

# **Province Resources Limited**

**ABN 83 061 375 442**

## **Half-Year Financial Report - 31 December 2022**

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Directors

Pat Burke  
Non-Executive Chairman

David Frances  
Managing Director

Kylah Morrison  
Non-Executive Director

Roger Martin  
Non-Executive Director

Company secretary

Ian Hobson

Registered office

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Subiaco, Western Australia 6008  
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Share register

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
T: +61 (0)2 9698 5414

Auditor

William Buck Audit (WA) Pty Ltd  
Level 3, 15 Labouchere Road  
South Perth Western Australia 6151

Website

[www.province.limited](http://www.province.limited)

Securities Exchange Listing

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

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Province Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

#### Directors

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

Pat Burke	Non-Executive Chairman
David Frances	Managing Director
Kylah Morrison	Non-Executive Director
Roger Martin	Non-Executive Director

#### Company Secretary

Ian Hobson

#### Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- mineral exploration
- scoping study of the HyEnergy® - Zero Carbon Hydrogen Project

#### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,646,271 (31 December 2021: \$4,178,146).

Additional information on the operations and financial position of the Company and its business strategies and prospects is set out in this directors' report and the interim financial statements.

#### HyENERGY® PROJECT

During the half-year ended 31 December 2022 the Company finalised legally binding key terms with Total Eren to guide the development of the HyEnergy® green hydrogen project. The agreement settled the 50:50 structure in the project and the relationship between the parties, together with their key roles as the project moves through feasibility stages. The parties continued to progress the long-form agreement which will define the relationship as the project moves forward. Strong progress was also made on land tenure, expanding the footprint of land subject to licences granted by the Western Australian Government. Two recent additional pastoral agreements, that will lead to further granted Section 91 licences, will increase the total project area to more than 5,600km<sup>2</sup>. The licences issued under Section 91 of the Land Administration Act allow the company to conduct feasibility studies on site.

Three Sodar units have been relocated to more remote locations in the project area following a period of calibration with the Meteorological Mast just north of Carnarvon.

A site verification study was completed by GHD, a global professional services company, to confirm the suitability of the downstream site for the HyEnergy® Project. This work will be used to support the prefeasibility study (PFS). The findings of the site verification study have concluded that there are no fundamental issues with the downstream site selection and has concluded that it is suitable for the intended purpose of the HyEnergy® project, comprising the downstream processing plant, product storage, loading, export, port and all supporting utilities and infrastructure. The study will be used to inform future studies and site investigations to further mature the project.

Provaris Energy (ASX:PV1), formerly Global Energy Venture (ASX:GEV), was subsequently successful in an application to the Western Australian Government and the WA Renewable Hydrogen Fund for \$300,000 in funding of the HyEnergy™ Project export study.

The Company has retained the services of two very experienced port and project development professionals to support ongoing activities for the marine infrastructure development. Both are operating as independent consultants. Mr Bob-Lamont Smith (formerly Aecom) has carried out preliminary port concept designs and provided assistance for planning the geophysical investigations. Mr John Schepis (formerly Worley, FFI) is providing overall technical reviews on the port development and the broader HyEnergy® development. Province Resources, is delighted to have the support of both John and Bob as they are considered to be leading professionals in their fields and add significant value to the project development activities.

The PFS has been issued for tender. The PFS is expected to be awarded in Q1 2023, with kick off planned for Q1 2023 and completion mid-2023. The focus of the PFS is on the downstream component of the project consisting of hydrogen electrolyzers, ammonia synthesis, supporting infrastructure and port facilities.

### **Land Tenure**

Province continues to significantly expand the footprint of the HyEnergy® Project by working closely with native title holders and pastoralists in the Gascoyne region to secure the necessary approvals from the Western Australian Government.

Two additional pastoral stations executed agreements and associated consents for Section 91 licences under the Land Administration Act. Once the Western Australia Government issues these licences this will take the total project area to more than 5,600 square kilometres.

The scale of the area now under licence reinforces Province's leading position in relation to land access for green hydrogen developments in Western Australia.

Province has commenced discussions with the Western Australian Government to secure appropriate tenure during the development stage of the project. These discussions are currently focussed on securing tenure utilising the existing provisions of the Land Administration Act.

### **Data Collection**

The Company is in the process of procuring two additional Metmasts, planned for installation in the first half of 2023. This will ensure sufficient data is collected to support ongoing technical work including refining the resource and assist in wind turbine selection and optimisation. Planning for heritage and geotechnical surveys for preferred mast locations is currently underway.

