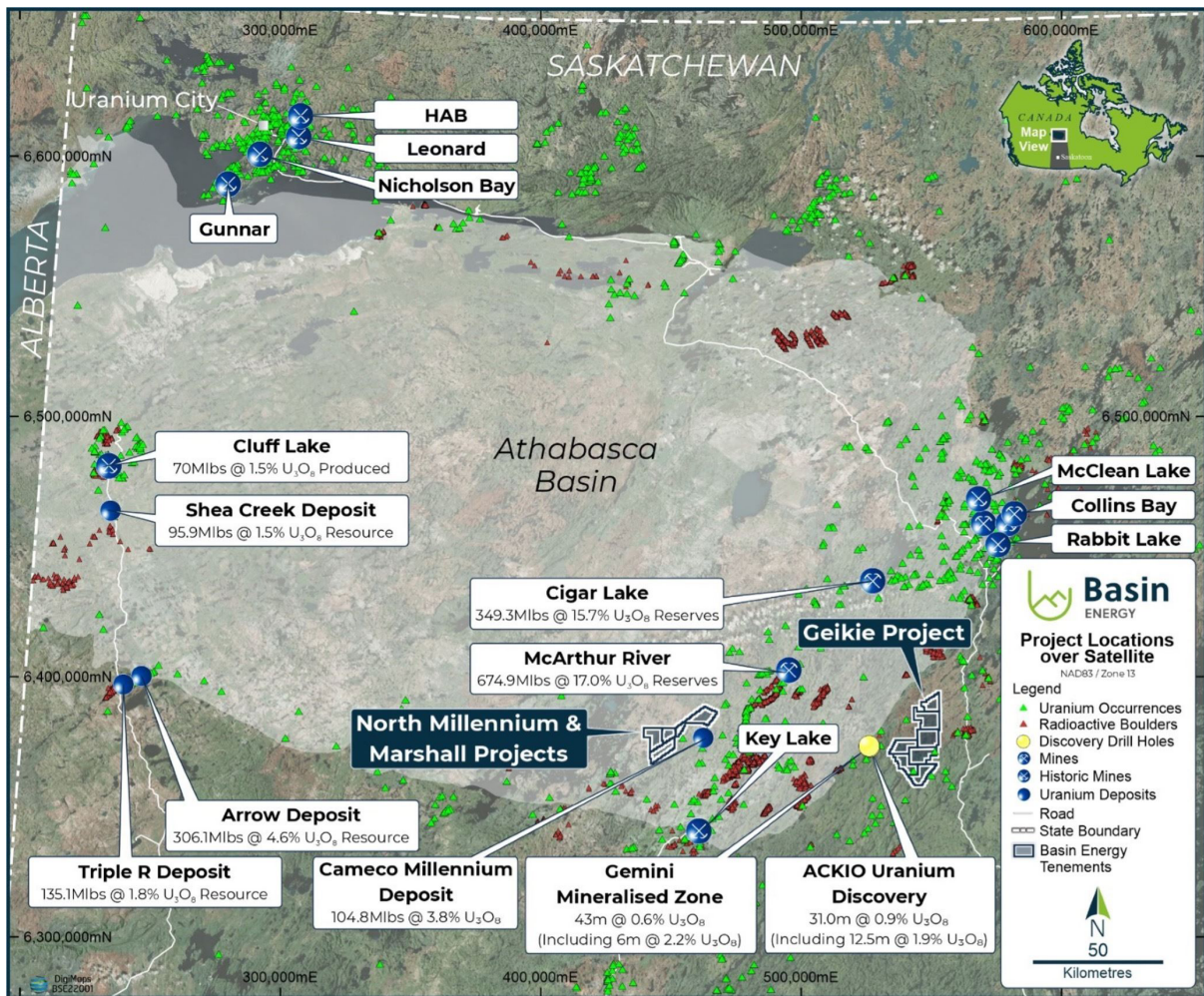


Figure 1 Location of Basin Energy's projects in Northern Saskatchewan

Geikie Project

The Geikie Project is located outside the eastern edge of the Athabasca and is deemed prospective for shallow basement-hosted uranium mineralisation.

The following exploration activities occurred on the Geikie Project for this reporting period:

- Project-scale high-resolution Airborne Radiometric and Magnetic survey - *completed*
- Follow-up reconnaissance, geochemistry and prospecting program - *completed*
- Data compilation of historical assessment reports - *completed*
- Project-scale high-resolution Airborne Electromagnetic survey - *completed*
- Maiden diamond drilling program

The Project area has been subject to minimal exploration for uranium, with most work targeting base metals during the late 1960's to 1980s when multiple mineralised showings were discovered within the project area at the Mud Lake and Johnson Lake prospects. The Mud Lake uranium-molybdenum showing comprises a series of anomalous boulders and outcrops with grades of up to 0.23% U₃O₈, 5.2% Mo, and 1.4% Cu contained in northwest-trending fractures associated with pyrite, pyrrhotite, chalcopyrite, and arsenopyrite in quartz-rich meta-arkoses; the Johnson Lake lead-zinc prospect recorded anomalous mineralisation in outcrop of up to 2.03% Pb, 7.2% Zn and 0.93 oz/t Ag (Figure 2).

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Recent discoveries of basement-hosted uranium mineralisation in nearby projects at the Gemini Mineralised Zone, ACKIO and Beckett, along with known mineralisation at Agip-S and West Way prospects, all underscore the prospectivity of this portion of the Athabasca Basin margin. The primary target at Geikie is basement-hosted uranium mineralisation where uranium bearing structures intersect favourable competency contrasts in prospective lithology units.

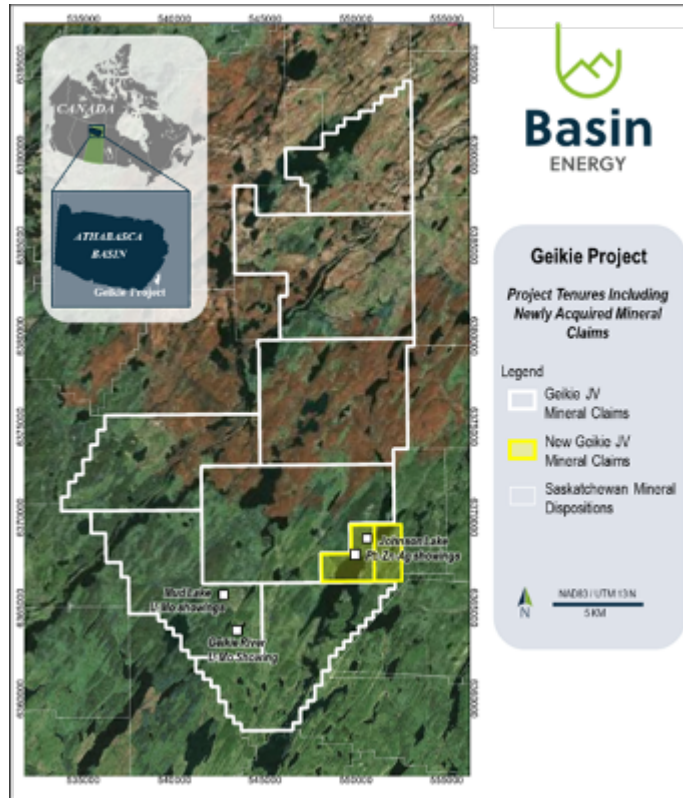


Figure 2: Geikie Project tenure including the two mineral claims acquired May 2023

The Geikie Project comprises 9 Mineral Claims for a total project area of 351 square kilometre. This includes two additional claims that were staked in May 2023 through the Saskatchewan Government mineral claim staking process (Figure 2). The additional claims have been added to the existing earn-in agreement between Basin Energy and CanAlaska.

The Company entered into an earn-in agreement with CanAlaska dated 22 April 2022 pursuant to which CanAlaska granted the Company the exclusive right and option to acquire an 80% interest in mineral claims MC00015156, MC00015157, MC00015158, MC00015160, MC00015161, MC00015162 and MC00015165 (Geikie Project) over a three-staged earn-in, subject to the terms and conditions contained within the Geikie Agreement. Mineral claims MC00019372 and MC00019374 are now included in this agreement and subject to the same terms. The material terms and conditions of the Geikie Agreement are set out in the Basin Prospectus, refer to section 6.1 of ASX Prospectus dated 22 August 2022.

Results of high-resolution Airborne Radiometric and Magnetic survey and Ground Prospecting Program

High resolution radiometric and magnetic survey data was acquired over the entire Geikie Project area. Survey lines were flown at 100 metres spaced, with 1,000 metre spaced tie lines. A total of 3,831-line kilometres of survey Data was collected, at a nominal flight height of 35 metres.

