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INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021



Directors

David Wheeler – Non-Executive Chairman
George Bauk – Executive Director
Colin McCavana – Non-Executive Director

Exploration Manager

Karl Weber

Company Secretary

Joe Graziano

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Stock exchange listing

PVW Resources Limited shares are listed on the Australian Securities Exchange (ASX code: PVW)

Website

www.pvwresite.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of PVW 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.

Review of operations

The loss for the Group after providing for income tax amounted to \$4,435,759 (30 June 2020: \$352,494).

Operationally throughout the last 6 months the Company has continued to explore the three key regions of Kalgoorlie, Leonora and the Tanami. Exploration for REE in the Tanami has been very positive and the Tanami REE Project has advanced at an exciting pace.

Kalgoorlie region projects have returned positive results from auger and Aircore drilling. Exploration drilling continues testing for gold mineralisation on each of the projects, activities completed during the period include:

- Aircore drilling at the Black Flag Prospect.
- Auger continuing at King of The West (E27/614).
- Maiden Aircore program completed at the Pappy Prospect (E27/571).
- Litho-geochemical sampling of previous explorers drilling on newly acquired tenure.

Gold assays for the King of The West extension auger were returned with positive results extending the main Au anomaly to 4km x 1.5km, while other results are still awaited.

PVW Resource's exploration strategy is to identify and develop concepts into targets that can be tested and validated. As positive results are received from quality, culturally and environmentally responsible exploration programs the projects progress to assessment for economic mineral resources. The REE exploration focus of the Tanami Project is a positive addition to the commodities that are included in the exploration strategy. While the REE focus will continue through future exploration activities gold exploration will progress as results are returned.

The main goal is to identify a significant mineralised system or large deposit. Smaller discoveries will be commercialised where possible, opportunities for divestment, acquisition and organic growth are prioritised as required.

Highlights for the Half-year

- Tanami Project **rare earth mineralised samples** at Killi Killi East located over **1.8km strike length** and adjacent to regional unconformity-related rare earth mineralisation along the **18km long Watts Rise-Killi Killi trend**.
- Tanami Project **high grade rock chip results, assays up to 12.45% TREO** with 14 of 20 samples returning assays greater than 1% TREO and **heavy rare earths comprising on average 80% of TREO:**

12.45% TREO including 11,592ppm dysprosium

9.26% TREO including 7,070ppm dysprosium

7.38% TREO including 6,324ppm dysprosium

3.90% TREO including 2,743ppm dysprosium (**located 12km from the Killi Killi East prospect**).

- Tanami Project rock chip samples from Killi Killi East also returned gold assays of **8.94 g/t and 4.43 g/t Au**.
- Tanami Project mineralogy study undertaken by Diamantina Laboratories **confirms Heavy Rare Earths** are contained in a **xenotime mineralisation** with a high percentage of **dysprosium and terbium**, used in Permanent Magnets.
- Independent Metallurgical Operations **commenced metallurgical sighter test work** on Killi Killi East and Watts Rise samples.
- PVW completed agreements with adjoining tenement holders **increasing the prospective Kalgoorlie tenement package by 50% to over 150km²**.
- Kalgoorlie region, King of The West Auger geochemistry results extended the gold anomaly 2km south, now **4km x 1.5km of +40ppb Au open to the south**.
- Black Flag Aircore assays returned significant results confirming a bedrock anomaly over 2km of strike. Results include:

3m @ 1.84 g/t Au from 45m

4m @ 1.04 g/t Au from 40m

4m @ 1.20 g/t Au from 60m

7m @ 0.88 g/t Au from 43m including 2m @ 1.78g/t Au, from 43m

- Leonora region **Jungle Well Resource drilling** continued to return very positive results including:

11m @ 1.89 g/t Au from 86m including 2m @ 7.73 g/t Au from 87m

2m @ 5.44 g/t Au from 74m including 1m @ 10.1g/t Au from 75m

6m @ 1.69 g/t Au from 86m including 2m @ 4.75 g/t Au from 90m

- Leonora region **Brilliant Well RC drilling and Aircore drilling** continued during the period with results awaited.
- The **West Yilgarn Ni-Cu-PGE province Ballinue Project** was advanced with reprocessing of available geophysical surveys and ongoing interpretation. Interpretation of the Narryer Gneiss complex and Murchison Domain are key to targeting for future exploration activities when these tenements are granted.

Health and Safety

The focus on health and safety continued during the period which has been incident free.

