



Westar Resources Limited

ABN 66 635 895 082

Half-Year Financial Report - 31 December 2023

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Directors	Simon Eley - Non-Executive Chairman Lindsay Franker - Executive Director Karl Jupp - Non-Executive Director
Company secretary	Ben Donovan
Registered office	Level 1, 19 Ord Street West Perth WA 6005
Principal place of business	Level 1, 19 Ord Street West Perth WA 6005
Share register	Automic Level 5, 191 St Georges Terrace Perth WA 6000 T: 1300 288 664 W: www.automicgroup.com.au
Auditor	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth Western Australia 6151
Solicitors	Hamilton Locke Pty Ltd Level 48, 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Westar Resources Limited shares are listed on the Australian Securities Exchange (ASX code: WSR)
Website	www.westar.net.au
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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Westar Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Westar Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Simon Eley - Non-Executive Chairman
Lindsay Franker - Executive Director
Karl Jupp - Non-Executive Director

Principal activities

The principal activity of the Group during the period was to explore mineral tenements in Western Australia. The Group is currently focused on gold and critical and strategic minerals exploration across six projects located in Western Australia. The Group continues to advance exploration programs across its projects to determine the potential for economic mineral deposits projects, as well as continuing to review growth options via project acquisitions.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,915,842 (31 December 2022: \$728,193).

As at reporting date the Group has total assets of \$3,913,345 (including exploration and evaluation assets of \$1,785,817 and bank balance of \$1,717,639).

At 31 December 2023, the Company has 185,357,516 shares on issue and 57,115,857 options on issue and 14,800,000 performance rights on issue.

During the half-year the Company cancelled 5,000,000 options on expiration.

The Group holds the following projects in Western Australia at 31 December 2023 being:

- The Murchison Projects - Gidgee North, Winjangoo & Mindoolah (Option Agreement)
- The Pilbara Project - Opaline Well
- The Yilgarn Projects – Olga Rocks (Option Agreement) and 25% ownership over Mt Finnerty (with a JV with Ramelius Resources 75%)

Murchison Projects

The Group is exploring across three projects in the Murchison region of Western Australia: Gidgee North, Winjangoo and Mindoolah.

Gidgee North

The Gidgee North Project (E53/1920, E51/2044, E53/2227, E51/2090, E53/2032 and Farm-in/JV E53/1832) projects cover circa 342km² is are located approximately 750 km by road northeast of Perth and 700 km north-northwest of Kalgoorlie. The Projects lies within the Gum Creek Greenstone Belt ("GCGB") of the Youami Terrane, which forms a lensed, broadly sinusoidal belt measuring some 100km in length and 24km in width.

Previous exploration over the northern GCGB was largely focused on proximity to existing mines or known shear zones and structures, with regional exploration comprising limited, shallow rotary air blast (RAB) and soil geochemical sampling programs. Many of the targets defined by previous explorers remain inconclusively tested, despite covering favourable geological and structural settings, including the potential for Cu-Zn mineralised systems.

A geological review was completed during the period, to help define potential base metal, lithium, critical mineral and gold exploration targets, in particular VMS Cu-Zn mineralisation. Westar engaged a specialist consultant to conduct a detailed geochemical analysis using previously compiled geochemical datasets and Westar drilling. The aim is to assess whether the geochemical signature of the rocks support a mineralised VMS model or alternative models. This will continue into 2024 to assist with field program planning including drilling. Environmental rehabilitation of previous aircore drill programs was also completed.

Winjangoo Project

The Winjangoo Project (E58/536) is located 20km northeast of Mount Magnet and comprises a thick sequence of folded and faulted greenstones bound by granite to the east and the west. On a project scale, the lithologies and structures interpreted from geophysics and mapping are conducive to gold mineralisation conduits and dilatational “traps” seen in other orogenic gold systems and key indicators are present for a mineralised system present at the prospect scale, including gold anomalism, host-rock alteration, veining, shearing and sulphides. Potential also exists for lithium and critical minerals.

A geological review commenced during the half and will continue into first quarter of 2024, prior to planning for on-ground exploration.

Mindoolah

The Mindoolah Project (lithium, gold) is located 70km northwest of the town of Cue. Westar is currently under a 24-month Option Agreement to acquire 100% of the “Mindoolah Project”, to explore for lithium and gold. Tenements under the Option Agreement include (E20/985, P20/2444 and P20/2445).