Radiometric anomalies were delineated using a combination of Uranium, Thorium and Potassium ratio analysis. The new high-resolution magnetic data allowed for the confirmation of previously known two major north-south structural corridors and the delineation of two new additional corridors of potential equal prospectivity. These prominent coincident magnetic and topographic trends are interpreted as part of the Tabbernor Crustal Fault Zone, interpreted as host to several recent high grade uranium discoveries.

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Results from this program were used to form the basis for initial ground prospecting. Four priority areas were delineated, and further details and results are provided in Figure 3 below:

- **GK1** comprises a large cluster of radiometric anomalies within a 9km by 3km area, an historical airborne electromagnetic ('EM') anomaly, and two Tabbernor faults corridors transecting the north-easterly lithology trend. Prospecting results confirmed favourable potential source geological conditions being the presence of uranium rich granites and pegmatites, with uranium partial values up to 268 ppm U₃O₈ located adjacent to metasedimentary rocks suitable for hosting mineralisation. Within these metasedimentary units, reconnaissance rock chip samples show elevated pathfinders element concentrations locally (Ni, V, Zn, Co) as well as localised enrichments in REE. A weakly foliated radioactive psammite outcrop returned slightly elevated U₃O₈ (39 ppm), molybdenum (47 ppm) and strongly anomalous lead isotope ratios (²⁰⁷Pb/²⁰⁶Pb=0.14).
- **GK2 (Mud Lake area)** is one of the few localities on the license with historical prospecting information, with historic grab samples recorded up to 2250 ppm U₃O₈ and 1800 ppm U₃O₈, within mapped Wollaston arkosic gneiss and calcsilicate rocks. The radiometric data shows a north-easterly trend of anomalies being crosscut by two regional north north-westerly trending Tabbernor faults, that appear coincident with the historic anomalous rock chips. The reconnaissance prospecting results confirmed the presence of metasediment rocks including calcsilicates with rock samples demonstrating localised elevated select pathfinder elements such as Co, Cu, Ba, Ni and V. One sample collected from a radioactive fractured zone in a psammitic outcrop returned U₃O₈ value of 140.3 ppm, molybdenum value of 2,500 ppm and strongly anomalous lead isotope ratios (²⁰⁷Pb/²⁰⁶Pb=0.12). This sample was collected in close vicinity of the Mud Lake showing. Additionally, a sample collected from a granitic outcrop located approximately 700 m to the north of the Mud Lake showing returned assays of 2,299.5 ppm U₃O₈.
- **GK3** has a discrete coherent radiometric anomaly, located at an interpreted structural confluence. Geology appears disrupted by a north-westerly trending structure that is coincident with the anomalous uranium grab samples from GK2 to the south. Reconnaissance prospecting at GK3 identified a large esker ridge with no anomalous radioactivity. The area was largely covered by boulder fields, likely masking the potential prospective lithologies.
- **GK4** comprises a strong coherent radiometric anomaly striking north-easterly and mapped as Wollaston calcsilicate rocks. Reconnaissance prospecting at GK4 identified granite and metasediment commonly covered by boulder fields, likely masking the potential prospective lithologies.

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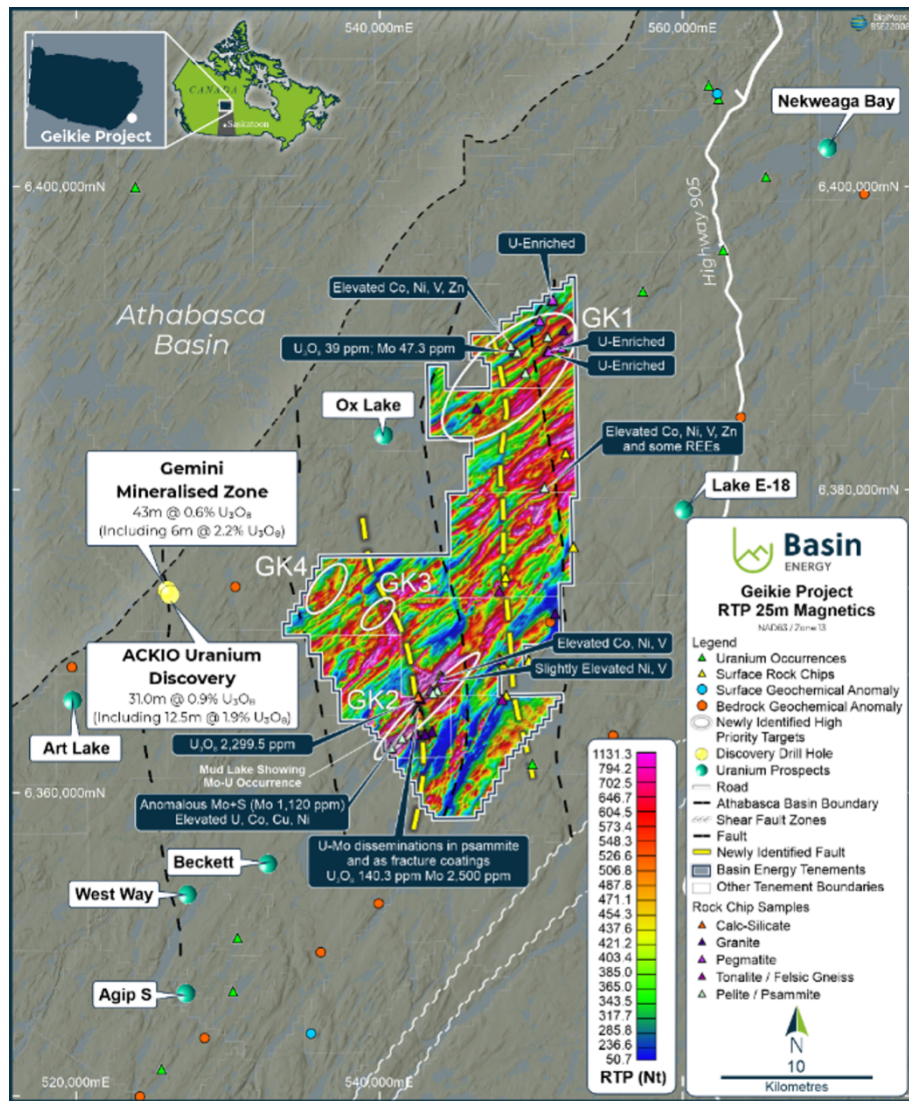


Figure 3: Prospecting reconnaissance results showing sample locations in relation to previously identified high priority target areas. Selected assay results are displayed.

Airborne Electromagnetic (VTEM) survey

Basin commissioned an airborne electromagnetic survey in Q4 2022 (Refer ASX release dated 14 December 2022). A helicopter-borne Versatile Time-Domain Electromagnetic ('VTEM') survey method was selected as most appropriate to achieve the survey objectives. The VTEM system is proven in this style of exploration for uranium within the Athabasca Basin and is excellent for locating discreet conductive anomalies as well as mapping lateral and vertical variations in resistivity. The survey objectives were to map suitable lithological and structural settings conducive to high-grade uranium mineralisation. This includes the identification of graphitic lithologies coincident with fault zones, as seen in deposits of the local region.

Geotech Ltd were engaged to conduct the survey, which covered the entire project area, at a combination of 400 m line spacing in the northern part of the property and 200 m line spacing in the south. A total of 1,399-line kilometres of data was acquired.

This data was categorised into primary and secondary targets:

- Primary target areas consisted of a strong northeast trending conductor system, striking through the southern half of the property. A series of splays and offsets along this conductor are visible, often in correlation with intersections of regionally significant deep-seated north-south trending faults, interpreted to be part of the Tabbernor Fault System.
- Secondary target areas include conductivity anomalies associated with prominent regional Tabbernor Faults.

Recent discoveries near the Geikie project have spatial associations with north-south trending Tabbernor fault features. These deep-seated structural corridors may provide fluid conduits for the circulation of uranium-bearing fluids into the basement rocks. Uranium-bearing fluids penetrating conductive basement rocks provide a favourable depositional environment for basement-hosted uranium mineralization.

Maiden Drilling Program

Following the results of multiple phases of geophysics, A 2,000 metre diamond drilling program, proposed to consist of eight drill holes commenced at Geikie and was completed subsequent to the reporting period. The program focused on 3 prospective target areas located along a 15 kilometre of strike-length northeast trending conductor where regional structural disruption (splays and offsets of the conductor) are visible in the VTEM and magnetic data. Often these splays and offsets correlate with intersections of regionally significant deep-seated north-south trending faults, which form part of the Tabbernor Fault System ('Tabbemor', or 'TFS') as interpreted through airborne magnetic data and historic mapping.

