HAVILAH RESOURCES LIMITED

ABN 39 077 435 520

ANNUAL REPORT
2022

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Forward-looking Statements

This Annual Report prepared by Havilah Resources Limited includes forward-looking statements. Forward-looking statements may be identified by the use of 'may', 'will', 'expect(s)', 'intend(s)', 'plan(s)', 'estimate(s)', 'anticipate(s)', 'continue(s)', and 'guidance', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs of production.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Group operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on the Group and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions on which forward-looking statements are based will prove to be correct, or that the Group's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Group or management or beyond the Group's control. Given the ongoing uncertainty relating to the duration and extent of the COVID-19 pandemic, and the impact it may have on the demand and price for commodities (including copper and gold), on our suppliers and workforce, and on global financial markets, the Group continues to face uncertainties that may impact on its operating activities, financing activities and/or financial results. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Although the Group attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward-looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Group. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this Annual Report speak only at the date of issue. Subject to any continuing obligations under applicable law or the ASX Listing Rules, in providing this information the Group does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Cover: Kalkaroo exploration basecamp owned by the Group (photograph courtesy of Geoff Borg – Havilah's Principal Environmental Advisor).

ABOUT HAVILAH

Key Strengths

- Advanced stage multi-commodity mineral portfolio located in northeastern South Australia, near Broken Hill.
- Successful exploration discovery track record combined with a large contiguous ground position in the highly prospective but under-explored Curnamona Province that is also host to the giant Broken Hill orebody.

Key Assets and Attributes

Copper–gold–cobalt

- **Kalkaroo:** Kalkaroo is one of the larger undeveloped open pit copper-gold deposits in Australia, based on a 100 million tonne JORC Ore Reserve (90% is in the Proved classification).
- A large mineralised system, with mineralisation occurring in a variety of structural settings and rock types.
- **Mutooroo:** Comparatively high-grade open pit and underground copper deposit (1.53%) with appreciable cobalt (20,200 tonnes). Mutooroo is one of the larger and higher-grade undeveloped sulphide cobalt deposits associated with copper in Australia.
- Considerable exploration discovery upside for resource expansion of both Kalkaroo and Mutooroo deposits along strike, down-dip and in adjacent areas.

Iron ore

- **Maldorky and Grants:** Combined JORC Mineral Resource of 451 million tonnes of iron ore in close proximity to the Barrier Highway and Transcontinental railway line to Port Augusta. With its high-yields (40%) and high iron recoveries (85%) Maldorky iron ore is amenable to efficient upgrading to a 65% Fe high-quality product (with relatively low impurities) that potentially could be suitable for pelletising.
- **Grants Basin:** An Exploration Target***** of 3.5-3.8 billion tonnes with a grade range of 24-28% Fe (applying an 18% iron assay cut-off grade) covering only 25% of the known iron ore basin area. Lies adjacent to the Barrier Highway and Transcontinental railway line.

  ***** Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Conflict-free, strategic and/or critical minerals

- Rare earth elements (‘REE’), molybdenum, sulphur, tin and tungsten potential, in association with existing JORC Mineral Resources for copper, gold, cobalt, iron ore and uranium oxide.

Exploration upside

- ~16,000 km^2 of mineral tenements in the Curnamona Province, covering some of the most prospective and under-explored geological terrain in Australia for copper, gold, cobalt, iron ore, REE and uranium. Refer to havilah-resources-projects.com/exploration for further information.

Favourable logistics and infrastructure, low sovereign risk, Tier 1 mining jurisdiction [1]

- Located in northeastern South Australia in proximity to the Transcontinental railway line, Barrier Highway and regional mining centre of Broken Hill with its skilled workforce. South Australia has a stable regulatory environment, is a low sovereign risk jurisdiction, with a mining friendly government that actively encourages mineral exploration and development. South Australia’s regulatory regime encourages the highest ESG (environmental, social and governance) standards.

Experienced technical team

- Havilah’s current technical team has an exceptional track record of exploration success (including the delineation of 8 JORC Mineral Resources) and has developed and previously operated the Portia gold mine. Havilah operates its own drilling crew, which has been one of the keys to its cost-effective and successful exploration.

Key Strategic Objectives

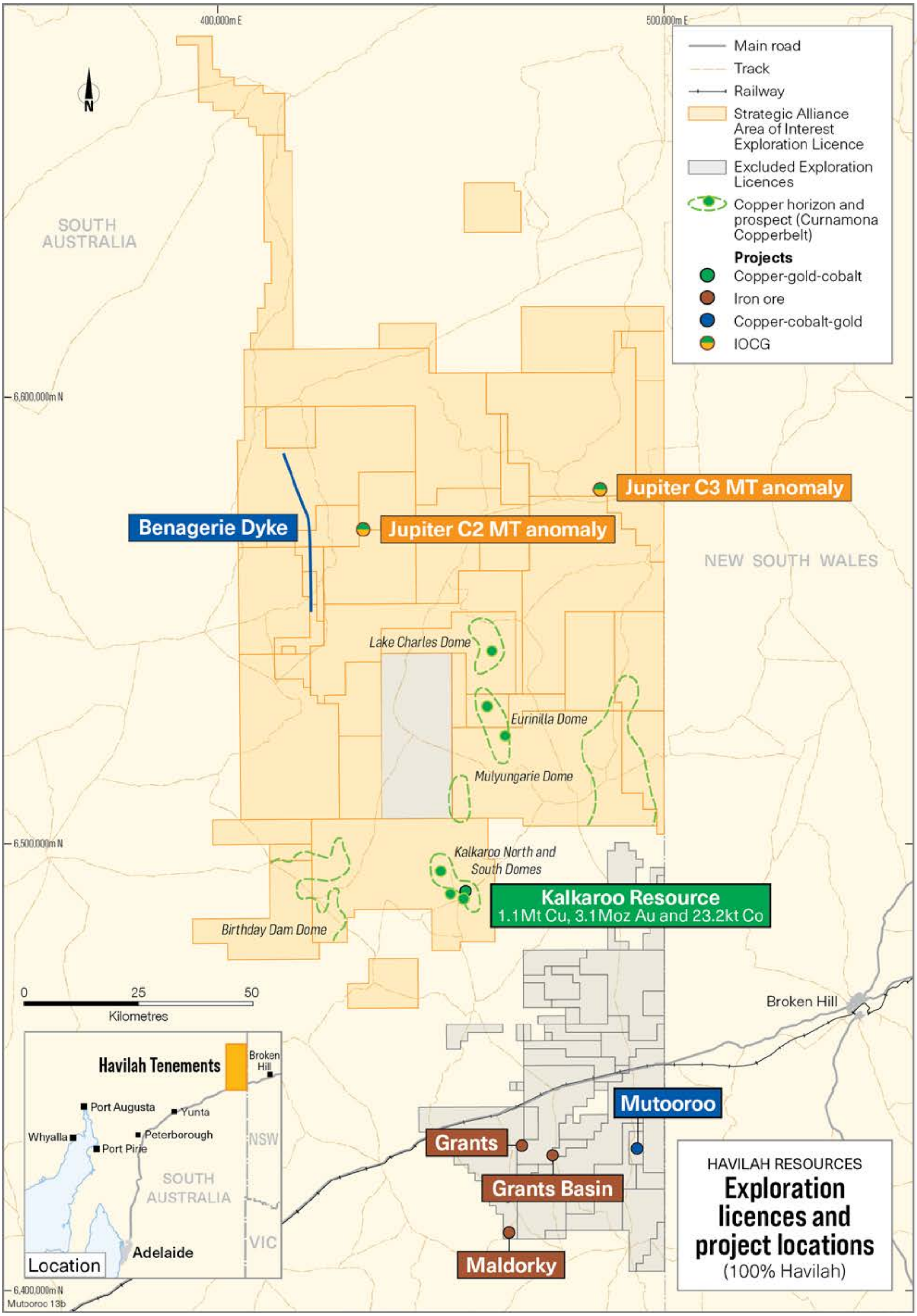
Havilah’s underlying objective that guides all of its activities is to maximise returns to shareholders via strategic management of its multi-commodity mineral portfolio in South Australia, which is being achieved by:

- Progressively de-risking its advanced mineral projects to attract investment partners via farm-out or asset sale.
- New exploration discoveries on its large and highly prospective Curnamona Province mineral tenement holding.

Key Risks

Key risks identified by the Board of Directors as being specific to the Group and its operations and reasonably anticipated by the Board are set out on pages 69 and 70. It is important to note that the risks listed are not an exhaustive list of the risks relevant to the Group.

[1] South Australia was ranked 10th best jurisdiction for global investment attractiveness by the independent Fraser Institute Annual Survey of Mining Companies 2021.



Havilah's deposit, prospect and tenement portfolio in northeastern South Australia, near Broken Hill, including the location of the Kalkaroo project and Curnamona Province Strategic Alliance Area of Interest exploration licences.

LETTER FROM THE BOARD OF DIRECTORS

The Board's strategic objective is to maximise the fair value of Havilah's multi-commodity mineral portfolio either by production, sale or farm-out with suitable well-funded partners. The Kalkaroo Option with OZ Exploration Pty Ltd ('OZ Exploration') is an important first step in potentially achieving this objective.

On 16 May 2022 a conditional binding Terms Sheet was signed with OZ Minerals Limited and OZ Exploration (together 'OZ Minerals') in relation to a Proposed Transaction comprising key elements of the grant of an option to purchase the Kalkaroo copper-gold-cobalt project ('Kalkaroo Option') and a strategic alliance in the copper-rich Curnamona Province of South Australia. At the general meeting held on 31 August 2022, Havilah sought and obtained shareholder approval of the Proposed Transaction and disposal of interest in the Kalkaroo copper-gold-cobalt project in accordance with the Kalkaroo Transaction (the grant and exercise of the Kalkaroo Option).

The Board is very pleased to have formed a strategic alliance with OZ Exploration, which aims to harness the respective skills of both companies to explore and develop Australia's next great copper province. Funding provided under the Curnamona Province Strategic Alliance will allow Havilah to accelerate exploration for new copper deposits in the Area of Interest tenements that potentially could be additive to Kalkaroo, as well as advancing our other promising mineral projects south of the Barrier Highway.

Exercise of the Kalkaroo Option by OZ Exploration would result in monetisation of Kalkaroo without Havilah taking on the longer-term development and financing risks inherent in a large new mining project at this time. Establishing a new copper hub in the Curnamona Province could also promote regional development in northeastern South Australia and have potentially significant positive flow on effects within local communities.

The Mutooroo project also offers a significant regional development opportunity with copper and cobalt; as well as gold and sulphur, if feasible. Mutooroo is one of the larger and higher-grade undeveloped sulphide cobalt deposits associated with copper in Australia. Pre-feasibility studies of existing copper-cobalt mineral resources are in progress. Our focus going forward will be on identifying additional high-grade extensions to the current Mutooroo resource. While copper is the dominant driver of project economics, unlocking the value of cobalt as a significant by-product credit has the potential to enhance project returns.

The Mutooroo Project Area remains under-explored and highly prospective for copper and cobalt. Evaluation of existing geological, geophysical and geochemical data has identified many robust copper-cobalt exploration targets that will be followed up as part of the Mutooroo spoke and hub development concept. Size and grade of discoveries do not need to be stand-alone as the copper sulphide ore could be additional feed for a proposed Mutooroo sulphide ore processing plant. Regional copper-cobalt exploration across the Mutooroo Project Area is just beginning and we are excited by the potential for resource growth.

At Grants Basin, Havilah plans to conduct a shallow reverse circulation resource delineation drilling program at the western end of the ore deposit, initially targeting a maiden JORC open pit Mineral Resource of at least 0.5 billion tonnes of iron ore. Indications are that Grants Basin is a Pilbara-scale iron ore deposit. The Braemar iron region in northeastern South Australia is a well-recognised host to several defined iron ore deposits, including Havilah's 100% owned Maldorky and Grants iron ore projects. With its high-yield (40%) and high iron recoveries (85%) Maldorky iron ore is amenable to efficient upgrading to a 65% Fe high-quality product that potentially could be suitable for pelletising. Havilah intends to unlock the full potential of its iron ore assets, with the aim of attracting a suitable investment partner with an interest in securing high-grade iron ore feedstock for 'green' steel.

Another of Havilah's strategic assets is its ~16,000 km^2 tenement holding in the Curnamona Province that is prospective for a variety of commodities. Maintaining a large strategic tenement holding is fundamentally important because it gives Havilah the opportunity to replace any JORC Mineral Resources, that it may sell or farm-out, through new economic discoveries. A key Board objective is to maintain an active program of exploration work on projects and prospects that have the most potential for new discoveries. This objective will be greatly assisted by exploration funding provided under the Curnamona Province Strategic Alliance. We believe the Curnamona Province has yet to realise its full potential.

Economic, geopolitical, and environmental issues have highlighted the need for more secure and sustainable sources of uranium. Havilah holds an exceptionally well-positioned uranium exploration footprint in the Curnamona Province and is encouraged by the success of the neighbouring Honeymoon uranium project. The Board believes Havilah's uranium assets are undervalued within the current group structure and accordingly is continuing to pursue a proposed new initial public offering ('IPO') to unlock the value of its uranium assets.

We thank all shareholders, employees and contractors for their continued support as we move forward to realise the latent value in Havilah's multi-commodity mineral portfolio for the benefit of all stakeholders.

Simon Gray, Victor Previn and Chris Giles

DIRECTORS' REPORT

The Directors present their report on Havilah Resources Limited and its subsidiaries (the 'Group') for the financial year ended 31 July 2022 (the 'financial year'). All monetary amounts are presented in Australian dollars, unless otherwise indicated.

Havilah Resources Limited ('Havilah' or 'Company') is an Australian public company limited by shares and is listed on the Australian Securities Exchange ('ASX').

Directors
The Directors of the Company at the date of this Directors' Report are:

Mr Simon Gray (Executive Director – Chairman)
Mr Victor Previn (Independent Non-Executive Director)
Dr Christopher Giles (Executive Director – Technical Director)

Detailed below are the Directors who held office during or since the end of the financial year:

Mr Simon Gray *B.Ec (Com) CA*
Appointed 9 October 2019
Simon has over 35 years' experience as a chartered accountant including 20 years as a partner with Grant Thornton, a national accounting firm. During his last 5 years at the firm, he was responsible for the Grant Thornton Mining and Energy group. Simon retired from active practice during July 2015. His key expertise lies in audit and risk, valuations, due diligence and ASX listings. Simon currently serves as the Company Secretary of Nova Eye Medical Limited (ASX: EYE), and Company Secretary and Chief Financial Officer of Vintage Energy Ltd (ASX: VEN). Simon is also Chair of the Audit and Finance Committee of the Flinders Medical Research Foundation and is a Director of several unlisted companies. Simon is a member of Chartered Accountants Australia & New Zealand and a resident of Adelaide.

Special Responsibilities
Member of the Audit and Risk, Nomination, and Remuneration Committees.

Directorships of Other ASX Listed Entities during the Last 3 Years
None.

Havilah Shares and Share Options
198,823 fully paid ordinary shares (including his personally related parties).
2,000,000 unlisted Director share options each with an exercise price of $0.265 expiring on 21 December 2024.

Mr Victor Previn *B.Eng*
Appointed 9 October 2019
Victor is a professional engineer and one of the original founders of Nova Eye Medical Limited (formerly, Ellex Medical Lasers Limited). It is listed on the ASX as EYE. His career spans more than 35 years in both the ophthalmic laser industry and the wider ophthalmic device sector. Victor was responsible for developing and commercialising the technology platform that is now the core of Nova Eye Medical Limited's current production. He has spent more than 3 decades in the ophthalmic laser industry travelling widely throughout Asia, Europe and the USA in a business development capacity. Victor is a long-term shareholder of Havilah and resides in Adelaide.

Special Responsibilities
Chairman of the Audit and Risk, Nomination, and Remuneration Committees.

Directorships of Other ASX Listed Entities during the Last 3 Years
Nova Eye Medical Limited.

Havilah Shares and Share Options
2,451,622 fully paid ordinary shares (including his personally related parties).
2,000,000 unlisted Director share options each with an exercise price of $0.265 expiring on 21 December 2024.

DIRECTORS' REPORT

Directors *(continued)*

Dr Christopher Giles *B.Sc (Hons), PhD, MAIG*
Appointed 11 February 1997
Chris is an internationally experienced exploration geologist having been directly involved in exploration programs resulting in the discovery of several operating gold mines in various parts of the world, including Indonesia, Tanzania, and the Tanami and the Eastern Goldfields regions of Australia. Chris was a founding member of Havilah Resources Limited and has played a key role in the strategic accumulation of the Group's mineral tenement holding in the Curnamona Province region of northeastern South Australia. As the Technical Director for Havilah Resources Limited, Chris has been responsible for ground selection and overseeing exploration programs contributing to the delineation of 8 new mineral resources within this tenement area, resulting in Havilah's present JORC Mineral Resource inventory. Chris is an Executive Director and continues to provide technical guidance within the business. Chris is a member of the Australian Institute of Geoscientists and is a resident of Adelaide.

Special Responsibilities
Member of the Audit and Risk, Nomination, and Remuneration Committees.

Directorships of Other ASX Listed Entities during the Last 3 Years
None.

Havilah Shares and Share Options
42,033,909 fully paid ordinary shares (including his personally related parties).
3,000,000 unlisted Director share options each with an exercise price of $0.265 expiring on 21 December 2024.

Company Secretary
Mr Simon Gray. Appointed 25 January 2019.

Meetings of Directors
The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each relevant Director (while they were a Director or Committee Member).

Meeting	Board of Directors		Audit and Risk Committee		Nomination Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B
Director								
Mr Simon Gray	8	8	3	3	1	1	1	1
Mr Victor Previn	8	8	3	3	1	1	1	1
Dr Christopher Giles	8	8	3	3	1	1	1	1

A. The number of meetings held during the time the Director held office during the financial year.
B. The number of meetings attended during the time the Director held office during the financial year.

Dividends
No dividends were paid or declared since the start of the financial year, and the Directors do not recommend the payment of dividends in respect of the financial year.

Principal Activities
The principal activities of the Group during the financial year were exploration for and evaluation of mineral resources (predominantly copper, gold, cobalt and iron ore) in South Australia. The objective is to translate exploration success into shareholder value by developing the JORC Ore Reserves and Mineral Resources into profitable operating mines and/or via sale or farm-out with suitable well-funded partners.

The Group's activities during the financial year are outlined in the Review of Operations below.

Matters Arising Subsequent to the End of the Financial Year
Other than the matters disclosed in Note 27 of the consolidated financial statements, there has been no matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' REPORT

Significant Changes in the State of Affairs

Contributed equity increased by $2,382,020 during the financial year as the result of the issue of ordinary shares via share placements. Details of the changes in contributed equity are disclosed in Note 18(b) to the consolidated financial statements.

On 16 May 2022 Havilah Resources Limited and Kalkaroo Copper Pty Ltd signed a conditional binding Terms Sheet with OZ Minerals in relation to a Proposed Transaction comprising key elements of the grant of an option to purchase the Kalkaroo copper-gold-cobalt project and a strategic alliance in the copper-rich Curnamona Province of South Australia.

Other than the matters noted above, no other significant changes in the state of affairs of the Group occurred during the financial year.

Shares and Share Options

At the date of this Directors' Report there are 316,639,210 fully paid ordinary shares and 17,516,874 unlisted share options outstanding. Details of share options outstanding over unissued ordinary shares in the Company are as follows:

Grant date	Number of share options	Exercise price per share option	Expiry date
11 July 2019 (Employee [1])	2,910,646	$0.22	11 July 2023
11 July 2019 (Employee [1])	3,006,228	$0.28	11 July 2023
3 May 2021 (Employee [1])	4,400,000	$0.25	30 April 2024
21 December 2021 (Employee [2])	200,000	$0.25	30 April 2024
21 December 2021 (Director [3])	7,000,000	$0.265	21 December 2024
Total	17,516,874		

[1] Unlisted share options issued to employees under the Company's Performance Rights and Share Option Plan.
[2] Unlisted share options issued to an employee, pursuant to a resolution approved by shareholders at the 2021 Annual General Meeting, under the Company's Performance Rights and Share Option Plan.
[3] Unlisted share options issued to Directors. The share options issued to Directors were issued pursuant to resolutions approved by shareholders at the 2021 Annual General Meeting.

For details of share options issued to Directors and other key management personnel of the Group as remuneration, refer to the Remuneration Report in this Directors' Report.

