



Basin Energy Limited

ABN 46 655 515 110

Audited Financial Statements - 30 June 2022

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

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The Directors of Basin Energy Limited ("Company") present their report, together with the financial statements, on the Company for the period 23 November 2021 to 30 June 2022.

Directors

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

Blake Steele - Non-Executive Chairman - appointed 13 April 2022
Andrew (Peter) Moorhouse - Managing Director - appointed 22 August 2022
Peter Bird - Non-Executive Director - appointed 23 November 2021
Ben Donovan - Non-Executive Director - appointed 13 April 2022
Jeremy Clark - Non-Executive Director - appointed 13 April 2022
Cory Belyk - Non-Executive Director - appointed 20 May 2022
Mitchell Clarke - appointed 23 November 2021 - resigned 13 April 2022
Kale Pervan - appointed 23 November 2021 - resigned 13 April 2022

Company Secretary

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

Ben Donovan - appointed 14 March 2022
Christopher Connelly - appointed 23 November 2021 - resigned 14 March 2022

Principal activities

The principal activity of the Company during the course of the financial period was the evaluation of several exploration tenements prospective for uranium in Saskatchewan, and the entering into of a tenement acquisition agreement with CanAlaska Uranium Ltd.

Dividends

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

Review of operations

The loss for the Company after providing for income tax amounted to \$552,148.

Significant changes in the state of affairs

The Company was incorporated in Western Australia on 23 November 2021 via the issue of 3 shares at \$1 per share.

On 14 March 2022, the Company issued 12,000,000 of ordinary shares at \$0.01 per share.

On 22 April 2022, the Company entered into three (3) Property Option Agreements with CanAlaska Uranium Ltd. (**CanAlaska**) to acquire between 40% and 80% interests in two (2) exploration projects located in Canada; and 100% interest in one (1) exploration project also located in Canada.

The key terms of the option agreements are:

- A non-refundable exclusivity payment of A\$25,000 to CanAlaska paid on 26 January 2022 for a 60 day exclusivity period for the purposes of completing due diligence (including technical, legal, financial, tenure), negotiating and drafting binding documentation and obtaining ASX's in-principle advice as to the suitability of the Company for listing;
- Pay CanAlaska a non-refundable option exercise fee of A\$100,000 (option exercise fee) i.e. (A\$33,333.33 per Project) no later than three (3) business days post execution of the Property Option Agreements to grant Basin Energy the right and option to earn 100% interest in Marshall and up to 80% interest in the North Millennium and Geikie (the Option). Post exercise of the Option, Basin Energy has an 180 day period (Option Deadline) to receive a conditional admission letter from the Australian Stock Exchange;
- Basin Energy will have the right to extend the Option Deadline on a month-by-month basis for up to three (3) consecutive months upon payment of an option extension fee to CanAlaska of A\$25,000 per month.

Marshall project

Consideration to acquire a 100% interest in Marshall is as detailed below:

- Issue 5,409,898 Basin Energy shares (6.6% of issued capital) to CanAlaska at IPO;
- Grant a 2.75% net smelter royalty (**NSR**) to CanAlaska on the Marshall Project subject to Basin Energy being granted a buy-back option to repurchase a 0.5% NSR for A\$500,000 at any time commencing from the grant of the NSR.

North Millennium project

Consideration and exploration expenditure to acquire up to an 80% interest in North Millennium is as detailed below:

Upfront/ Stage 1 Consideration (option to earn 40%)

- Issue 5,409,898 Basin Energy shares (6.6% of issued capital) to CanAlaska at IPO to acquire a 40% interest in North Millennium.

Stage 2 Consideration (option to earn an additional 20%, total: 60%)

- Incur at least A\$2,500,000 in exploration expenditures on the North Millennium Project on or before the date that is 24 months from the first date Basin Energy shares are publicly tradeable (**Listing Date**).