Three Sodar units have been relocated to collect site specific information to further assist in evaluating and understanding the resource. Whilst the data collection is ongoing, the Company has now collected up to 18 months of real time information which continues to validate that the quality of the resource is in line with expectations and earlier preliminary assessments.

Ongoing data collection from the deployed instruments will assist in calibration of annual wind speed data models to allow Upstream design to mature.

Bathymetric data has been sourced to provide preliminary inputs into potential port solutions as part of the Site Verification study. The scope of the data covers the area of the downstream facility out to a depth of 15m, approximately 18km off the coast. The data indicates suitable water depths for the required port facility and supporting infrastructure needed for the project and will be used to inform further studies and refine the technical scope.

The Company is currently progressing a geophysics survey to understand the geology and geotechnical conditions for the port development. This information will be used to further refine the port design during the PFS study.

### **GNAMA NICKEL-COPPER PROJECT, FRASER RANGE**

Work during the half-year comprised a continuing review of results to date and planning for the next stage of exploration. Details are in the process of being finalised, but will extend to the conducting of heritage, flora and fauna surveys across the broader Gnarna project area. This will in turn provide the clearance required for a follow up drilling programme, along with geophysical surveys to be conducted in parallel.

## SKÅNE VANADIUM PROJECT, SWEDEN

As previously announced, metallurgical testwork last year concluded that there was no viable process option available for the Skåne mineralisation delineated at the Hörby Target in the Skåne Vanadium Project. The Company will continue to look to carry out further testwork on the Hörby samples however it is likely it will have to seek new and innovative processing options which may assist in unlocking the potential of this part of the project.

The previously announced ruling of The Land and Environment Court of Appeal at Växjö District Court, that the Court had rejected appeals against the Company's approval to conduct its proposed ten-hole drilling programme at the Tomelilla Target in the Skåne Vanadium Project, provides an alternate pathway for the Company with respect to unlocking the potential of the Skåne Vanadium Project.

The proposed programme comprises 10 holes in an area where historic drilling reported grades at Fågeltofta-2 (9.7m @ 0.61% V<sub>2</sub>O<sub>5</sub>) and Gislövshammar-2 (9.2m @ 0.67% V<sub>2</sub>O<sub>5</sub>) and from surface sampling at Flagabro Creek (~10m @ 0.61% V<sub>2</sub>O<sub>5</sub>). The programme is designed to test these higher grade areas for mineralisation and the Company hopes to replicate historical results which have been consistent throughout the formation.

Province has estimated a maiden JORC Mineral Resource of 116.9Mt @ 0.39% V<sub>2</sub>O<sub>5</sub> at the Hörby Target in the Skåne Vanadium Project. The high tonnage, near surface, resource estimated at Hörby reflects the widespread stratigraphic hosted vanadium mineralisation across the licences, giving confidence that further drilling could generate additional Mineral Resources over higher-grade targets (including Tomelilla) on the 98% of the licences that remain unexplored.

## ESG

The Company is committed to building Environmental, Social and Governance (ESG) credentials. Province is making ESG disclosures against the World Economic Forum (WEF) Stakeholder Capitalism Framework. The WEF framework is a set of common metrics for sustainable value creation captured in 21 core ESG disclosures. Hundreds of companies worldwide are disclosing against this core ESG framework.

Province uses this universal ESG framework to align its mainstream reporting on performance against ESG indicators. By integrating ESG metrics into its governance, business strategy, and performance management process, Province diligently consider all pertinent risks and opportunities in running its business.

Activities undertaken during the half-year included:

- Pre referral Environmental meeting held with the EPA and DWER in December 2022.
- The second round of bird and fauna surveys was conducted in November 2022, furthers surveys taking place in March 2023
- With the adoption of the TCFD framework in 2022, we continue to develop and align our disclosures and processes in line with the climate-related recommendations.
- Supported the Carnarvon Chamber of Commerce with Buy Local Campaign.
- Supported Matt and KT, previous contestants from Channel 7's My Kitchen Rules who provided the community a "Cooking on Country" experience, which consisted of a taste testing stall with healthy native Australian ingredients along with initiatives to raise community members awareness about the risks of processed foods
- Kath Ryan, Yinggarda Elder, provided our employees with a Cultural Awareness workshop.
- Sponsorship and support of local community events continued with sponsorship of the "Let's Talk" Basketball Carnival in Carnarvon. The program helped raise awareness of issues related to suicide, mental health and smoking, and served to increase community members' awareness and knowledge of support services and programs available.

## Significant changes in the state of affairs Performance Rights

4,416,666 Class A Performance Rights were converted into Ordinary Shares during the half-year ended 31 December 2022.