Further details of the Performance Rights and Share Option Plan and share options granted during the current and prior financial years are disclosed in Note 25 to the consolidated financial statements.

Indemnification of Directors, Officers and External Auditor

During the financial year the Group paid a premium in respect of a contract insuring Directors and officers of the Group against a liability incurred as such by a Director or officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance specifically prohibits disclosure of the nature of the liability and the amount of the premium. The Company has entered into an agreement with Directors to indemnify these individuals against any claims and related expenses that arise as a result of their work in their respective capacities.

The Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or external auditor of the Group or of any related body corporate, against a liability, incurred as such by an officer or external auditor.

Corporate Governance

The Group has adopted fit for purpose systems of control and accountability as the basis for the administration and compliance of effective and practical corporate governance. These systems are reviewed periodically and revised if appropriate. The Board of Directors is committed to administering the Group's policies and procedures with transparency and integrity, pursuing the genuine spirit of good corporate governance practice. To the extent they are applicable, the Group has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)*. As the Group's activities transform in size, nature and scope, additional corporate governance structures will be considered by the Board of Directors and assessed as to their relevance.

In accordance with the ASX Listing Rules, the Corporate Governance Statement and Appendix 4G checklist as approved by the Board of Directors are released to the ASX on the same day the Annual Report is released. The Corporate Governance policies and charters are available under the Corporate Governance tab on the Company's website.

DIRECTORS' REPORT

Environmental Sustainability
Havilah subscribes to the principle of sustainability across all of its operations. This includes minimising disturbance to the natural environment to the maximum extent practicable and where possible, helping to improve environmental outcomes through judicious conservation initiatives. Havilah practices this principle on Kalkaroo Station, which it owns.

Havilah's ESG (environmental, social and governance) credentials can be found on the Company's website.

Critical to long-term mining developments in the region is maintaining good relations with all stakeholders, including pastoralists, native title holders and the general community. Establishing a new copper hub in the Curnamona Province could promote regional development in northeastern South Australia and have potentially significant positive flow on effects within local communities.

The Curnamona Province is uniquely located in one of the most favourable places in Australia for combined wind and solar power generation. It is Havilah's goal to utilise these natural geographic advantages to maximise the generation and use of renewable energy.

The worldwide renewable energy transition is expected to create a surge in demand for critical minerals. These are the commodities with a central role in the drive for a clean energy future - elements such as copper for energy transmission; cobalt for energy storage; and uranium and REE for wind, solar and nuclear power energy generation. As a core metal used in renewable energy infrastructure, copper has 4 key properties (conductivity, ductility, efficiency and recyclability) that make it vital for the renewable energy transition. By exploring and developing Australia's next great copper province, Havilah expects to make a contribution in enabling this energy transition.

Iron ore will also be important in accelerating the worldwide movement from fossil fuels to renewables, given the essential role of steel in building out renewable energy infrastructure (power grids, electric networks and wind farms).

Environmental Regulations
The Group carries out exploration and evaluation activities on its mineral exploration tenements and relevant mining leases in South Australia. The Group's operations, exploration and evaluation activities are subject to a range of South Australian and Commonwealth environmental legislation and associated regulations, as well as site-specific environmental criteria. No material breaches of these compliance conditions occurred during the financial year.

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.

COVID-19 Pandemic
The Group continues to manage its operations in compliance with COVID-19 regulations issued by State and Commonwealth authorities. It proactively manages drilling and other field programmes to protect the health and wellbeing of its personnel, contractors and stakeholders. New COVID-19 variants and infection rates across the community continue to pose a risk. Accordingly, there are no guarantees that in the future further travel restrictions and border closings, stay-at-home and quarantine notices, or lockdowns will not be imposed by government, as events continue to unfold relating to the COVID-19 pandemic, its variants and the availability of new vaccines.

The financial year was adversely impacted by the availability of Havilah's drilling crew and technical staff due to COVID-19 absenteeism, and indirectly via delays in equipment delivery and restrictions in contractor movements.

Business Strategies and Prospects, Likely Developments and Expected Results of Operations
The Review of Operations sets out information on the business strategies and prospects for future financial years, refers to likely developments in operations and the expected results of those operations in future financial years. Information in the Review of Operations is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of the Group. Other than the matters included in this Directors' Report or elsewhere in this Annual Report, information about other likely developments in the Group's operations and the expected results of those operations have not been included. Details that could give rise to likely material detriment to Havilah, for example, information that is confidential, commercially sensitive or could give a third party a commercial advantage has not been included.

DIRECTORS' REPORT

Review of Operations

Kalkaroo Copper-Gold-Cobalt Project (HAV 100% ownership)

Havilah's 100% owned Kalkaroo copper-gold-cobalt deposit contains JORC Mineral Resources of 1.1 million tonnes of copper, 3.1 million ounces of gold and 23,200 tonnes of cobalt. It has an open pit JORC Ore Reserve of 100 million tonnes of which 90% is in the Proved classification (see JORC tables below). Kalkaroo is one of the larger undeveloped open pit copper-gold deposits in Australia.

Havilah has already secured the required mining permits (Mining Leases and Miscellaneous Purposes Licences) for the Kalkaroo project. It also owns the surrounding Kalkaroo Station pastoral lease, a non-mineral asset on which the Kalkaroo project is located, thus reducing land access risks for the project.

Large-scale open pit copper-gold development opportunities in Australia like Kalkaroo are rare, particularly at a time of escalating copper usage associated with the worldwide movement towards renewable energy and electrified transportation.

On 16 May 2022 Havilah signed a conditional binding Terms Sheet with OZ Minerals relating to a Proposed Transaction comprising the key elements of the grant of an option to OZ Exploration to purchase the Kalkaroo copper-gold-cobalt project and a strategic alliance to explore for copper in Havilah's extensive tenement holding in the Curnamona Province of northeastern South Australia (refer to ASX announcement of 17 May 2022). The Mutooroo copper-cobalt-gold project and the associated surrounding tenements are excluded from the Curnamona Province Strategic Alliance, as are Havilah's iron ore and uranium interests.

Havilah has evaluated many possibilities for development of Kalkaroo and the Board believes the terms negotiated with OZ Minerals offer the best opportunity to date for Havilah shareholders to potentially realise fair value for the Kalkaroo project.

The Group also executed full form definitive agreements with OZ Exploration that covered all aspects of the Proposed Transaction (refer to ASX announcement of 26 July 2022).

The remaining outstanding condition precedent as at 31 July 2022 for the Proposed Transaction to proceed was approval of the Kalkaroo Transaction by Havilah shareholders. Accordingly, a general meeting of shareholders was called for 31 August 2022 and associated Notice of Meeting documents prepared (refer to ASX announcement of 29 July 2022). The Independent Expert's Report concluded that the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, shareholders in the absence of a superior offer (refer to Schedule 4 of the Explanatory Memorandum attached to the Notice of Meeting).

At the general meeting of shareholders held on 31 August 2022, Havilah shareholders overwhelmingly approved the Proposed Transaction and disposal of interest in the Kalkaroo copper-gold-cobalt project in accordance with the Kalkaroo Transaction.

During the 18 month Kalkaroo Option period, OZ Exploration plans to undertake and sole fund a study and work program on the Kalkaroo Tenements (granted Mining Leases and Miscellaneous Purposes Licences) with the aim of progressing and completing an update to the current Kalkaroo project pre-feasibility study. The results of the study and work program will assist OZ Exploration in determining whether to exercise the Kalkaroo Option during the 18 month Kalkaroo Option period. If exercised, OZ Exploration would proceed with the purchase of 100% of the Kalkaroo copper-gold-cobalt project for a consideration payable to the Group of a cash payment of $205,000,000 at completion, and contingent consideration up to a maximum of $200,000,000 subject to the satisfaction of the relevant milestones.

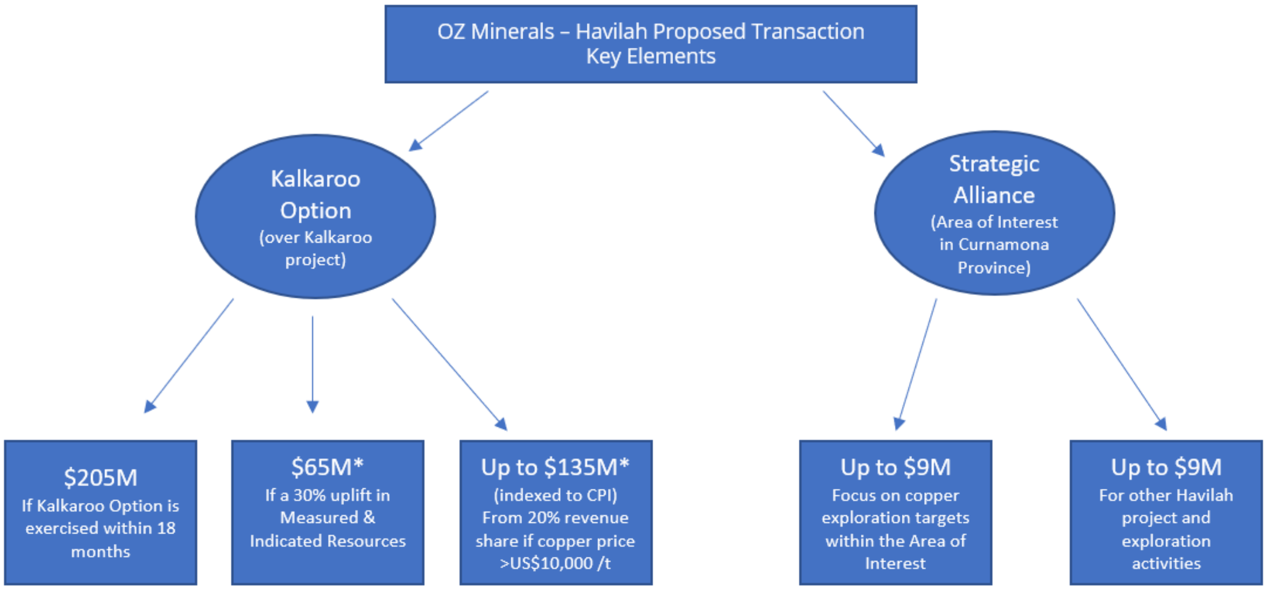
OZ Exploration may elect to not exercise the Kalkaroo Option at any time during the 18 month Kalkaroo Option period provided 5,000 metres has been drilled on the Kalkaroo Tenements or a shortfall payment (metres not drilled multiplied by $400) is paid to the Group (refer to ASX announcement of 17 May 2022, page 21).

Overall, the Proposed Transaction, as subsequently approved by Havilah shareholders at the 31 August 2022 general meeting, could provide substantial benefits for shareholders over time, as summarised in the following chart (Figure 1).

DIRECTORS' REPORT

Review of Operations *(continued)*

Kalkaroo Copper-Gold-Cobalt Project (HAV 100% ownership) (continued)



*Note: these two Kalkaroo project contingent payments are conditional on exercise of the Kalkaroo Option, completion of the acquisition and the milestones stated being achieved. For full details of the terms relating to these contingent payments refer to the Notice of Meeting released to the ASX on 29 July 2022.

Figure 1 *Summary chart of two main pillars of the Proposed Transaction and the possible benefits that could flow to Havilah.*

The Curnamona Province Strategic Alliance provides Havilah with the financial means to intensively explore its Curnamona Province tenements for new copper deposits that could be complementary to, and supportive of, a new mining development at Kalkaroo. OZ Exploration will pay the Company $1,000,000 per month for each month during the Alliance Period up to a maximum of $18,000,000. At least 50% of this amount must be used for costs and expenses incurred in relation to Strategic Alliance activities aimed at the discovery, location and delineation of copper dominant mineralisation and any work relating to the possible development and exploitation of minerals within the defined 12,000 km^2 Area of Interest tenement holding (see tenement map, page 3). The other 50% may be used by Havilah for its general working capital and corporate expenditure as determined by Havilah, which includes advancing Havilah's other promising mineral projects south of the Barrier Highway including the Mutooroo copper-cobalt-gold project and the Grants Basin iron ore project.

During the financial year the revised Program for Environment Protection and Rehabilitation ('PEPR') document for the proposed West Kalkaroo oxidised ore open pit, as required for the Department for Energy and Mining ('DEM') permitting approval, was essentially completed. In light of the above developments with OZ Minerals, the PEPR document has been withdrawn pending the results of the OZ Exploration study program and whether it decides to exercise the Kalkaroo Option.

Rare Earth Element Potential at Kalkaroo Project

Havilah has completed a considerable amount of research on the recovery of REE metals from the West Kalkaroo saprolite gold ore in collaboration with the Future Industries Institute at the University of South Australia. Bastnasite, a REE carbonate-fluoride mineral, has been identified as the primary REE host in West Kalkaroo oxidised copper-gold ore samples (refer to ASX announcement of 3 November 2020). Ongoing laboratory work has focused on how best to integrate bastnasite recovery into the oxidised ore processing flow sheet. This work was partially funded by an Accelerated Discovery Initiative ('ADI') grant, the results of which are reported on the Department for Energy and Mining SARIG website.

DIRECTORS' REPORT

Review of Operations *(continued)*

Mutooroo Copper-Cobalt-Gold Project (HAV 100% ownership)

Mutooroo is Havilah's advanced stage copper-cobalt-gold project that is located within commuting distance of Broken Hill, and 16 km south of the Transcontinental railway line and Barrier Highway. It contains 195,000 tonnes of copper, 20,200 tonnes of cobalt and 82,100 ounces of gold in Measured, Indicated and Inferred JORC Mineral Resources (see JORC table below). As such, Mutooroo is one of the larger and higher-grade undeveloped sulphide cobalt deposits associated with copper in Australia.

Cobalt within the Mutooroo resource is contained within the iron sulphide minerals, pyrite and pyrrhotite. These minerals can be separated and concentrated during the copper sulphide concentration process. The cobalt-bearing iron sulphides are potentially an attractive grade cobalt feedstock for subsequent processing to recover cobalt, and also if feasible, significant amounts of associated gold and sulphur. Havilah continues to investigate the best options for recovery of cobalt contained in the iron sulphide concentrates, to capture additional project revenue and so potentially improve returns from the Mutooroo project.

Havilah will use a portion of funding received from the Curnamona Province Strategic Alliance to advance the pre-feasibility study ('PFS') on the Mutooroo project. The PFS is based on current JORC Measured Resources, initially from an open cut mine that potentially transitions to a longer-term underground mining operation.

Seven reverse circulation ('RC') drillholes were completed at Mutooroo and reported during the financial year (refer to ASX announcement of 17 January 2022). This drilling confirmed the presence of 1-5 metre thicknesses of copper-cobalt massive sulphide lode, consistent with historical records of the sulphide lodes in cross-cuts in the mine workings in the vicinity. Encouraging grades of copper-cobalt mineralisation included:

- *Drillhole MTRC232* – 5 metres of 1.01% copper, 0.12% cobalt and 0.09 g/t gold (including 3 metres of 1.67% copper, 0.19% cobalt and 0.12 g/t gold) from 66 metres downhole; and
- *Drillhole MTRC233* – 5 metres of 1.7% copper, 0.18% cobalt and 0.13 g/t gold (including 2 metres of 2.13% copper, 0.22% cobalt and 0.19 g/t gold) from 95 metres downhole.

Assay results for a further 12 RC drillholes along strike at Mutooroo were reported after the end of the financial year. Eight of these drillholes supported the results for the earlier drillholes reported above, while 4 drillholes effectively closed off the sulphide lode at shallow depths along the southern strike extensions (refer to ASX announcement of 29 September 2022).

This RC drilling is part of the Mutooroo PFS with the primary objective to test for shallow, open pit copper-cobalt sulphide resources along strike from the existing Mutooroo resource and conceptual open pit design and below the shallow oxidised copper ore that was exploited via several historic mine shafts (Figure 2). The results of these drilling programs will inform a mineral resource update for the Mutooroo project as part of the PFS.

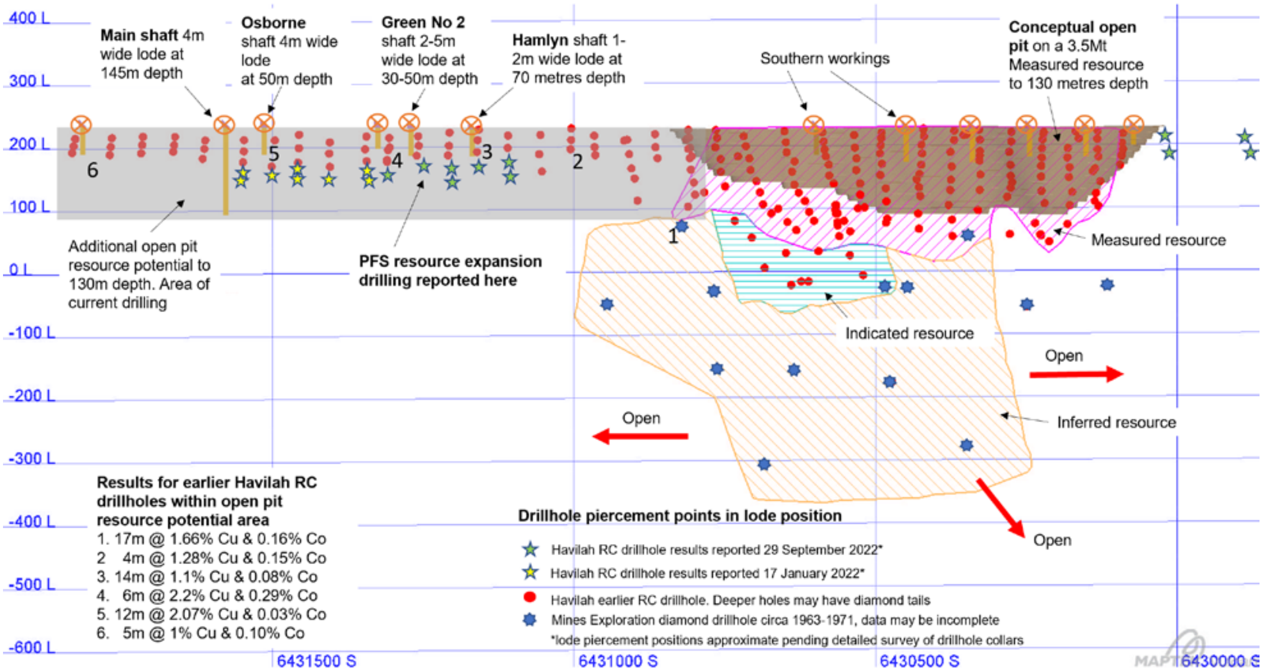


Figure 2 *Mutooroo mine long section showing the lode piercement points of RC drillholes completed during the financial year.*

DIRECTORS' REPORT

Review of Operations (continued)

Grants Basin, Maldorky and Grants Iron Ore Projects (HAV 100% ownership)
The Braemar iron region in northeastern South Australia is a well-recognised host to several defined iron ore deposits, including Havilah's 100% owned Maldorky and Grants iron ore projects. With its high-yield (40%) and high iron recoveries (85%) Maldorky iron ore is amenable to efficient upgrading to a 65% Fe high-quality product that potentially could be suitable for pelletising.

The Maldorky project has a JORC Indicated Mineral Resource of 147 Mt of 30.1% iron at an 18% iron cut-off (see JORC table below). It is located approximately 90 km southwest of Broken Hill, and 26 km south of the Barrier Highway and Transcontinental railway line. The iron ore resource is contained in a flat tabular deposit with thin overburden, making it well suited to an open pit mining operation. Granting of the Mining Lease for Maldorky continues to be dependent on obtaining a signed Native Title Mining Agreement and successful land access negotiations.

Havilah has previously reported an iron ore Exploration Target***** at Grants Basin of 3.5-3.8 billion tonnes of 24-28% iron (refer to ASX announcement of 5 April 2019). The western end of this Exploration Target***** crops out as a solid body of iron ore at least 270 metres thick from surface.

When drilling capacity becomes available, Havilah plans to conduct a shallow RC resource delineation drilling program that is designed to convert a portion of the western end Exploration Target***** to a maiden JORC open pit Mineral Resource, initially targeting at least 0.5 billion tonnes of iron ore. The drilling is planned on existing, infill and extensional lines within the Exploration Target***** area, with holes nominally spaced 100 metres along lines 200 metres apart.

The results from this drilling program will define a maiden JORC open pit iron ore resource for the Grants Basin iron ore project that will form part of a mining scoping study.