Stage 3 Consideration (option to earn an additional 20%, total: 80%)

- Issue 2,250,000 Basin Energy shares to CanAlaska;
- Incur at least an additional A\$5,000,000 (total: \$7,500,000) in exploration expenditures on the North Millennium Project on or before the date that is 48 months from the Listing Date;
- Grant a 2.75% NSR to CanAlaska on the North Millennium Project subject to Basin Energy being granted a buy-back option to repurchase a 0.5% NSR for A\$500,000 at any time commencing from the grant of the NSR.

Geikie project

Consideration and exploration expenditure to acquire up to an 80% interest in Geikie is as detailed below:

Upfront/ Stage 1 Consideration (option to earn 40%)

- Issue 5,409,898 Basin Energy shares (6.6% of issued capital) to CanAlaska at IPO to acquire a 40% interest in Geikie.

Stage 2 Consideration (option to earn an additional 20%, total: 60%)

- Incur at least A\$2,500,000 in exploration expenditures on the Geikie Project on or before the date that is 24 months from the Listing Date.

Stage 3 Consideration (option to earn an additional 20%, total: 80%)

- Issue 2,250,000 Basin Energy shares to CanAlaska;
- Incur at least an additional A\$5,000,000 (total: \$7,500,000) in exploration expenditures on the Geikie Project on or before the date that is 48 months from the Listing Date;
- Grant a 2.75% NSR to CanAlaska on the Geikie Project subject to Basin Energy being granted a buy-back option to repurchase a 0.5% NSR for A\$500,000 at any time commencing from the grant of the NSR.

On 20 May 2022, the Company issued 8,000,000 of ordinary shares at \$0.10 per share.

There were no other significant changes in the state of affairs of the Company during the financial period.

Matters subsequent to the end of the financial period

Andrew (Peter) Moorhouse was appointed as Managing Director on 22 August 2022 and was issued 2,000,000 options exercisable at \$0.25 On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX.

The Company lodged a prospectus for the public offer of between 35,000,000 shares and 45,000,000 shares at a price of \$0.20 per share to raise no less than \$7,000,000 and up to \$9,000,000 (before costs) on 22 August 2022. As at the date of the financial report \$9,000,000 has been raised.

Discovery Capital was appointed the lead manager of the initial public offer.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company 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 Company.

Environmental regulation

The Company 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:	<i>Bachelor of Science (Hons) Applied and Environmental Geology - University of Leicester</i>
Experience and expertise:	Mr Moorhouse is an exploration geologist with 17 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 gained significant uranium exploration experience through his time at Alligator Energy in the role of Exploration Manager where he assisted in advancing their flagship Alligator Rivers Uranium Project in Northern Territory and secondary uranium assets in South Australia. Mr Moorhouse has significant competencies in both the evaluation and execution of exploration, resource drilling programs, feasibility studies, and engagement with traditional owners. Mr Moorhouse has evaluated a large number of global uranium projects. Alongside traditional Exploration Manager responsibilities, Mr Moorhouse has acted as a liaison with the broader capital markets for Alligator Energy and his most recent role with Aeon Metals (ASX: AML). 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).
Interest in shares:	300,000 ordinary shares
Interest in options:	2,000,000 unlisted options exercisable at \$0.25 each on or before 3 years from admission on the ASX

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: Most recently he was 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. The transaction created a leading US- focused uranium development company with a market cap of ~C\$500M and estimated resources totalling 99Mlbs U3O8.

Mr Steele began his career with Deloitte & Touche, where he worked in both the audit and financial advisory practices. Prior to joining Azarga he worked at SouthGobi Resources (TSX:SGQ) as Director of Finance and prior to that as Manager, Corporate Development.

Interest in shares: 200,000 ordinary shares
Interest in options: 1,000,000 unlisted options exercisable at \$0.25 each on or before 3 years from admission on the ASX

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.

Interest in shares: 1,151,499 ordinary shares
Interest in options: 1,000,000 unlisted options exercisable at \$0.25 on or before 3 years from admission on the ASX

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

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 and technology industries.

Mr Donovan is currently a non-executive director at Magnetic Resources NL (ASX:MAU) and Tambourah Metals Ltd (ASX:TMB)

Interest in shares: 380,000 ordinary shares
Interest in options: 666,667 unlisted options exercisable at \$0.25 on or before 3 years from admission on the ASX

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.

