

Westar Resources Limited

ABN 66 635 895 082

Half-Year Financial Report - 31 December 2021

Directors	Simon Eley - Non-Executive Chairman Karl Jupp - Managing Director Nathan Cammerman - 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	Nexia Brisbane Audit Pty Ltd Level 28, 10 Eagle Street Brisbane QLD 4000
Solicitors	Colin Biggers & Paisley Lawyers Level 35, 1 Eagle Street Brisbane QLD 4000
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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Westar Resources Limited
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31 December 2021



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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 2021.

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 (appointed 15 October 2020)
Karl Jupp - Managing Director (appointed 15 October 2020)
Nathan Cammerman - Non-Executive Director (appointed 30 August 2019)

Principal activities

The principal activity of the Company during the period was to explore mineral tenements in Western Australia. The Company is currently focused on gold and base metal exploration across seven projects located in Western Australia. The Company continues to pursue aggressive exploration programs across its projects to determine the potential for economic projects. During the period, the Company also acquired the Geoff Well project with drill ready targets highly prospective for VMS style mineralisation.

Review of operations

The loss for the Group after providing for income tax amounted to \$800,446 (31 December 2020: \$283,252).

As at reporting date the Group has total assets of \$5,417,804 (including exploration and evaluation assets of \$3,015,933 and bank balance of \$2,202,578).

At 31 December 2021, the Company has 57,964,767 shares on issue, 5,000,000 options on issue and 1,500,000 performance rights on issue. Capital raised during the year, totalled \$847,275 (before costs) by way of issue of 7,060,621 shares. A further 500,000 shares were issued as part consideration for a tenement acquisition.

The Company also issued 1,500,000 performance rights.

COVID-19 continues to be a developing situation in the State of Western Australia with the State's hard border being lifted on 3 March 2022. The Company continues to comply with any restrictions imposed by the Western Australian State Government to deal with COVID-19. The Company doesn't foresee ongoing issues with COVID-19 outside of any additional requirement to comply with any new State or Federal requirements.

The Group holds 100% ownership over seven projects in Western Australia, being:

- The Sandstone Projects - Gidgee South and Gidgee North
- The Mt Magnet Projects - Winjangoo and Coolaloo
- The Pilbara Project - Opaline Well
- The Southern Cross Projects - being Mt Finnerty and Parker Dome, which are held under a farm-in/JV agreement with Ramelius Resources Ltd having the right to earn a 75% interest

Sandstone Projects - Gidgee North & Gidgee South

The Company's Sandstone Projects are comprised of two separate projects - Gidgee South (E57/1055, M57/352, P57/1363 and P57/1368) and Gidgee North (E53/1920, E51/2044, and E53-1832-1), covering circa 330 km² and located approximately 640 km northeast of Perth and 700 km north-northwest of Kalgoorlie. The Projects lie within the Gum Creek Greenstone Belt of the Youami Terrane, which forms a lensed, broadly sinusoidal belt measuring some 100km in length and 24km in width.

Gidgee North

In July 2021, the Company announced six conductors had been identified using SkyTEM data. Additional exploration work identified multiple Au, Cu-Zn and coincident Au-Cu-Zn targets which were followed up using ground fixed loop EM (FLEM) in January 2022.

The FLEM identified 9 high priority VMS base-metal targets. The Company is scheduled to commence drilling in the second quarter of 2022. The project remains the highest priority for the Company at present.

Gidgee South

In July 2021, the Company completed its maiden drilling campaign at the Gidgee South project with 56 RC holes drilled for a 4,258m program that was designed to test prospective granite-greenstone contacts as well as structural and geochemical targets. The assays returned from the drilling confirmed mineralisation in a number of holes including 1m @ 7.45g/t Au from 42m in GSRC0051 (ASX: 7 October 2021).

Ongoing exploration includes additional drilling around historical workings, DGPR anomalies and any surface geochemical anomalies.