Havilah intends to unlock the full potential of its iron ore assets, with the aim of attracting a suitable investment partner with an interest in securing high-grade iron ore feedstock for 'green' steel.

***** Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

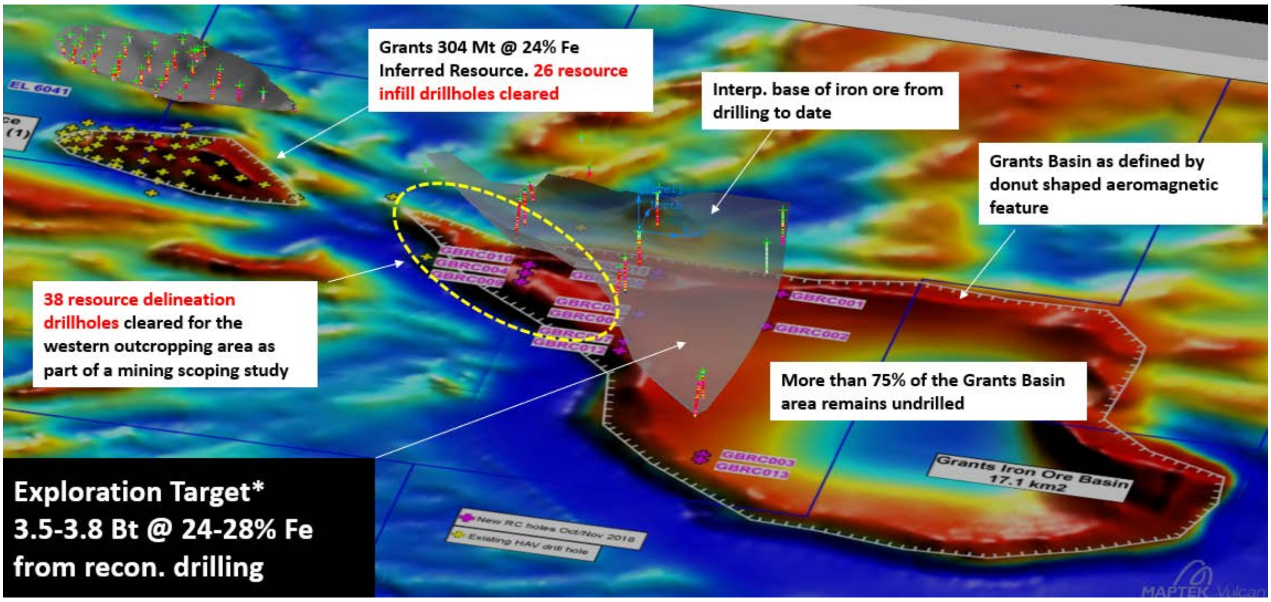


Figure 3 *A several thousand metre shallow RC drilling program is planned at the western end of the Grants Basin with the objective of defining a maiden JORC open pit iron ore resource that will form part of a mining scoping study. Additional RC drillholes are also proposed to improve confidence in the existing Grants iron ore resource and elevate it to JORC Indicated classification (if feasible).*

Havilah was not able to commence a resource delineation drilling program during the financial year, as planned, due to COVID-19 related delays, including a several month delay in taking delivery of a new air compressor.

DIRECTORS' REPORT

Review of Operations *(continued)*

Exploration Strategy
One of Havilah's strategic assets is its ~16,000 km^2 under-explored tenement holding in the Curnamona Province, that is prospective for a variety of commodities including several strategic and critical minerals such as copper, cobalt, molybdenum, sulphur, REE, tin and tungsten. Exploration for new economic discoveries leveraging off Havilah's large prospective tenement holding and utilising the Company's extensive knowledge base is a key objective.

Despite hosting the giant lead-zinc-silver ore deposit at Broken Hill, much of the South Australian portion of the Curnamona Province is under-explored due to extensive sedimentary cover. The geological similarity of the Curnamona Province to the eastern Gawler Craton and the Mount Isa-Cloncurry Block indicates similar prospectivity for major ore deposits.

Accordingly, a key Board objective is to maintain an active program of exploration work on projects and prospects that have the most potential for new discoveries. This objective will be greatly assisted by the exploration funding provided under the Curnamona Province Strategic Alliance.

Mutooroo Project Area (HAV 100% ownership)
Havilah's exploration strategy is to discover additional copper-cobalt-gold resources in the Mutooroo Project Area that could support a central mining and processing operation centred on the Mutooroo copper-cobalt deposit. Havilah intends to systematically explore the Mutooroo Project Area, with an experienced exploration geologist presently dedicated to this task.

The Mutooroo Project Area is particularly attractive for exploration owing to the generally thin cover, applicability of surface geochemical sampling methods and electrical geophysical methods. The area has the major logistical advantage of being close to Broken Hill, the Barrier Highway and Transcontinental railway line. All known prospects are located within trucking distance of the Mutooroo copper-cobalt deposit and the terrain is generally flat.

Evaluation of existing geological, geophysical and geochemical data for the Mutooroo Project Area has identified many robust copper-cobalt exploration targets on several priority prospects (Figure 4) that will be followed up during 2022, as part of the Mutooroo spoke and hub development concept, subject to drilling rig availability and weather conditions.

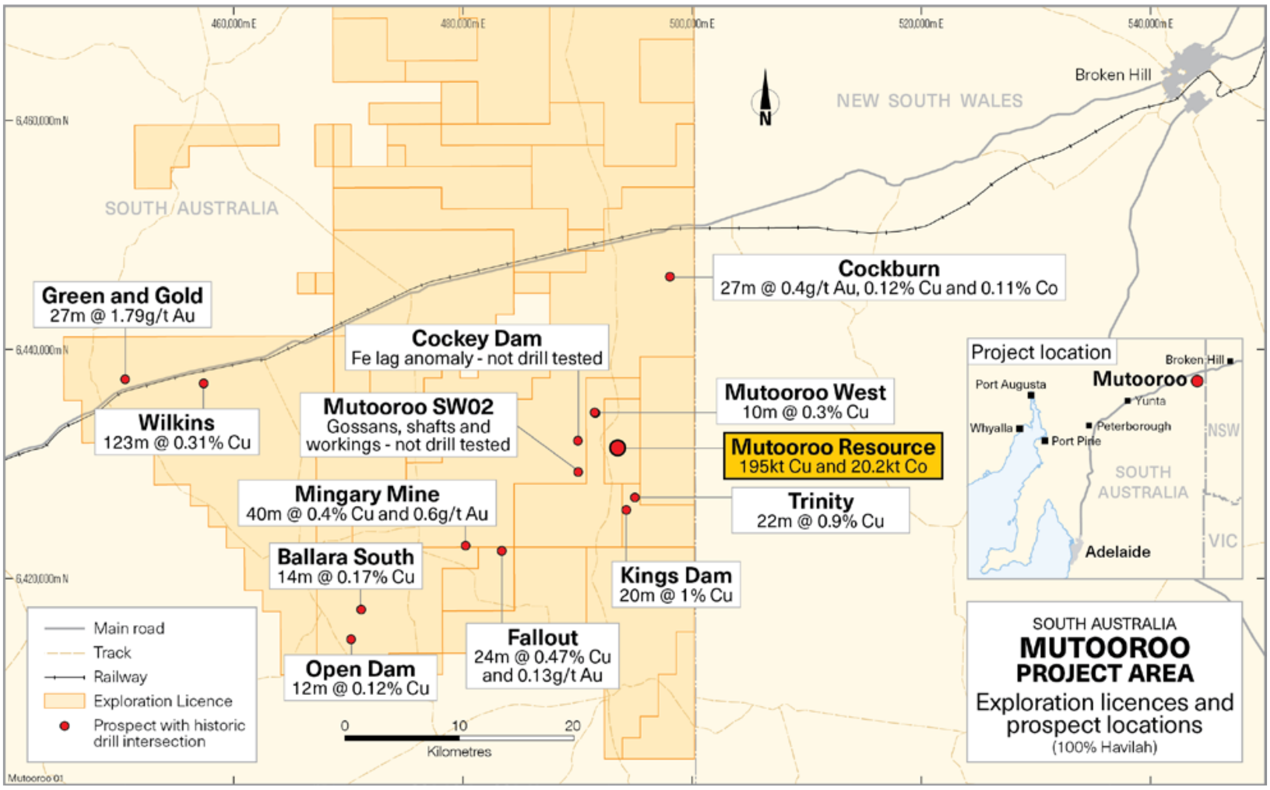


Figure 4 *Locations of the Mutooroo copper-cobalt deposit and known prospects within the highly prospective Mutooroo Project Area.*

DIRECTORS' REPORT

Review of Operations *(continued)*

Jupiter MT and Benagerie Dyke (HAV 100% ownership)
The Benagerie Dyke is a prominent linear magnetic feature that extends for at least 28 km along the interpreted western rifted margin of the Benagerie Ridge (Figure 5). Its origin is unknown as it has never been drilled, but the geometry suggests that it could represent a mafic/ultramafic intrusive complex. If so, it could be prospective for the Julimar style PGE-Ni-Cu-Co-Au mineralisation that was discovered near Perth during March 2020.

The Exploration Drilling - Benagerie Dyke project has been approved for ADI matched funding of $175,000 to assist Havilah to undertake geophysical surveying and follow-up drill testing, with the objective of determining the origin of the Benagerie Dyke and its mineralisation potential (refer to ASX announcement of 22 June 2022).

The Benagerie Dyke coincides with the C2 magnetotelluric ('MT') conductive feature (Figure 6), which lies above the major deep crustal C1 conductor that was defined by a previous ADI collaborative study (Jupiter MT Anomaly Definition Study) with The University of Adelaide. It is also marked by a deep-seated magnetic susceptibility feature. A full copy of the Jupiter MT ADI report is available on the Department for Energy and Mining SARIG website.

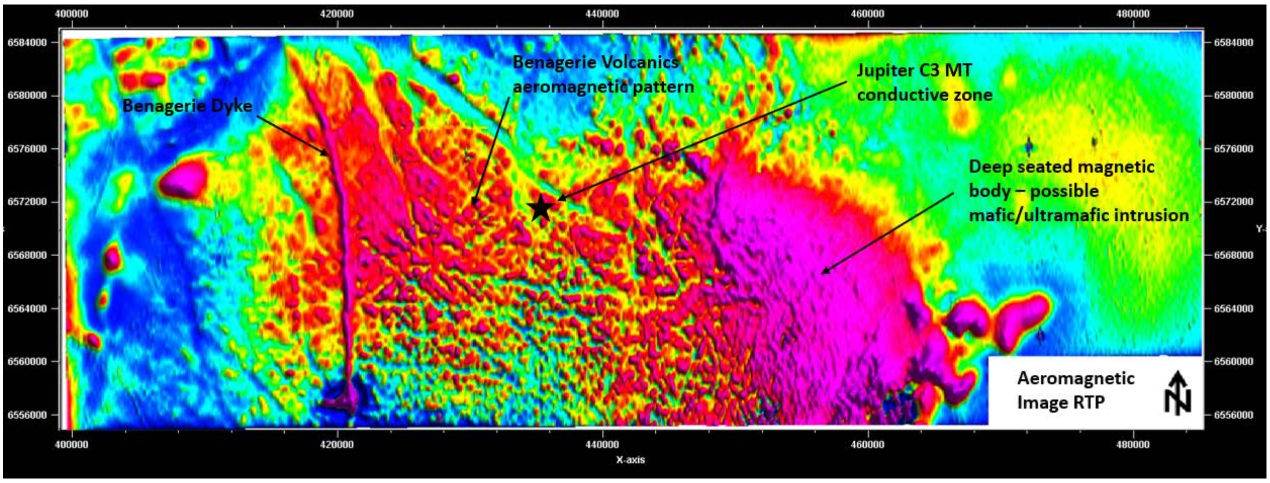


Figure 5 *Benagerie Dyke, indicated by a prominent linear aeromagnetic feature located near the western-rifted margin of the Benagerie Ridge, which could represent a mafic/ultramafic intrusive complex with PGE-Ni-Cu-Co-Au mineralisation potential by analogy with the Julimar discovery in Western Australia.*

DIRECTORS' REPORT

Review of Operations *(continued)*

Jupiter MT and Benagerie Dyke (HAV 100% ownership) *(continued)*

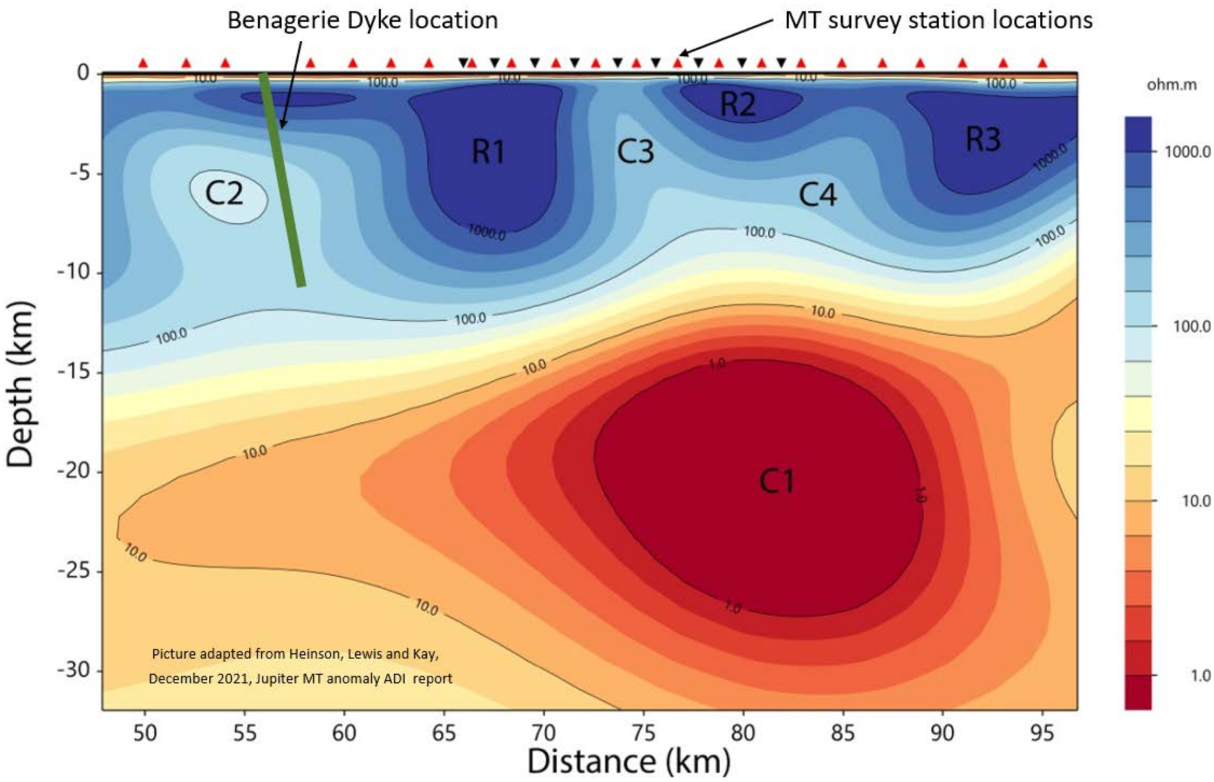


Figure 6 *Location of a major conductive zone at 15-30 km depth in the earth's crust (C1), above which are several shallower conductive zones that are possible vectors for mineralisation, namely Benagerie Dyke (C2) and Jupiter (C3).*

Exploration and Possible Development of Uranium Interests (HAV 100% ownership)

Economic, geopolitical and environmental issues have highlighted the need for more secure and sustainable sources of uranium. Between an anticipated supply shortage, rising international tensions threatening existing supply chains and rising longer-term demand, there is a sense that the uranium market may be entering a more buoyant period. Longer-term it is apparent there is a need to discover and develop new uranium mines.

Havilah holds significant uranium assets located in the highly prospective Frome Basin region of northeastern South Australia, as documented on the Company's website. This tier 1 uranium province hosts several substantial sand-hosted uranium deposits including the Beverley, Beverley North and Four Mile mines and the Honeymoon restart uranium project. Havilah believes its uranium assets are undervalued within the current Group structure and has previously announced its intention to demerge its uranium assets and sponsor an IPO of its uranium assets via its wholly owned subsidiary, NU Energy Resources Pty Ltd (refer to ASX announcement of 9 November 2021).

Preparation of a draft IPO prospectus, including an independent geologist's report, relevant due diligence, potential selection of directors and engagement with brokers advanced during the financial year.

This process was delayed because of the recent unfavourable market conditions for new mineral related IPOs and also because of senior management's focus on finalising the Proposed Transaction details with OZ Minerals. It still remains Havilah's intention to proceed with the uranium assets' IPO at the earliest favourable market opportunity, subject to final approval by the Havilah Board plus ASX and other regulatory approvals.

DIRECTORS' REPORT

JORC Ore Reserves as at 31 July 2022

Project	Classification	Tonnes (Mt)	Copper %	Gold g/t	Copper tonnes (kt)	Gold ounces (koz)
Kalkaroo [1]	Proved	90.2	0.48	0.44	430	1,282
	Probable	9.9	0.45	0.39	44	125
	Total	**100.1**	**0.47**	**0.44**	**474**	**1,407**

JORC Mineral Resources as at 31 July 2022

Project	Classification	Resource Category	Tonnes	Copper %	Cobalt %	Gold g/t	Copper tonnes	Cobalt tonnes	Gold ounces
Mutooroo [2]	Measured	Oxide	598,000	0.56	0.04	0.08			
	Total	**Oxide**	**598,000**	**0.56**	**0.04**	**0.08**	**3,300**	**200**	**1,500**
	Measured	Sulphide Copper-Cobalt-Gold	4,149,000	1.23	0.14	0.18			
	Indicated	Sulphide Copper-Cobalt-Gold	1,697,000	1.52	0.14	0.35			
	Inferred	Sulphide Copper-Cobalt-Gold	6,683,000	1.71	0.17	0.17			
	Total	**Sulphide Copper-Cobalt-Gold**	**12,529,000**	**1.53**	**0.16**	**0.20**	**191,700**	**20,000**	**80,600**
		Total Mutooroo	**13,127,000**				**195,000**	**20,200**	**82,100**
Kalkaroo [3]	Measured	Oxide Gold Cap	12,000,000			0.82			
	Indicated	Oxide Gold Cap	6,970,000			0.62			
	Inferred	Oxide Gold Cap	2,710,000			0.68			
	Total	**Oxide Gold Cap**	**21,680,000**			**0.74**			**514,500**
	Measured	Sulphide Copper-Gold	85,600,000	0.57		0.42			
	Indicated	Sulphide Copper-Gold	27,900,000	0.49		0.36			
	Inferred	Sulphide Copper-Gold	110,300,000	0.43		0.32			
	Total	**Sulphide Copper-Gold**	**223,800,000**	**0.49**		**0.36**	**1,096,600**		**2,590,300**
		Total Kalkaroo	**245,480,000**				**1,096,600**		**3,104,800**
	Inferred	Cobalt Sulphide [4]	193,000,000		0.012			23,200	
Total All Projects		**All Categories (rounded)**	**258,607,000**				**1,291,600**	**43,400**	**3,186,900**

Project	Classification	Tonnes (Mt)	Iron (%)	Fe concentrate (Mt)	Estimated yield
Maldorky [5]	Indicated	147	30.1	59	40%
Grants [6]	Inferred	304	24	100	33%
Total All Projects	**All categories**	**451**		**159**	

Project	Classification	Tonnes (Mt)	eU3O8 (ppm)	Contained eU3O8 (Tonnes)
Oban [7]	Inferred	8	260	2,100

There were no changes in the JORC Ore Reserves and Mineral Resources as at 31 July 2022 compared with 31 July 2021. Numbers in above tables are rounded. Ore Reserves are a subset of the Mineral Resources.

Footnotes to 2022 JORC Ore Reserves and Mineral Resource Tables

[1] Details released to the ASX: 18 June 2018 (Kalkaroo)
[2] Details released to the ASX: 18 October 2010 and 5 June 2020 (Mutooroo)
[3] Details released to the ASX: 30 January 2018 and 7 March 2018 (Kalkaroo)
[4] Note that the Kalkaroo cobalt Inferred Resource is not added to the total tonnage
[5] Details released to the ASX: 10 June 2011 applying an 18% Fe cut-off (Maldorky)
[6] Details released to the ASX: 5 December 2012 applying an 18% Fe cut-off (Grants)
[7] Details released to the ASX: 4 June 2009 applying a grade-thickness cut-off of 0.015 metre % eU3O8 (Oban)

DIRECTORS' REPORT

Summary of Governance Arrangements and Internal Controls in Place for the Reporting of Ore Reserves and Mineral Resources
Ore Reserves and Mineral Resources are estimated by suitably qualified employees and consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation were reviewed by a suitably qualified Competent Person prior to inclusion in this Annual Report.