Interest in shares: 500,000 ordinary shares
Interest in options: 666,667 unlisted options exercisable at \$0.25 on or before 3 years from admission on the ASX

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 and Executive Vice President 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.

Interest in shares: Nil
Interest in options: 666,666 unlisted options exercisable at \$0.25 on or before 3 years from admission on the ASX

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the period ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Blake Steele	-	2
Peter Bird	4	4
Ben Donovan	2	2
Jeremy Clark	1	2
Cory Belyk	1	1
Michell Clarke	2	2
Kale Pervan	2	2

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 Company, 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 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.

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 Company 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 Company 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 Company are set out in the following tables.

The key management personnel of the Company consisted of the following Directors of the Company:

- Blake Steele - appointed 13 April 2022
- Peter Bird - appointed 23 November 2021
- Ben Donovan - appointed 13 April 2022
- Jeremy Clark - appointed 13 April 2022
- Cory Belyk - appointed 20 May 2022
- Mitchell Clarke - appointed 23 November 2021 - resigned 13 April 2022
- Kale Pervan - appointed 23 November 2021 - resigned 13 April 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Superannuation	Long service leave	Equity-settled	
23 Nov 2021 to 30 June 2022	\$	\$	\$	\$	\$	\$	\$
<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

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

Name	Fixed remuneration 23 Nov 2021 to 30 June 2022	Share-based payments 23 Nov 2021 to 30 June 2022
<i>Non-Executive Directors:</i>		
Blake Steele	-	100%
Peter Bird	-	100%
Ben Donovan	-	100%
Jeremy Clark	-	100%
Cory Belyk	-	100%
Mitchell Clarke	-	100%
Kale Pervan	-	100%

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. Pursuant to this letter agreement, the Company has agreed to pay Mr Steele \$67,500 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 period ended 30 June 2022.

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 period 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
Blake Steele	1,000,000	13 April 2022	13 April 2022	*	\$0.25	\$0.044
Peter Bird	1,000,000	2 May 2022	2 May 2022	*	\$0.25	\$0.044
Ben Donovan	666,667	13 April 2022	13 April 2022	*	\$0.25	\$0.044
Jeremy Clark	666,667	13 April 2022	13 April 2022	*	\$0.25	\$0.044
Cory Belyk	666,666	22 June 2022	22 June 2022	*	\$0.25	\$0.044
Mitchell Clarke	1,000,000	2 May 2022	2 May 2022	*	\$0.25	\$0.044
Kale Pervan	1,000,000	2 May 2022	2 May 2022	*	\$0.25	\$0.044

* On or before 3 years from admission on the ASX.

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the period ended 30 June 2022 are set out below:

Name	Value of options granted during the period \$	Value of options exercised during the period \$	Value of options lapsed during the period \$	Remuneration consisting of options for the period %
Blake Steele	44,300	-	-	100%
Peter Bird	44,600	-	-	100%
Ben Donovan	29,533	-	-	100%
Jeremy Clark	29,533	-	-	100%
Cory Belyk	29,667	-	-	100%
Mitchell Clarke	44,600	-	-	100%
Kale Pervan	44,600	-	-	100%

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the period	Received as part of remuneration	Additions	other*	Balance at the end of the period
<i>Ordinary shares</i>					
Blake Steele	-	-	200,000	-	200,000
Peter Bird	-	-	1,151,499	-	1,151,499
Ben Donovan	-	-	380,000	-	380,000
Jeremy Clark	-	-	500,000	-	500,000
Cory Belyk	-	-	-	-	-
Mitchell Clarke	-	-	980,001	(980,001)	-
Kale Pervan	-	-	1,000,001	(1,000,001)	-
	-	-	4,211,501	(1,980,002)	2,231,499

* Balance on termination

Option holding

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

	Balance at the start of the period	Granted	Exercised	other*	Balance at the end of the period
<i>Options over ordinary shares</i>					
Blake Steele	-	1,000,000	-	-	1,000,000
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)	-
	-	6,000,000	-	(2,000,000)	4,000,000

* Balance on termination

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
13 April 2022	On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX	\$0.25	2,333,334
2 May 2022	On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX	\$0.25	3,000,000
22 June 2022	On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX	\$0.25	666,666
22 August 2022	On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX	\$0.25	2,000,000
			8,000,000

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 the Company issued on the exercise of options during the period ended 30 June 2022 and up to the date of this report.