Main rock types at Mindoolah include a sequence of felsic volcanics, mafic units, banded iron formation (BIF) and granite, with lenses and dykes of pegmatite, aplite and quartz-feldspar porphyry. Extensive alluvial and open pit gold occurrences occur in the Mindoolah mining centre and many historic workings are scattered throughout the tenements.

Lithium

Historical mapping defined pegmatites that had never been tested for lithium mineralisation. Westar has since carried out numerous surface geochemical (soil, rock chip, pXRF) sampling and mapping programs over the western side of the tenement, which has defined a +7km corridor of over 40 outcropping to subcropping pegmatites up to 100m x 50m.

Surface sample assay results and pXRF analysis indicate parts of the corridor are fertile for LCT-style mineralisation and has highlighted a likely fractionated sequence (mineralogical zoning) within the pegmatite outcrop clusters. Resultant interpretation has defined priority drill targets.

A Heritage survey was completed over the proposed drill target areas during the half. The traditional owners (The Wajarri-Yamatji) have indicated the presence of culturally important areas covering the majority of proposed drill areas. Discussions on the Heritage Survey occurred during the half, with a final report agreed to by all parties expected March/April of 2024.

Gold

Modern-day alluvial and open pit gold occurrences are located at the Mindoolah mining centre on the eastern side of the project and historic workings are also scattered throughout. While awaiting the outcome of the heritage survey covering lithium drill targets, Westar have begun assessment on the potential for high grade gold mineralisation along strike and down dip from previous open pit gold mining.

Pilbara Project

Opaline Well

The Group's Opaline Well project (E45/4997) is in the Pilbara, approximately 190km southeast of Port Hedland and 35km west of Nullagine. Historical exploration over this portion of the Coongan greenstone belt includes geochemical exploration, with rock chip samples up to 200g/t Au around the Triberton Creek workings. Rock chips assays ranging from 0.25–1.15% Cu, 0.14–1.85% Zn, 79–155g/t Ag and 0.19–0.41g/t Au occur around the historic Opaline Well workings. The Group has defined several targets containing anomalous base metal rock chips and electromagnetic conductors.

During the period, acquisition and interpretation of hyperspectral data/imaging by a respected specialist consultant commenced, covering the entire tenement. This will provide an effective exploration targeting tool, given the high amount of outcrop and sub crop on the tenement.

The hyperspectral report was received post the end of the half-year. Pegmatite hosted lithium targets have been interpreted from the study, appearing in places as a swarm of linear features occurring within granitoids. In addition, several gold and base metal targets have been generated using hyperspectral data processing to define hydrothermal alteration minerals, which correlate well with historical mining centres along strike from the tenement. The Group anticipates conducting mapping and geochemical sampling during the 2024 field season.

Yilgarn Projects

Mt Finnerty (Ramelius Resources (ASX:RMS) JV)

The Mt Finnerty tenement (E 16/505) is located approximately 430km east-northeast of Perth and 100km northeast of Southern Cross, in the Archean Mara-Diemals greenstone belt, where previous exploration activity has been extensive. The Mt Finnerty JV comprises Ramelius Resources 75% and Westar Resources 25% free carry until decision to mine.

In the June 2023 quarter, RC/diamond drill programs completed by Ramelius returned numerous high grade gold assays including 8.7m @ 13.4g/t Au from 173.5m (FLRC0029) and 4m @ 5.7g/t Au from 150m (FLRC0037). Interpretation suggests high grade mineralisation identified to date may remain open in multiple directions. A follow-up drill program was then designed to target these possible extensions.

During the period a geological interpretation of assay results and planning for additional drilling programs was completed. A flora survey covering the proposed drill program area was then completed. Additional drilling is planned at the priority Tasman Prospect.

Olga Rocks

Olga Rocks is located approximately 400km east of Perth and 60km south-southeast of Southern Cross. The Group is currently under a 12-month Option Agreement to acquire 100% of the "Olga Rocks Project", to explore for lithium and gold. Tenements under the Option Agreement include (M77/563, M77/634, M77/1293, M77/1294, P77/4271, P77/4614 and P77/4638).