Competent Person's Statements
The information in this Annual Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by geologist Dr Christopher Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr Giles is a Director of the Company, a full-time employee and is a substantial shareholder. Dr Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit and activities described herein, to qualify as a Competent Person as defined in the 2012 Edition of *'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'*. Dr Giles consents to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears. Information for the Kalkaroo Ore Reserve & Mineral Resource and the Mutooroo Inferred cobalt & gold Mineral Resources complies with the JORC Code 2012. All other information was prepared and first disclosed under the JORC Code 2004 and is presented on the basis that the information has not materially changed since it was last reported. Havilah confirms that all material assumptions and technical parameters underpinning the reserves and resources continue to apply and have not materially changed.

Except where explicitly stated, this Annual Report contains references to prior Exploration Targets and Exploration Results, all of which have been cross-referenced to previous ASX announcements made by Havilah. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX announcements.

Financial Position
At the end of the financial year the Group had a cash and cash equivalents balance of $1,610,201 (31 July 2021: $4,007,410).

The Group's working capital, being current assets less current liabilities, decreased from a net current asset surplus of $2,737,221 as at 31 July 2021 to $760,932 as at 31 July 2022 predominantly as a result of expenditure on the Group's exploration projects.

The Group's equity investment in ASX listed Auteco Minerals Ltd as at 31 July 2022 was valued at $240,917 (31 July 2021: $540,834).

Exploration and evaluation expenditure carried forward increased during the financial year to $39,048,268 primarily due to $1,932,120 incurred on Kalkaroo, Mutooroo and iron ore tenements; partially offset by the recognition of $230,776 on completion of two of the ADI grants.

A new more powerful air compressor was acquired during the financial year for the drilling rig operated by Havilah, at a cost of $193,500. Its installation had been delayed by shipping transport bottlenecks associated with the COVID-19 pandemic. The new air compressor will increase productivity and the efficiency of the drilling rig operated by Havilah.

The Kalkaroo Station pastoral lease, on which the Kalkaroo deposit is situated, continues to be carried at cost ($2,241,043) in property, plant and equipment. Cockburn, South Australia property purchased during the financial year for $61,000 (freehold land $22,000 and buildings $39,000) will be redeveloped and used as an exploration camp and depot for Mutooroo Project Area and iron ore exploration in the region.

The Group's total liabilities decreased predominantly due to final settlement with the Australian Tax Office ('ATO') on a prior financial period Research & Development amendment, a movement in deferred grants and partial settlement of trade and other payables; partially offset by an increase in borrowings and provision for employee benefits.

The Group was awarded an ADI grant amounting to $175,000 during the financial year (2021: two ADI, $275,000) provided on a matching dollar-for-dollar expenditure basis, from the South Australian government. Of these amounts $158,309 (2021: $111,500) was received during the financial year under the ADI advanced payment arrangement.

The Company issued 10,321,982 new fully paid ordinary shares during the financial year, with contributed equity increasing by $2,382,020 as at 31 July 2022. Funds were raised for general administration and/or ongoing working capital requirements.

DIRECTORS' REPORT

Cash Flows

Operating activities resulted in net cash outflows of $2,804,217 for the financial year (2021: $1,530,776), predominantly for payments to suppliers and employees $2,297,688 (2021: $1,696,367), payments for exploration and evaluation expenditure expensed $383,904 (2021: $398,878), payment of Research & Development amendment $158,706 (2021: $Nil), and interest and other costs of finance paid $18,736 (2021: $9,860); partially offset by receipts from customers $54,777 (2021: $254,665), COVID-19 grants received $Nil (2021: $207,800), and government grants received for exploration activities $Nil (2021: $111,500).

Net cash outflows from investing activities of $2,015,263 (2021: $1,793,421) for the financial year were primarily associated with payments for exploration and evaluation expenditure of $1,932,383 (2021: $1,777,334) on the Group's exploration projects and payments for property, plant and equipment $476,668 (2021: $16,087); partially offset by government grants received for exploration activities $158,309 (2021: $Nil) and proceeds from disposal of non-current assets $235,479 (2021: $Nil).

Financing activities resulted in net cash inflows of $2,422,271 (2021: $5,847,883) for the financial year, predominantly associated with proceeds from issue of new fully paid ordinary shares $2,400,020 (2021: $6,006,400) and proceeds from borrowing $57,779 (2021: $Nil); partially offset by payment of ordinary share issue costs $18,000 (2021: $83,120), and repayments of borrowings of $17,528 (2021: $75,397).

The financial year ended with a net decrease in cash and cash equivalents of $2,397,209 (2021: net increase $2,523,686).

Financial Results

The consolidated result of the Group for the financial year was a loss after tax of $2,927,574 (2021: $2,361,870).

Fair value loss of $299,917 (2021: $319,583) was from the Group's equity investment in Auteco Minerals Ltd, classified as fair value through profit or loss ('FVTPL').

Expenses for the financial year includes net employee benefits expense of $1,680,506 (2021: $1,450,748), which includes share-based payments expense of $449,287 (2021: $381,135) associated with unlisted share options. The loss for the financial year also includes exploration and evaluation expenditure expensed of $383,904 (2021: $398,878) and significant one off costs were incurred with respect to legal and technical fees in negotiating and signing the agreements with OZ Minerals $256,658 (2021: $Nil).

Partially offsetting the loss for the financial year was revenue associated with Portia Gold Mine royalty revenue of $54,777 (2021: $149,480); and other income associated with interest income of $40 (2021: $364), COVID-19 grants received $Nil (2021: $207,800), diesel fuel rebates received $17,280 (2021: $25,836), net settlement with the ATO $Nil (2021: $267,062) which includes consulting costs in negotiating the outcome, and gain on disposal of non-current assets $224,756 (2021: $Nil).

DIRECTORS' REPORT

Remuneration Report (Audited)

This Remuneration Report, which forms part of this Directors' Report, sets out information about the remuneration of the Group's key management personnel for the financial year. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling, directly or indirectly, the activities of the consolidated entity.

The information provided in this Remuneration Report has been audited by the Company's external auditor, as required by Section 308(3C) of the *Corporations Act 2001*.

The prescribed details for each person covered by this Remuneration Report are detailed below under the following sections:

Section 1. Key Management Personnel Details
Section 2. Remuneration Policy
Section 3. Relationship between the Remuneration Policy and Group Performance
Section 4. Remuneration of Key Management Personnel
Section 5. Key Terms of Employment Contracts
Section 6. Statutory Reporting

Section 1. Key Management Personnel Details

The following persons acted as Directors or other key management personnel of the Group during the financial year:

	Position	Term
Directors		
Mr Simon Gray	Executive Director – Chairman, Company Secretary, Chief Financial Officer	Full financial year
Mr Victor Previn	Independent Non-Executive Director	Full financial year
Dr Christopher Giles	Executive Director – Technical Director	Full financial year
Other Key Management Personnel		
Mr Richard Buckley	Senior Mine Planning Engineer	Full financial year

The named persons held their current position for the whole of the financial year and since the end of the financial year.

Section 2. Remuneration Policy

The Group embodies the following criteria in its remuneration framework:
(i) performance-based and aligned with the Group's vision, values and overall business objectives;
(ii) designed to motivate Directors and executives to pursue the Group's long-term growth and success; and
(iii) demonstrate a clear relationship between the Group's overall performance and the performance of executives and employees.

The objectives of the Remuneration Committee are to support and advise the Board of Directors on remuneration matters and oversee the setting of remuneration policy, fees and remuneration packages for Directors and senior executives. Where possible, the Remuneration Committee should comprise at least 3 members, the majority being Independent Non-Executive Directors.

In response to circumstances presented to it during the financial year ended 31 July 2020, Havilah significantly reduced its operating costs. This resulted in consolidation of the roles of management, with a Board that is more involved in the operations. As a result, it has been unable to meet the criteria for having a majority of Remuneration Committee members being independent.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 2. Remuneration Policy *(continued)*

It is the responsibility of the Remuneration Committee to review and make recommendations to the Board on:
(a) the remuneration packages of all Directors and senior executives, including terms and conditions offered to all new appointees to these roles;
(b) the adoption of appropriate long-term and short-term incentive and bonus plans, including regular review of the plans and the eligible participants; and
(c) staff remuneration and incentive policies and practices.

The full objectives and responsibilities of the Remuneration Committee are documented in the charter approved by the Board of Directors and is available under the Corporate Governance tab on the Company's website.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically approved by shareholders. Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2016 Annual General Meeting, is not to exceed $300,000 per annum.

At the 2021 Annual General Meeting a resolution that the Remuneration Report for the financial year ended 31 July 2021 be adopted was put to the vote, and received a 93.61% vote (cast on a poll) in favour.

Section 3. Relationship between the Remuneration Policy and Group Performance

Due to the current size and nature of the Company, the Board of Directors does not consider a link between remuneration and Group financial performance is appropriate.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth to 31 July 2022:

Financial Year Ended 31 July:	2022	2021	2020	2019
	$	$	$	$
Revenue	54,777	149,480	123,213	843,178
Loss for financial year	(2,927,574)	(2,361,870)	(4,726,429)	(7,337,693)

Financial Year Ended 31 July:	2022	2021	2020	2019
	Cents	Cents	Cents	Cents
Share price at beginning of financial year	20.5	19	15	22
Share price at end of financial year	25	20.5	19	15
Basic and diluted loss per ordinary share	(0.95)	(0.80)	(1.90)	(3.36)

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 4. Remuneration of Key Management Personnel

Financial Year Ended 31 July 2022	Short-term employee benefits			Post-employment benefits	Long-term employee benefits	Share-based payments expense	
	Salary & fees	Annual leave	Non-monetary	Superannuation	Long service leave	Share options [1]	Total
	$	$	$	$	$	$	$
Directors							
Mr Simon Gray	80,000	6,137	-	8,031	-	117,278	211,446
Mr Victor Previn	30,000	-	-	3,012	-	117,278	150,290
Dr Christopher Giles	175,000	13,425	8,263[2]	17,567	-	175,917	390,172
Other Key Management Personnel							
Mr Richard Buckley	250,000	-	-	23,419	6,233	292	279,944
Total	**535,000**	**19,562**	**8,263**	**52,029**	**6,233**	**410,765**	**1,031,852**

Financial Year Ended 31 July 2021	Short-term employee benefits			Post-employment benefits	Long-term employee benefits	Share-based payments expense	
	Salary & fees	Annual leave	Non-monetary	Superannuation	Long service leave	Share options [1]	Total
	$	$	$	$	$	$	$
Directors							
Mr Simon Gray	80,000	6,069	-	7,646	-	-	93,715
Mr Victor Previn	30,000	-	-	2,867	-	-	32,867
Dr Christopher Giles	175,000	13,277	6,216[2]	16,726	-	-	211,219
Other Key Management Personnel							
Mr Richard Buckley	250,005	11,255	-	22,751	6,182	87,991	378,184
Total	**535,005**	**30,601**	**6,216**	**49,990**	**6,182**	**87,991**	**715,985**

[1] The value of share options granted to key management personnel as part of their remuneration is calculated as at the grant date using a binomial option pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date. For share options that vest immediately, the value is disclosed as an expense immediately. Share options do not represent cash payments to Directors and other key management personnel. Share options granted may or may not be exercised by Directors and other key management personnel.

[2] Provision of Company funded vehicle.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 4. Remuneration of Key Management Personnel *(continued)*

The relative proportions of those elements of remuneration of key management personnel that are fixed and those consisting of share options are as follows:

	Fixed remuneration		Remuneration as share options [1]	
	2022	**2021**	**2022**	**2021**
Directors				
Mr Simon Gray	45%	100%	55%	0%
Mr Victor Previn	22%	100%	78%	0%
Dr Christopher Giles	55%	100%	45%	0%
Other Key Management Personnel				
Mr Richard Buckley	100%	76.7%	0%	23.3%

[1] The percentage of total remuneration consisting of share options, based on the value of share options expensed in the consolidated statement of profit or loss and other comprehensive income during the financial years.

Performance Rights and Share Option Plan
The Board of Directors approved the Performance Rights and Share Option Plan ('Plan') during March 2019.

The Plan's purposes are to:
(a) provide incentive to eligible executives and employees by enabling them to participate in the profits and financial performance of the Company;
(b) attract, motivate and retain eligible executives and employees; and
(c) align the interests of eligible executives and employees more closely with shareholders in the Company and provide greater incentive for the eligible executives and employees to focus on longer-term goals of the Company.

The Plan is open to all employees but excludes Directors of the Company.

The number of share options granted to employees is set by the Board of Directors at its discretion but consideration is given to employment contract terms. Employees are the key to Havilah's success. Exploration activity is managed by professionally skilled and technically competent personnel and is supported by a team with decades of proven experience in their fields. Exploration success remains the basic long-term driver for the Group's organic growth. During the financial year 200,000 unlisted share options were issued to an employee, pursuant to a resolution approved by shareholders at the 2021 Annual General Meeting, under the Plan.

Each employee share option converts into one ordinary share of Havilah Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the share option. The share options carry neither dividend nor voting rights. Share options may be exercised at any time from the date of vesting to the date of their expiry.

The share options granted expire within the option period set by the Board of Directors at its discretion. Share options expire 1 month after the resignation of an employee but this condition can be waived at the discretion of the Board of Directors. The Board at the time the Company made significant redundancies, during the financial year ended 31 July 2020, exercised its discretion not to require the relevant share options to lapse but allow them to continue for their full term.

The Company's short-term incentive plan annual award is subject to the absolute discretion of the Board of Directors. Payment of any short-term incentive plan bonus can be satisfied in cash or share options, subject to the discretion of the Board of Directors.

Any performance bonus awarded is calculated based on the Group's performance objectives and individual performance objectives related to the annual business plan as approved by the Board of Directors. The formula rewards management and salaried employees against the extent of the Group's and individual's achievement against both qualitative and quantitative criteria. The Group's performance objective measurements are: safety; environmental stakeholder engagement; team performance; reporting, planning and management; investors/ shareholders engagement; risk/opportunity management; and funding success. No performance bonuses were rewarded during the financial year.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 4. Remuneration of Key Management Personnel *(continued)*

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel during the financial year or future financial years:

	Grant date	Grant date fair value	Exercise price per share option	Expiry date	Vesting date
Directors					
Mr Simon Gray	21 December 2021	$0.058	$0.265	21 December 2024	21 December 2021 (100%)
Mr Victor Previn	21 December 2021	$0.058	$0.265	21 December 2024	21 December 2021 (100%)
Dr Christopher Giles	21 December 2021	$0.058	$0.265	21 December 2024	21 December 2021 (100%)
Other Key Management Personnel					
Mr Richard Buckley	26 June 2019	$0.05	$0.22	11 July 2023	100% [1]

[1] Vesting dates were 11 July 2019 (25%), 11 July 2020 (25%), 11 July 2021 (25%) and 11 July 2022 (25%).

All share options issued to a Director are made pursuant to approval by shareholders at relevant annual general meetings. All these Director share options vested on issue.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date. During the financial year no key management personnel exercised share options that were granted to them as part of their remuneration.

The total value of share options included in remuneration for the financial year is calculated in accordance with AASB 2 *'Share-based Payment'*. Share options granted during the current or prior financial years are recognised in share-based payments expense in profit or loss over their vesting period. For share options that vest immediately, the value is disclosed as an expense immediately.

Value of share options – basis of calculation:

- the fair value of share options granted is calculated as at the grant date using a binomial option pricing model. This grant date value is allocated to remuneration of key management personnel on a straight-line basis over the period from grant date to vesting date; and
- value of share options lapsed at the lapse date is calculated by multiplying the grant date value of the share options by the number of share options lapsed during the financial year.

For each grant of share options in the current or prior financial years which resulted in share-based payments expense to a Director or other key management personnel, the percentage of the grant that vested and the number vested is set out below:

Name	Number granted	Number vested	% of grant vested	Maximum total value of grant yet to vest
Directors				
Mr Simon Gray	2,000,000	2,000,000	100%	$-
Mr Victor Previn	2,000,000	2,000,000	100%	$-
Dr Christopher Giles	3,000,000	3,000,000	100%	$-
Other Key Management Personnel				
Mr Richard Buckley	150,000	150,000	100%	$-

The maximum value of share options and performance rights yet to vest was determined as the amount of the grant date fair value of the share options that is yet to be expensed in profit or loss.

No share options will vest if the service conditions are not met, therefore the minimum value of the share option yet to vest is $Nil.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 4. Remuneration of Key Management Personnel *(continued)*

Dr Christopher Giles' 2,400,000 Director share options exercisable at $0.36 each on or before 12 December 2021 lapsed (i.e. an option that remains unexercised after its expiration) in accordance with the December 2018 terms under which they were issued. The value of the Director share options lapsed was $70,641. There were no other share options that lapsed or that were forfeited during the financial year in relation to share options granted to key management personnel as part of their remuneration.

Share Trading Policy
Under Havilah's Share Trading Policy, an individual may not limit their exposure to risk in relation to securities (including unlisted share options). Directors and executives are prohibited from entering into any hedging arrangements over unvested share options. Havilah's Share Trading Policy is available under the Corporate Governance tab on the Company's website.

Section 5. Key Terms of Employment Contracts

During the financial year there has been no increase to the base remuneration of any of the key management personnel.

All termination payments are subject to the limits prescribed under Section 200B of the *Corporations Act 2001*.

Directors	Mr Victor Previn	Dr Christopher Giles	Mr Simon Gray
Contract:	Non-Executive Director	Executive agreement	Executive agreement
Title:	Non-Executive Director	Executive Director – Technical Director	Executive Director – Chairman, Company Secretary, Chief Financial Officer
Duration:	No expiration	No fixed term	No fixed term
Period of notice:	None	6 months, in writing	1 month, in writing
Termination payments:	None	Payment in lieu of notice	Payment in lieu of notice
Change of control clause:	No	No	No
Remuneration (exclusive of superannuation):	$30,000 per annum	$175,000 per annum	$80,000 per annum
Vehicle provided for Company use:	No	Yes	No
Remuneration – Short-term incentive:	No	At the discretion of the Board	At the discretion of the Board
Plan eligible:	No	No	No

Other Key Management Personnel	Mr Richard Buckley
Contract:	Employment agreement
Title:	Senior Mine Planning Engineer
Duration:	No fixed term
Period of notice:	5 weeks, in writing
Termination payments:	Payment in lieu of notice
Change of control clause:	No
Remuneration – Base Salary (exclusive of superannuation):	$250,000 per annum
Vehicle provided for Company use:	No
Remuneration – Short-term incentive:	Up to 30% of the Base Salary, payable at the discretion of the Board
Remuneration – Long-term incentive:	Eligible to participate in any Company long-term incentive plan

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 6. Statutory Reporting

Loans to Key Management Personnel
During the financial year there have been no loans made to any of the key management personnel.

Key Management Personnel Ordinary Share Holdings
The number of Havilah Resources Limited ordinary shares held by Directors and other key management personnel, including their personally related parties, as at 31 July 2022 was as follows:

	Balance at 31 July 2021	Granted as remuneration	Ordinary shares purchased	Ordinary shares sold	Balance at 31 July 2022	Balance held nominally [1]
Directors						
Mr Simon Gray [2]	158,823	-	-	-	158,823	-
Mr Victor Previn	2,451,622	-	-	-	2,451,622	-
Dr Christopher Giles	42,033,909	-	-	-	42,033,909	-
Other Key Management Personnel						
Mr Richard Buckley	675,147	-	-	-	675,147	-

[1] 'Held nominally' refers to the situation where the ordinary shares are in the name of the Director or other key management personnel, but they are not the beneficial owner.
[2] Subsequent to the end of the reporting period 40,000 unlisted employee share options were exercised into fully paid ordinary shares by Mr Simon Gray.