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 period, 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 period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, 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

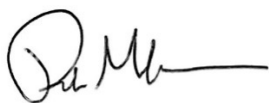
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

A handwritten signature in black ink, appearing to read 'Peter Moorhouse', with a horizontal line extending to the right.

Peter Moorhouse
Managing Director

23 September 2022

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 period ended 30 June 2022 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

CN

Conley Manifis
Director

Dated this day of 23rd day of September 2022

Basin Energy Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2022



	Note	23 Nov 2021 to 30 June 2022 \$
Revenue		
Other income	5	79
Expenses		
Corporate and administration expenses	6	(125,382)
Share-based payments expense	21	(266,833)
Exploration and evaluation expenditure		(160,012)
Loss before income tax expense		(552,148)
Income tax expense	7	-
Loss after income tax expense for the period attributable to the owners of Basin Energy Limited	12	(552,148)
Other comprehensive income for the period, net of tax		-
Total comprehensive loss for the period attributable to the owners of Basin Energy Limited		(552,148)
		Cents
Basic earnings per share		(7.39)
Diluted earnings per share		(7.39)

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

	Note	30 June 2022 \$
Assets		
Current assets		
Cash and cash equivalents	8	722,870
Other receivables		12,814
Total current assets		735,684
Total assets		735,684
Liabilities		
Current liabilities		
Trade and other payables	9	100,996
Total current liabilities		100,996
Total liabilities		100,996
Net assets		634,688
Equity		
Issued capital	10	920,003
Reserves	11	266,833
Accumulated losses	12	(552,148)
Total equity		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 period ended 30 June 2022



	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
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 10)	920,003	-	-	920,003
Share-based payments (note 21)	-	266,833	-	266,833
Balance at 30 June 2022	920,003	266,833	(552,148)	634,688

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

	Note	23 Nov 2021 to 30 June 2022 \$
Cash flows from operating activities		
Payments to suppliers and employees		(53,190)
Payment for exploration and evaluation expenditure		(144,022)
		(197,212)
Interest received		79
Net cash used in operating activities	20	(197,133)
Net cash from investing activities		-
Cash flows from financing activities		
Proceeds from issue of shares	10	920,003
Net cash from financing activities		920,003
Net increase in cash and cash equivalents		722,870
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	8	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 an individual entity. The financial statements are presented in Australian dollars, which is Basin Energy Limited's functional and presentation currency.

Basin Energy Limited is an unlisted 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 Company'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 23 September 2022. 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 Company 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.

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 Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Basis of preparation

The financial statements have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit oriented entities. Australian Accounting Standards adopted by the AASB are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Unless otherwise stated, the accounting policies of the Company have been consistently applied through the periods presented.

In the Directors' opinion, the Company is a reporting entity because there are users dependent on general purpose financial statements. The financial statements are therefore general purpose financial statements that have been prepared in order to meet the needs of the members and the requirements of an Initial Public Offering as part of its process to be admitted to the official list of the Australian Securities Exchange (ASX).

The directors have determined that the accounting policies are appropriate to meet the needs of members and the requirements of an Initial Public Offering. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

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.

Note 2. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period'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 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.

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

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

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

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.

Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

Note 2. Significant accounting policies (continued)

- Such costs are expected to be recouped through successful development and exploration of area of interest, or alternatively, by its sale; or
- 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.

Costs incurred, excluding acquisition costs, prior to the Company having rights to tenure are expensed as incurred.

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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period 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.

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.

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

There are no comparatives as the Company was incorporated on 23 November 2021.

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 Company for the reporting period ended 30 June 2022. The Company 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 Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes 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.

Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Income tax

The Company 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 Company recognises liabilities for anticipated tax audit issues based on the Company'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 period in which such determination is made.

Note 4. Operating segments

The Company 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 Company.