The Westar-owned Parker Dome tenement (E 77/2424), adjacent to Olga Rocks, is situated on the western margin of the north-westerly elongated Parker Dome granitoid. The tenement hosts several broad, previously identified gold-in soil anomalies from historic auger drilling and has the potential to host LCT pegmatites on its western side.

The maiden Li-focused RC drill program completed in April 2023 successfully intersected numerous pegmatites in the central zone, although only returning low-order lithium anomalism. However, the only drill hole to intersect the western pegmatite returned 2m @ 0.2% Li₂O (OLRC005) from a significant 44m-thick fractionated pegmatite, accompanied by a fertile elemental signature of Lithium-Caesium-Tantalum ('LCT')-style pegmatites.

During the period, a heritage survey covering the proposed follow-up drill program area was carried out and approved. A flora survey was also completed which did not find any significant issues. A lithium-focused RC drill program targeted along strike from OLRC005, where the pegmatite is interpreted to extend beneath cover for approximately 1,300m strike. A shallow RC drill program (13 holes, 780m) was initially completed as a mapping tool to define pegmatite extents. Deeper RC drilling (3 holes, 260m) was then used to intersect pegmatite in fresh rock, where there is no lithium depletion occurring from weathering processes. All pegmatites were sampled at 1m intervals (remainder 4m composites) and were submitted to the laboratory for analysis.

Within the project area, numerous historic gold workings are scattered along a 2km prospective iron-rich basalt horizon or within an interpreted banded iron formation, of which only limited areas had been drill tested by previous explorers. The maiden drill program undertaken by the Group in April 2023 returned excellent gold results including 3m @ 7.5g/t Au from 57m (OLRC013).

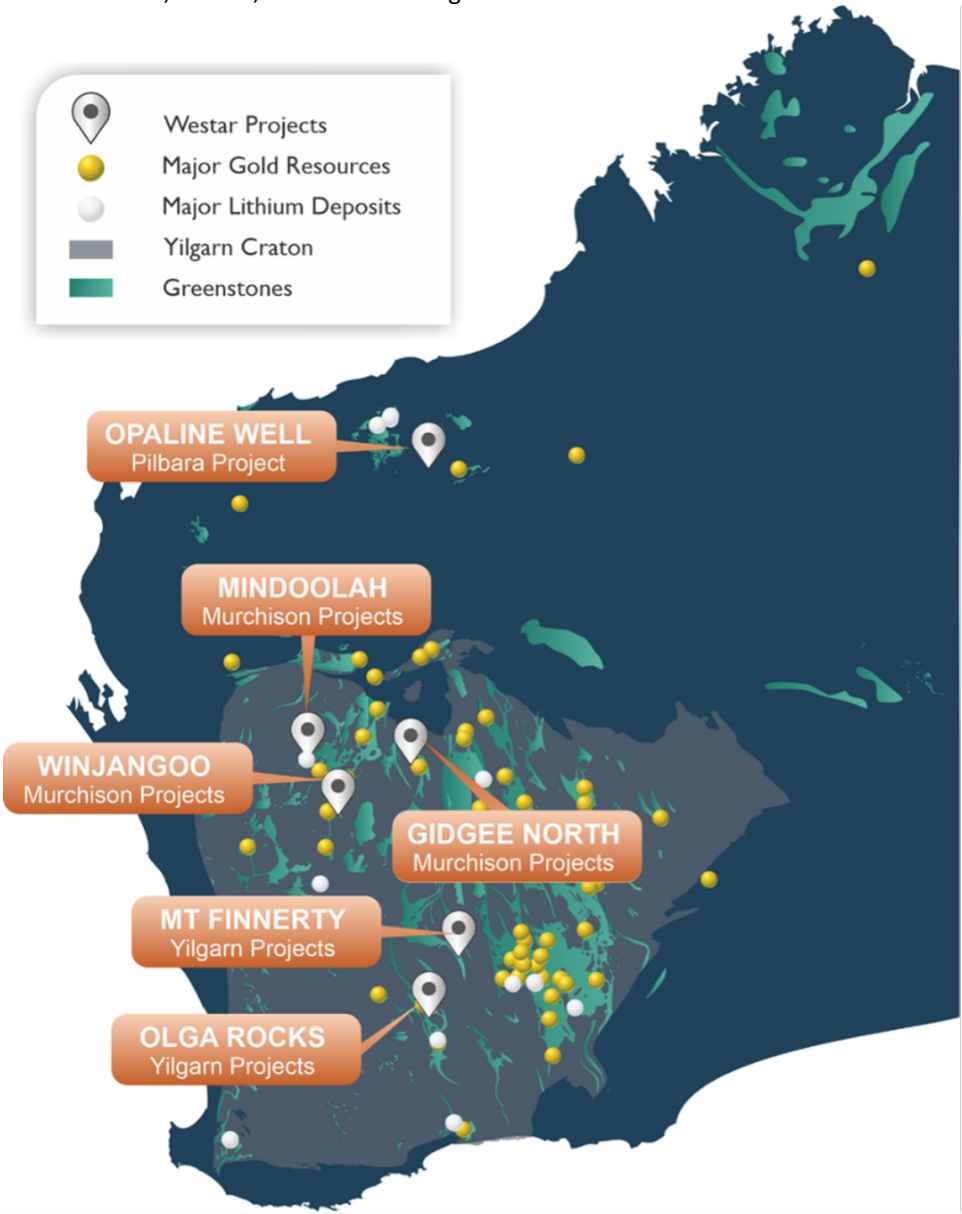
During the half-year a follow-up RC drill program tested 5 of the most geologically favourable gold targets along the 2km of strike, to assess potential for continuous high grade gold mineralisation within the iron rich basalt horizon and banded iron formation (5 holes, 422m). Drilling was successful in intersecting the prospective lithology in 4 out of the 5 holes. All zones of interest for potential gold mineralisation were sampled at 1m intervals (remainder 4m composites).