Preston Creek – 5 drill holes

This prospect is located at the eastern end of the 15 kilometre conductive zone where a series of structures converge in this area transected by a major Tabbernor Fault. 3D modelling of VTEM anomalies in the Preston Creek area shows a succession of subparallel EM plates indicating a likely structural thickening of the prospective horizon. Furthermore, the superposition of a disrupted VTEM conductor within a significant magnetic low corridor along a Tabbernor Fault makes a compelling drill target for potential uranium mineralisation.

Hourglass Lake and Aero Lake – 3 drill holes

The Hourglass Lake prospect is located midway along the 15 kilometre prospective zone. Drilling has been designed to test an interpreted disruption of the VTEM conductor, where an apparent 500 metre offset is observed in conjunction with a discreet north-south trending magnetic structural lineament deemed suitable as a mineralising fluid conduit. A weakening of the modelled response from the VTEM conductor is observed adjacent to this offset, which can be interpreted as an alteration effect from potential mineralising fluids.

At Aero Lake, a series of geological and geophysical anomalies are observed. Unlike Hourglass and Preston Creek where the VTEM is modelled steeply dipping, the Aero Lake EM anomalies are modelled as shallow to flat lying. This occurs near an interpreted Tabbernor Fault flexure, adjacent to a fold hinge which is part of a broader system of intercalated folds of the Johnson River Inlier. Airborne magnetic data suggests intersection of several subtle lineaments in this area adding to the structural complexity. The uranium-molybdenum Mud Lake showing is located three kilometres to the west (Figure 1).

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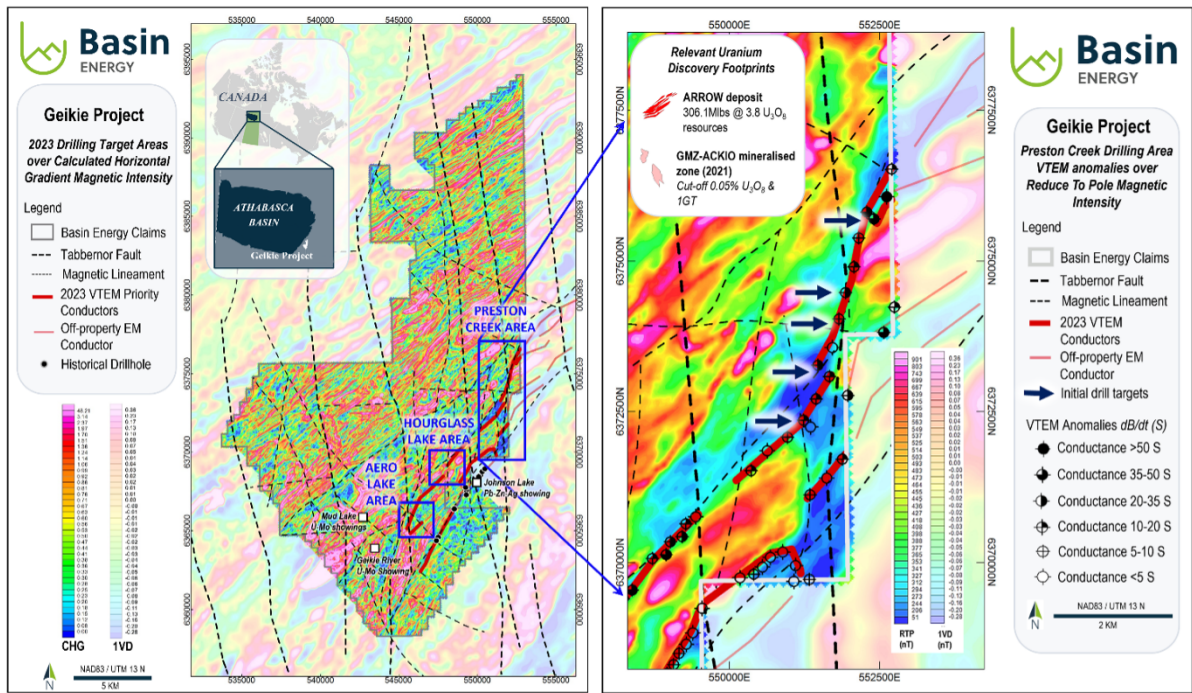


Figure 4 (left): 2023 Geikie Summer Drilling over areas on high resolution magnetics.

Figure 4 (right): Preston Creek Prospect proposed 2023 drilling to scale with discovery footprints of the Arrow Uranium Deposit and the GMZ-ACKIO mineralised zone.

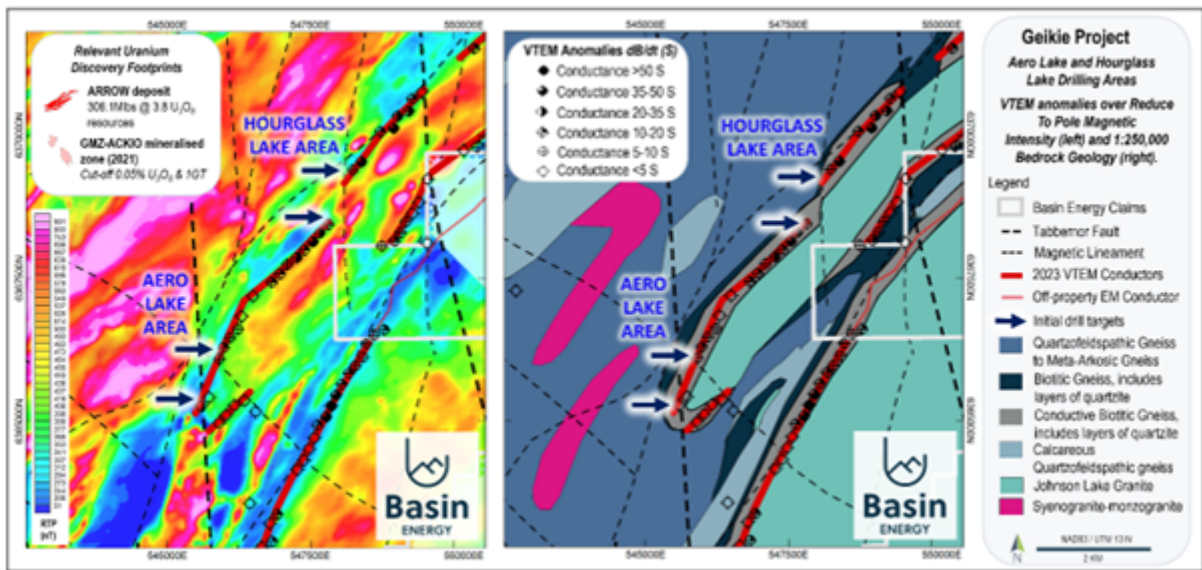


Figure 5 (left): Hourglass Lake and Aero Lake prospects showing 2023 proposed drilling over high resolution magnetics.

Figure 5 (right): Hourglass Lake and Aero Lake prospects showing 2023 proposed drilling over geology interpretation.

Next steps at Geikie

- Finalisation of drilling data, assay results and interpretation.
- Airborne Gradient Gravity Survey.
- Follow-up drill targeting for phase 2 drilling.

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North Millennium and Marshall Projects

Whilst initial field work is focussed on Geikie, Basin continues its exploration strategy to advance its North Millennium and Marshall projects through data collation and target development.

These projects are deemed prospective for unconformity related uranium mineralisation.

The North Millennium Project is located 7km north of Cameco Corporation's Millennium deposit (104.8Mlb at 3.8% U₃O₈). Basin's exploration is focused on the interpreted extension of the Millennium Mother fault. Whilst no drilling data is known to exist within the North Millennium Project area, the review of historic Z tipper axis electromagnetic ('ZTEM'), VTEM and MEGATEM data which partially cover the project area, as well as lake and sandstone geochemistry will be completed prior to next steps.

The Marshall Project is located 11km west of the Millennium deposit. Basin's exploration is focused on a significant basement conductor identified in historic ZTEM and VTEM data, corresponding to a magnetic low. Whilst no drilling data is known to exist within the Marshall Project area, the review of historic ZTEM and VTEM data which partially cover the project area, as well as lake and sandstone geochemistry will be completed prior to next steps.

Significant changes in the state of affairs

The Company completed preparations for an IPO on the ASX. A prospectus was finalised on 22 August 2022 and was met with heavy demand resulting in an oversubscribed offer, raising the maximum of \$9 million (before costs) by issuing 45,000,000 ordinary shares at \$0.20 per share.

The Company was successfully admitted to the ASX on the 30 of September 2022, and commenced trading on 4 October 2022.