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.

Note 4. Operating segments (continued)

Operating segment information

	Exploration (Canada) \$	Unallocated (Corporate) \$	Total \$
23 Nov 2021 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

	23 Nov 2021 to 30 June 2022 \$
Interest received	79

Note 6. Corporate and administration expenses

	23 Nov 2021 to 30 June 2022 \$
Share registry	380
Contractors and consultancy	96,085
Legal fees	17,997
Audit fees	10,018
Other	902
	125,382

Note 7. Income tax expense

**23 Nov 2021
to 30 June
2022
\$**

Numerical reconciliation of income tax expense and tax at the statutory rate

Loss before income tax expense	(552,148)
Tax at the statutory tax rate of 30%	(165,644)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Share-based payments	80,039
Other expenses	32,202
Offset against non-recognition of deferred tax assets	53,403
Income tax expense	-

**30 June 2022
\$**

Deferred tax assets not recognised

Deferred tax assets not recognised comprises temporary differences attributable to:

Exploration and evaluation expenditure	53,403
Total deferred tax assets not recognised	53,403

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Cash and cash equivalents

**30 June 2022
\$**

Current assets

Cash at bank	722,870
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Note 9. Trade and other payables

**30 June 2022
\$**

Current liabilities

Trade payables	95,649
Other payables and accruals	5,347
	100,996

Refer to note 14 for further information on financial instruments.

Note 10. Issued capital

	30 June 2022	
	Shares	\$
Ordinary shares - fully paid	20,000,003	920,003

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

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.

Capital risk management

The Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Note 11. Reserves

	30 June 2022
	\$
Share-based payments reserve	266,833

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 11. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial 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

Note 12. Accumulated losses

	30 June 2022 \$
Retained profits at the beginning of the financial period	-
Loss after income tax expense for the period	(552,148)
Accumulated losses at the end of the financial period	(552,148)

Note 13. Dividends

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

Note 14. 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.

Liquidity risk

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

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

Note 14. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Company'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.

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.

Fair value of financial instruments

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

Note 15. Key management personnel disclosures

Directors

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

Blake Steele
Peter Bird
Ben Donovan
Jeremy Clark
Cory Belyk
Mitchell Clarke
Kale Pervan

Compensation

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

	23 Nov 2021 to 30 June 2022 \$
Share-based payments	266,833

Note 16. Contingent liabilities

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

Geikie and North Millennium Project

The Company had on 22 April 2022, entered into two Property Option Agreements with CanAlaska to earn up to 80% interests in the Geikie Project and North Millennium Project ("the Projects") respectively, which is subjected to the condition precedent of being listed on the ASX and raising at least \$7.0m of capital by 19 October 2022, with an allowable extension of up to 3 months in lieu of payment amounting to \$8,333 per extended month for each project.

Upon successful listing, to earn up to 40% interest in the Projects, the Company will be required upon 15 business days to issue up to 6.66% of issued capital in Basin to CanAlaska for each project. The Company 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 Company also has the option to exercise a buy-back right of the NSR Royalty a 0.5% for a consideration of AUD500k for each project.

Marshall Project

The Company had on 22 April 2022 entered into a Property Option Agreement with CanAlaska to purchase 100% interest in the Marshall Project, which is subjected to the condition precedent of being listed on the ASX and raising at least \$7.0m of capital by 19 October 2022, with an allowable extension of up to 3 months in lieu of payment amounting to \$8,333 per extended month.

Upon successful listing, the Company is required upon 15 business days to issue up to 6.66% of issued capital in Basin to CanAlaska and to enter into an Operator Agreement for CanAlaska to be the operator of the initial \$1.5m expenditure program allowing CanAlaska to charge an operator fees equal to 20% of the allowable expenditure expenses.

A NSR royalty of 2.75% is also payable on all products derived from the assets. The Company also has the option to exercise a buy-back right of the NSR Royalty a 0.5% for a consideration of AUD500k.

Note 17. Commitments

There were no commitments as at 30 June 2022.