Subsequent to 31 December 2023 the Group assay results were returned. The results did not meet the Companies criteria for economic mineralisation. The Group reports that it has notified the vendor of the Olga Rocks Project that it has elected to not extend or exercise its option to acquire 100% of the Project under the Tenement Option and Acquisition Agreement.

At the Parker Dome Prospect a soil geochemical program for 386 samples was carried out over the southern end of the tenement, in search for LCT pegmatites concealed beneath cover. No significant Cs-Ta-Rb-Li anomalism was returned.

Project Portfolio

The Group holds interests in six exploration projects located in the Pilbara, Murchison and Yilgarn regions of Western Australia. Key commodity focus is critical minerals, lithium, base metals and gold.



Significant changes in the state of affairs

7,800,000 Performance Rights were approved by shareholders on 16 November 2023 and issued to Directors. 4,600,000 Performance Rights were issued to employees and consultants on 1 December 2023. The Performance Rights were issued in the following tranches with vesting conditions:

Tranche	Vesting Conditions
1	The market price of the Company's Shares attaining a 20-day VWAP which is 100% above the 5-day VWAP calculated at the date of the Company's AGM.
2	The market price of the Company's Shares attaining a 20-day VWAP which is 200% above the 5-day VWAP calculated at the date of the Company's AGM.
3	The market price of the Company's Shares attaining a 20-day VWAP which is 300% above the 5-day VWAP calculated at the date of the Company's AGM.
4	The market price of the Company's Shares attaining a 20-day VWAP which is 400% above the 5-day VWAP calculated at the date of the Company's AGM.

The Performance Rights were issued as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Directors:					
Lindsay Franker	1,250,000	1,250,000	1,250,000	1,250,000	5,000,000
Simon Eley	500,000	500,000	500,000	500,000	2,000,000
Karl Jupp	200,000	200,000	200,000	200,000	800,000
	1,950,000	1,950,000	1,950,000	1,950,000	7,800,000
Employees and consultants	1,150,000	1,150,000	1,150,000	1,150,000	4,600,000
	3,100,000	3,100,000	3,100,000	3,100,000	12,400,000

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

Matters subsequent to the end of the financial half-year

On 1 March 2024, the Group announced that they have notified the vendor of the Olga Rocks Project that they have elected to not extend or exercise its option to acquire 100% of the Project under the Tenement Option and Acquisition Agreement.

No other matter or circumstance has arisen since 31 December 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.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "L. Franker".

Lindsay Franker
Executive Director

14 March 2024

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

To the directors of Westar Resources Limited and its controlled entities

As lead auditor for the review of Westar Resources Limited and its controlled entities for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Westar Resources Limited and the entities it controlled during the period.