Mt Magnet Projects – Winjangoo & Coolaloo

The Mount Magnet Projects are comprised of several granted exploration licences; the Winjangoo Project (E58/536) and the Coolaloo Project (E59/2329 & E59/2509), situated in the Murchison Mineral Field and proximal to the historical mining centre of Mount Magnet which has historically produced over six million ounces of gold since the initial discovery in 1891. The Mount Magnet Projects cover approximately 302 km².

Winjangoo

During the period, the Company commenced a RC drilling program at the project to test several high-priority targets based on coincident auger geochemical anomalies, outcropping quartz veins with oxidised pyrite, surface alteration, structurally deformed and sheared granite-greenstone contacts as well as recent prospector activity. A total of 38 RC holes were drilled for a total of 2,980m.

Coolaloo

No significant work was undertaken at Coolaloo during the period.

Pilbara Project - Opaline Well

The Opaline Well project (E 45/4997) is located in the Pilbara, approximately 190km southeast of Port Hedland and 35km west of Nullagine.

In October 2021, the Company announced the commencement of an airborne AEM survey targeting high-value massive sulphide conductors in the underexplored volcano-sedimentary sequence.

Subsequent to the period end, the Company announced that a number of highly prospective conductors were identified with additional ground truthing planned for the next stage of follow up work.

Southern Cross Projects (Ramelius Resources (ASX:RMS) Farm-in/JV)

The Mt Finnerty Project, which forms part of the Southern Cross Assets (E 16/505) is located approximately 430km east-northeast of Perth and 100km northeast of Southern Cross. Located in the Archean Mara-Diemals greenstone belt, previous exploration activity has been extensive.

The Parker Dome Project (E 77/2424) is located approximately 400km east of Perth and 60km south-southeast of Southern Cross. Situated on the western margin of the north-westerly elongated Parker Dome granitoid, the project hosts several broad previously identified gold-in soil anomalies from historic auger drilling with results up to 192ppb Au. Historical RAB drilling has reported results up to 0.52 g/tAu in transported overburden and 0.38 g/t Au in ultramafics.

The Mt Finnerty and Parker Dome Projects are subject to the Flinders and Parker Dome Farm-in and Joint Venture Agreement between Ramelius Resources Ltd and Rouge Resources (a 100% owned subsidiary of Westar Resources Ltd) dated 30 August 2019. Under the terms of the agreement Ramelius may earn up to a 75% interest by spending \$2,000,000 over a three-year period.

In October 2021, the Company announced that Ramelius Resources had commenced a RC program for up to 3,400m of drilling with a focus on targeting structures along the granite-greenstone contacts.

Subsequent to the period end, the Company announced a number of bonanza grades were recorded including 1m at 274g/t Au from 177m (ASX 31 January 2022). All assays have been returned for a total of 3,027m of RC drilling in 16 drill holes at Mt Finnerty, testing a 3km strike extent of the granite-greenstone contact, with assays from a further 2,442m of regional, first pass aircore in 42 holes is yet to be received.

Geoff Well Project

On 18 October 2021, it was announced that the Company had executed a Binding Agreement to earn up to 75% interest in the Geoff Well Project ("Geoff Well") from Shumwari Pty Ltd, Alan Archibald Pellegrini and Glen Alexander Brown (together the "Vendors").

Geoff Well has identified Cu-Zn mineralisation in historical drilling, along with several untested gossans.

Significant changes in the state of affairs

Other than for the issues of shares and rights in period, there were no significant changes in the state of affairs of the Group during the financial half-year.

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 "Karl Jupp", written over a horizontal line.