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Note 18. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	23 Nov 2021 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
Other transactions:	
Reimbursable expenditure - Christopher Connelly (ii)	197
Reimbursable expenditure - Kale Pervan (iii)	25,903

Loans to/from related parties

There were no loans to or from related parties at the 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 and Executive Vice President of CanAlaksa Uranium Ltd which the Company has entered into a tenement acquisition agreement with prior to his appointment as a Director.
- (ii) Christopher Connelly whilst Company Secretary advanced funds to the Company by way of funding domain hosting and related computing costs.
- (iii) 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 19. Events after the reporting period

Andrew (Peter) Moorhouse was appointed as Managing Director on 22 August 2022 and was issued 2,000,000 options exercisable at \$0.25 On or before 4 years from grant date in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX.

The Company lodged a prospectus for the public offer of between 35,000,000 shares and 45,000,000 shares at a price of \$0.20 per share to raise no less than \$7,000,000 and up to \$9,000,000 (before costs) on 22 August 2022. As at the date of the financial report \$9,000,000 has been raised.

Discovery Capital was appointed the lead manager of the initial public offer.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 20. Reconciliation of loss after income tax to net cash used in operating activities

	23 Nov 2021 to 30 June 2022 \$
Loss after income tax expense for the period	(552,148)
Adjustments for:	
Share-based payments	266,833
Change in operating assets and liabilities:	
Increase in other receivables	(12,814)
Increase in trade and other payables	100,996
Net cash used in operating activities	(197,133)

Note 21. Share-based payments

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

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

30 June 2022

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
13/04/2022	*	\$0.25	-	2,333,334	-	-	2,333,334
02/05/2022	*	\$0.25	-	3,000,000	-	-	3,000,000
22/06/2022	*	\$0.25	-	666,666	-	-	666,666
			-	6,000,000	-	-	6,000,000

* On or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX.

Note 21. Share-based payments (continued)

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

Grant date	Expiry date	30 June 2022 Number
13/04/2022	*	2,333,334
02/05/2022	*	3,000,000
22/06/2022	*	666,666
		6,000,000

* On or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX.

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

The weighted average remaining contractual life of options outstanding at the end of the financial period was 3 years.

On 13 April 2022 the Company issued 2,333,334 options to Directors exercisable at \$0.25 on or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX, which vested on issue as shown below:

	Number of options
Blake Steele	1,000,000
Jeremy Clark	666,667
Ben Donovan	666,667
	2,333,334

On 2 May 2022 the Company issued 3,000,000 options to the founding Directors exercisable at \$0.25 on or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX, which vested on issue as shown below

	Number of options
Peter Bird	1,000,000
Kale Pervan	1,000,000
Mitchell Clarke	1,000,000
	3,000,000

Note 21. Share-based payments (continued)

On 22 June 2022 the Company issued 666,666 options to Director Cory Belyk, exercisable at \$0.25 on or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX, which vested on issue.

For the options granted during the current financial period, 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
13/04/2022	*	\$0.10	\$0.25	100.00%	-	2.49%	\$0.044
02/05/2022	*	\$0.10	\$0.25	100.00%	-	2.83%	\$0.045
22/06/2022	*	\$0.10	\$0.25	100.00%	-	2.88%	\$0.045

* On or before 4 years from issue in the event that the Company does not complete an initial public offering, or 3 years from admission on the ASX.

The value of the options has been recorded as a share-based payment expense:

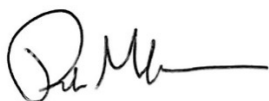
	23 Nov 2021 to 30 June 2022 \$
Director options	133,033
Founding Director options	133,800
	<hr/> 266,833

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 Company's financial position as at 30 June 2022 and of its performance for the financial period 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 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Peter Moorhouse', with a long horizontal line extending to the right.

Peter Moorhouse
Managing Director

23 September 2022

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), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 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 Company, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's financial report for the period ended 30 June 2022 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar3.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 8 to 13 of the Directors' report for the period ended 30 June 2022.

In our opinion, the Remuneration Report of Basin Energy Limited, for the period ended 30 June 2022, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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

William Buck

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

CM

Conley Manifis
Director

Dated this 23rd day of September 2022