Key Management Personnel Share Option Holdings
The number of share options (unlisted) held by Directors and other key management personnel, including their personally related parties, as at 31 July 2022 was as follows:

	Balance at 31 July 2021	Granted as remuneration [1]	Lapsed	Balance at 31 July 2022	Total vested & exercisable at 31 July 2022	Total unvested at 31 July 2022	Options vested during financial year
Directors							
Mr Simon Gray [2]	40,000	2,000,000	-	2,040,000	2,040,000	-	2,010,000
Mr Victor Previn	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Dr Christopher Giles	2,400,000	3,000,000	(2,400,000)	3,000,000	3,000,000	-	3,000,000
Other Key Management Personnel							
Mr Richard Buckley	1,741,389	-	-	1,741,389	1,741,389	-	37,500

[1] Unlisted share options issued to Directors. The share options issued to Directors were issued pursuant to resolutions approved by shareholders at the 2021 Annual General Meeting.
[2] Subsequent to the end of the reporting period 40,000 unlisted employee share options were exercised into fully paid ordinary shares by Mr Simon Gray.

Share options granted may or may not be exercised by Directors and other key management personnel.

No share options were exercised by Directors or other key management personnel during the financial year.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 6. Statutory Reporting *(continued)*

Other Transactions with Key Management Personnel of the Group
Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

During the financial year the Group incurred the following other amounts as a result of transactions with Directors and other key management personnel, including their personally related parties (excluding amounts paid as remuneration to Directors and other key management personnel which are addressed elsewhere in this Remuneration Report):

- $31,000 (2021: $23,732) for marketing and public relations services to a social media company (Filtrd) in which a related party (William Giles) of Dr Christopher Giles has an interest. The balance outstanding included in trade and other payables is $2,000 (2021: $2,000); and
- 200,000 unlisted share options were issued to William Giles, pursuant to a resolution approved by shareholders at the 2021 Annual General Meeting, under the Company's Performance Rights and Share Option Plan. These employee share options vested on issue. In accordance with AASB 2 *'Share-based Payment'*, as these options vested immediately, the Group was required to expense the value of his options of $10,332 in its profit or loss for the financial year ended 31 July 2022. Share options do not represent cash payments and share options may or may not be exercised by the holder.

END OF REMUNERATION REPORT (AUDITED)

Non-Audit Services
During the financial year the Company's external auditor, Grant Thornton Audit Pty Ltd, performed certain other services in addition to its statutory audit duties.

The Board has considered the non-audit services provided during the financial year by the external auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

(a) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Directors to ensure they do not impact upon the impartiality and objectivity of the external auditor; and
(b) the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *'Code of Ethics for Professional Accountants'*, as they did not involve reviewing or auditing the external auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the external auditor for audit and non-audit services provided during the financial year are set out in Note 4 to the consolidated financial statements.

External Auditor's Independence Declaration
A copy of the external Auditor's Independence Declaration for the financial year, as required under Section 307C of the *Corporations Act 2001*, is included on page 27.

This Directors' Report is made in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors:

Dr Christopher Giles
Executive Director

Mr Simon Gray
Executive Chairman

28 October 2022

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Havilah Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Havilah Resources Limited for the year ended 31 July 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 October 2022

www.grantthornton.com.au
ACN-130 913 594

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Financial Year Ended	
	Note	**31 July 2022**	**31 July 2021**
		$	**$**
Revenue	4	54,777	149,480
Other income	4	280,846	521,322
Fair value loss on financial assets	12(a)	(299,917)	(319,583)
Employee benefits expense (net)	4	(1,680,506)	(1,450,748)
Depreciation expense	4	(110,583)	(95,642)
Finance costs	4	(18,736)	(55,579)
Exploration and evaluation expenditure expensed		(383,904)	(398,878)
Share registrar, ASIC and ASX listing fees		(116,720)	(193,056)
Insurance expense		(82,326)	(109,482)
Investor relations cost		(35,389)	(148,514)
Consulting fees		(108,688)	(63,310)
Transaction costs associated with the Proposed Transaction – OZ Minerals		(256,658)	-
Other expenses		(169,770)	(197,880)
Loss before income tax		(2,927,574)	(2,361,870)
Income tax expense	6(a)	-	-
Loss for financial year attributable to equity holders of the Company		**(2,927,574)**	**(2,361,870)**
Other comprehensive income for financial year, net of income tax		-	-
Total comprehensive loss for financial year attributable to equity holders of the Company		**(2,927,574)**	**(2,361,870)**
Loss per share attributable to equity holders of the Company:		**Cents**	**Cents**
Basic and diluted loss per ordinary share	3	(0.95)	(0.80)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 July 2022	31 July 2021
		$	$
Current assets			
Cash and cash equivalents	7(a)	1,610,201	4,007,410
Trade and other receivables	8	98,714	62,996
Other assets	9	204,175	83,069
Total current assets		1,913,090	4,153,475
Non-current assets			
Exploration and evaluation expenditure	10	39,048,268	37,346,924
Property, plant and equipment	11	2,939,544	2,584,182
Other financial assets	12	300,917	600,834
Total non-current assets		42,288,729	40,531,940
Total assets		44,201,819	44,685,415
Current liabilities			
Trade and other payables	13	434,930	675,953
Borrowings	14	62,360	10,376
Provisions	15	654,868	571,219
Other financial liabilities	16	-	158,706
Total current liabilities		1,152,158	1,416,254
Non-current liabilities			
Borrowings	14	41,724	53,457
Deferred grants	17	-	111,500
Total non-current liabilities		41,724	164,957
Total liabilities		1,193,882	1,581,211
Net assets		**43,007,937**	**43,104,204**
Equity			
Contributed equity	18(a)	85,211,863	82,829,843
Accumulated losses		(40,742,324)	(38,378,583)
Share-based payments reserve		1,138,195	1,252,741
Buy-out reserve		(2,599,797)	(2,599,797)
Total equity		**43,007,937**	**43,104,204**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity	Accumulated Losses	Share-based Payments Reserve	Buy-out Reserve	Total Equity
	$	$	$	$	$
Balance as at 31 July 2020	76,906,563	(36,090,969)	945,862	(2,599,797)	39,161,659
Loss for financial year	-	(2,361,870)	-	-	(2,361,870)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for financial year	-	(2,361,870)	-	-	(2,361,870)
Transactions with owners in their capacity as owners:					
Ordinary shares issued	6,006,400	-	-	-	6,006,400
Transaction costs arising on ordinary shares issued	(83,120)	-	-	-	(83,120)
Unlisted options lapsed	-	74,256	(74,256)	-	-
Share-based payments expense	-	-	381,135	-	381,135
Balance as at 31 July 2021	**82,829,843**	**(38,378,583)**	**1,252,741**	**(2,599,797)**	**43,104,204**
Loss for financial year	-	(2,927,574)	-	-	(2,927,574)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for financial year	-	(2,927,574)	-	-	(2,927,574)
Transactions with owners in their capacity as owners:					
Ordinary shares issued	2,400,020	-	-	-	2,400,020
Transaction costs arising on ordinary shares issued	(18,000)	-	-	-	(18,000)
Unlisted options lapsed	-	563,833	(563,833)	-	-
Share-based payments expense	-	-	449,287	-	449,287
Balance as at 31 July 2022	**85,211,863**	**(40,742,324)**	**1,138,195**	**(2,599,797)**	**43,007,937**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Financial Year Ended 31 July 2022	31 July 2021
		$	$
Cash flows from operating activities			
Receipts from customers		54,777	254,665
COVID-19 grants received		-	207,800
Government grants received for exploration activities		-	111,500
Interest received		40	364
Payments to suppliers and employees		(2,297,688)	(1,696,367)
Payments for exploration and evaluation expenditure expensed		(383,904)	(398,878)
Payment of Research & Development amendment		(158,706)	-
Interest and other costs of finance paid		(18,736)	(9,860)
Net cash flows used in operating activities	7(b)	(2,804,217)	(1,530,776)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure capitalised		(1,932,383)	(1,777,334)
Government grants received for exploration activities		158,309	-
Payments for property, plant and equipment		(476,668)	(16,087)
Proceeds from disposal of non-current assets		235,479	-
Net cash flows used in investing activities		(2,015,263)	(1,793,421)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		2,400,020	6,006,400
Payment of ordinary share issue costs		(18,000)	(83,120)
Proceeds from borrowings		57,779	-
Repayments of borrowings		(17,528)	(75,397)
Net cash flows provided by financing activities		2,422,271	5,847,883
Net (decrease) increase in cash and cash equivalents		(2,397,209)	2,523,686
Cash and cash equivalents at beginning of financial year		4,007,410	1,483,724
Cash and cash equivalents at end of financial year	7(a)	**1,610,201**	**4,007,410**

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Preparation of the Consolidated Financial Statements

Havilah Resources Limited ('Company', 'Havilah' or 'Parent Company') is a for-profit entity for the purpose of preparing financial statements.

The consolidated financial statements are for the consolidated entity consisting of the Company and its subsidiaries (the 'Group'). Information on the nature of the operations and principal activities of the Group are described in the Directors' Report. Interests in subsidiaries are set out in Note 20.

This note sets out the basis upon which the consolidated financial statements are prepared as a whole. Significant accounting policies adopted by the Group in the preparation of these consolidated financial statements, and relevant to an understanding thereof, are described in selected notes to the consolidated financial statements or are otherwise provided in this note. The accounting policies have been consistently applied to all the financial years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with financial year amounts and other disclosures.

Functional and Presentation Currency
The consolidated financial statements are presented in Australian dollars, which is the Parent Company's functional and presentation currency. Amounts are rounded to the nearest dollar.

Significant Accounting Estimates, Assumptions and Judgements
The preparation of financial statements requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying Group accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in:

- Note 6 Income Tax;
- Note 10 Exploration and Evaluation Expenditure;
- Note 12 Other Financial Assets; and
- Note 25 Share-based Payments.

Statement of Compliance with International Financial Reporting Standards
Compliance with Australian Accounting Standards ensures that the consolidated financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Adoption of New or Revised Australian Accounting Standards and Interpretations that are First Effective in the Current Reporting Period

The Group has adopted all the new and/or revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the financial year. The Group has not elected to apply any new or revised Australian Accounting Standards before their operative dates during the financial year.

The adoption of all of the relevant new and/or revised Australian Accounting Standards and Interpretations has not resulted in any changes to the Group's significant accounting policies and has had no effect on either the amounts reported for the current or prior financial years.

A number of other Australian Accounting Standards and Interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in preparation of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Going Concern

The consolidated financial statements are prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the financial year the Group recognised a loss of $2,927,574, had net cash outflows from operating and investing activities of $4,819,480; and had accumulated losses of $40,742,324 as at 31 July 2022.

On 16 May 2022 Havilah signed a conditional binding Terms Sheet with OZ Minerals relating to a Proposed Transaction comprising the key elements of the grant of an option to OZ Exploration to purchase the Kalkaroo copper-gold-cobalt project and a strategic alliance to explore for copper in Havilah's extensive tenement holding in the Curnamona Province of northeastern South Australia.

The Group also executed full form definitive agreements with OZ Exploration on 25 July 2022 that covered all aspects of the Proposed Transaction.

The remaining outstanding condition precedent as at 31 July 2022 for the Proposed Transaction to proceed was approval of the Kalkaroo Transaction by Havilah shareholders. As described in Note 27(a), at the general meeting of shareholders held on 31 August 2022 Havilah shareholders overwhelmingly approved the Proposed Transaction and disposal of interest in the Kalkaroo copper-gold-cobalt project in accordance with the Kalkaroo Transaction. If exercised, OZ Exploration would proceed with the purchase of 100% of the Kalkaroo copper-gold-cobalt project for a consideration payable to the Group of a cash payment of $205,000,000 at completion, and contingent consideration up to a maximum of $200,000,000 subject to the satisfaction of the relevant milestones.

On 20 September 2022 the Group received from OZ Exploration the first 3 months of funding under the Strategic Alliance agreement that was signed on 25 July 2022, paid as a lump sum of $3,000,000. In accordance with the Strategic Alliance agreement, OZ Exploration will pay the Group $1,000,000 a month (up to a total of $18,000,000 over 18 months as an Upfront Investment) until the earlier of (a) the end of the Strategic Alliance period (maximum period 18 months, unless extended); or (b) the date the Kalkaroo Option is exercised. Under the Strategic Alliance agreement, Havilah must spend at least 50% of the Upfront Investment on Strategic Alliance activities. The remainder can be applied to the Group's other non-Strategic Alliance activities, including general working capital and corporate expenditures.

OZ Exploration may elect to not exercise the Kalkaroo Option at any time during the 18 month Kalkaroo Option period provided 5,000 metres has been drilled on the Kalkaroo Tenements or a shortfall payment (metres not drilled multiplied by $400) is paid to the Group.

The continuation of the Group as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources.

Should OZ Exploration elect to not exercise the Kalkaroo Option or terminate the Strategic Alliance agreement, the Directors consider that the going concern basis of accounting would still remain appropriate as the Group has the following additional funding options:

- the ability to issue share capital under the *Corporations Act 2001* by a share purchase plan, share placement or rights issue;
- the option of farming out all or part of its assets;
- the option of selling interests in the Group's assets; and
- the option of relinquishing or disposing of rights and interests in certain assets.

In the event that the Group is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Group's financial statements and notes.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Earnings per Share

The Group discloses relevant basic and diluted earnings per share data for its ordinary shares. Basic is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the financial year. Diluted loss per ordinary share equates to basic loss per ordinary share because a loss per ordinary share is not considered dilutive for the purposes of calculating earnings per share in accordance with AASB 133 *'Earnings per Share'*.

	Financial Year Ended	
	31 July 2022	**31 July 2021**
Loss per share attributable to equity holders of the Company:	**Cents**	**Cents**
Basic and diluted loss per ordinary share	(0.95)	(0.80)
	$	**$**
Loss for financial year attributable to equity holders of the Company used to calculate basic and diluted loss per ordinary share	(2,927,574)	(2,361,870)
Weighted average number of ordinary shares on issue during financial year used in calculating basic and diluted loss per ordinary share	309,416,125	294,016,706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Results for the Financial Year

The results for the financial year include the following specific revenues, other income and expenses:

	Financial Year Ended	
	31 July 2022	31 July 2021
	$	$
Revenue		
Royalty revenue from Portia Gold Mine	54,777	149,480
Total revenue	54,777	149,480
Other Income		
Interest income from unrelated entities	40	364
COVID-19 grants received	-	207,800
Diesel fuel rebates received	17,280	25,836
Gain on disposal of non-current assets	224,756	-
ATO settlement (net) (refer (a) below)	-	267,062
Other sundry income	38,770	20,260
Total other income	280,846	521,322
(a) ATO settlement on Research & Development amendment:		
Gross settlement proceeds	-	415,882
Costs associated with settlement	-	(148,820)
ATO settlement (net)	-	267,062
Expenses		
Employee benefits expense (net):		
- Employee benefits expense (refer (b) below)	(1,134,406)	(1,222,241)
- Capitalisation of employee benefits expense to exploration expenditure	655,095	490,429
- Directors' remuneration	(751,908)	(337,801)
- Share-based payments expense (refer Note 25)	(449,287)	(381,135)
Total employee benefits expense (net of amounts capitalised)	(1,680,506)	(1,450,748)
Depreciation expense:		
- Depreciation expense – Property, plant and equipment	(110,583)	(95,642)
Total depreciation expense	(110,583)	(95,642)
Finance costs:		
- Interest expense	(6,756)	(42,105)
- Bank fees	(11,980)	(13,474)
Total finance costs	(18,736)	(55,579)

(b) Represents employee benefits expenses (short-term, post-employment and long-term).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Results for the Financial Year *(continued)*

Remuneration of External Auditor
Remuneration received or due and receivable by the external auditor of the Company:

	Financial Year Ended	
	31 July 2022	**31 July 2021**
	$	**$**
Grant Thornton Audit Pty Ltd		
Audit or review of financial reports	52,313	49,317
Total remuneration for audit and other assurance services	52,313	49,317
Taxation services	8,360	7,000
Total remuneration for other services	8,360	7,000
Total remuneration of external auditor	60,673	56,317

Significant Accounting Policy: Royalties
Royalties are recognised on an accruals basis, which is generally at the time the amount can be reliably measured, in accordance with the substance of the relevant agreement.

Significant Accounting Policy: Government Grants
Government grants receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income in the reporting period in which the funds become receivable, in accordance with AASB 120 *'Accounting for Government Grants and Disclosures of Government Assistance'*.

Grants relating to capitalised exploration and evaluation expenditure are credited against the exploration and evaluation assets to which they relate to match the grants received with the expenditure the grants are intended to compensate, in accordance with AASB 120 *'Accounting for Government Grants and Disclosures of Government Assistance'*.

Significant Accounting Policy: Impairment of Assets (except exploration & evaluation; financial assets)
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not guarantee cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Note 5. Segment Information

The Group has a number of exploration tenements, mining leases, miscellaneous purposes licences and mineral claims in South Australia, which it manages on a portfolio basis. The decision to allocate resources to individual projects in the portfolio is predominantly based on available cash assets, technical data and the expectation of future commodity prices. The Group operates as one segment being exploration for and evaluation of mineral resources in South Australia. This is the basis on which its internal reports are reviewed and used by the Board of Directors (the 'chief operating decision maker') in monitoring, assessing performance, and in determining the allocation of resources.

The results, assets and liabilities from this segment are equivalent to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Income Tax

	Financial Year Ended	
	31 July 2022	**31 July 2021**
	$	**$**
(a) Income Tax Recognised in Profit or Loss		
The prima facie consolidated tax on loss before income tax is reconciled to income tax expense as follows:		
Prima facie tax payable on loss before income tax, calculated at the Australian company tax rate of 25% (2021: 26%)	(731,894)	(614,086)
Share-based payments expense	112,322	99,095
Other	-	(78,443)
Timing differences not bought to account	619,572	593,434
Income tax expense	-	-

	31 July 2022	31 July 2021
	$	**$**
(b) Deferred Tax Balances		
Deferred tax assets and (liabilities) are attributable to the following:		
Temporary differences		
Exploration and evaluation expenditure	(9,443,729)	(10,044,479)
Plant and equipment	(83,632)	(11,585)
Other financial assets	125,916	52,974
Employee benefit provisions	167,232	152,840
Other	31,106	9,100
Transaction costs arising on ordinary shares issued	123,151	95,006
Total	(9,079,956)	(9,746,144)
Offset by deferred tax assets relating to operating losses	9,079,956	9,746,144
Net deferred tax assets and (liabilities) unrecognised	-	-
(c) Unrecognised Deferred Tax Assets		
Deferred tax assets have not been recognised in respect of the following items:		
Revenue tax losses	10,654,514	9,672,065
Capital tax losses	-	-
Total unrecognised deferred tax assets	10,654,514	9,672,065

Deferred tax assets have not been recognised in respect of these items because it is not probable, at this time, that future taxable profit will be available against which the Group can utilise the tax benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Income Tax *(continued)*

(d) Tax Consolidation

Relevance of tax consolidation to the Group
With effect from 1 July 2003, the Company and its wholly-owned Australian resident subsidiaries formed a tax-consolidated group and are taxed as a single entity. The head entity within the tax-consolidated group is Havilah Resources Limited. The members of the tax-consolidated group are identified at Note 20.

Nature of tax funding arrangements and tax sharing agreements
Entities within the tax-consolidated group have entered into a tax-funding arrangement and a tax-sharing arrangement with the head entity. Under the terms of the tax-funding arrangement, Havilah Resources Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax-sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax-sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax-funding agreement.

(e) Significant Accounting Policy: Income Taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on Australian company tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss.

Deferred tax liabilities are generally recognised in full and offset, where applicable, by deferred tax assets relating to operating losses.

(f) Significant Accounting Estimates, Assumptions and Judgements: Deferred Tax Assets
The Group's ability to recognise deferred tax assets relies on assumptions about the generation of future taxable profits. These taxable profit estimates are based on estimated future production, commodity prices, exchange rates, operating costs, rehabilitation costs and capital expenditures. To the extent that future utilisation of these tax losses and temporary tax differences become probable, this could result in significant changes to deferred tax assets recognised, which would in turn impact future financial results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Cash and Cash Equivalents

(a) For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	31 July 2022	31 July 2021
	$	$
Cash at banks and on hand	1,610,201	4,007,410
Total cash and cash equivalents	1,610,201	4,007,410

Financial Risk Management
Information concerning the Group's exposure to financial risks on cash and cash equivalents is set out in Note 19.