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 14th day of March 2024

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Westar Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue			
Other income	5	42,602	202,627
Expenses			
Employee benefits expense		(232,833)	(235,778)
Depreciation	7	(30,825)	(25,852)
Exploration and evaluation expenditure		(448,702)	(95,987)
Share based payments	10	(63,029)	(185,965)
Impairment exploration and evaluation	8	(911,550)	-
Consulting and professional services		(143,265)	(100,745)
Statutory and compliance		(29,070)	(40,141)
Loss on sale of tenement	8	-	(151,019)
Corporate and administration		(99,170)	(94,566)
Finance costs		-	(767)
Loss before income tax expense		(1,915,842)	(728,193)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Westar Resources Limited		(1,915,842)	(728,193)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(10,000)	(46,000)
Other comprehensive loss for the half-year, net of tax		(10,000)	(46,000)
Total comprehensive loss for the half-year attributable to the owners of Westar Resources Limited		(1,925,842)	(774,193)
		Cents	Cents
Basic loss per share		(1.03)	(0.91)
Diluted loss per share		(1.03)	(0.91)

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

Westar Resources Limited
Consolidated statement of financial position
As at 31 December 2023



	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents		1,717,639	2,773,446
Trade and other receivables		60,594	96,000
Other assets		101,908	55,036
Total current assets		1,880,141	2,924,482
Non-current assets			
Financial assets at fair value through other comprehensive income	6	52,000	62,000
Plant and equipment	7	195,387	224,706
Exploration and evaluation	8	1,785,817	2,466,773
Total non-current assets		2,033,204	2,753,479
Total assets		3,913,345	5,677,961
Liabilities			
Current liabilities			
Trade and other payables		288,963	173,247
Provisions		11,931	29,450
Total current liabilities		300,894	202,697
Total liabilities		300,894	202,697
Net assets		3,612,451	5,475,264
Equity			
Issued capital	9	10,997,819	10,997,819
Reserves	10	791,905	1,327,626
Accumulated losses		(8,177,273)	(6,850,181)
Total equity		3,612,451	5,475,264

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

Westar Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023



	Issued capital \$	Share-based payment reserves \$	Revaluation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	8,406,572	678,149	-	(3,357,796)	5,726,925
Loss after income tax expense for the half-year	-	-	-	(728,193)	(728,193)
Other comprehensive loss for the half-year, net of tax	-	-	(46,000)	-	(46,000)
Total comprehensive loss for the half-year	-	-	(46,000)	(728,193)	(774,193)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	185,965	-	-	185,965
Shares issued for exploration (note 9)	30,000	-	-	-	30,000
Balance at 31 December 2022	8,436,572	864,114	(46,000)	(4,085,989)	5,168,697
	Issued capital \$	Share-based payment reserves \$	Revaluation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	10,997,819	1,433,626	(106,000)	(6,850,181)	5,475,264
Loss after income tax expense for the half-year	-	-	-	(1,915,842)	(1,915,842)
Other comprehensive loss for the half-year, net of tax	-	-	(10,000)	-	(10,000)
Total comprehensive loss for the half-year	-	-	(10,000)	(1,915,842)	(1,925,842)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 16)	-	63,029	-	-	63,029
Expired options (note 10)	-	(588,750)	-	588,750	-
Balance at 31 December 2023	10,997,819	907,905	(116,000)	(8,177,273)	3,612,451

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

Westar Resources Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(857,609)	(472,280)
Interest received		33,902	6,311
Interest and other finance costs paid		-	(767)
R&D Tax Incentive		-	196,316
Net cash used in operating activities		(823,707)	(270,420)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(1,506)	(9,054)
Payments for exploration and evaluation	8	(230,594)	(463,657)
Payments for security deposits		-	(3,182)
Net cash used in investing activities		(232,100)	(475,893)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(1,055,807)	(746,313)
Cash and cash equivalents at the beginning of the financial period		2,773,446	2,303,901
Cash and cash equivalents at the end of the financial period		1,717,639	1,557,588

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

Note 1. General information

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

Westar Resources 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, 19 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 14 March 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 period. There was no resulting impact on the financial report.

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

Going concern

For the period ended 31 December 2023 the Group recorded a loss of \$1,915,842 (HY2022: \$728,193) and net operating cash out flows of \$823,707 (HY2022: \$270,420). At that date, the Group had net current assets of \$1,579,247 (30 June 2023: \$2,721,785).