Upon successful completion of its IPO, the Company issued 16,229,694 ordinary shares at issue price of \$0.20 each to CanAlaska for the acquisition of the following projects:

- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the Geikie Project;
- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the North Millennium Project; and
- 5,409,898 ordinary shares (6.6% of issued capital) for 100% interest in the Marshall Project.

The following options over ordinary shares were issued during the year:

- 2,000,000 options exercisable at \$0.25 each on or before 23 September 2025 issued to Managing Director Andrew (Peter) Moorhouse on appointment.
- 5,000,000 options exercisable at \$0.25 each and expiring 23 September 2025 to Discovery Capital Partners (or its nominees) as partial consideration for lead manager services for the IPO.
- 300,000 options exercisable at \$0.25 each and expiring 23 September 2025 to Camps Bay Pty Ltd (or its nominees) as partial consideration for recruitment services.

The following subsidiary companies were incorporated in Canada during the year:

- Basin Energy Geiki Corp.
- Basin Energy North Millennium Corp.
- Basin Energy Marshall Corp.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 29 August 2023, it was announced that Basin Energy had satisfied the expenditure requirement to meet the 60% option payment for the Geikie Uranium Project. Basin Energy has elected to move to operator and proceed with Stage 3 to earn up to 80% in Geikie.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name: **Andrew (Peter) Moorhouse**
Title: Managing Director
Qualifications: *Bachelor of Science (Hons) Applied and Environmental Geology - University of Leicester*
Experience and expertise: Mr Moorhouse is an exploration geologist with 18 years' experience of mineral exploration in Australia, Southern Africa and Europe. He possesses extensive experience within the junior uranium sector, having worked on multiple uranium projects globally including leading exploration for ASX listed uranium explorer and developer Alligator Energy (ASX:AGE) from IPO for 10 years.

Mr Moorhouse has significant competencies in both the evaluation and execution of exploration, resource drilling programs, feasibility studies, and stakeholder engagement.

Mr Moorhouse has worked in geology for a number of resource focussed companies including BMEx Ltd, Impact Minerals (ASX: IPT), Mega Uranium (TSX:MGA) and Laramide Resources (ASX:LAM).

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 349,725 ordinary shares
Interests in options: 2,000,000 unlisted options exercisable at \$0.25 each on or before 23 September 2025

Name: **Blake Steele**
Title: Non-Executive Chairman
Qualifications: *Bachelor of Commerce (Hons) degree from the UBC Sauder School of Business, Chartered Professional Accountant (Canada) and Chartered Business Valuator (Canada)*
Experience and expertise: Blake Steele is an experienced metals and mining industry executive, director and advisor with extensive knowledge across public companies and capital markets. Mr. Steele was most recently the President and Chief Executive Officer of Azarga Uranium Corp. (**Azarga**), a TSX-listed uranium development and exploration company. Under Mr. Steele's stewardship, Azarga grew into an advanced stage multi-asset company and, in February 2022, enCore Energy Corp. (TSX.V:EU) completed the acquisition of Azarga for ~C\$200M.

Mr. Steele currently serves as a director or advisor to a number of public companies in the metals and mining space. Prior to joining Azarga, Mr. Steele worked at SouthGobi Resources Ltd. (TSX:SGQ) (part of the Ivanhoe Mines group), a Mongolian-focused coal producer, where he worked in multiple senior finance and corporate development roles. Mr Steele began his career with Deloitte & Touche, where he worked in both the audit and financial advisory practices.

Other current directorships: Kaizen Discovery (TSX.V:KZD) - appointed September 2021
 Azarga Metals (TSX.V:AZR) - appointed December 2016
 Atha Energy (CSE:SASK) - appointed January 2023
 Clover Leaf Capital (TSX.V:CLVR.P) - appointed March 2021
Former directorships (last 3 years): Gold Mountain Mining (TSX:GMTN) – appointed December 2020, resigned – 20 June 2023
Interests in shares: 700,000 ordinary shares
Interests in options: 1,000,000 unlisted options exercisable at \$0.25 each on or before 23 September 2025

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Name: **Peter Bird**
Title: Non-Executive Director
Qualifications: *Bachelor of Science, MBA*
Experience and expertise: Mr Bird is an experienced corporate finance professional with 5 years' experience in managing, leading and originating a variety of natural resources focused transactions including IPO's, Capital Raises and M&A. He has also been involved in, and held board positions, with a variety of private resource focused companies in Western Australia.

Currently, Mr Bird is based in New York, where he works with a private investment fund in a number of roles assisting with their investment strategies. Previously Mr Bird was an Associate Director of a boutique Perth based corporate advisory and investment banking firm.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 1,201,499 ordinary shares
Interests in options: 1,000,000 unlisted options exercisable at \$0.25 on or before 23 September 2025

Name: **Ben Donovan**
Title: Non-Executive Director & Company Secretary
Qualifications: *B.Comm (Hons), ACG (CS)*
Experience and expertise: Mr Donovan is principal of Argus Corporate Partners Pty Ltd which provides company secretary, corporate advisory, and consultancy services to a number of companies. He is a chartered secretary and an associate member of the Governance Institute of Australia.

Mr Donovan has extensive experience in listing rules compliance and corporate governance, having served as senior adviser at the ASX in Perth for nearly three years, including as a member of the ASX JORC Committee and is currently a director and company secretary of several ASX listed and public unlisted companies involved in the resources, biotech, media and technology industries.

Other current directorships: Magnetic Resources NL (ASX:MAU)- appointed 31 March 2022
Former directorships (last 3 years): Tambourah Metals Ltd (ASX:TMB) – appointed 16 June 2021 - resigned 17 February 2023
Interests in shares: 580,000 ordinary shares
Interests in options: 666,667 unlisted options exercisable at \$0.25 on or before 23 September 2025

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Name: **Jeremy Clark**
Title: Non-Executive Director
Qualifications: *Bachelor of Applied Science (Hons)(Geology) – Queensland University of Technology, Post-Graduate Certificate in Geostatistics – Edith Cowan University*
Experience and expertise: Mr Clark has over 18 years of experience in mining and exploration geology across several uranium, base metals, and precious metals deposits globally. He has extensive experience working across all global financial exchange rules and regulations governing the reporting of exploration results, mineral resources, ore reserves and technical studies. Mr Clark was a founding member of the internal public reporting committee for RPM Global which oversaw, reviewed, and approved all ASX and global stock exchange releases which the company and its employees signed off on as a competent person both for resources and reserves, along with all mining studies from conceptual to feasibility study levels.

Mr Clark has worked across several of RPM Global's offices including Perth, Brisbane, Denver, Beijing, Toronto and Hong Kong. During this time he worked on numerous base and precious metals deposits as well as ferrous and uranium deposits in major mining centres within China, Central Asia, Europe, Africa, and North and South America.

Subsequent to RPM Global, Mr Clark established his own boutique consultancy Lily Valley International which focuses primarily of strategic advice to clients in regard to compliance related issues, IPOs and mergers and acquisitions.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 620,000 ordinary shares
Interests in options: 666,667 unlisted options exercisable at \$0.25 on or before 23 September 2025

Name: **Cory Belyk**
Title: Non-Executive Director
Qualifications: *Bachelor of Science in Geology from the University of Saskatchewan, Certificate of Negotiation (Harvard Law), Member of the associations of Professional Engineers and Geoscientists of Saskatchewan and British Columbia*
Experience and expertise: Mr Belyk is a geologist with 30 years of experience in exploration and mining operations, project evaluation and business development. His depth of experience is a result of work on a global scale including Asia, Africa, Europe, North America and Australia.

Mr Belyk has extensive global uranium experience and is currently CEO, President and Director of Canadian uranium explorer and project generator CanAlaska Uranium Ltd (TSX-V:CVV) and was previously employed by Cameco Corporation where his focus was on global activities related to Cameco's project evaluation, business development, and international exploration activity with direct oversight and accountability for offices in Mongolia and Australia. Mr. Belyk was a member of Cameco's exploration management team during the recent Fox Lake and West McArthur uranium discoveries.

Additionally, Mr Belyk has held leadership roles at COGEMA (now Orano) and Uranerz Exploration and Mining Ltd.

Other current directorships: CanAlaska Uranium Ltd. (TSX-V) – appointed 31 December 2022
 Murchison Minerals Ltd. (TSX-V) – appointed 10 May 2022
Former directorships (last 3 years): None
Interests in shares: None
Interests in options: 666,666 unlisted options exercisable at \$0.25 on or before 23 September 2025

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Blake Steele	6	6
Andrew (Peter) Moorhouse	5	5
Peter Bird	6	6
Ben Donovan	6	6
Jeremy Clark	5	6
Cory Belyk	6	6

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

This report details the amount and nature of remuneration of each Key Management Personnel ("KMP").