The Company has continued operating with COVID-19 protocols in place. No cases of COVID-19 have been reported on any Company sites or in any Company facilities.

On 5th October 2021, the Western Australian government announced that WA's fly-in fly-out ("FIFO") workforce will be required to be fully vaccinated to assist in safeguarding the industry and regional communities against potential outbreaks of COVID-19.

FIFO and local workers on WA mining and resource sites, and people who work in remote operations, must have received their first dose of the COVID-19 vaccine by 12:01am 1st December 2021, and be fully vaccinated by 1st January 2022. The company has implemented a Covid Management Plan in relation to the requirements and continues to manage the situation as directed by regulators and health officials.

Environmental Studies

The completion and submission of the Jungle Well Annual Environmental Report (AER) and Mine Closure Plan (MCP) were achieved, meeting the reporting requirements of M37/135. Ongoing environmental studies and monitoring will be required for future AER and MCP's.

Significant changes in the state of affairs

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



David Wheeler
Non-executive Chairman

14 March 2022
Perth

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of PVW Resources Limited for the period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 14th day of March 2022
Perth, Western Australia

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	Note	31 December 2021 \$	31 December 2020 \$
Revenue			
Other income		50,288	-
Interest income		1,588	105
Expenses			
Exploration expenses	4	(1,917,332)	(218,960)
Other expenses	5	(398,467)	(57,691)
Employee benefits expense		(217,419)	(75,948)
Depreciation and amortisation expense		(47,381)	-
Share based payments		(1,903,470)	-
Interest expense		(3,566)	-
Loss before income tax expense		(4,435,759)	(352,494)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of PVW Resources Limited		(4,435,759)	(352,494)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of PVW Resources Limited		(4,435,759)	(352,494)
		Cents	Cents
Basic earnings per share		(6.15)	(0.42)
Diluted earnings per share		(6.15)	(0.42)

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

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		2,418,506	5,014,715
Trade and other receivables	6	86,587	103,661
Other		42,860	59,281
Total current assets		2,547,953	5,177,657
Non-current assets			
Property, plant and equipment	7	109,841	69,864
Right-of-use assets	8	156,045	189,444
Total non-current assets		265,886	259,308
Total assets		2,813,839	5,436,965
Liabilities			
Current liabilities			
Trade and other payables	9	179,325	741,285
Lease liabilities	10	69,663	59,201
Provisions	11	33,753	20,449
Total current liabilities		282,741	820,935
Non-current liabilities			
Lease liabilities	10	91,505	131,348
Provisions	11	300,000	300,000
Total non-current liabilities		391,505	431,348
Total liabilities		674,246	1,252,283
Net assets		2,139,593	4,184,682
Equity			
Issued capital	12	13,366,769	13,119,269
Reserves	13	2,730,292	587,122
Accumulated losses		(13,957,468)	(9,521,709)
Total equity		2,139,593	4,184,682

	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Total equity \$
Balance at 1 July 2020	3,776,911	(4,143,554)	163,008	(203,635)
Loss after income tax expense for the half-year	-	(352,494)	-	(352,494)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(352,494)	-	(352,494)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 15)	297,017	-	-	297,017
Options issued due to acquisition	393,986	-	-	393,986
Balance at 31 December 2020	4,467,914	(4,496,048)	163,008	134,874
	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Total equity \$
Balance at 1 July 2021	13,119,269	(9,521,709)	587,122	4,184,682
Loss after income tax expense for the half-year	-	(4,435,759)	-	(4,435,759)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(4,435,759)	-	(4,435,759)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 15)	-	-	1,903,470	1,903,470
Share issued due to acquisition	247,500	-	-	247,500
Performance rights issued due to acquisition	-	-	239,700	239,700
Balance at 31 December 2021	13,366,769	(13,957,468)	2,730,292	2,139,593

	31 December 2021	31 December 2020
Note	\$	\$
Cash flows from operating activities		
Australian Government Assistance	-	47,248
Receipts from customers	65,894	-
Payments to suppliers and employees	(957,059)	(117,093)
Exploration and evaluation expenditure	(1,604,728)	(161,885)
Purchase of tenements	(15,000)	(4,848)
Interest received	1,588	105
Net cash used in operating activities	<u>(2,509,305)</u>	<u>(236,473)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	7 (53,956)	-
Net cash used in investing activities	<u>(53,956)</u>	<u>-</u>
Cash flows from financing activities		
Payments for leases	<u>(32,948)</u>	<u>-</u>
Net cash used in financing activities	<u>(32,948)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(2,596,209)	(236,473)
Cash and cash equivalents at the beginning of the financial half-year	<u>5,014,715</u>	<u>285,797</u>
Cash and cash equivalents at the end of the financial half-year	<u>2,418,506</u>	<u>49,324</u>

Note 1. General information

The financial statements cover PVW Resources Limited as a Group consisting of PVW 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 PVW Resources Limited's functional and presentation currency.