At the Company's AGM on 23 November 2022, it was approved to amend the vesting condition of the Performance Rights as follows:

Class	Vesting conditions	Last Vesting Date
Class B	Vesting upon the Company announcing publicly: (a) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert ("Independent Expert"); and (b) a decision to proceed to a definitive feasibility study on the HyEnergy Project ("DFS").	31 March 2024
Class C	Vesting upon the Company announcing publicly it has completed a positive DFS as signed off by an Independent Expert.	30 June 2025
Class D	Same as Class B	31 March 2024
Class E	Same as Class C	30 June 2025

#### Options

The following options were converted into fully paid ordinary shares during the half-year:

Date converted	Number converted	Exercise price	Expiry date
24/08/2022	1,250,000	\$0.040	13/11/2022

3,830,000 options expired unexercised on 13 November 2022, they had an exercise price of \$0.04 each.

#### Ordinary Shares

6,000,000 ordinary shares were issued in lieu of payment for investor relation services on 1 August 2022.

#### Matters subsequent to the end of the financial half-year

Subsequent to half-year end the Company has entered into a 2 year rental lease for an office premises, and incorporated a wholly owned subsidiary Exenergy Pty Ltd on 3 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

#### Competent Person's Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource is extracted from the report entitled "Maiden JORC Mineral Resource at Skåne" created on 18 December 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this report that relates to Exploration Results is extracted from ASX announcements previously lodged. The Company confirms that it is not aware of any new information or data that materially affects the information included in prior announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from previous announcements.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be "P. Burke", written over a horizontal line.

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Patrick Burke  
Chairman

15 February 2023  
Perth



## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PROVINCE RESOURCES LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2022 there have been:

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

William Buck

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

Amar Nathwani

Amar Nathwani  
Director

Dated this 15<sup>th</sup> day of February 2023

Province Resources Limited  
Consolidated statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2022



	Note	31 Dec 2022 \$	31 Dec 2021 \$
Interest revenue		223,527	26,915
<b>Expenses</b>			
Exploration and evaluation expenditure	5	75,972	(386,079)
Administrative expenses	6	(731,940)	(532,071)
Employee benefits expense		(656,839)	(544,958)
Depreciation expense		(116,978)	(21,085)
Share based payments expense		(484,792)	(2,493,276)
Project evaluation		(954,612)	(226,538)
Finance costs		(609)	(1,054)
<b>Loss before income tax expense</b>		<b>(2,646,271)</b>	<b>(4,178,146)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Province Resources Limited</b>	<b>13</b>	<b>(2,646,271)</b>	<b>(4,178,146)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(28)	(1,614)
Other comprehensive loss for the half-year, net of tax		(28)	(1,614)
<b>Total comprehensive loss for the half-year attributable to the owners of Province Resources Limited</b>		<b>(2,646,299)</b>	<b>(4,179,760)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.24)	(0.37)
Diluted earnings per share		(0.24)	(0.37)

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

Province Resources Limited  
Consolidated statement of financial position  
As at 31 December 2022



	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		17,852,404	20,360,131
Trade and other receivables		253,489	223,475
Other		24,571	22,571
<b>Total current assets</b>		<b>18,130,464</b>	<b>20,606,177</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	792,425	699,108
Right-of-use assets	7	12,265	49,075
Exploration and evaluation	9	1,933,097	1,932,657
<b>Total non-current assets</b>		<b>2,737,787</b>	<b>2,680,840</b>
<b>Total assets</b>		<b>20,868,251</b>	<b>23,287,017</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		420,902	846,297
Lease liabilities	10	13,697	54,187
Provisions		47,227	37,454
<b>Total current liabilities</b>		<b>481,826</b>	<b>937,938</b>
<b>Total liabilities</b>		<b>481,826</b>	<b>937,938</b>
<b>Net assets</b>		<b>20,386,425</b>	<b>22,349,079</b>
<b>Equity</b>			
Issued capital	11	43,312,810	42,310,333
Reserves	12	12,690,269	13,009,129
Accumulated losses	13	(35,616,654)	(32,970,383)
<b>Total equity</b>		<b>20,386,425</b>	<b>22,349,079</b>

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

Province Resources Limited  
Consolidated statement of changes in equity  
For the half-year ended 31 December 2022