Karl Jupp
Managing Director

10 March 2022

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**To the Directors of Westar Resources Limited**

As lead audit director for the review of the financial statements of Westar Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. 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 half-year.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 10 March 2022

Nexia Brisbane Audit Pty Ltd

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Westar Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



	31 Dec 2021	31 Dec 2020
	\$	\$
Expenses		
Employee benefits expense	(240,389)	(83,621)
Depreciation	(7,910)	(1,685)
Exploration expenditure	(204,514)	(16,136)
Share based payments	(65,109)	(26,133)
Consulting and professional services	(118,012)	(48,332)
Statutory and compliance	(36,161)	(30,471)
Corporate and administration	(127,504)	(76,538)
Finance costs	(847)	(336)
Loss before income tax expense	(800,446)	(283,252)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of Westar Resources Limited	(800,446)	(283,252)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive loss for the half-year attributable to the owners of Westar Resources Limited	(800,446)	(283,252)
	Cents	Cents
Basic loss per share	(1.53)	(1.19)
Diluted loss per share	(1.53)	(1.19)

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 2021



	Note	31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		2,202,578	3,078,591
Trade and other receivables		40,847	93,668
Other assets		87,651	60,112
Total current assets		2,331,076	3,232,371
Non-current assets			
Property, plant and equipment	4	70,795	57,871
Exploration and evaluation	5	3,015,933	2,221,069
Total non-current assets		3,086,728	2,278,940
Total assets		5,417,804	5,511,311
Liabilities			
Current liabilities			
Trade and other payables		165,018	412,788
Provisions		40,709	27,377
Total current liabilities		205,727	440,165
Total liabilities		205,727	440,165
Net assets		5,212,077	5,071,146
Equity			
Issued capital	6	6,621,384	5,745,116
Reserves	7	412,215	347,106
Accumulated losses		(1,821,522)	(1,021,076)
Total equity		5,212,077	5,071,146

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 2021



	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	808,535	-	(237,561)	570,974
Loss after income tax expense for the half-year	-	-	(283,252)	(283,252)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(283,252)	(283,252)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 12)	-	674,583	-	674,583
Contributions of equity	5,750,300	-	-	5,750,300
Capital raising costs	(1,167,419)	-	-	(1,167,419)
Balance at 31 December 2020	5,391,416	674,583	(520,813)	5,545,186
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	5,745,116	347,106	(1,021,076)	5,071,146
Loss after income tax expense for the half-year	-	-	(800,446)	(800,446)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(800,446)	(800,446)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity (note 6)	847,275	-	-	847,275
Capital raising costs	(61,007)	-	-	(61,007)
Share-based payments (note 12)	-	65,109	-	65,109
Shares issued for exploration (note 6)	90,000	-	-	90,000
Balance at 31 December 2021	6,621,384	412,215	(1,821,522)	5,212,077

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 2021



	Note	31 Dec 2021 \$	31 Dec 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(554,868)	(230,679)
Interest and other finance costs paid		(847)	-
Net cash used in operating activities		(555,715)	(230,679)
Cash flows from investing activities			
Payments for property, plant and equipment	4	(20,834)	-
Payments for exploration and evaluation	5	(1,085,732)	(287,912)
Net cash used in investing activities		(1,106,566)	(287,912)
Cash flows from financing activities			
Proceeds from issue of shares	6	847,275	5,750,300
Share issue transaction costs		(61,007)	(518,969)
Repayment of shareholder loans		-	(15,000)
Net cash from financing activities		786,268	5,216,331
Net increase/(decrease) in cash and cash equivalents		(876,013)	4,697,740
Cash and cash equivalents at the beginning of the financial period		3,078,591	17,203
Cash and cash equivalents at the end of the financial period		2,202,578	4,714,943

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 10 March 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 2021 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 principal 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.

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

Going concern

The directors have prepared the financial statements of the company on a going concern basis.