PVW 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 3, 1138 Hay 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 11 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'.

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, except for the policies stated below.

Reverse acquisition

On 3 February 2021, PVW Resources Limited (formerly Thred Limited), the legal parent and legal acquirer, completed the acquisition of PVW Resources NL and its controlled entities ("PVW NL Group"). Under the Australian Accounting Standards, PVW NL Group was deemed to be the accounting acquirer in this transaction. This acquisition did not meet the definition of a business combination under AASB 3 Business Combinations and instead, has been accounted for as a share-based payment under the principles of AASB 2 Share-Based Payments by which PVW NL Group acquires the net assets and listing status of PVW Resources Limited.

Accordingly, the financial statements have been prepared as a continuation of the business and operations of PVW NL Group. As the deemed acquirer, PVW NL Group has accounted for the acquisition of PVW Resources Ltd from 15 February 2021. The comparative information for the period ended 31 December 2021 is that of PVW NL Group.

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 Group has a history of incurring trading losses and net cash outflows from operating activities. For the half-year ended 31 December 2021, the Group incurred a loss of \$4,435,759 (31 December 2020: \$352,494) and cash outflows from operating activities of \$2,509,305 (31 December 2020: \$236,473). The business has been funded as required via capital raising activities. During the prior financial year, the entity completed a share placement and raised \$4.2 million (net of capital raising costs) as part of the acquisition of PVW NL Group.

The Directors have prepared a cashflow forecast which indicates that the Company need to raise additional capital to meet all commitments and workings capital requirements for the period 12 months from the date of signing this report. The ability of the Group to continue as a going concern is dependent on:

- The ability of the Group to raise capital from equity markets as required; and
- Containing cash outflows based on working capital requirements.

Note 2. Significant accounting policies (continued)

The above conditions represent a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

The Directors have assessed the Group's ability to continue as a going concern and have not identified any significant risks.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates only in one business and geographical segment being predominantly in the area of mineral exploration and exploitation in Western Australia. The Group considers its business operations in mineral exploration and exploitation to be its primary reporting function.

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. There is no aggregation of operating segments.

Note 4. Exploration expenses

	31 December 2021	31 December 2020
	\$	\$
Personnel	184,920	83,034
Drilling	305,136	-
Tenement rents, rates and others	203,094	94,881
Tenement purchase	503,667	2,848
Rehabilitation	3,472	-
General contractors	386,978	38,197
Other exploration expenses	330,065	-
	<u>1,917,332</u>	<u>218,960</u>

Note 5. Other expenses

	31 December 2021	31 December 2020
	\$	\$
Accounting services	71,248	-
Marketing expense	64,998	-
Other expenses	262,221	57,691
	<u>398,467</u>	<u>57,691</u>

Note 6. Trade and other receivables

	31 December 2021 \$	30 June 2021 \$
<i>Current assets</i>		
Trade receivables	9,146	9,146
Less: Allowance for expected credit losses	(5,998)	(5,998)
	<u>3,148</u>	<u>3,148</u>
Other receivables	14,262	6,862
GST receivable	69,177	93,651
	<u>86,587</u>	<u>103,661</u>

Note 7. Property, plant and equipment

	31 December 2021 \$	30 June 2021 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	48,471	-
Less: Accumulated depreciation	(5,950)	-
	<u>42,521</u>	<u>-</u>
Motor vehicles - at cost	73,182	73,182
Less: Accumulated depreciation	(11,755)	(4,927)
	<u>61,427</u>	<u>68,255</u>
Computer equipment - at cost	10,627	5,140
Less: Accumulated depreciation	(5,412)	(4,285)
	<u>5,215</u>	<u>855</u>
Office equipment - at cost	1,108	1,108
Less: Accumulated depreciation	(430)	(354)
	<u>678</u>	<u>754</u>
	<u>109,841</u>	<u>69,864</u>