Management has prepared a cash flow forecast which projects a positive cash balance as the end of 31 March 2025. The ability of the Group to maintain continuity of business activities and to pay its liabilities as and when they fall due is dependent on its ability to successfully raise additional capital and manage its expenditure. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded assets amount of liabilities that might be necessary should the Group not continue as a going concern.

After considering the above factors, the directors consider it appropriate to prepare the financial report on the going concern basis.

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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 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 option pricing 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.

Exploration and evaluation costs

Exploration and evaluation costs 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. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

Identification of reportable operating segments

The Group operates in 1 operating segment: mineral exploration activities in Western Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources).

Note 5. Other income

	31 Dec 2023 \$	31 Dec 2022 \$
R&D Rebate	-	196,316
Interest income	41,602	6,311
Other income	1,000	-
Other income	42,602	202,627

Note 6. Financial assets at fair value through other comprehensive income

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Aurumin Limited - ordinary shares	52,000	62,000
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial periods are set out below:		
Opening fair value	62,000	-
Additions*	-	168,000
Revaluation decrements	(10,000)	(106,000)
Closing fair value	52,000	62,000

* The Company executed a full sale Purchase Agreement with Aurumin Ltd (ASX: AUN) for the Gidgee South Project (M57/352) for a consideration of 2,000,000 fully paid ordinary shares in AUN with a deemed issue price of \$0.084 per share. The fair value is measured at fair value, using Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Note 7. Plant and equipment

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	224,486	222,980
Less: Accumulated depreciation	(79,133)	(56,631)
	145,353	166,349
Motor vehicles - at cost	82,775	82,775
Less: Accumulated depreciation	(32,741)	(24,418)
	50,034	58,357
	195,387	224,706

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial periods are set out below:

	Plant and equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2022	194,403	35,849	230,252
Additions	14,666	34,241	48,907
Depreciation expense	(42,720)	(11,733)	(54,453)
Balance at 30 June 2023	166,349	58,357	224,706
Additions	1,506	-	1,506
Depreciation expense	(22,502)	(8,323)	(30,825)
Balance at 31 December 2023	145,353	50,034	195,387

Note 8. Exploration and evaluation

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Exploration and evaluation assets	1,785,817	2,466,773

Reconciliations

Reconciliations of the written down values at the beginning and end of the periods are set out below:

	\$
Balance at 1 July 2022	3,294,409
Tenements acquired (i)	30,000
Expenditure during the year	767,014
Disposals (ii)	(168,000)
Loss on sale of tenement (ii)	(151,019)
Impairment of exploration and evaluation assets (iii)	(1,305,631)
Balance at 30 June 2023	2,466,773
Expenditure during the half-year	230,594
Impairment of exploration and evaluation assets (iii)	(911,550)
Balance at 31 December 2023	1,785,817

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of project, or alternatively, through the sale of the areas of interest.

- (i) E51/2032 (Fairy Well Prospect) was acquired from Mining Equities Pty Ltd through the issue of 625,000 fully paid ordinary shares, at a price of \$0.048 per share.
- (ii) M57/352 (Gidgee South Project) asset was sold to ASX listed Aurumin Ltd (ASX:AUN) on 24 November 2022, for a consideration of \$168,000 by way of 2,000,000 fully paid ordinary shares in AUN at an issue price of \$0.084 per share.
- (iii) \$821,173 relates to Gidgee South Project which was fully impaired during the year, as the tenements were surrendered during the year. Remaining balance relates to tenements which management is unlikely to be renewed on their anniversary date.

Note 9. Issued capital

	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	185,357,516	185,357,516	10,997,819	10,997,819

Note 9. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares		\$
Balance	1 July 2022	79,017,398		8,406,572
Shares issued for exploration acquisition	20 October 2022	625,000	\$0.0480	30,000
Shares issued for tenement application	1 March 2023	500,000	\$0.0480	20,000
Conversion of performance rights	20 March 2023	700,000	\$0.0400	106,500
Capital raising	31 March 2023	11,446,360	\$0.0000	343,391
Capital raising	9 May 2023	18,905,460	\$0.0300	567,164
Capital raising	23 May 2023	72,049,965	\$0.0300	2,161,499
Capital raising	29 May 2023	1,333,333	\$0.0300	40,000
Conversion of options	9 June 2023	780,000	\$0.0450	35,100
Less: Transactions costs arising on share issues		-	\$0.0000	(712,407)
Balance	30 June 2023	185,357,516		10,997,819
Balance	31 December 2023	185,357,516		10,997,819

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.