Note 3. 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 4. Property, plant and equipment

	31 Dec 2021 \$	30 Jun 2021 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	34,755	13,921
Less: Accumulated depreciation	(4,622)	(1,605)
	30,133	12,316
Motor vehicles - at cost	48,534	48,534
Less: Accumulated depreciation	(7,872)	(2,979)
	40,662	45,555
	70,795	57,871

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 2020	-	-	-
Additions	13,921	48,534	62,455
Depreciation expense	(1,605)	(2,979)	(4,584)
Balance at 30 June 2021	12,316	45,555	57,871
Additions	20,834	-	20,834
Depreciation expense	(3,017)	(4,893)	(7,910)
Balance at 31 December 2021	30,133	40,662	70,795

Note 5. Exploration and evaluation

	31 Dec 2021 \$	30 Jun 2021 \$
<i>Non-current assets</i>		
Exploration and evaluation assets (exploration phase)	3,015,933	2,221,069

Reconciliations

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

	\$
Balance at 1 July 2020	552,883
Tenements acquired	90,190
Expenditure during the period	1,577,996
Balance at 30 June 2021	2,221,069
Expenditure during the half-year	794,864
Balance at 31 December 2021	3,015,933

Note 5. Exploration and evaluation (continued)

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.

All tenements are 100% owned by the Group. Included in the carrying amount of exploration and evaluation assets is \$268,724 (30 June 2021: \$267,693) relating to tenements subject to farm-out arrangements, whereby the Group will retain a 25% interest in the tenements.

Commitments in respect of tenements are set out in note 10.

Note 6. Issued capital

	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares - fully paid	57,964,767	50,404,146	6,621,384	5,745,116

Movements in ordinary share capital

Details	Date	Shares		\$
Balance	1 July 2020	54,655,714		808,535
Seed Capital Offer	19 September 2020	15,000,000	\$0.0500	750,000
Shares issued pursuant to advisory agreement	19 September 2020	3,000,000	\$0.0001	300
Share consolidation on 1:2.86 basis	23 October 2020	(47,251,568)	\$0.0000	-
Shares issued at IPO	12 December 2020	25,000,000	\$0.2000	5,000,000
Less: Transactions costs arising on share issues				(813,719)
Balance	30 June 2021	50,404,146		5,745,116
Shares issued for exploration acquisition	15 October 2021	500,000	\$0.1800	90,000
Capital raising	18 November 2021	7,060,621	\$0.1200	847,275
Less: Transactions costs arising on share issues				(61,007)
Balance	31 December 2021	57,964,767		6,621,384

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.

In the prior year the Company has raised capital and listed on ASX. There are no externally imposed capital requirements on the Company.

Note 7. Reserves

	31 Dec 2021 \$	30 Jun 2021 \$
Share-based payments reserve	412,215	347,106

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 7. 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 \$
Balance at 1 July 2020	-
Options issued - capital raising costs	294,750
Options issued - share-based payments	52,356
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Balance at 30 June 2021	347,106
Options issued - share-based payments	49,403
Performance rights - share-based payments	15,706
<hr/>	
Balance at 31 December 2021	<u>412,215</u>

Note 8. Dividends

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

Note 9. Contingent liabilities

The Group had no contingent liabilities at 31 December 2021 (31 Dec 2020: Nil).

Note 10. Commitments

	31 Dec 2021 \$	30 Jun 2021 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	692,800	642,800
<hr/>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	335,400	311,400
One to five years	334,600	308,600
More than five years	22,800	22,800
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	<u>692,800</u>	<u>642,800</u>

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

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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 12. Share-based payments

Ordinary shares

On 18 October 2021, the Company announced that it had executed a Binding Agreement to earn up to 75% interest in the Geoff Well Project ("Geoff Well"). 500,000 fully paid ordinary shares were issued to the Vendors as part consideration. The shares were valued at \$0.18 being the value at the issue date 15 October 2021, an amount of \$90,000 was recognised and expensed to exploration and evaluation expenditure during the period.

Options and Performance Rights

The Company has adopted a Director's and Employee's Equity Incentive Plan (DEEIP). The Board is responsible for administering the DEEIP in accordance with the DEEIP Rules. The DEEIP 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 DEEIP in its absolute discretion.