Reconciliations

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

	Computer equipment \$	Motor vehicles \$	Office equipment \$	Plant and equipment \$	Total \$
Balance at 1 July 2021	855	68,255	754	-	69,864
Additions	5,487	-	-	48,471	53,958
Depreciation expense	(1,127)	(6,828)	(76)	(5,950)	(13,981)
	<u>5,215</u>	<u>61,427</u>	<u>678</u>	<u>42,521</u>	<u>109,841</u>

Note 8. Right-of-use assets

	31 December 2021	30 June 2021
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	193,959	193,958
Less: Accumulated depreciation	(43,102)	(10,775)
	<u>150,857</u>	<u>183,183</u>
Office equipment - right-of-use	6,440	6,440
Less: Accumulated depreciation	(1,252)	(179)
	<u>5,188</u>	<u>6,261</u>
	<u>156,045</u>	<u>189,444</u>

Reconciliations

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

	Land and buildings	Office equipment	Total
	\$	\$	\$
Balance at 1 July 2021	183,183	6,261	189,444
Depreciation expense	(32,326)	(1,073)	(33,399)
Balance at 31 December 2021	<u>150,857</u>	<u>5,188</u>	<u>156,045</u>

Note 9. Trade and other payables

	31 December 2021	30 June 2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	125,948	410,226
Accruals	25,980	310,303
Other payables	27,397	20,756
	<u>179,325</u>	<u>741,285</u>

Note 10. Lease liabilities

	31 December 2021	30 June 2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>69,663</u>	<u>59,201</u>
<i>Non-current liabilities</i>		
Lease liability	<u>91,505</u>	<u>131,348</u>

Note 10. Lease liabilities (continued)

	31 December 2021	31 December 2020
	\$	\$
<i>Amount recognised in profit of loss</i>		
Interest on lease liabilities	(3,566)	(629)
Amortisation	(33,399)	(10,954)
	<u>(36,965)</u>	<u>(11,583)</u>

Note 11. Provisions

	31 December 2021	30 June 2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	<u>33,753</u>	<u>20,449</u>
<i>Non-current liabilities</i>		
Environmental	<u>300,000</u>	<u>300,000</u>

Rehabilitation

The provision for rehabilitation relates to the estimated cost of rehabilitation work to be carried out in relation to the Jungle Well tenement.

Note 12. Issued capital

	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>72,585,413</u>	<u>71,085,412</u>	<u>13,366,769</u>	<u>13,119,269</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	71,085,412		13,119,269
Share issued on acquisition of Stark	9 September 2021	<u>1,500,001</u>	\$0.1650	<u>247,500</u>
Balance	31 December 2021	<u>72,585,413</u>		<u>13,366,769</u>

Ordinary shares

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

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

Share buy-back

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

Note 13. Reserves

	31 December 2021	30 June 2021
	\$	\$
Share-based payments reserve	2,730,292	587,122

Note 14. Acquisition of Stark Resources Pty Ltd

On 7 September 2021, the Company completed the acquisition of 100% of the issued capital in Stark Resources Pty Ltd ("Stark Resources"). The acquisition does not meet the definition of a business combination under AASB 3 Business Combinations as Stark Resources does not meet the definition of a business under AASB 3. Accordingly, the acquisition has been accounted for as an asset acquisition.

The total consideration for the acquisition is \$502,200 as follows:

- Cash payment of \$15,000
- 1,500,001 fully paid ordinary shares of the Company valued at \$247,500 using share price of \$0.165 on acquisition date.
- 850,000 Tranche A Performance Rights valued at \$122,400 (refer to note 15 for further details)
- 850,000 Tranche B Performance Rights valued at \$117,300 (refer to note 15 for further details)

The fair value of identifiable assets and liabilities of Stark Resources as at the date of the acquisition is as follows:

	31 December 2021
	\$
Current assets	9,831
Current liabilities	(85,262)
Net assets acquired	(75,431)

Note 15. Share-based payments

Total share-based payment transactions recognised during the period were as follows:

	31 December 2021	31 December 2020
	\$	\$
Options issued	1,903,470	-
Performance rights issued (see note 14)	239,700	-
	2,143,170	-

Options

During the half year ended 31 December 2021, the following options were issued:

- 3,000,000 unlisted options were issued as part of the remuneration agreed for a consulting agreement. The option is exercisable within 18 months of the date of issue (21 October 2021) and expires on 21 April 2023. The exercise price for this option is \$0.30.
- 3,000,000 unlisted options were issued as part of the remuneration on a Corporate Advisory mandate agreement. The option is exercisable at \$0.30 on or before 31 December 2023.