KMP's have authority and responsibility for planning, directing and controlling the activities of the Company, including Directors of the Company and other executives.

The remuneration policy is to provide a fixed remuneration component and an equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director and executive objectives with shareholder and business objectives.

The Board policy is to remunerate Directors and senior executives at market rates for comparable companies for time, commitment and responsibilities. Due to the size of the Company, there is no Remuneration Committee so the Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. In consultation with external remuneration consultants advice is sought when required. To align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may receive options if approved by shareholders.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

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Non-executive Directors remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders or, until so, by the Directors. The aggregate remuneration for Non-Executive Directors has been set by the Board at an amount not to exceed \$500,000 per annum.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Short-term incentives ('STI') are provided in the form of cash bonuses and/or salary increases. They are used to encourage and reward exceptional performance in the realisation of strategic outcomes and growth in shareholders' wealth.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of Basin Energy Limited:

- Blake Steele
- Andrew (Peter) Moorhouse - appointed 22 August 2022
- Peter Bird
- Ben Donovan
- Jeremy Clark
- Cory Belyk

Year ended 30 June 2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Blake Steele	56,025	-	-	-	-	-	56,025
Peter Bird	22,500	-	-	-	-	-	22,500
Ben Donovan	22,500	-	-	2,363	-	-	24,863
Jeremy Clark	22,500	-	-	2,363	-	-	24,863
Cory Belyk	22,500	-	-	-	-	-	22,500
<i>Executive Director:</i>							
Andrew (Peter) Moorhouse	237,138	-	-	22,213	-	234,600	493,951
	383,163	-	-	26,939	-	234,600	644,702

Incorporation to 30 June 2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Blake Steele	-	-	-	-	-	44,300	44,300
Peter Bird	-	-	-	-	-	44,600	44,600
Ben Donovan	-	-	-	-	-	29,533	29,533
Jeremy Clark	-	-	-	-	-	29,533	29,533
Cory Belyk	-	-	-	-	-	29,667	29,667
Mitchell Clarke*	-	-	-	-	-	44,600	44,600
Kale Pervan*	-	-	-	-	-	44,600	44,600
	-	-	-	-	-	266,833	266,833

*Directors resigned on 13 April 2022.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		Share-based payments	
	Year ended 30 June 2023	Incorporation to 30 June 2022	Year ended 30 June 2023	Incorporation to 30 June 2022
<i>Non-Executive Directors:</i>				
Blake Steele	100%	-	-	100%
Peter Bird	100%	-	-	100%
Ben Donovan	100%	-	-	100%
Jeremy Clark	100%	-	-	100%
Cory Belyk	100%	-	-	100%
Mitchell Clarke	-	-	-	100%
Kale Pervan	-	-	-	100%
<i>Executive Directors:</i>				
Andrew (Peter) Moorhouse	53%	-	47%	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: **Blake Steele**
Title: *Non-Executive Chairman*
Details: The Company has entered into a Non-Executive Director and Chairman letter agreement with Blake Steele dated 27 July 2022, as amended. Pursuant to this letter agreement, the Company has agreed to pay Mr Steele \$74,700 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director and Chairman.

In addition the Company has issued to Mr Steele (or his nominees) 1,000,000 Options.

Name: **Andrew (Peter) Moorhouse**
Title: *Managing Director*
Agreement commenced: 22 August 2022
Details: The Company will pay Mr Moorhouse a base salary of \$275,000 per annum exclusive of superannuation. In addition, the Company issued to Mr Moorhouse (or his nominees) 2,000,000 Options. The agreement is for an indefinite term, continuing until terminated by either the Company or Mr Moorhouse giving not less than 3 months' written notice of termination (or shorter periods in limited circumstances).

Name: **Peter Bird**
Title: *Non-Executive Director*
Details: The Company has entered into a consultancy agreement with PSB Capital Consulting and Peter Bird dated 16 August 2022, pursuant to which Mr Bird has been nominated by PSB Capital Consulting to provide services to the Company as the nominated consultant. Under the consultancy agreement, the Company has agreed to pay PSB Capital Consulting a fee of \$30,000 (plus GST) per annum for services provided to the Company. Mr Bird will not be paid a separate director's fee.

In addition the Company has issued to Mr Bird (or his nominees) 1,000,000 Options.

Name: **Ben Donovan**
Title: *Non-Executive Director and Company Secretary*
Details: Director fees
The Company has entered into a Non-Executive Director letter agreement with Mr Donovan dated 22 July 2022. Pursuant to this letter agreement, the Company has agreed to pay Mr Donovan a Director's fee of \$30,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has issued to Mr Donovan (or his nominees) 666,667 Options.

Company Secretary fees
The Company and Argus Corporate Partners have entered into a Services Agreement for the provision of company secretarial services by Mr Donovan. Upon ASX granting conditional approval for the Company's Admission (on conditions satisfactory to the Company), a monthly fee of \$5,000 (plus GST) will be paid, the agreement may be terminated without cause by the Company giving three months written notice.

Name: **Jeremy Clark**
 Title: *Non-Executive Director*
 Details: The Company has entered into a Non-Executive Director letter agreement with Jeremy Clark dated 24 July 2022. Pursuant to this letter agreement, the Company has agreed to pay Mr Clark a Director's fee of \$30,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has issued to Mr Clark (or his nominees) 666,667 Options.

Name: **Cory Belyk**
 Title: *Non-Executive Director*
 Details: The Company has entered into a Non-Executive Director letter agreement with Cory Belyk dated 16 August 2022. Pursuant to this letter agreement, the Company has agreed to pay Mr Belyk a Director's fee of \$30,000 per annum (excluding statutory superannuation) for services provided to the Company as Non-Executive Director.

In addition, the Company has issued to Mr Belyk (or his nominees) 666,666 Options.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Andrew (Peter) Moorhouse	2,000,000	23 September 2022	23 September 2022	23 September 2025	\$0.25	\$0.117

Options granted carry no dividend or voting rights.

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The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of options granted during the year	Number of options granted during the period	Number of options vested during the year	Number of options vested during the period
	Year ended 30 June 2023	Incorporation to 30 June 2022	Year ended 30 June 2023	Incorporation to 30 June 2022
Blake Steele	-	1,000,000	-	1,000,000
Andrew (Peter) Moorhouse	2,000,000	-	2,000,000	-
Peter Bird	-	1,000,000	-	1,000,000
Ben Donovan	-	666,667	-	666,667
Jeremy Clark	-	666,667	-	666,667
Cory Belyk	-	666,666	-	666,666
Mitchell Clarke	-	1,000,000	-	1,000,000
Kale Pervan	-	1,000,000	-	1,000,000

Additional information

The earnings of the Group for the two years to 30 June 2023 are summarised below:

	2023 \$	2022* \$
Loss after income tax	(1,345,762)	(552,148)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022**
Share price at financial year end (\$)	0.15	-
Basic earnings per share (cents per share)	(2.00)	(7.39)
Diluted earnings per share (cents per share)	(2.00)	(7.39)

* For the period from incorporation to 30 June 2022.

** The Company was not listed on the ASX at 30 June 2022, so there is no share price

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Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
<i>Ordinary shares</i>					
Blake Steele	200,000	-	500,000	-	700,000
Andrew (Peter) Moorhouse	-	-	350,000	(275)	349,725
Peter Bird	1,151,499	-	50,000	-	1,201,499
Ben Donovan	380,000	-	200,000	-	580,000
Jeremy Clark	500,000	-	120,000	-	620,000
Cory Belyk	-	-	-	-	-
	2,231,499	-	1,220,000	(275)	3,451,224

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Blake Steele	1,000,000	-	-	-	1,000,000
Andrew (Peter) Moorhouse	-	2,000,000	-	-	2,000,000
Peter Bird	1,000,000	-	-	-	1,000,000
Ben Donovan	666,667	-	-	-	666,667
Jeremy Clark	666,667	-	-	-	666,667
Cory Belyk	666,666	-	-	-	666,666
	4,000,000	2,000,000	-	-	6,000,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Basin Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
13 April 2022	23 September 2025	\$0.25	2,333,334
2 May 2022	23 September 2025	\$0.25	3,000,000
22 June 2022	23 September 2025	\$0.25	666,666
23 September 2022	23 September 2025	\$0.25	7,300,000
			13,300,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Basin Energy Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

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Indemnity and insurance of officers

The Company has not indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the year, the Company did not have any contract to insure the directors against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor (2022: \$6,000 Investigating Accountants Report).