Note 10. Reserves

	31 Dec 2023 \$	30 Jun 2023 \$
Financial assets at fair value through other comprehensive income reserve	(116,000)	(106,000)
Share-based payments reserve	907,905	1,433,626
	791,905	1,327,626

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').

Rights over shares (options) are initially valued 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.

The Performance Share reserve records the fair value of the Performance Shares issued.

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.

Refer to Note 16 for information about share-based payments during the period.

Note 10. Reserves (continued)

Movements in reserves

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

	Share-based payments reserve \$	Revaluation reserve \$	Total \$
Balance at 1 July 2022	678,149	-	678,149
Revaluation - gross	-	(106,000)	(106,000)
Options issued - capital raising costs	516,000	-	516,000
Options issued - share-based payments	107,129	-	107,129
Performance rights - share-based payments	238,848	-	238,848
Performance rights converted to ordinary shares	(106,500)	-	(106,500)
Balance at 30 June 2023	1,433,626	(106,000)	1,327,626
Revaluation - gross	-	(10,000)	(10,000)
Options issued - share-based payments	36,515	-	36,515
Performance rights - share-based payments	26,514	-	26,514
Expired options	(588,750)	-	(588,750)
Balance at 31 December 2023	907,905	(116,000)	791,905

Note 11. Dividends

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

Note 12. Contingent liabilities

The Group had no contingent liabilities at 31 December 2023 (30 June 2023: Nil).

Note 13. Commitments

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	491,640	487,012

The Group must meet minimum expenditure commitments in relation to granted exploration tenements to maintain those tenements in good standing. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

As set out in note 8, certain tenements are subject to farm-out arrangements under which commitment expenditure (included above) is the responsibility of the counter-party.

Note 14. Related party transactions

Parent entity

Westar Resources Limited is the parent entity.

Note 14. Related party transactions (continued)

The following transactions occurred with related parties:

	31 Dec 2023 \$	31 Dec 2022 \$
Other income:		
Rental income from M3 Mining Limited (director-related entity of Simon Eley)	10,000	-
Payment for goods and services:		
Payment for vehicle hire from Geoesphere (director-related entity of Karl Jupp)	-	2,867

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

Note 15. Events after the reporting period

On 1 March 2024, the Group announced that they have notified the vendor of the Olga Rocks Project that they have elected to not extend or exercise its option to acquire 100% of the Project under the Tenement Option and Acquisition Agreement.

No other matter or circumstance has arisen since 31 December 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 16. Share-based payments

Options and Performance Rights

The Company has adopted a Director's and Employee's Securities Incentive Plan (Plan) approved by shareholders at the Company's AGM on 30 November 2022. The Board is responsible for administering the Plan in accordance with the Plan Rules. The Plan is open to certain contractors and employees (including Directors), the Board may invite Participants to apply for Shares, Performance Rights and/or Options under the Plan in its absolute discretion.

	Number of options	Weighted average exercise price
Outstanding at the beginning of the financial half-year	21,300,000	\$0.1123
Expired	(5,000,000)	\$0.2500
Outstanding at the end of the financial half-year	16,300,000	\$0.0701
Exercisable at the end of the financial half-year	16,300,000	\$0.0701

Note 16. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

	Number of rights 31 Dec 2023
Outstanding at the beginning of the financial half-year	2,800,000
Granted	12,400,000
Expired	(400,000)
Outstanding at the end of the financial half-year	14,800,000

7,800,000 Performance Rights were approved by shareholders on 16 November 2023 and issued to Directors, 4,600,000 Performance Rights were issued to employees and consultants on 1 December 2023. The Performance Rights were issued in the following tranches with vesting conditions:

Tranche	Vesting Conditions
1	The market price of the Company's Shares attaining a 20-day VWAP which is 100% above the 5-day VWAP calculated at the date of the Company's AGM.
2	The market price of the Company's Shares attaining a 20-day VWAP which is 200% above the 5-day VWAP calculated at the date of the Company's AGM.
3	The market price of the Company's Shares attaining a 20-day VWAP which is 300% above the 5-day VWAP calculated at the date of the Company's AGM.
4	The market price of the Company's Shares attaining a 20-day VWAP which is 400% above the 5-day VWAP calculated at the date of the Company's AGM.