(**b) Reconciliation of Cash Flows used in Operating Activities**

	Financial Year Ended	
	31 July 2022	31 July 2021
	$	$
Loss for financial year	(2,927,574)	(2,361,870)
Non-cash items included in loss for financial year:		
Fair value loss (gain) on financial assets	299,917	319,583
Share-based payments expense	449,287	381,135
Depreciation expense property plant and equipment	110,583	95,642
Other including gain on disposal of non-current assets	242,762	3,771
Items classified as investing or financing activities:		
Proceeds from sale non-current assets	(235,479)	-
Government grants received for exploration activities	(158,309)	-
Amortisation of insurance premium funding	-	64,985
Changes in operating assets and liabilities:		
(Increase)/decrease in assets		
Trade and other receivables	(35,718)	39,362
Other current assets	(121,106)	(58,861)
Increase/(decrease) in liabilities		
Trade and other payables	(242,023)	205,700
Provisions	83,649	51,911
Other financial liabilities	(158,706)	(383,634)
Deferred grants	(111,500)	111,500
Net cash flows used in operating activities	(2,804,217)	(1,530,776)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Cash and Cash Equivalents *(continued)*

(c) Total Liabilities from Financing Activities

	Hire purchase loan	Insurance premium funding
	$	$
Balance as at 31 July 2020	74,245	64,985
Repayment of borrowing	(10,412)	(64,985)
Balance as at 31 July 2021	63,833	-
Proceeds from borrowing	57,779	-
Repayment of borrowing	(17,528)	-
Balance as at 31 July 2022	104,084	-

Note 8. Trade and Other Receivables

	31 July 2022	31 July 2021
	$	$
Current		
GST recoverable	98,714	62,996
Total current trade and other receivables	98,714	62,996

Goods and Services Tax ('GST')
Revenues, expenses and assets are recognised net of the amount of GST, except: where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

Financial Risk Management
Information concerning the Group's exposure to financial risks on trade and other receivables is set out in Note 19.

Note 9. Other Assets

	31 July 2022	31 July 2021
	$	$
Current		
Prepayments	204,175	83,069
Total current other assets	204,175	83,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Exploration and Evaluation Expenditure

	31 July 2022	31 July 2021
	$	$
Cost brought forward	37,346,924	35,569,590
Expenditure incurred during the financial period	1,932,120	1,777,334
Government grant off set	(230,776)	-
Total exploration and evaluation expenditure carried forward	39,048,268	37,346,924
Intangible	39,048,268	37,346,924

A review of the Group's exploration and evaluation tenement portfolio was conducted during the financial year. The Group did not recognise any impairment charges during the current or prior reporting period.

The expenditure is carried forward on the basis that exploration and evaluation activities in the areas of interest have not reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the areas is continuing. The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation or, alternatively, the sale of the respective areas of interest.

Option to OZ Exploration to Purchase the Kalkaroo Copper-Gold-Cobalt Project
On 16 May 2022 Havilah signed a conditional binding Terms Sheet with OZ Minerals relating to a Proposed Transaction comprising the key elements of the grant of an option to OZ Exploration to purchase the Kalkaroo copper-gold-cobalt project and a strategic alliance to explore for copper in Havilah's extensive tenement holding in the Curnamona Province of northeastern South Australia.

The Group also executed full form definitive agreements with OZ Exploration on 25 July 2022 that covered all aspects of the Proposed Transaction.

The remaining outstanding condition precedent as at 31 July 2022 for the Proposed Transaction to proceed was approval of the Kalkaroo Transaction by Havilah shareholders. As described in Note 27(a), at the general meeting of shareholders held on 31 August 2022 Havilah shareholders overwhelmingly approved the Proposed Transaction and disposal of interest in the Kalkaroo copper-gold-cobalt project in accordance with the Kalkaroo Transaction.

During the 18 month Kalkaroo Option period, OZ Exploration plans to undertake and sole fund a study and work program on the Kalkaroo Tenements (granted Mining Leases and Miscellaneous Purposes Licences) with the aim of progressing and completing an update to the current Kalkaroo project pre-feasibility study. The results of the study and work program will assist OZ Exploration in determining whether to exercise the Kalkaroo Option during the 18 month Kalkaroo Option period. If exercised, OZ Exploration would proceed with the purchase of 100% of the Kalkaroo copper-gold-cobalt project for a consideration payable to the Group of a cash payment of $205,000,000 at completion, and contingent consideration up to a maximum of $200,000,000 subject to the satisfaction of the relevant milestones.

OZ Exploration may elect to not exercise the Kalkaroo Option at any time during the 18 month Kalkaroo Option period provided 5,000 metres has been drilled on the Kalkaroo Tenements or a shortfall payment (metres not drilled multiplied by $400) is paid to the Group.

Exploration and evaluation expenditure carried forward of $21,512,604 relating to the Kalkaroo copper-gold-cobalt project has not been reclassified as held for sale as at 31 July 2022. The last day for OZ Exploration to exercise the Kalkaroo Option (unless extended) is 2 March 2024 and therefore Havilah management does not currently expect it to qualify for recognition as a completed sale within the next 12 months.

Significant Accounting Policy: Non-current Assets Held for Sale
Non-current assets are classified as held for sale in accordance with AASB 5 *'Non-current Assets Held for Sale and Discontinued Operations'* if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 12 months from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Exploration and Evaluation Expenditure *(continued)*

Significant Accounting Policy: Exploration and Evaluation Expenditure
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as exploration and evaluation expense in the reporting period in which they are incurred, except where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the end of the reporting period 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.

Exploration and evaluation assets are initially measured at cost, as an intangible, and include acquisition of rights to explore, costs of studies, exploration drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they relate directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 *'Exploration for and Evaluation of Mineral Resources'*) suggest that the carrying amount of exploration and evaluation assets may exceed their recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which they have been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss, if any.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior financial years.

Cash flows associated with exploration and evaluation expenditure expensed are classified as operating activities in the consolidated statement of cash flows. Whereas cash flows associated with capitalised exploration and evaluation expenditure are classified as investing activities.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and reclassified to mine development expenditure.

Significant Accounting Estimates, Assumptions and Judgements: Exploration & Evaluation Expenditure
The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves. The determination of a JORC Mineral Resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Information on the reasonable existence or otherwise of economically recoverable reserves is progressively gained through geological analysis and interpretation, drilling activity and prospect evaluation during a normal exploration tenement term. A reasonable assessment of the existence or otherwise of economically recoverable reserves can generally only be made, therefore, at the conclusion of those exploration and evaluation activities.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, the relevant capitalised amount will be impaired in profit or loss and net assets will be reduced during the financial period in which this determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Property, Plant and Equipment

	Pastoral lease at cost [1]	Freehold land and buildings	Plant and equipment	Total
	$	$	$	$
Cost brought forward				
Balance as at 31 July 2020	2,241,043	-	3,875,856	6,116,899
Additions	-	-	16,087	16,087
Impairment	-	-	(6,818)	(6,818)
Balance as at 31 July 2021	2,241,043	-	3,885,125	6,126,168
Additions	-	61,000 [2]	415,668	476,668
Assets scrapped	-	-	(16,807)	(16,807)
Balance as at 31 July 2022	2,241,043	61,000	4,283,986	6,586,029
Accumulated depreciation				
Balance as at 31 July 2020	-	-	(3,449,391)	(3,449,391)
Depreciation expense	-	-	(95,642)	(95,642)
Depreciation assets scrapped	-	-	3,047	3,047
Balance as at 31 July 2021	-	-	(3,541,986)	(3,541,986)
Depreciation expense	-	(650)	(109,933)	(110,583)
Depreciation assets scrapped	-	-	6,084	6,084
Balance as at 31 July 2022	-	(650)	(3,645,835)	(3,646,485)
Net Book Value:				
As at 31 July 2021	2,241,043	-	343,139	2,584,182
As at 31 July 2022	2,241,043	60,350	638,151	2,939,544

[1] The Group has bank guarantee and overdraft facilities with the National Australia Bank Limited secured by a $1,000,000 mortgage over the Kalkaroo Station pastoral lease (classified as 'Pastoral lease at cost' in this Note).

[2] Property purchased during the financial year consisted of land ($22,000) and buildings ($39,000) at Cockburn, South Australia.

Significant Accounting Policy: Property, Plant and Equipment
Pastoral leases are stated at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the pastoral lease. Pastoral leases in South Australia run for a term of 42 years. Subject to the Group being periodically assessed as meeting land management conditions, the pastoral lease may be renewed with a term of 42 years running from the date the most recent assessment was completed. The Group considers its pastoral lease rights to have an indefinite useful life and is not depreciated.

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Freehold land and buildings is stated at cost less impairment and depreciation for buildings. Cost includes expenditure that is directly attributable to the acquisition of the item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Property, Plant and Equipment *(continued)*

Significant Accounting Policy: Property, Plant and Equipment *(continued)*
Depreciation is provided on plant & equipment and buildings. Depreciation is calculated on a straight-line basis so as to write-down the net cost of each asset over its expected useful life to its estimated residual value. The following estimated useful lives are used in the calculation of depreciation:

- computer and office equipment: 2.5 – 10 years
- motor vehicles: 8 – 10 years
- operating equipment: 2.5 – 10 years
- heavy equipment: 8 – 10 years
- rail, water and other infrastructure: 8 – 10 years
- portable dewatering infrastructure: 7 – 25 years
- buildings: 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

Note 12. Other Financial Assets

	31 July 2022	31 July 2021
	$	$
Non-current		
At amortised cost:		
Bank term deposits (refer Note 23(a))	60,000	60,000
At fair value (investment in equity instruments at FVTPL):		
Shares in a listed ASX entity (refer (a) below)	240,917	540,834
Total non-current other financial assets	300,917	600,834

(a) The Group's financial assets at FVTPL (Fair value through profit or loss) comprise 4,916,667 fully paid ordinary shares held in ASX listed Auteco Minerals Ltd. Fair value is based on the last traded price (ASX issuer code: AUT) at the end of the reporting period. The FVTPL loss for the financial year was $299,917 (2021: loss $319,583).

Significant Accounting Estimates, Assumptions and Judgements: Impairment of Financial Assets
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an estimated interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable interest rate. The loss allowance for a financial asset is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on its assessment of available external credit ratings, historical loss rates and/or days past due.

Financial Risk Management
Information concerning the Group's exposure to financial risks on other financial assets is set out in Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Trade and Other Payables

	31 July 2022	31 July 2021
	$	**$**
Current (unsecured)		
Trade payables	193,246	294,617
Sundry payables and accruals	241,684	381,336
Total current trade and other payables	434,930	675,953

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that remain unpaid. The amounts are unsecured and are usually paid according to supplier term.

Financial Risk Management
Information concerning the Group's exposure to financial risks on trade and other payables is set out in Note 19.

Note 14. Borrowings

	31 July 2022	31 July 2021
	$	**$**
Current (secured)		
Hire purchase loans (refer (a) below)	62,360	10,376
Total current borrowings	62,360	10,376
Non-current (secured)		
Hire purchase loans (refer (a) below)	41,724	53,457
Total non-current borrowings	41,724	53,457

(a) Hire purchase loans:
(i) Secured hire purchase loan of $52,972 at a lending rate of 4.23% per annum for the purchase of a heavy-duty field vehicle used by the Company's Drilling Supervisor. Expires during December 2022; and
(ii) Secured hire purchase loan of $51,112 at a lending rate of 2.9% per annum for the purchase of a heavy-duty field vehicle used by the Company's Geologist. Expires during August 2025.

(b) The Group also has access to a $500,000 secured bank guarantee facility provided by the National Australia Bank Limited, of which $100,000 is currently being utilised to secure a bank guarantee for a rehabilitation bond. The facility expires January 2023. Refer Note 23(a) for further details.

The Group also has access to a $500,000 secured overdraft facility with the National Australia Bank Limited at a business lending rate of 3.0% per annum plus a customer margin of 2.2% if drawn down. As at the end of the financial year the Group has no balance owing on this facility and the full amount is available for use. The facility expires January 2023.

The bank guarantee and overdraft facilities with the National Australia Bank Limited are secured by a $1,000,000 mortgage over the Kalkaroo Station pastoral lease (refer Note 11).

Financial Risk Management
Information concerning the Group's exposure to financial risks on borrowings is set out in Note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Provisions

	31 July 2022	31 July 2021
	$	$
Current		
Employee benefits	654,868	571,219
Total current provisions	654,868	571,219

Significant Accounting Policy: Employee Benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows.

Note 16. Other Financial Liabilities

	31 July 2022	31 July 2021
	$	$
Current (unsecured)		
Research & Development income amendment (refer (a) below)	-	158,706
Total current other financial liabilities	-	158,706

(a) During the prior financial year Havilah obtained a settlement with the ATO (refer Note 4) on the Group's Research & Development projects registered for the income tax years ended 31 July 2013 and 31 July 2014. Final payment of the Research & Development amendment was made during the financial year.

Financial Risk Management
Information concerning the Group's exposure to financial risks on other financial liabilities is set out in Note 19.

Note 17. Deferred Grants

	31 July 2022	31 July 2021
	$	$
Non-current		
Government grants obtained during financial year	-	111,500
Total non-current deferred grants	-	111,500

Significant Accounting Policy: Government Grants
Government grants are assistance by government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grant will be received.

The Group's projects at times may be supported by grants received from federal, state and/or local governments. Government grants received in relation to exploration and evaluation expenditure are initially deferred as a liability until the grant is spent. Once spent, it is then recognised as a reduction in the carrying value of the exploration and evaluation asset or income if the expenditure relating to the grant is expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Contributed Equity and Reserves

	31 July 2022	31 July 2021
	$	$
(a) Contributed Equity		
Ordinary shares, fully paid	85,211,863	82,829,843
Total contributed equity	85,211,863	82,829,843

(b) Movement in Ordinary Shares

Dates	Details	Number of ordinary shares	$
1 August 2020	Opening balance in prior financial year	270,945,680	76,906,563
23 November 2020	Ordinary shares issued – share placement	15,000,000	2,550,000
15 December 2020	Ordinary shares issued – share purchase plan	15,990,374	2,718,400
15 December 2020	Ordinary shares issued – share placement	4,341,174	738,000
	Transaction costs arising on ordinary shares issued	-	(83,120)
31 July 2021	Balance at end of prior financial year	306,277,228	82,829,843
24 December 2021	Ordinary shares issued – share placement	2,941,294	500,020
12 January 2022	Ordinary shares issued – share placement	588,235	100,000
6 June 2022	Ordinary shares issued – share placement	6,792,453	1,800,000
	Transaction costs arising on ordinary shares issued	-	(18,000)
31 July 2022	Balance at end of financial year	316,599,210	85,211,863

The Company does not have a limited amount of authorised capital and ordinary shares have no par value.

(c) Dividends
Ordinary shares participate in dividends as declared and the proceeds on winding up of the Company in proportion to the number of fully paid ordinary shares held.

There were no ordinary dividends declared or paid during the financial year by the Company (2021: $Nil).

(d) Capital Management
The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt (which includes borrowings disclosed in Note 14), cash and cash equivalents, and equity attributable to equity holders of the Company comprising contributed equity, accumulated losses and reserves.

Due to the nature of the Group's activities, that is exploration and evaluation, the Board of Directors believes that due to the different stages of its projects, and their differing capital requirements and risks, it is not possible to define what funding method is optimal from the range of options available to the Group, namely: equity, debt, joint venture or sell down of project equity or some combination. At all times, the Group's proposed activities are monitored to ensure optimal funding arrangements are put in place that are appropriate to the particular circumstance of each project or activity being undertaken.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Contributed Equity and Reserves *(continued)*

(e) Significant Accounting Policies:

Contributed Equity
Ordinary shares are classified as equity. Contributed equity represents the fair value of ordinary shares that have been issued. Any transaction costs directly attributable to the issue of new ordinary shares are deducted from issued share capital, net of any related income tax.

Reserves Within Equity
Share-based payments reserve: is used to recognise the grant date fair value of share-based payments expense. Amounts are transferred out of this reserve and into accumulated losses when share options lapse.

Buy-out reserve: resulted from the purchase of NU Energy Resources Pty Ltd (formerly, Curnamona Energy Pty Limited) and Geothermal Resources Pty Limited's non-controlling interests by Havilah Resources Limited. It represented the difference between the consideration paid and the carrying value of the non-controlling interest.

Note 19. Financial Instruments (including Financial Risk Management)

The Group's activities expose it to a variety of financial risks: market risk; credit risk; and liquidity risk. The Group's financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure the different types of financial risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates and equity price.

The overall financial risk management strategy of the Group is governed by the Board of Directors, and is primarily focused on ensuring the Group is able to finance its business plans, whilst minimising potential adverse effects on financial performance. Risk management policies and systems are reviewed on a periodic basis to reflect changes in market conditions and Group activities.

The totals for each category of financial instruments in the consolidated statement of financial position are:

	Note	31 July 2022	31 July 2021
		$	$
Financial assets			
Cash and cash equivalents	7(a)	1,610,201	4,007,410
Trade and other receivables	8	98,714	62,996
Bank term deposits	12	60,000	60,000
Shares in a listed ASX entity (at FVTPL)	12	240,917	540,834
Financial liabilities			
Trade and other payables	13	434,930	675,953
Borrowings	14	104,084	63,833
Other financial liabilities	16	-	158,706

The Group had no off-balance sheet financial assets or financial liabilities during the financial year or prior financial year.

(a) Market Risk

(i) Commodity Price Risk
The Group does not currently have any projects in production and has no current exposure to commodity price fluctuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Financial Instruments (including Financial Risk Management) *(continued)*

(a) Market Risk *(continued)*

(ii) Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of financial assets and financial liabilities will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. When relevant, the Group places a portion of its funds into short-term fixed interest bank deposits that provide short-term certainty over the interest rate earned.

The Group had no interest rate hedging in place as at 31 July 2022 (or 31 July 2021).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis
This sensitivity should not be used to forecast the future effect of movements in interest rates on future cash flows.

If interest rates had been 50 basis points higher or lower at the end of the reporting period, and all other variables were held constant, the Group's loss would decrease by $8,351 and increase by $40 respectively (2021: decrease $20,337 and increase by $90). This is attributable to interest rates on bank term deposits and trading accounts.

(iii) Equity Price Risk
The Group is exposed to equity price risks arising from its equity investment in fully paid ordinary shares held in ASX listed Auteco Minerals Ltd. Equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. This sensitivity should not be used to forecast the future effect of movements in equity price on future profit or loss.

At the end of the reporting period, if Auteco Minerals Ltd's last traded price on the ASX had been 5% higher or lower the Group's loss would decrease/increase by $12,046 (2021: $27,042).

(b) Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any counterparty, other than bank term deposits and trading accounts with the Group's bank. The credit risk on liquid funds is limited because the counterparty is an Australian bank with an investment grade credit rating assigned by international credit rating agencies.

Where commercially practical, the Group seeks to limit the amount of credit exposure to any one bank or financial institution. The Group is exposed to concentration of credit risk in relation to bank term deposits and trading accounts held with the National Australia Bank Limited, the maximum exposure as at 31 July 2022 was $1,670,201 (31 July 2021: $4,067,410).

The carrying amount of financial assets recorded in the consolidated financial statements and relevant notes, net of any allowances for losses and/or impairments, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Financial Instruments (including Financial Risk Management) *(continued)*

(c) Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by ensuring there are sufficient funds available to meet financial obligations on a day-to-day basis and to meet unexpected liquidity needs in the normal course of business. Emphasis is placed on ensuring there is sufficient funding in place to meet the ongoing requirements of the Group's exploration and evaluation activities.

Liquidity and interest risk tables
The following tables detail the Group's remaining contractual maturity and interest rate risk for its financial assets and financial liabilities at the end of the financial year.

Financial assets	Weighted average effective interest rate	Less than 1 year	1 to 2 years
2022	**%**	**$**	**$**
Non-interest bearing	-	339,631	-
Variable interest rate	0.0	1,670,201	-
2021			
Non-interest bearing	-	603,830	-
Variable interest rate	0.0	4,067,410	-

Financial liabilities	Weighted average effective interest rate	Less than 1 year	1 to 4 years
2022	**%**	**$**	**$**
Non-interest bearing	-	434,930	-
Fixed interest rate	3.57	62,360	41,724
2021			
Non-interest bearing	-	675,953	-
Variable interest rate	7.9	158,706	-
Fixed interest rate	4.1	10,376	53,457

(d) Fair Value Measurement of Assets and Liabilities
The fair value of financial assets and financial liabilities are not materially different to their carrying amount.