	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	34,844,247	15,043,673	(26,407)	(24,216,974)	25,644,539
Loss after income tax expense for the half-year	-	-	-	(4,178,146)	(4,178,146)
Other comprehensive loss for the half-year, net of tax	-	-	(1,614)	-	(1,614)
Total comprehensive loss for the half-year	-	-	(1,614)	(4,178,146)	(4,179,760)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 12)	627,664	2,493,276	-	-	3,120,940
Conversion of options (note 12)	679,704	(679,704)	-	-	-
Balance at 31 December 2021	36,151,615	16,857,245	(28,021)	(28,395,120)	24,585,719
	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	42,310,333	13,048,019	(38,890)	(32,970,383)	22,349,079
Loss after income tax expense for the half-year	-	-	-	(2,646,271)	(2,646,271)
Other comprehensive loss for the half-year, net of tax	-	-	(28)	-	(28)
Total comprehensive loss for the half-year	-	-	(28)	(2,646,271)	(2,646,299)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 11 and 12)	150,000	484,792	-	-	634,792
Conversion of options (note 11 and 12)	50,000	-	-	-	50,000
Conversion of performance rights to ordinary shares (note 12)	803,624	(803,624)	-	-	-
Costs of capital issued (note 11)	(1,147)	-	-	-	(1,147)
Balance at 31 December 2022	43,312,810	12,729,187	(38,918)	(35,616,654)	20,386,425

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

Province Resources Limited  
Consolidated statement of cash flows  
For the half-year ended 31 December 2022



	Note	31 Dec 2022 \$	31 Dec 2021 \$
<b>Cash flows from operating activities</b>			
Interest received		182,358	26,915
Payments to suppliers and employees for administration activities		(1,561,436)	(1,054,020)
Payments for exploration and project evaluation		(961,063)	(536,821)
Net cash used in operating activities		(2,340,141)	(1,563,926)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(173,421)	(201,102)
Payments for security deposits		(2,000)	-
Proceeds from disposal exploration and evaluation		-	50,000
Net cash used in investing activities		(175,421)	(151,102)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	11	50,000	538,000
Share issue transaction costs		(1,147)	-
Repayment of lease liabilities		(40,488)	(4,000)
Net cash from financing activities		8,365	534,000
Net decrease in cash and cash equivalents		(2,507,197)	(1,181,028)
Cash and cash equivalents at the beginning of the financial half-year		20,360,131	23,531,596
Effects of exchange rate changes on cash and cash equivalents		(530)	(2,659)
Cash and cash equivalents at the end of the financial half-year		17,852,404	22,347,909

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

#### Note 1. General information

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

Province Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

358 Rokeby Road  
Subiaco, Western Australia 6008  
T: +61 (0)8 9329 6862

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 February 2023.

#### Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

#### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no resulting impact on the financial report.

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

#### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

##### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an option valuation model taking into account the terms and conditions upon which the instruments were granted and market based performance conditions.

### Note 3. Critical accounting judgements, estimates and assumptions (continued)

The likelihood of non-market performance conditions being met has been estimated by management and factored into the expense recognised in the period. The accounting estimates and assumptions related to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit and loss and equity.

#### *Exploration and evaluation costs*

Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs 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 previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

### Note 4. Operating segments

#### *Identification of reportable operating segments*

The consolidated entity is organised into exploration and evaluation and the HyEnergy project operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

#### *Operating segment information*

	Exploration and evaluation \$	HyEnergy Project \$	Corporate \$	Total \$
<b>31 Dec 2022</b>				
Other income	-	-	223,527	223,527
Net other costs	75,972	(954,612)	(1,991,158)	(2,869,798)
<b>Profit/(loss) before income tax expense</b>	<b>75,972</b>	<b>(954,612)</b>	<b>(1,767,631)</b>	<b>(2,646,271)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(2,646,271)</b>
<b>Assets</b>				
Segment assets	1,933,097	886,287	18,048,867	20,868,251
<b>Total assets</b>				<b>20,868,251</b>
<b>Liabilities</b>				
Segment liabilities	4,624	291,705	185,497	481,826
<b>Total liabilities</b>				<b>481,826</b>

**Note 4. Operating segments (continued)**

	Exploration and evaluation \$	HyEnergy Project \$	Corporate \$	Total \$
<b>31 Dec 2021</b>				
Other income	-	-	26,915	26,915
Net other costs	(386,079)	(226,538)	(3,592,444)	(4,205,061)
<b>Loss before income tax expense</b>	<b>(386,079)</b>	<b>(226,538)</b>	<b>(3,565,529)</b>	<b>(4,178,146)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(4,178,146)</b>

**30 Jun 2022**

**Assets**

Segment assets	2,009,501	580,182	20,697,334	23,287,017
<b>Total assets</b>				<b>23,287,017</b>

**Liabilities**

Segment liabilities	27,838	352,330	557,770	937,938
<b>Total liabilities</b>				<b>937,938</b>