The Directors, employees and consultants must also meet the service condition for the Performance Rights to vest by maintaining employment with the Company.

The Performance Rights were issued to Directors as follows:

Director	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Lindsay Franker	1,250,000	1,250,000	1,250,000	1,250,000	5,000,000
Simon Eley	500,000	500,000	500,000	500,000	2,000,000
Karl Jupp	200,000	200,000	200,000	200,000	800,000
	1,950,000	1,950,000	1,950,000	1,950,000	7,800,000

These performance rights were valued, using a valuation methodology based on the guidelines set out in AASB 2 *Share based payment*.

Note 16. Share-based payments (continued)

Valuation assumptions:

<i>Directors</i>	<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Tranche 4</i>
Number	1,950,000	1,950,000	1,950,000	1,950,000
Valuation/grant date	16 November 2023	16 November 2023	16 November 2023	16 November 2023
Expiry date	1 December 2026	1 December 2026	1 December 2026	1 December 2026
Share price at valuation date	\$0.0200	\$0.0200	\$0.0200	\$0.0200
VWAP hurdle	\$0.0396	\$0.0594	\$0.0791	\$0.0989
Risk free rate	4.087%	4.087%	4.087%	4.087%
Volatility	80%	80%	80%	80%
Fair value per security	\$0.0158	\$0.0130	\$0.0110	\$0.0093
Total Value	\$30,810	\$25,350	\$21,450	\$18,135
<i>Employees</i>	<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Tranche 4</i>
Number	1,000,000	1,000,000	1,000,000	1,000,000
Valuation/grant date	22 November 2023	22 November 2023	22 November 2023	22 November 2023
Expiry date	1 December 2026	1 December 2026	1 December 2026	1 December 2026
Share price at valuation date	\$0.0300	\$0.0300	\$0.0300	\$0.0300
VWAP hurdle	\$0.0396	\$0.0594	\$0.0791	\$0.0989
Risk free rate	4.004%	4.004%	4.004%	4.004%
Volatility	80%	80%	80%	80%
Fair value per security	\$0.0273	\$0.0237	\$0.0207	\$0.0093
Total Value	\$27,300	\$23,700	\$20,700	\$18,300
<i>Consultant</i>	<i>Tranche 1</i>	<i>Tranche 2</i>	<i>Tranche 3</i>	<i>Tranche 4</i>
Number	150,000	150,000	150,000	150,000
Valuation/grant date	19 November 2023	19 November 2023	19 November 2023	19 November 2023
Expiry date	1 December 2026	1 December 2026	1 December 2026	1 December 2026
Share price at valuation date	\$0.0200	\$0.0200	\$0.0200	\$0.0200
VWAP hurdle	\$0.0396	\$0.0594	\$0.0791	\$0.0989
Risk free rate	4.005%	4.005%	4.005%	4.005%
Volatility	80%	80%	80%	80%
Fair value per security	\$0.0159	\$0.0131	\$0.0110	\$0.0093
Total value	\$2,385	\$1,965	\$1,650	\$1,395

The value of the Performance Rights are being expensed over the expected vesting period of the Rights.

	31 Dec 2023	31 Dec 2022
	\$	\$
Options issued to Directors	36,515	49,403
Performance rights issued	26,514	136,562
Share based payments expense	63,029	185,965
Shares issued for exploration acquisition	-	30,000
	63,029	215,965

In the Directors' opinion:

- the attached financial statements and notes are in accordance with the Corporations Act 2001, including complying with the Australian Accounting Standards AASB134: *Interim Financial Reporting*;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "L. Franker".

Lindsay Franker
Executive Director

14 March 2024

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Independent auditor's review report to the members of Westar Resources Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Westar Resources Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Group reported a loss of \$1,915,842 and net operating cash outflows of \$823,707 during the half-year financial period ended 31 December 2023 and as of that date, the Group reported net current assets of \$1,579,247. As stated in Note 2, these events or conditions along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of Management for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 14th day of March 2024