As the shares in a listed ASX entity (at FVTPL) are publicly traded listed securities (and traded actively on the ASX) the fair value as at 31 July 2022 of $240,917 (31 July 2021: $540,834) was based on the shares last quoted sales price (Level 1) at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities on a non-recurring basis as at 31 July 2022 (or 31 July 2021).

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments. There have also been no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Financial Instruments (including Financial Risk Management) *(continued)*

Significant Accounting Policy: **Financial Instruments**
The classification depends on the nature and purpose of the financial asset or financial liability and is determined at the time of initial recognition.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, interest income or other financial items, except for impairment of trade receivables that is presented within other expenses.

Cash and cash equivalents
Cash and cash equivalents in the consolidated statement of financial position and for presentation in the consolidated statement of cash flows comprise cash on hand, cash at banks and short-term bank deposits that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Trade and other receivables
Receivables, which normally have 30-day terms, are generally non-interest bearing amounts. They are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised initially at fair value. The Group holds receivables with the objective to collect the contractual cash flows. They are presented as current assets, unless collection is not expected for more than 12 months after the end of the reporting period. For receivables expected to be settled within 12 months, these are subsequently measured at amortised cost using the effective interest method, less any loss allowance.

For receivables expected to be settled later than 12 months, these are subsequently measured at amortised cost based on discounted cash flows using an effective interest rate, less any loss allowance. Cash flows relating to non-current receivables are not discounted if the effect of discounting would be immaterial.

FVTPL (Financial assets at fair value through profit or loss)
Certain shares in a listed ASX entity held by the Group are classified as being financial assets at FVTPL. Gains and losses arising from changes in fair value are recognised directly in profit or loss for the reporting period. Fair value has been determined based on quoted market prices (Level 1).

Impairment of financial assets
The Group has applied the AASB 9 *'Financial Instruments'* general model approach to measuring expected credit losses for all financial assets.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *'Financial Instruments'*, the identified impairment loss was considered not significant given the counterparty and/or the short maturity.

When required, the carrying amount of the relevant financial asset is reduced through the use of a loss allowance account and the amount of any loss is recognised in profit or loss. When measuring expected credit losses, balances are reviewed based on available external credit ratings, historical loss rates and/or the days past due.

Classification and measurement of financial liabilities
The Group's financial liabilities include trade and other payables, and borrowing. Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group classified a financial liability as FVTPL. They are presented as current liabilities, unless payment is not due for more than 12 months after the end of the reporting period.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities classified as FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

Note 20. Composition of the Group

Havilah Resources Limited, the Group's ultimate Parent Company, is an Australian public company limited by shares and is listed on the ASX. The Company was incorporated as a public company on 11 February 1997. The Company is domiciled in Australia.

Name	Country of incorporation & activities carried on in	Principal activity	Ownership and voting interest held by the Group 2022	2021
Parent Company:				
Havilah Resources Limited	Australia	Parent Company. Owner of various exploration licences and Mutooroo Mining Lease		
Subsidiaries:				
Copper Aura Pty Ltd	Australia	Owner of various tenements in the Mutooroo Project Area	100%	100%
Iron Genesis Pty Ltd	Australia	Owner of various tenements related to the Group's iron ore assets	100%	100%
Havilah Royalties Pty Ltd	Australia	Owner of Benagerie mining lease royalty for the Portia Gold Mine	100%	100%
NU Energy Resources Pty Ltd *(formerly, Curnamona Energy Pty Limited)*	Australia	No current tenements	100%	100%
Geothermal Resources Pty Limited	Australia	Owner of Neo Oil Pty Ltd and a geothermal exploration licence	100%	100%
Kalkaroo Copper Pty Ltd	Australia	Owner of the Kalkaroo project (3 Mining Leases, 2 Miscellaneous Purposes Licences and 1 Mineral Claim granted)	100%	100%
Kalkaroo Pastoral Company Pty Limited	Australia	Owner of the Kalkaroo Station pastoral lease	100%	100%
Lilydale Iron Pty Ltd	Australia	No current tenements	100%	100%
Maldorky Iron Pty Ltd	Australia	Owner of the Maldorky iron ore project (5 Mineral Claims granted and Mining Lease application in process)	100%	100%
Mutooroo Metals Pty Ltd	Australia	Owner of the Mutooroo project (2 Mineral Claims granted)	100%	100%
Neo Oil Pty Ltd	Australia	No current tenements	100%	100%
Oban Energy Pty Limited	Australia	No current tenements	100%	100%

Havilah Resources Limited is the head entity of the tax-consolidated group and all the subsidiaries listed above are members of the tax-consolidated group.

Significant Accounting Policy: Basis of Consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 July 2022 and the results of all subsidiaries for the financial year then ended.

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

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the accounting policies applied by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 21. Joint Arrangements

The Group undertakes a number of business activities through joint arrangements, which exist when two or more parties have joint control. Joint arrangements are classified as either joint operations or joint ventures, based on the contractual rights and obligations between the parties to the arrangement.

(a) Joint Venture Arrangements
The Group had no joint venture arrangements as at 31 July 2022 (or 31 July 2021).

(b) Joint Operation Arrangements
The Group's interests in joint operation arrangements are as follows:

	31 July 2022	31 July 2021
Prospect Hill farm-in agreement	Earning up to 85%	Earning up to 85%
Pernatty Lagoon farm-in agreement	10%, carried interest	10%, carried interest

There are no amounts (2021: $Nil) represented in the Group's share of assets, liabilities, revenues or expenses in respect of joint operations.

There are $Nil (31 July 2021: $Nil) exploration expenditure commitments in respect of joint operations.

Contingent liabilities in respect of joint operations are set out in Note 23(a).

Prospect Hill farm-in agreement
On 26 March 2007 the Group entered into a farm-in agreement with Teale & Associates Pty Ltd and Estate of Adrian Mark Brewer relating to exploration on EL5891 that allows the Group to earn a participating interest in the tenement.

The Group undertook to fund an exploration program on the tenement over a 3 year period from 26 March 2007 to earn a 65% interest in the tenement, and this has been met.

The Group is able to earn an additional 20% interest in the tenement by completing a bankable feasibility study, which has not been met. Thereafter Teale & Associates Pty Ltd and the Estate of Adrian Mark Brewer may contribute their 15% share of development costs or revert to a net smelter return royalty.

Pernatty Lagoon farm-in agreement
On 15 October 2004 the Group entered into a farm-in agreement with Red Metal Limited relating to exploration on EL6014. Under the above farm-in agreement, the Group's interest was converted into a 10% carried interest.

Significant Accounting Policy: Joint Arrangements
A joint operation is an arrangement in which the Group shares joint control, primarily via contractual arrangements with other parties. In a joint operation, the Group has rights to the assets and obligations for the liabilities relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to the Group's interest in a joint operation, the Group recognises: its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its share of expenses. All such amounts are measured in accordance with the terms of the arrangement, which is usually in proportion to the Group's interest in the joint operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22. Commitments

(a) Exploration Expenditure Commitments

The Group has certain obligations to perform exploration work and expend minimum amounts of money, known as exploration expenditure commitments, on South Australian exploration tenements it holds. The exploration expenditure commitments of the Group will vary from time to time, subject to statutory approval. The terms of current and future farm-out arrangements (which are typical of the normal operating activities of the Group), the grant or relinquishment of licences, changes to licence areas at renewal or expiry, and Amalgamated Expenditure Agreements ('AEA') negotiated with the DEM (the regulator in South Australia), will also alter the expenditure commitments of the Group.

At the end of the reporting period the DEM and the Group were in discussions about future AEA terms for the 2 year period from 1 January 2022 to 31 December 2023, which normally takes into account such factors as past performance, the prevailing exploration licence ('EL') cumulative expenditure commitments, proposed exploration work programs, and ground accessibility. Previous AEAs have typically included relinquishment of a minimum of 10% of the combined relevant tenement areas at the end of the 2 years if the expenditure commitments are met. At this stage, it is considered unlikely that future AEA conditions would be more favourable in terms of overall expenditure and relinquishment requirements than those that have applied in the past. It is likely that the final outcome may also be affected by new South Australian mining regulations that have recently come into force.

The minimum expenditure commitment on other mineral exploration tenements not covered by AEAs is approximately:

	31 July 2022	31 July 2021
	$	$
Not later than 1 year	190,000	190,000
Total non-AEA exploration expenditure commitments	190,000	190,000

(b) Kalkaroo Mining Lease and Miscellaneous Purposes Licence Rental Commitments

Non-cancellable Kalkaroo Mining Lease ('ML') and Miscellaneous Purposes Licence ('MPL') rentals not provided for in the consolidated financial statements and payable:

	31 July 2022	31 July 2021
	$	$
Not later than 1 year	137,367	131,539
Later than 1 year but not later than 5 years	549,468	526,156
Later than 5 years	1,648,405	1,710,014
Total MLs and MPLs rental commitments	2,335,240	2,367,709

(c) Kalkaroo Station Pastoral Lease Rental Commitment

Non-cancellable annual Kalkaroo Station pastoral lease rentals for future financial years have not been provided for in the consolidated financial statements. The Kalkaroo Station pastoral lease rental payment is currently $6,068 (2021: $5,157) per annum, and will be payable annually for an indefinite period of time.

(d) Capital Expenditure Commitments

The Group has no contractual capital expenditure commitments outstanding at 31 July 2022 (31 July 2021: $Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23. Contingent Liabilities and Contingent Assets

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. Determination of contingent liabilities disclosed requires the exercise of significant judgement regarding the outcome of future events.

(a) Contingent Liabilities

Future production
The Group has a contingent liability to Glencore International AG in relation to payments based on 10% of the Group's share of any future mining profits from the Kalkaroo project, until the total amount paid reaches $7,000,000. There is no indexation.

Production royalties
The Group has a liability for royalties contingent on projects advancing into production, see notes to Tenement Schedule on page 67 for relevant royalty arrangements.

In addition, Mining Leases held by the Group are subject to the payment of production royalties to the South Australian government, the rate of such royalties varies depending upon the minerals produced and sold and other factors.

Native title
During December 2018, a NTMA (Native Title Mining Agreement) for Kalkaroo was executed between the Ngadjuri Adnyamathanha Wilyakali Native Title Aboriginal Corporation ('NAWNTAC') and Havilah. Annual floor payments, adjusted for CPI (consumer price index), are due to NAWNTAC from when the Kalkaroo project reaches commercial production. In addition, annual profits payment based on a percentage of EBITDA (earnings before interest, tax, depreciation and amortisation), if EBITDA is positive, are due to NAWNTAC from when the Kalkaroo project reaches commercial production, but are capped until the cumulative EBITDA exceeds the cumulative capital costs of the project. The NTMA also includes employment, training, and business development opportunities for the native title holders over the life of the mine.

Native title claims also exist over all exploration tenements in South Australia in which the Group has interests. The Group is unable to determine the prospects for success or otherwise of the native title claims on these exploration tenements and, in any event, whether or not and to what extent the native title claims may significantly affect the Group or its projects, as such any contingent liability is unknown.

Bank guarantees
The Group has provided restricted cash deposits of $60,000 as security for a number of unconditional irrevocable bank guarantees for the provision of various rehabilitation bonds to the Minister for Energy and Mining and security for a purchase card facility provided to the Group by its banker.

Additionally, the Group has utilised $100,000 of a non-cash backed National Australia Bank Limited guarantee facility of $500,000 as security for the following unconditional irrevocable bank guarantee: a rehabilitation bond issued by Geothermal Resources Pty Limited for $100,000 to the Minister for Energy and Mining.

Joint operations
In accordance with normal industry practice, the Group has entered into joint operations with other parties for the purpose of exploring and evaluating its exploration tenements. If a participant to a joint operation defaults and does not contribute its share of joint operation obligations, then the remaining joint operation participants are jointly and severally liable to meet the obligations of the defaulting participant. In this event, the interest in the exploration tenements held by the defaulting participant may be redistributed to the remaining joint operation participants.

In the event of a default, a contingent liability exists in respect of expenditure commitments due to be met by the Group in respect of the defaulting joint operation participant.

(b) Contingent Assets
Pursuant to an agreement with Consolidated Mining & Civil Pty Ltd, the Group has a contingent payment of $3,800,000 due to it on the development of the North Portia mine and that mine achieving production revenue of $3,500,000. There is no indexation.

The Group's exposure is secured by a registered charge over Mining Lease ML6346 and the assets of Benagerie Gold & Copper Pty Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24. Related Party Disclosures

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

(a) Subsidiaries
The ultimate Parent Company within the Group is Havilah Resources Limited. Details of the percentage ownership of ordinary shares in subsidiaries are disclosed in Note 20.

(b) Remuneration of Key Management Personnel
Directors and other key management personnel remuneration is summarised as follows:

	Financial Year Ended	
	31 July 2022	**31 July 2021**
	$	**$**
Short-term employee benefits	562,825	571,822
Post-employment benefits	52,029	49,990
Long-term employee benefits	6,233	6,182
Share-based payments expense	410,765	87,991
Total key management personnel remuneration	1,031,852	715,985

Detailed remuneration disclosures for key management personnel are provided on page 21 of the Remuneration Report (Audited).

Apart from the details disclosed in this note, no Director or other key management personnel has entered into a material contract with the Group since the end of the prior financial year and there were no material contracts involving Directors' or other key management personnel interests subsisting as at 31 July 2022.

(c) Other Related Party Transactions with Directors and Related Entities
During the financial year the Group incurred the following other amounts as a result of transactions with Directors and other key management personnel, including their personally related parties (excluding amounts paid as remuneration to Directors and other key management personnel):

- $31,000 (2021: $23,732) for marketing and public relations services to a social media company (Filtrd) in which a related party (William Giles) of Dr Christopher Giles has an interest. The balance outstanding included in trade and other payables is $2,000 (2021: $2,000); and
- 200,000 unlisted share options were issued to William Giles, pursuant to a resolution approved by shareholders at the 2021 Annual General Meeting, under the Company's Performance Rights and Share Option Plan. These employee share options vested on issue. In accordance with AASB 2 *'Share-based Payment'*, as these options vested immediately, the Group was required to expense the value of his options of $10,332 in its profit or loss for the financial year ended 31 July 2022. Share options do not represent cash payments and share options may or may not be exercised by the holder.

(d) Superannuation Contributions
During the financial year the Group contributed to accumulation type benefit funds administered by external fund managers or an employee's self-managed superannuation fund. The funds cover employees and Directors of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Share-based Payments

The Plan (Performance Rights and Share Option Plan), approved by the Board of Directors during March 2019, is open to all employees but excludes Directors of the Company. In accordance with the provisions of the Plan, the Board of Directors may issue share options to purchase ordinary shares to eligible executives and employees. Each share option is to subscribe for one fully paid ordinary share in the Company. Share options can be exercised in the year of vesting, and share options not exercised during a particular year will accumulate and may be exercised in subsequent years until their expiry. The number of share options granted to employees is set by the Board of Directors at its discretion but consideration is given to employment contract terms.

Other relevant details are:

- no consideration is payable by the recipient on receipt of share options issued;
- the share options will only be issued following acceptance of a written application by the employee in response to an invitation to participate in the Plan being issued by the Board of Directors;
- the share options have various time and/or performance related vesting conditions;
- the share options expire at the earlier of either 3 or 4 years from the grant date or 1 month from the date the share option holder ceases to be an employee of the Company; and
- share options granted carry no dividend or voting rights.

Details of share options outstanding at the end of the financial year are:

Grant date	Number	Grant date fair value	Exercise price per share option	Expiry date
11 July 2019 (Employee [1])	2,950,646	$0.05	$0.22	11 July 2023
11 July 2019 (Employee [1])	3,006,228	$0.05	$0.28	11 July 2023
3 May 2021 (Employee [1])	3,733,333	$0.11	$0.25	30 April 2024
3 May 2021 (Employee [1])	333,334	$0.09	$0.25	30 April 2024
3 May 2021 (Employee [1])	333,333	$0.06	$0.25	30 April 2024
21 December 2021 (Employee [2])	200,000	$0.05	$0.25	30 April 2024
21 December 2021 (Director [3])	7,000,000	$0.06	$0.265	21 December 2024
Total	17,556,874			

[1] Unlisted share options issued to employees under the Company's Performance Rights and Share Option Plan.
[2] Unlisted share options issued to an employee, pursuant to a resolution approved by shareholders at the 2021 Annual General Meeting, under the Company's Performance Rights and Share Option Plan.
[3] Unlisted share options issued to Directors. The share options issued to Directors were issued pursuant to resolutions approved by shareholders at the 2021 Annual General Meeting.

Share options do not represent cash payments and share options may or may not be exercised by the holder.

The following summary reconciles the outstanding share options over unissued ordinary shares in the Company at the beginning and end of the financial year:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Balance at beginning of financial year	20,256,874	0.26	17,319,258	0.26
Issued during financial year	7,200,000	0.265	4,400,000	0.25
Exercised during financial year	-	-	-	-
Expired during financial year	(9,900,000)	0.26	(600,000)	0.40
Forfeited during financial year	-	-	(862,384)	0.25
Balance at end of financial year	17,556,874	0.26	20,256,874	0.26
Exercisable at end of financial year	17,223,541	0.26	19,542,707	0.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Share-based Payments *(continued)*

Share options outstanding at the end of the financial year had a weighted average exercise price of $0.26 (31 July 2021: $0.26), a range of exercise prices from $0.22 to $0.28 (31 July 2021: $0.22 to $0.36), with a weighted average remaining contractual life of 633 days (31 July 2021: 492 days).

Share-based payments expense is summarised as follows:

	Financial Year Ended	
	31 July 2022	**31 July 2021**
	$	**$**
Director share options	(410,473)	-
Employee share options	(38,814)	(381,135)
Total share-based payments expense	(449,287)	(381,135)

Significant Accounting Policy: Share-based Payments
Equity-settled share-based payments expense relates to the value of share options allocated to particular financial periods in accordance with AASB 2 *'Share-based Payment'*, which requires the fair value of a share option at grant date to be allocated equally over the period from grant date to vesting date based on the Group's estimate of ordinary shares that will eventually vest, adjusted for not meeting the vesting condition. For share options that vest immediately, the value is disclosed as an expense immediately.

Fair value is measured by use of the binomial option pricing method. Share options do not represent cash payments and share options granted may or may not be exercised by the holder.

Significant Accounting Estimates, Assumptions and Judgements: Share-based Payments
The share options issued by Havilah during the financial year were priced using a binomial option pricing model, the assumptions and inputs used in estimating fair value at grant date of the unlisted share options were:

Grant and vesting date	Share price at grant date	Exercise price	Expected volatility	Share option life	Expected dividends	Risk-free interest rate
21 December 2021	$0.165	$0.25	71.98%	2.36 years	-	1.64%
21 December 2021	$0.165	$0.265	71.98%	3 years	-	1.64%

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of ordinary shares that will eventually vest.

Historical volatility was the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate.

Note 26. Parent Company Financial Information

Commitments for Expenditure and Contingent Liabilities of Parent Company

(a) Exploration Expenditure Commitments
The exploration expenditure commitments are similar to that of the Group as disclosed in Note 22(a).

(b) Guarantees
The circumstances around guarantees for the Parent Company are similar to that of the Group as disclosed in Note 23(a).

(c) Native Title
The circumstances around native title for the Parent Company are similar to that of the Group as disclosed in Note 23(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Parent Company Financial Information *(continued)*

	Parent Company	
	31 July 2022	**31 July 2021**
	$	**$**
Statement of Financial Position		
Current assets	1,916,961	4,220,786
Non-current assets	34,974,194	33,282,335
Total assets	36,891,155	37,503,121
Current liabilities	1,156,652	1,924,003
Non-current liabilities	41,733	53,456
Total liabilities	1,198,385	1,977,459
Net assets	**35,692,770**	**35,525,662**
Contributed equity	85,211,863	82,829,843
Share-based payments reserve	1,138,195	1,252,741
Accumulated losses	(50,657,288)	(48,556,922)
Total equity	**35,692,770**	**35,525,662**
Loss for financial year	(2,664,199)	(2,105,957)
Other comprehensive income	-	-
Total comprehensive loss	**(2,664,199)**	**(2,105,957)**

Note 27. Significant Matters Arising Subsequent to the End of the Financial Year

The Annual Report was authorised for issue by the Board of Directors on 28 October 2022. The Board of Directors has the power to amend and reissue this Annual Report.