Officers of the Company who are former Directors of William Buck Audit (WA) Pty Ltd

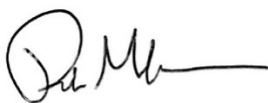
There are no officers of the Company who are former Directors of William Buck Audit (WA) Pty Ltd.

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 immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Moorhouse
Managing Director

4 September 2023

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BASIN ENERGY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 4th day of September 2023

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Basin Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



	Note	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Revenue			
Other income	5	158,542	79
Expenses			
Corporate and administration expenses	6	(738,355)	(124,746)
Employee benefits expense		(451,742)	-
Share-based payments expense	29	(269,790)	(266,833)
Depreciation expense		(715)	-
Exploration and evaluation expenditure		(970)	(160,012)
Foreign Currency Loss		(42,732)	(636)
Loss before income tax expense		(1,345,762)	(552,148)
Income tax expense	7	-	-
Loss after income tax expense for the year/period attributable to the owners of Basin Energy Limited	16	(1,345,762)	(552,148)
Other comprehensive income for the year/period, net of tax		-	-
Total comprehensive loss for the year/period attributable to the owners of Basin Energy Limited		(1,345,762)	(552,148)
		Cents	Cents
Basic earnings per share	28	(2.00)	(7.39)
Diluted earnings per share	28	(2.00)	(7.39)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	5,208,788	722,870
Other receivables		16,885	12,814
Other	9	10,421	-
Total current assets		5,236,094	735,684
Non-current assets			
Plant and equipment	10	6,713	-
Exploration and evaluation	11	6,098,843	-
Total non-current assets		6,105,556	-
Total assets		11,341,650	735,684
Liabilities			
Current liabilities			
Trade and other payables	12	88,865	100,996
Provisions	13	20,517	-
Total current liabilities		109,382	100,996
Total liabilities		109,382	100,996
Net assets		11,232,268	634,688
Equity			
Issued capital	14	12,007,055	920,003
Reserves	15	1,123,123	266,833
Accumulated losses	16	(1,897,910)	(552,148)
Total equity		11,232,268	634,688

The above statement of financial position should be read in conjunction with the accompanying notes

Basin Energy Limited
Statement of changes in equity
For the year ended 30 June 2023



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	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Parent				
Balance at 23 November 2021	-	-	-	-
Loss after income tax expense for the period	-	-	(552,148)	(552,148)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(552,148)	(552,148)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	920,003	-	-	920,003
Share-based payments (note 29)	-	266,833	-	266,833
Balance at 30 June 2022	920,003	266,833	(552,148)	634,688
Consolidated				
Balance at 1 July 2022	920,003	266,833	(552,148)	634,688
Loss after income tax expense for the year	-	-	(1,345,762)	(1,345,762)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,345,762)	(1,345,762)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	9,000,000	-	-	9,000,000
Shares issued for exploration project (note 11)	3,245,939	-	-	3,245,939
Share-based payments - capital raising (note 29)	(586,500)	586,500	-	-
Share-based payments - others (note 29)	-	269,790	-	269,790
Capital raising costs	(572,387)	-	-	(572,387)
Balance at 30 June 2023	12,007,055	1,123,123	(1,897,910)	11,232,268

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,232,224)	(53,190)
Payment for exploration and evaluation expenditure		-	(144,022)
		(1,232,224)	(197,212)
Interest received		150,861	79
Net cash used in operating activities	27	(1,081,363)	(197,133)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(7,428)	-
Payments for exploration and evaluation	11	(2,852,904)	-
Net cash used in investing activities		(2,860,332)	-
Cash flows from financing activities			
Proceeds from issue of shares	14	9,000,000	920,003
Share issue transaction costs		(572,387)	-
Net cash from financing activities		8,427,613	920,003
Net increase in cash and cash equivalents		4,485,918	722,870
Cash and cash equivalents at the beginning of the financial year/period		722,870	-
Cash and cash equivalents at the end of the financial year/period	8	5,208,788	722,870

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Basin Energy Limited as a Group consisting of Basin Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Basin Energy Limited's functional and presentation currency.

Basin Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 3 Ord Street
West Perth WA 6005

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 4 September 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below:

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Parent entity information

In accordance with the Corporations Act 2001, the financial statements for the year ended 30 June 2023 present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Basin Energy Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Basin Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 2. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Basin Energy Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior year/periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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 Group'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 year; 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 year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group'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 year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
---------------------	-----------

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure includes expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the Group's licences including landholder access costs, legal fees and community and public relations costs.

Note 2. Significant accounting policies (continued)

For each area of interest, expenditure incurred in the exploration and acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - (a) Such costs are expected to be recouped through successful development and exploration of area of interest, or alternatively, by its sale; or
 - (b) Exploration and evaluation activities in the area have not, at 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.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service 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.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees, directors and advisors.

Note 2. Significant accounting policies (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the appropriate option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Basin Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Comparatives

The comparatives are from the incorporation of 23 November 2021 to 30 June 2022.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting year ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees, directors and advisors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate pricing option model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

Exploration and evaluation expenditure

Exploration and evaluation expenditure have been capitalised on the basis that the Group will continue the exploration work. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Note 4. Operating segments

The Group is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating tenements and permits where the tenements and permits are considered to form a single project.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Operating segment information

	Exploration (Canada) \$	Unallocated (Corporate) \$	Total \$
Consolidated - Year ended 30 June 2023			
Interest revenue	-	158,542	158,542
Other expenses	(970)	(1,503,334)	(1,504,304)
Loss before income tax expense	(970)	(1,344,792)	(1,345,762)
Income tax expense			-
Loss after income tax expense			(1,345,762)
Assets			
Segment assets	6,098,843	5,242,807	11,341,650
Total assets			11,341,650
Liabilities			
Segment liabilities	-	109,382	109,382
Total liabilities			109,382
Parent - Incorporation to 30 June 2022			
Interest revenue	-	79	79
Other expenses	(160,012)	(392,215)	(552,227)
Loss before income tax expense	(160,012)	(392,136)	(552,148)
Income tax expense			-
Loss after income tax expense			(552,148)
Assets			
Segment assets	-	735,684	735,684
Total assets			735,684
Liabilities			
Segment liabilities	15,990	85,006	100,996
Total liabilities			100,996

Note 5. Other income

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Interest income	158,542	79

Note 6. Corporate and administration expenses

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Corporate compliance costs	308,302	6,981
Contractors and consultancy	71,770	69,485
Legal fees	43,504	17,997
Audit fees	30,241	10,018
Insurance	29,161	-
Investor relations	135,769	20,000
Travel and conference costs	73,101	-
Other	46,507	265
	738,355	124,746

Note 7. Income tax expense

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,345,762)	(552,148)
Tax at the statutory tax rate of 30%	(403,729)	(165,644)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	80,937	80,039
Other expenses	201,422	32,202
Offset against non-recognition of deferred tax assets	121,370	53,403
Income tax expense	-	-

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Note 7. Income tax expense (continued)

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<i>Deferred tax asset</i>		
Deferred tax asset balance comprises:		
Amounts recognised in profit or loss:		
Investments	4,049	-
Exploration and evaluation	151,439	53,403
Accruals	17,756	-
Provision - annual and long service leave	6,155	-
Non-recognition of deferred tax assets	(179,399)	(53,403)

Deferred tax asset	-	-
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	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
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Deferred tax liability

Deferred tax liability balance comprises:

Amounts recognised in profit or loss:		
Prepayments	(3,126)	-
Non-recognition of deferred tax liabilities	3,126	-

Deferred tax liability	-	-
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	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
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Deferred income tax (revenue)/expense

Deferred income tax (revenue)/expense included in income tax expense comprises:

Increase in deferred tax assets	(124,496)	(53,403)
Increase in deferred tax liabilities	3,126	-
Deferred tax asset not recognised	121,370	53,403

	-	-
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	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
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Deferred tax assets not brought to account

Temporary differences	176,272	53,403
Deferred tax asset not recognised	(176,272)	(53,403)

	-	-
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Note 8. Cash and cash equivalents

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<i>Current assets</i>		
Cash at bank	5,208,788	722,870

Note 9. Other

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<i>Current assets</i>		
Prepayments	10,421	-

Note 10. Plant and equipment

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<i>Non-current assets</i>		
Office equipment - at cost	7,428	-
Less: Accumulated depreciation	(715)	-
	6,713	-

Reconciliations

Reconciliations of the values at the beginning and end of the current financial year/period are set out below:

Consolidated	Office equipment \$
Balance at 1 July 2022	-
Additions	7,428
Depreciation expense	(715)
Balance at 30 June 2023	6,713

Note 11. Exploration and evaluation

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<i>Non-current assets</i>		
Exploration and evaluation	6,098,843	-

Note 11. Exploration and evaluation (continued)

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year/period are set out below:

Consolidated	\$
Balance at 1 July 2022	-
Additions*	3,245,939
Expenditure during the year	2,852,904
Balance at 30 June 2023	6,098,843

* Relates to the issuance of 16,229,694 of shares to CanAlaska for the Marshall, North Millennium and Geikie projects.