Note 15. Share-based payments (continued)

Set out below are summaries of options granted:

						Number of options 31 December 2021	Weighted average exercise price 31 December 2021
Outstanding at the beginning of the financial half-year						2,400,000	\$0.0000
Granted						6,000,000	\$0.3000
Outstanding at the end of the financial half-year						8,400,000	\$0.0000
31 December 2021							
Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Expired/ forfeited/ other	Exercised	Balance at the end of the half-year
30/01/2021	29/01/2024	\$0.3000	2,400,000	-	-	-	2,400,000
21/10/2021	21/04/2023	\$0.3000	-	3,000,000	-	-	3,000,000
26/10/2021	31/12/2023	\$0.3000	-	3,000,000	-	-	3,000,000
			2,400,000	6,000,000	-	-	8,400,000
Weighted average exercise price			\$0.3000	\$0.3000	\$0.0000	\$0.0000	\$0.3000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.64 years (30 June 2021: 2.58 years).

Performance Rights

During the half year ended 31 December 2021, the Company has issued 850,000 of Performance Rights Tranche A and 850,000 Performance Rights Tranche B as consideration for the acquisition of Stark Resources Pty Ltd (See note 14 for further details). The performance rights will vest and convertible into shares on the achievement of the following vesting conditions:

Tranche A rights vesting on:

- the completion of 3,000m of drilling on the mining tenements; and
- the 20-day VWAP of the Company's shares exceeding \$0.25 prior to the expiry date.

Tranche B rights vesting on:

- the mining tenements having a minimum of 3 significant drilling intersections of at least 5m @ 5 g/t Au or equivalent, or 25m @ 1 g/t Au or equivalent, at a minimum step out of 50m x 50m; and
- the 20-day VWAP of the Company's shares exceeding \$0.30 prior to the expiry date.

The Rights also vest if there is a change of control event in relation to the Company prior to the conversion of the performance rights. If this occurs, then the milestones will be deemed to have been achieved by the date of the change of control event, and each Right will automatically and immediately convert into shares.

The performance rights were granted on 7 September 2021 and has a period of 3 years from grant date. No payment is required to be made for conversion of a performance right to a share. To the extent that the performance rights have not converted into shares on or before the expiry date, all unconverted performance rights held will automatically lapse.

Note 15. Share-based payments (continued)

Set out below are summaries of performance rights granted :

	Number of rights 31 December 2021	Weighted average exercise price 31 December 2021
Outstanding at the beginning of the financial half-year	3,200,000	\$0.0000
Granted	<u>1,700,000</u>	\$0.0000
Outstanding at the end of the financial half-year	<u>4,900,000</u>	\$0.0000

31 December 2021	Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
	29/12/2020	28/12/2025	\$0.0000	3,200,000	-	-	-	3,200,000
	07/09/2021	07/09/2024	\$0.0000	-	850,000	-	-	850,000
	07/09/2021	07/09/2024	\$0.0000	-	850,000	-	-	850,000
				<u>3,200,000</u>	<u>1,700,000</u>	-	-	<u>4,900,000</u>

During the half year, the Directors have assessed the likelihood for the milestones for the performance rights being met. Accordingly, \$239,700 have been expensed during the year as share based payments.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.07 years (30 June 2021: 4.50 years).

Valuation and input

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/01/2021	29/02/2024	\$0.0000	\$0.3000	97.00%	-	0.08%	\$0.1060
21/10/2021	21/04/2023	\$0.5000	\$0.3000	100.00%	-	0.55%	\$0.3361
20/10/2021	31/12/2023	\$0.5100	\$0.3000	100.00%	-	0.55%	\$0.2984

For the performance rights granted during the current half-half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/09/2021	07/09/2024	\$0.1650	\$0.0000	100.00%	-	0.19%	\$0.1440
07/09/2021	07/09/2024	\$0.1650	\$0.0000	100.00%	-	0.19%	\$0.1380

Note 16. Related party transactions

Parent entity

PVW Resources Limited is the parent entity.

Transactions with related parties

There were no material change to transactions with related parties from the previous financial year.

Loans to/from related parties

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

Note 17. 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.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 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 'David Wheeler', written over a horizontal line.

David Wheeler
Non-executive Chairman

14 March 2022
Perth

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

Conclusion

We have reviewed the accompanying half-year financial report of PVW Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, 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 PVW Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the PVW Resources Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$4,435,759 during the half year ended 31 December 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the PVW 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 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity'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 other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD
Chartered Accountants

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 14th day of March 2022
Perth, Western Australia

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