Since 31 July 2022, the following significant matters have occurred:

(a) General Meeting of Shareholders
At the general meeting of shareholders held on 31 August 2022, Havilah sought and obtained shareholder approval of the Proposed Transaction and disposal of interest in the Kalkaroo copper-gold-cobalt project in accordance with the Kalkaroo Transaction. The resolution received a 99.78% vote (cast on a poll) in favour.

The full form definitive agreements executed with OZ Exploration on 25 July 2022, that covered all aspects of the Proposed Transaction, became effective on 31 August 2022.

On 20 September 2022 the Group received from OZ Exploration the first 3 months of funding under the Strategic Alliance agreement that was signed on 25 July 2022, paid as a lump sum of $3,000,000.

(b) Mutooroo Copper-Cobalt-Gold Drilling Results
On 29 September 2022 the Group announced assay results at the Mutooroo copper-cobalt deposit for reverse circulation drillholes from the current ongoing PFS open pit resource expansion drilling program. Drilling has confirmed multiple copper-cobalt massive sulphide lodes up to 7 metre thickness, generally where expected from previous drilling and surface outcrops.

There has been no other matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

The Directors' declare that:

(a) in the Directors' opinion, the consolidated financial statements and notes, set out on pages 28 to 59, are in accordance with the *Corporations Act 2001,* including:

  (i) complying with relevant Australian Accounting Standards and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the Group's financial position as at 31 July 2022 and of its performance for the financial year ended on that date; and

(b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Technical Director and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This Directors' Declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors

Dr Christopher Giles
Executive Director

Mr Simon Gray
Executive Chairman

28 October 2022

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Adelaide SA 5001

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Independent Auditor's Report

To the Members of Havilah Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Havilah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 July 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 July 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of $2,927,574, and net cash outflows from operating and investing activities of $4,819,480 during the year ended 31 July 2022. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 10	

At 31 July 2022 the carrying value of exploration and evaluation assets was $39,048,268.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	
	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  – tracing projects to statutory registers, exploration licences and third party confirmations to determine whether a right of tenure existed;
	  – enquiry of management regarding its intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and
	• assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 July 2022, but does not include the financial report and our 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have 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 the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 31 July 2022.

In our opinion, the Remuneration Report of Havilah Resources Limited for the year ended 31 July 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 October 2022

ADDITIONAL SECURITIES EXCHANGE INFORMATION

Securities Exchange Listing

The Company was admitted to the ASX official list and quotation of its ordinary shares commenced on 21 March 2002. The ASX issuer code is HAV.

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this Annual Report is set out below. The information was applicable for the Company as at 18 October 2022.

Distribution of Shareholding: Ordinary Shares

The number of shareholders ranked by size of holding is set out below:

Size of Holding	Number of Holders	Number of Ordinary Shares on Issue
Less than 1,000	270	72,320
1,001 to 5,000	1,089	3,403,310
5,001 to 10,000	622	4,767,370
10,001 to 100,000	1,342	47,445,213
100,001 to 1,000,000	282	80,482,404
More than 1,000,000	33	180,468,593
Total	3,638	316,639,210

There were 391 shareholders holding less than a marketable parcel of ordinary shares to the value of $500.

Twenty Largest Shareholders

The names of the twenty largest shareholders of the Company's ordinary shares are listed below:

	Shareholder	Number Held	% of Total Issued Ordinary Shares
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	23,891,983	7.55
2	BNP PARIBAS NOMS PTY LTD <DRP>	22,026,078	6.96
3	IQ EQ (JERSEY) LIMTED <THE AYSCOUGH 2 A/C>	18,014,442	5.69
4	TRINDAL PTY LTD <THE WILPENA A/C>	17,457,718	5.51
5	TRINDAL PTY LTD	11,073,918	3.50
6	GLENCORE AUSTRALIA HOLDINGS PTY LTD	10,153,756	3.21
7	TRINDAL PTY LTD <TRINDAL SUPER FUND A/C>	9,804,834	3.10
8	MR PAUL CLARK	8,176,470	2.58
9	MAPTEK PTY LTD	6,792,453	2.15
10	WOOLSTHORPE INVESTMENTS LIMITED	6,480,514	2.05
11	CITICORP NOMINEES PTY LIMITED	5,076,193	1.60
12	MISS KRYSTYNA HELENA KASPEROWICZ	3,701,470	1.17
13	TRINDAL PTY LTD <TRINDAL SUPER FUND A/C>	3,437,357	1.09
14	STATSMIN NOMINEES PTY LTD	3,401,102	1.07
15	HNC HOLDINGS PTY LTD	2,654,411	0.84
16	STATSMIN NOMINEES PTY LTD <STATSMIN SUPER FUND A/C>	2,647,272	0.84
17	CRAIG PARK PTY LTD	2,363,669	0.75
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,315,762	0.73
19	TALAGER PTY LTD	2,172,904	0.69
20	DIANNE PEARL INVESTMENTS PTY LTD <DIANNE PEARL FAMILY A/C>	1,935,851	0.61
Total		163,578,157	51.66

ADDITIONAL SECURITIES EXCHANGE INFORMATION *(continued)*

Substantial Shareholders

The number of ordinary shares held by substantial shareholders and their associates (who held 5% or more of total fully paid ordinary shares on issue), as disclosed in substantial holder notices given to the Company, is set out below:

Shareholder	Number Held	% of Total Issued Ordinary Shares
Trindal Pty Ltd	42,033,909	13.28
IQ EQ (Jersey) Limited (formerly, First Names (Jersey) Limited) as Trustee for The Ayscough Trust	40,467,686	12.78
Maptek Pty Ltd (and associates)	20,366,552	6.43
Republic Investment Management Pte. Ltd.	15,898,489	5.02
Total	118,766,636	37.51

Unlisted Equity Securities: Share Options

The following share options over unissued ordinary shares of the Company are not quoted:

	Number of Holders	Number of Unlisted Share Options on Issue
Director share options	3	7,000,000
Employee share options	26	10,516,874
Total	29	17,516,874

Voting Rights

(a) Ordinary Shares, Fully Paid

Voting rights of shareholders are governed by the Company's Constitution. In summary, on a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each such attending shareholder is entitled to one vote for every fully paid ordinary share held.

The Constitution is available under the Corporate Governance tab on the Company's website.

(b) Unlisted Share Options

No voting rights.

Other Information

The register of securities is held at Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street, Adelaide, SA 5000. Investor enquiries can be made via telephone on +61 8 8236 2300.

Havilah's registered office and principal place of business is 107 Rundle Street, Kent Town, SA 5067. Telephone: +61 8 7111 3627.

There is no current on-market buy-back.

The Company has no restricted securities on issue.

TENEMENT SCHEDULE AS AT 31 JULY 2022

Location	Project Name	Tenement No.	Tenement Name	Registered Owner[1]	% Interest	Status
South Australia	Curnamona	5785	Moko	Havilah	100	Current
South Australia	Curnamona	5824	Coolibah Dam	Havilah	100	Current
South Australia	Curnamona	5831	Bonython Hill (2)	Copper Aura	100	Current
South Australia	Curnamona	5848	Mingary (2)	Iron Genesis	100	Current
South Australia	Curnamona	5853	Oratan	Havilah	100	Current
South Australia	Curnamona	5873 [2]	Benagerie	Havilah	100	Current
South Australia	Curnamona	5882	Mutooroo(2)	Copper Aura	100	Current
South Australia	Curnamona	5891 [3]	Prospect Hill	Teale & Brewer	65	Current
South Australia	Curnamona	5903	Border Block	Havilah	100	Current
South Australia	Curnamona	5904	Mundaerno Hill	Havilah	100	Current
South Australia	Curnamona	5915 [2]	Emu Dam	Havilah	100	Current
South Australia	Curnamona	5940	Coonarbine	Havilah	100	Current
South Australia	Curnamona	5951	Jacks Find	Havilah	100	Current
South Australia	Curnamona	5952	Thurlooka	Havilah	100	Current
South Australia	Curnamona	5956	Wompinie	Havilah	100	Current
South Australia	Curnamona	5964	Yalkalpo East	Havilah	100	Current
South Australia	Curnamona	5966	Moolawatana	Havilah	100	Current
South Australia	Gawler Craton	6014 [4]	Pernatty	Red Metal	10	Current
South Australia	Curnamona	6041	Cutana	Iron Genesis	100	Current
South Australia	Curnamona	6054	Bindarrah	Iron Genesis	100	Current
South Australia	Curnamona	6056	Frome	Havilah	100	Current
South Australia	Curnamona	6099	Lake Carnanto	Havilah	100	Current
South Australia	Curnamona	6161	Chocolate Dam	Havilah	100	Current
South Australia	Curnamona	6163	Mutooroo South	Copper Aura	100	Current
South Australia	Curnamona	6165	Poverty Lake	Havilah	100	Current
South Australia	Curnamona	6194	Bundera Dam	Havilah	100	Current
South Australia	Curnamona	6203	Watsons Bore	Havilah	100	Current
South Australia	Curnamona	6211	Cochra	Havilah	100	Current
South Australia	Curnamona	6258	Kidman Bore	Havilah	100	Current
South Australia	Curnamona	6271	Prospect Hill SW	Havilah	100	Current
South Australia	Curnamona	6280 [5]	Mingary	Iron Genesis	100	Current
South Australia	Curnamona	6298	Yalkalpo	Havilah	100	Current
South Australia	Curnamona	6323	Lake Charles	Havilah	100	Current
South Australia	Curnamona	6355	Olary	Havilah	100	Current
South Australia	Curnamona	6356	Lake Namba	Havilah	100	Current
South Australia	Curnamona	6357	Swamp Dam	Havilah	100	Current
South Australia	Curnamona	6358	Telechie	Havilah	100	Current
South Australia	Curnamona	6359	Yalu	Havilah	100	Current
South Australia	Curnamona	6360	Woodville Dam (Cockburn)	Havilah	100	Current
South Australia	Curnamona	6361	Tepco	Iron Genesis	100	Current
South Australia	Curnamona	6370	Carnanto	Havilah	100	Current
South Australia	Curnamona	6408	Lake Yandra	Havilah	100	Current
South Australia	Curnamona	6409	Tarkarooloo	Havilah	100	Current
South Australia	Curnamona	6410	Lucky Hit Bore	Havilah	100	Current
South Australia	Curnamona	6411	Coombs Bore	Havilah	100	Current
South Australia	Curnamona	6415	Eurinilla	Havilah	100	Current
South Australia	Curnamona	6428	Collins Tank (Cockburn)	Havilah	100	Current
South Australia	Curnamona	6434	Lake Frome	Havilah	100	Current
South Australia	Gawler Craton	6468	Sandstone	Havilah	100	Current
South Australia	Curnamona	6546	Billeroo West	Havilah	100	Current
South Australia	Curnamona	6567	Rocky Dam	Havilah	100	Current
South Australia	Curnamona	6591	Kalabity	Havilah	100	Current
South Australia	Curnamona	6592	Mutooroo Mine	Copper Aura	100	Current
South Australia	Curnamona	6593	Mundi Mundi	Havilah	100	Current
South Australia	Curnamona	6594	Bonython Hill	Copper Aura	100	Current
South Australia	Curnamona	6656	Mutooroo West	Copper Aura	100	Current
South Australia	Curnamona	6657	Bundera	Copper Aura	100	Current
South Australia	Curnamona	6659	Kalkaroo	Havilah	100	Current

TENEMENT SCHEDULE AS AT 31 JULY 2022 *(continued)*

Location	Project Name	Tenement No.	Tenement Name	Registered Owner[1]	% Interest	Status
South Australia	Curnamona	6660	Mulyungarie	Havilah	100	Current
South Australia	Curnamona	6661	Telechie North	Havilah	100	Current
South Australia	Curnamona	6662	Maljanapa	Havilah	100	Current
South Australia	Curnamona	6683	Bumbarlow	Havilah	100	Current
South Australia	Frome	GEL181	Frome	Geothermal	100	Current

Location	Project Name	Tenement No.	Tenement Name	Registered Owner [1]	% Interest	Status
South Australia	Kalkaroo	ML6498	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	ML6499	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	ML6500	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPL158	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPL159	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3828	Kalkaroo	Kalkaroo	100	Current
South Australia	Maldorky	MC4271	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4272	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4273	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4274	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4364	Maldorky	Maldorky	100	Current
South Australia	Mutooroo	ML5678	Mutooroo	Havilah	100	Current
South Australia	Mutooroo	MC3565	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3566	Mutooroo	Mutooroo	100	Current

Notes to Tenement Schedule as at 31 July 2022

Note 1

Havilah:	Havilah Resources Limited
Copper Aura:	Copper Aura Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Geothermal:	Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited
Iron Genesis:	Iron Genesis Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Kalkaroo:	Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Maldorky:	Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Mutooroo:	Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Red Metal:	Red Metal Limited
Teale & Brewer:	Teale & Associates Pty Ltd, Estate of Adrian Mark Brewer

Note 2 - 1% NSR (Net Smelter Return) royalty payable to MMG Limited

Note 3 - Agreement – farm-in to earn 85% interest in tenement

Note 4 - Agreement – farm-in, carried interest 10%

Note 5 - 1.25% NSR royalty payable to Exco Operations (SA) Pty Limited, Polymetals (White Dam) Pty Ltd

GLOSSARY

Term	Definition
$ or cents	Units of Australian currency.
AASB	Australian Accounting Standards Board.
ADI	Accelerated Discovery Initiative.
AEA	Amalgamated Expenditure Agreement.
Alliance Period, Kalkaroo Tenements, Proposed Transaction, Terms Sheet	See relevant definitions in Schedule 1 of Notice of Meeting documents (refer to ASX announcement of 29 July 2022).
ASX	ASX Limited ABN 98 008 624 691, trading as Australian Securities Exchange.
ATO	Australian Taxation Office.
Company, Havilah or Parent Company	Havilah Resources Limited.
consolidated entity	The provisions of the *Corporations Act 2001* use the term 'consolidated entity', rather than 'Group', to refer to the Parent Company and its subsidiaries.
COVID-19	coronavirus disease 2019.
CPI	Consumer Price Index.
DEM	Department for Energy and Mining (the regulator in South Australia).
EL	Exploration Licence.
ESG	environmental, social and governance.
eU3O8	equivalent uranium oxide.
Fe	iron.
financial year	the financial year ended 31 July 2022.
FVTPL	fair value through profit or loss.
GEL	Geothermal Exploration Licence.
Group	Havilah Resources Limited and its subsidiaries.
GST	Goods and Services Tax.
g/t	gram/tonne.
IPO	initial public offering.
JORC	Joint Ore Reserves Committee.
Kalkaroo Option	Option to purchase the Kalkaroo copper-gold-cobalt project.
Kalkaroo Transaction	The grant and exercise of the Kalkaroo Option.
km, km^2	kilometres and square kilometres respectively.
koz, Moz	thousand troy ounces and million troy ounces respectively.
Kt, Mt, t	thousand tonnes, million tonnes and tonnes respectively.
MC, ML, MPL	Mineral Claim, Mining Lease and Miscellaneous Purposes Licence respectively.
MT	magnetotelluric.
NAWNTAC	Ngadjuri Adnyamathanha Wilyakali Native Title Aboriginal Corporation.
OZ Exploration	OZ Exploration Pty Ltd.
OZ Minerals	OZ Minerals Limited and OZ Exploration Pty Ltd.
PFS	pre-feasibility study.
Plan	Performance Rights and Share Option Plan.
ppm	parts per million.
RC	reverse circulation (drilling).
REE	rare earth elements.

KEY RISKS

The risks described below are the key risks identified by the Board as being relevant to the Group and its operations as at the date of this Annual Report and reasonably anticipated by the Board. They may affect the future operating and financial performance and financial position of the Group along with the trading price of Havilah's ordinary shares and dividends (if any) paid on them in the future.

The Board has endeavoured (and will continue to do so) to take steps to safeguard the Group from, and to mitigate the Group's exposure to, these risks.

It is important to note that the specific and general risk factors listed below are not an exhaustive list of all the risks relevant to the Group.

(a) Specific Risk Factors

Exploration risk
Key to the Group's financial performance is to have success in exploring for and locating commercial mineral deposits. Exploration is subject to technical risks and uncertainty of outcome. The Group may not find any or sufficient reserves and resources to commercialise which would adversely impact the financial performance of the Group.

Operational risk
Adverse weather condition events, unforeseen increases in establishment costs, mechanical failures, human errors, industrial disputes or encountering unusual or unexpected geological formations and other unforeseen events, could lead to increased costs or delay to the Group's activities and exploration programs, or restrictions on its ability to carry out its present exploration programs. The Group will mitigate this risk by, amongst other things, taking out appropriate insurance in line with industry practice.

Access to funding for operations risk
Exploration and development require significant capital and operational expenditure. To deliver future growth, the Group may require funding for future commitments. There can be no assurance that the Group will be able to obtain funding as and when required on commercially acceptable terms, or at all. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause the Group to miss out on new opportunities, delay or cancel projects, or to relinquish or forfeit rights in relation to the Group's assets, adversely impacting its operational and financial performance.

Regulatory risk
The Group's assets are in Australia. The enactment of new legislation or adoption of new requirements of a governmental authority may restrict or affect the Group's right to conduct exploration and development or the manner in which such activities can be conducted. The Australian political situation may also adversely affect the country's investment environment.

Key person dependence risk
The future success of the Group depends, to a significant extent, upon the continued services of the members of the management team. There can be no assurance that the Group will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Group's business and its future prospects.

Reserves and resources risk
Estimating reserves and resources are subject to significant uncertainties associated with technical data and the interpretation of that data, future commodity prices, and development and operating costs. There can be no guarantee that the Group will successfully produce the tonnage of minerals that it estimates as reserves, or that resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available, for example additional drilling results. As estimates change, potential development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect Group operational or financial performance.

Development risk
In the event that the Group is successful in locating mineral deposits through exploration, or purchases a development project, then that development could be delayed or be unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals (including energy and water supply), insufficient funds, a drop in commodity prices, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact, then the Group's operational and financial performance may be negatively affected.

KEY RISKS *(continued)*

Environmental risk
The mining industry has become subject to increasing environmental responsibility and liability. Current and future environmental legislation and regulations may impose significant environmental obligations on the Group. The Group intends to continue to conduct its activities in a responsible manner that minimises its impact on the environment, and in accordance with applicable laws.

Commodity price risk
The price at which the Group can sell its product will have a material influence on the financial performance of the Group. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political situations, military conflicts, technological changes, output controls and global commodity consumption, which are all outside the control of the Group. A material and extended fall in realised commodity prices may have an adverse impact on the Group's financial performance, including potentially a reduction in the quantity of stated reserves.

Counterparty exposure and joint operation risk
The financial performance of the Group is subject to its various counterparties or joint operation participants continuing to perform their respective obligations under various contracts. If one of its counterparties or joint operation participants fails to adequately perform their contractual obligations, this may result in loss of earnings, termination of particular contracts, disputes and/or litigation of which could impact on the Group's financial performance.

COVID-19 risk
New COVID-19 variants and infection rates across the community continue to pose a risk. Given the ongoing uncertainty relating to the duration and extent of the COVID-19 pandemic, and the impact it may have on the demand and price for commodities (including copper and gold), on our suppliers and workforce, and on global financial markets, the Group continues to face uncertainties that may impact on its operating activities, financing activities and/or financial results.

(b) General Risk Factors

- Investment risks, such as changes in the Group's own assessment of the economics of developing its assets or the market perception of the value of the Group's assets and Havilah ordinary shares;
- Share market and liquidity risks involved in the listing and trading of shares on the ASX;
- Economic, political and social factors, including activism, and the effect on the market price of ordinary shares of movements in equity markets, commodity prices, currency fluctuations and interest rates, and local and global political and economic conditions;
- Epidemics and pandemics;
- Geopolitical instability, including international hostilities and acts of terrorism, the response to epidemics and pandemics, and travel restrictions;
- Circumstances requiring the Group to change its objectives and/or strategy;
- Negotiations with native title holders being unfavourable or unsuccessful;
- The Australian economy deteriorating (including the adverse impacts of, and the responses to, inflation); and
- Stock market sentiment fluctuations impacting on the Havilah share price.

CORPORATE DIRECTORY

Board of Directors
Mr Simon Gray (Executive Director – Chairman)
Mr Victor Previn (Independent Non-Executive Director)
Dr Christopher Giles (Executive Director – Technical Director)

Company Secretary
Mr Simon Gray

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External Auditor
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Level 3, 170 Frome Street, Adelaide, South Australia 5000
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Havilah's drilling crew on the move between drill sites (photograph courtesy of Chris Giles – Technical Director)