The ultimate recovery of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest at an amount greater than or equal to carrying value.

Note 12. Trade and other payables

	Consolidated 30 June 2023	Parent 30 June 2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	29,680	95,649
Other payables and accruals	59,185	5,347
	88,865	100,996

Refer to note 18 for further information on financial instruments.

Note 13. Provisions

	Consolidated 30 June 2023	Parent 30 June 2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	20,517	-

Note 14. Issued capital

	Consolidated 30 June 2023	Parent 30 June 2022	Consolidated 30 June 2023	Parent 30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	81,229,697	20,000,003	12,007,055	920,003

Note 14. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Incorporation	23 November 2021	3	\$1.00	3
Capital Raising	14 March 2022	12,000,000	\$0.01	120,000
Capital Raising	20 May 2022	8,000,000	\$0.10	800,000
Balance	30 June 2022	20,000,003		920,003
Capital Raising - Initial Public Offering	23 September 2022	45,000,000	\$0.20	9,000,000
Shares issued for exploration acquisition (note 11)	23 September 2022	16,229,694	\$0.20	3,245,939
Less: Capital raising costs		-	\$0.00	(1,158,887)
Balance	30 June 2023	81,229,697		12,007,055

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 15. Reserves

	Consolidated 30 June 2023	Parent 30 June 2022
	\$	\$
Share-based payments reserve	1,123,123	266,833

Share-based payments reserve

The Company may provide benefits to employees (including directors) and non-employees of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

Note 15. Reserves (continued)

Rights over shares (options) using an option pricing model takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Shares issued in lieu of payment are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

Movements in reserves

Movements in each class of reserve during the current and previous financial year/period are set out below:

	Share-based payments \$
Balance at 23 November 2021	-
Options issued to directors	133,032
Options issued to founders	133,801
Balance at 30 June 2022	266,833
Options issued to advisors for capital raising	586,500
Options issued to advisors for consultancy	35,190
Options issued to Directors	234,600
Balance at 30 June 2023	1,123,123

Note 16. Accumulated losses

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
Accumulated losses at the beginning of the financial year/period	(552,148)	-
Loss after income tax expense for the year/period	(1,345,762)	(552,148)
Accumulated losses at the end of the financial year/period	(1,897,910)	(552,148)

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year/period

Note 18. Financial instruments

Financial risk management objectives

The main risk that the Company is exposed to is liquidity risk.

Risk management is carried out by the Board of Directors ('the Board'). The Board meets when required to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to minimise potential adverse effect on financial performance. Risk Management initiatives are addressed by the Board when required.

Note 18. Financial instruments (continued)

Market risk

Foreign currency risk

The Group funds its Canadian operations from Australia and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Consolidated Assets 30 June 2023 \$	Parent Assets 30 June 2022 \$	Consolidated Liabilities 30 June 2023 \$	Parent Liabilities 30 June 2022 \$
Canadian dollars	-	-	3,702	-

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	29,680	-	-	-	29,680
Other payables	-	59,185	-	-	-	59,185
Total non-derivatives		88,865	-	-	-	88,865

Parent - 30 June 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	95,649	-	-	-	95,649
Other payables	-	5,347	-	-	-	5,347
Total non-derivatives		100,996	-	-	-	100,996

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 18. Financial instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. Key management personnel disclosures

Directors

The following persons were Directors of Basin Energy Limited during the financial year:

Blake Steele
Andrew (Peter) Moorhouse - appointed 22 August 2022
Peter Bird
Ben Donovan
Jeremy Clark
Cory Belyk

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Short-term employee benefits	383,163	-
Post-employment benefits	26,939	-
Share-based payments	234,600	266,833
	644,702	266,833

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (WA) Pty Ltd, the auditor of the Company, and its related entity:

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
<i>Audit services - William Buck Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	30,000	10,000
<i>Other services - William Buck Consulting (WA) Pty Ltd</i>		
Investigating Accountant's Report	-	6,000

Note 21. Contingent liabilities

There were no contingent liabilities as at 30 June 2023, the contingent liabilities as at 30 June 2022 are now a commitment as disclosed in note 22.

Note 22. Commitments

The Group has the following commitments in regards to the Property Option Agreements with CanAlaska Uranium Ltd¹. ("CanAlaska") for the Geikie, North Millennium and Marshall Projects:

Geikie and North Millennium Projects

The Group acquired 40% interests in the Geikie and North Millennium Projects from CanAlaska upon successful listing on the ASX. The Group also has the option to increase its interest based on the following terms:

- (i) 60% - incur a minimum \$2.5m of expenditures on each project on or before 24 months after the listing date;
- (ii) 80% - incur \$5.0m of additional expenditures on each project on or before 48 months after the listing date and issue CanAlaska additional shares up to a deemed value of \$450,000.

A net smelter return (NSR) royalty of 2.75% is also payable on all products derived from the projects once an 80% interest is achieved. The Group also has the option to exercise a buy-back right of the NSR royalty for 0.5% for consideration of \$500,000 for each project.

Subsequent to 30 June 2023, the Group announced that they had met the minimum expenditure requirement to meet the 60% option payment see note 26.

Marshall Project

The Group acquired 100% interest in the Marshall Project from CanAlaska upon successful listing on the ASX.

A NSR royalty of 2.75% is also payable on all products derived from the assets. The Group also has the option to exercise a buy-back right of the NSR royalty for 0.5% for consideration of \$500,000.

- (1) CanAlaska Uranium Ltd is a related party as Director Cory Belyk is the Chief Executive Office, President and Director of the Company see note 23.

Note 23. Related party transactions

Parent entity

Basin Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the Directors' report.

Note 23. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Payment for goods and services:		
Payment to CanAlaska - exclusivity payment (i)	-	25,000
Payment to CanAlaska - option exercise fee (i)	-	100,000
Payment to CanAlaska - exploration expenditure (i)	2,655,664	-
Payment to Argus Corporate Partners Pty Ltd (ii)	60,000	-
Other transactions:		
Reimbursable expenditure - Christopher Connelly (iii)	-	197
Reimbursable expenditure - Kale Pervan (iv)	-	25,903

16,229,694 ordinary shares at issue price of \$0.20 each were issued to CanAlaska (i) for the acquisition of the following projects:

- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the Geikie Project;
- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the North Millennium Project; and
- 5,409,898 ordinary shares (6.6% of issued capital) for 100% interest in the Marshall Project.

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
Current payables:		
Trade payables to CanAlaska (i)	324	-
Trade payables to Argus Corporate Partners Pty Ltd (ii)	5,500	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

- (i) Cory Belyk is the Chief Executive Officer, President and Director of CanAlaska Uranium Ltd.
- (ii) Ben Donovan is a Director and Shareholder of Argus Corporate Partners Pty Ltd for the provision of Company Secretarial services.
- (iii) Christopher Connelly whilst Company Secretary advanced funds to the Company by way of funding domain hosting and related computing costs.
- (iv) Kale Pervan whilst Director advanced funds to the Company by way of funding initial Company set up costs and the initial payment of \$25,000 to CanAlaska Uranium Ltd.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent Year ended 30 June 2023 \$
Loss after income tax	(1,345,762)
Total comprehensive loss	(1,345,762)

Statement of financial position

	Parent 30 June 2023 \$
Total current assets	5,236,094
Total assets	11,341,650
Total current liabilities	109,382
Total liabilities	109,382
Equity	
Issued capital	12,007,055
Share-based payments reserve	1,123,123
Accumulated losses	(1,897,910)
Total equity	11,232,268

Basin Energy Limited is a stand alone entity in the financial year ended 30 June 2022.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023 %	30 June 2022 %
Basin Energy Geiki Corp.	Canada	100%	-
Basin Energy North Millennium Corp.	Canada	100%	-
Basin Energy Marshall Corp.	Canada	100%	-

Note 26. Events after the reporting period

On 29 August 2023, it was announced that Basin Energy had satisfied the expenditure requirement to meet the 60% option payment for the Geikie Uranium Project. Basin Energy has elected to move to operator and proceed with Stage 3 to earn up to 80% in Geikie.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Loss after income tax expense for the year/period	(1,345,762)	(552,148)
Adjustments for:		
Depreciation and amortisation	715	-
Share-based payments	269,790	266,833
Change in operating assets and liabilities:		
Increase in other receivables	(4,071)	(12,814)
Increase in prepayments	(10,421)	-
Increase/(decrease) in trade and other payables	(12,131)	100,996
Increase in other provisions	20,517	-
Net cash used in operating activities	(1,081,363)	(197,133)