	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	5,000,000	\$0.2500
Forfeited	-	\$0.0000
Exercised	-	\$0.0000
Expired	-	\$0.0000
Outstanding at the end of the financial half-year	5,000,000	\$0.2500
Exercisable at the end of the financial half-year	2,500,000	\$0.2500

On successful listing on the ASX the Directors were issued with 5,000,000 options exercisable at \$0.25 expiring 17 December 2023. The options were issued in two tranches (equal numbers of Tranche A and Tranche B) to each of the Directors, pursuant to the Company's DEEIP. The vesting conditions for:

- (a) The Tranche A Director Options, is the Company listing on the ASX, and have fully vested; and
- (b) The Tranche B Directors Options, is the Company's Share price on the ASX trading at a 20-trading day VWAP of at least 40 cents,

during the exercise period.

The options were issued to the directors as follows:

	Tranche A	Tranche B	Total
Simon Eley	500,000	500,000	1,000,000
Nathan Cammerman	500,000	500,000	1,000,000
Karl Jupp	1,500,000	1,500,000	3,000,000
	2,500,000	2,500,000	5,000,000

The Tranche B options were valued using a binomial model calculation and have been accounted for over the vesting period \$49,403 was expensed to share based payments during the period.

1,500,000 Performance Rights were approved by shareholders on 30 November 2021 and issued to Director Karl Jupp. The Performance Rights were issued in the following tranches with vesting conditions:

Note 12. Share-based payments (continued)

Tranche	Number	Vesting Milestone
		The Performance Rights will vest upon:
A	500,000	The Company entering into a formal joint venture agreement in respect of a project owned by the Company and where the joint venture partner, as a minimum, has spent \$2,000,000 to earn an interest in such a Company project.
B	500,000	Discovery of a JORC compliant [Inferred Resource / Indicated Resource] of a minimum 250,000 ounces of gold ("Au") (or Au equivalent) on any of the Company's projects or the addition of 250,000 ounces of Au (or Au equivalent) on any project that the Company acquires that is acquired with a JORC compliant resource.
C	500,000	Absolute total shareholder return per annum (year on year) in respect of the 2 consecutive financial years ended 30 June 2022 and 30 June 2023: (a) 10% share price appreciation per annum, entitled to receive 33% of the Tranche 3 Performance Rights; (b) 10% to 20% share price appreciation per annum, entitled to receive between 33% to 100% pro-rated (straight line) of the Tranche 3 Performance Rights; (c) >20% share price appreciation per annum, entitled to receive 100% of the Tranche 3 Performance Rights.

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

Valuation assumptions:

	Tranche A	Tranche B	Tranche C
Number	500,000	500,000	500,000
Valuation/grant date	25 October 2021	25 October 2021	25 October 2021
Share price at valuation date	\$0.1650	\$0.1650	\$0.1650
Risk free rate	0.647%	0.647%	0.647%
Volatility	90%	90%	90%
Fair value per security	\$0.1650	\$0.165	\$0.0986
Total Value	\$82,500	\$82,500	\$49,319

The value of the Performance Rights are being expensed over the deemed life of the Rights. During the period \$15,706, was recognised as an expense in relation to the rights.

	31 Dec 2021	31 Dec 2020
	\$	\$
Options issued to Directors	49,403	26,133
Performance rights issued to Directors	15,706	-
	65,109	26,133
Shares issued for exploration acquisition	90,000	-
	155,109	26,133

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 2021 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 "Karl Jupp", written over a horizontal line.

Karl Jupp
Managing Director

10 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WESTAR RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Westar Resources Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of Westar Resources Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 & 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.

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

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WESTAR RESOURCES LIMITED (CONTINUED)***Directors' Responsibility for the Half-Year Financial Report***

The directors of Westar Resources Limited 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 Responsibility

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 2021 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 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.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Migel Bamford

N D Bamford

Director

Level 28, 10 Eagle Street,
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Date: 10 March 2022