Note 28. Earnings per share

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Loss after income tax attributable to the owners of Basin Energy Limited	(1,345,762)	(552,148)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	67,138,480	7,472,730
Weighted average number of ordinary shares used in calculating diluted earnings per share	67,138,480	7,472,730
	Cents	Cents
Basic earnings per share	(2.00)	(7.39)
Diluted earnings per share	(2.00)	(7.39)

Note 29. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

Set out below are summaries of options granted during the year/period:

	Number of options 30 June 2023	Weighted average exercise price 30 June 2023	Number of options 30 June 2022	Weighted average exercise price 30 June 2022
Outstanding at the beginning of the year/period	6,000,000	\$0.25	-	\$0.00
Granted	7,300,000	\$0.25	6,000,000	\$0.25
Outstanding at the end of the year/period	13,300,000	\$0.25	6,000,000	\$0.25
Exercisable at the end of the year/period	13,300,000	\$0.25	6,000,000	\$0.25

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
13/04/2022	23/09/2025	\$0.25	2,333,334	-	-	-	2,333,334
02/05/2022	23/09/2025	\$0.25	3,000,000	-	-	-	3,000,000
22/06/2022	23/09/2025	\$0.25	666,666	-	-	-	666,666
23/09/2022	23/09/2025	\$0.25	-	7,300,000	-	-	7,300,000
			6,000,000	7,300,000	-	-	13,300,000
Weighted average exercise price			\$0.25	\$0.25	\$0.00	\$0.00	\$0.25

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2023 Number	30 June 2022 Number
13/04/2022	23/09/2025	2,333,334	2,333,334
02/05/2022	23/09/2025	3,000,000	3,000,000
22/06/2022	23/09/2025	666,666	666,666
23/09/2022	23/09/2025	7,300,000	-
		13,300,000	6,000,000

The weighted average exercise price during the financial year was \$0.25.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2 years.

The Company issued 2,000,000 options to Director Andrew (Peter) Moorhouse exercisable at \$0.25 on or before 23 September 2025, an amount of \$234,600 was expensed to share-based payments.

Note 29. Share-based payments (continued)

On completion of the Company's IPO the following options were issued to advisors:

- 5,000,000 options to Discovery Capital Partners Pty Ltd (or its nominees) exercisable at \$0.25 each and expiring 23 September 2025 as partial consideration for lead manager services, an amount of \$586,500 was recognised as a cost of the capital raise.
- 300,000 options to Camps Bay Pty Ltd (or its nominees) exercisable at \$0.25 each and expiring 23 September 2025 as partial consideration for corporate recruitment services, an amount of \$35,190 was expensed to share-based payments.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/09/2022	23/09/2025	\$0.20	\$0.25	100.00%	-	2.80%	\$0.117

The value of the options issued to directors and advisors has been recorded as a share-based payment expense:

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Director options	234,600	133,033
Founding Director options	-	133,800
Advisor options	35,190	-
	269,790	266,833

The value of the options issued to advisors has been recorded as a cost of capital raising:

	Consolidated Year ended 30 June 2023 \$	Parent Incorporation to 30 June 2022 \$
Advisor options	586,500	-


In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Moorhouse
Managing Director

4 September 2023

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Basin Energy Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Basin Energy Limited (the Company) and the entities it controlled at the year end or from time to time during the year (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2023 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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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. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Details	How we addressed it
<p>Carrying value of exploration and evaluation assets</p> <p><i>Refer also Note 3 and Note 11</i></p>	
<p>As at 30 June 2023, the carrying value of the Group's exploration and evaluation assets amounted to \$6,098,843. The carrying value of these costs represents a significant asset to the Group.</p> <p>This is considered a key audit matter as significant judgement is applied in determining whether the asset continues to meet the recognition criteria in AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. As noted in Note 3 of the financial report, significant judgement is required in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.</p>	<p>Our audit procedures focussed on evaluating management's assessment of whether the exploration and evaluation assets continue to meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> — Obtaining evidence that the Group has valid rights to explore the areas for which the exploration costs have been capitalised; — Enquiring of management and reviewing the cashflow forecast and ASX announcements to verify that substantive expenditure on further exploration for and evaluation of mineral resources in the Group's areas of interest is planned and compared these to the minimum expenditure requirements of the licence expenditure requirements; — Enquiring of management, reviewing announcements made and reviewing minutes of director meetings to verify that management had not decided to discontinue activities in any of the areas of interest that has capitalised exploration costs; — Assessing a sample of expenses capitalised in the year to source documents); and — Assessing the adequacy of the related disclosures in the financial report.

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Details	How we addressed it
Share based payments	
<i>Refer also Note 3 and Note 29</i>	

The Group had during the year issued options to the following parties:

Details	No. of options	\$
Advisor as part of capital raising*	5,000,000	586,500
Consultant	300,000	35,190
Director	2,000,000	234,600
	7,300,000	856,290

* Recognised as capital raising costs in accordance with AASB 2 Share Based payments

Significant judgement and estimation by management is required in determining the share-based payment expense for the year.

Our audit procedures included:

- assessing management’s calculation of the fair values of the options, including the appropriateness of the valuation models used and inputs applied; and
- Assessing whether management’s reporting and disclosure of share based payments was in accordance with AASB 2 *Share Based Payments*.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2023 but does not include the financial report and the auditor’s report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 20 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Basin Energy Limited, for the year ended 30 June 2023, 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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 4th day of September 2023

Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: www.basinenergy.com.au/about/corporate-governance/

The shareholder information set out below was applicable as at 17 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	8	-	-	-
1,001 to 5,000	37	0.17	-	-
5,001 to 10,000	62	0.67	-	-
10,001 to 100,000	263	14.51	4	1.09
100,001 and over	132	84.65	14	98.91
	502	100.00	18	100.00
Holding less than a marketable parcel	46	0.17	-	-

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Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
CANALASKA URANIUM LTD	16,229,694	19.98
EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	2,875,000	3.54
TRI-STAR E&P PTY LTD	2,856,325	3.52
BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	2,750,000	3.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	2,000,000	2.46
UBS NOMINEES PTY LTD	1,879,909	2.31
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,400,000	1.72
PALM BEACH NOMINEES PTY LIMITED	1,250,000	1.54
MR PETER BIRD	1,201,499	1.48
ATLANTIS MG PTY LTD <MG FAMILY A/C>	1,200,000	1.48
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	1,033,334	1.27
AKM (WA) PTY LTD <AKM AC A/C>	975,000	1.20
MR KALE IVAN PERVAN	880,000	1.08
MRS JUDITH SUZANNE PIGGIN & MR DAMIEN JAYE PIGGIN & MR GLENN ADAM PIGGIN <PIGGIN FAMILY S/F A/C>	855,000	1.05
MR MITCHELL JOSEPH CLARKE	840,001	1.03
MR MICHAEL PATRICK LYNCH <LYNCH FAMILY A/C>	750,000	0.92
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <THE DALY FAMILY SUPER A/C>	750,000	0.92
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	722,033	0.89
SAPPHIRE GLOBAL ENERGY FUND LLC	703,334	0.87
ALDAOUD PTY LTD <ALDAOUD FAMILY A/C>	700,000	0.86
MR BLAKE ALBERT STEELE	700,000	0.86
MAGEDO SUPER PTY LTD <MG SUPER FUND A/C>	700,000	0.86
CHETAN ENTERPRISES PTY LTD	650,000	0.80
ROD DOG PTY LTD	650,000	0.80
MR JONATHAN MICHAEL HOLMES	650,000	0.80
	45,201,129	55.65

Unquoted equity securities

	Number on issue	Number of holders
UNLISTED OPTIONS EXERCISABLE AT \$0.25 EXPIRY 23 SEPTEMBER 2025	13,300,000	19

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares Number held	% of total shares issued
CANALASKA URANIUM LTD	16,229,694	19.98

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Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Number of shares
ESCROWED SHARES - 24M FROM QUOTATION	21,199,693

Tenements

Description	Tenement number	Interest owned %
Geikie	MC00015156	60.00
Geikie	MC00015157	60.00
Geikie	MC00015158	60.00
Geikie	MC00015160	60.00
Geikie	MC00015161	60.00
Geikie	MC00015162	60.00
Geikie	MC00015165	60.00
Geikie	MC00017352	60.00
Geikie	MC00017353	60.00
Marshall	MC00015073	100.00
Marshall	MC00015074	100.00
Marshall	MC00015075	100.00
North Millennium	MC00014967	40.00

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