**Note 5. Exploration and evaluation expenditure**

	<b>31 Dec 2022 \$</b>	<b>31 Dec 2021 \$</b>
Exploration and evaluation expenditure	63,886	386,079
Refund of tenement applications	(139,858)	-
	<b>(75,972)</b>	<b>386,079</b>

**Note 6. Administrative expenses**

	<b>31 Dec 2022 \$</b>	<b>31 Dec 2021 \$</b>
Corporate compliance costs	117,030	174,779
General legal fees	97,705	30,805
Audit fees	13,333	13,900
Investor relations	150,689	144,268
Accounting & corporate secretarial costs	68,402	64,449
Insurance	33,015	19,055
Administration costs	251,766	84,815
	<b>731,940</b>	<b>532,071</b>



**Note 7. Right-of-use assets**

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	92,020	92,020
Less: Accumulated depreciation	(79,755)	(42,945)
	12,265	49,075

The consolidated entity leases land and buildings for its offices, under agreements of between 1 to 2 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

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

	\$
Balance at 1 July 2022	49,075
Depreciation expense	(36,810)
Balance at 31 December 2022	12,265

**Note 8. Property, plant and equipment**

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	803,020	691,295
Less: Accumulated depreciation	(134,292)	(65,981)
	668,728	625,314
Motor vehicles - at cost	146,745	84,894
Less: Accumulated depreciation	(23,048)	(11,100)
	123,697	73,794
	792,425	699,108

## Note 8. Property, plant and equipment (continued)

### Reconciliations

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

	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2021	117,891	-	117,891
Additions	560,073	84,894	644,967
Exchange differences	(582)	-	(582)
Depreciation expense	(52,068)	(11,100)	(63,168)
Balance at 30 June 2022	625,314	73,794	699,108
Additions	111,570	61,851	173,421
Exchange differences	64	-	64
Depreciation expense	(68,220)	(11,948)	(80,168)
Balance at 31 December 2022	668,728	123,697	792,425

## Note 9. Exploration and evaluation

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Non-current assets</i>		
Exploration and evaluation	1,933,097	1,932,657

### Reconciliations

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

	\$
Balance at 1 July 2021	1,935,596
Exchange differences	(2,939)
Balance at 30 June 2022	1,932,657
Exchange differences	440
Balance at 31 December 2022	1,933,097

## Note 10. Lease liabilities

	31 Dec 2022 \$	30 Jun 2022 \$
<i>Current liabilities</i>		
Lease liability	13,697	54,187

**Note 11. Issued capital**

	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 \$	30 Jun 2022 \$
Ordinary shares - fully paid	1,181,493,143	1,169,826,477	43,312,810	42,310,333

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	1,112,159,811		34,844,247
Conversion of options	21 July 2021	6,750,000	\$0.016	108,000
Conversion of options	21 July 2021	7,000,000	\$0.040	280,000
Conversion of options *	20 August 2021	3,750,000	\$0.040	829,704
Conversion performance shares	2 March 2022	16,666,666	\$0.000	3,416,667
Conversion of options	15 March 2022	10,000,000	\$0.040	400,000
Conversion of performance rights	15 March 2022	1,500,000	\$0.000	257,340
Conversion of performance rights	5 April 2022	333,334	\$0.000	57,187
Conversion of performance rights	16 June 2022	11,666,666	\$0.000	2,038,992
Adjustment on GST on prior year capital raising cost				89,664
Capital raising costs				(11,468)
Balance	30 Jun 2022	1,169,826,477		42,310,333
Conversion of performance rights	5 July 2022	2,500,000	\$0.000	511,058
Conversion of performance rights	18 July 2022	1,666,666	\$0.000	249,676
Shares issued in lieu of payment	1 August 2022	6,000,000	\$0.025	150,000
Conversion of performance rights	8 August 2022	250,000	\$0.000	42,890
Conversion of options	24 August 2022	1,250,000	\$0.040	50,000
Capital raising costs				(1,147)
Balance	31 December 2022	1,181,493,143		43,312,810

\* \$150,000 comprised cash transaction, whilst \$679,704 relates to share based payments.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held.

*Share buy-back*

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

**Note 12. Reserves**

	31 Dec 2022 \$	30 Jun 2022 \$
Foreign currency reserve	(38,918)	(38,890)
Share-based payments reserve	12,729,187	13,048,019
	12,690,269	13,009,129

## Note 12. Reserves (continued)

### *Foreign currency reserve*

#### *Functional and presentation currency:*

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

#### *Transaction and balances:*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated as exchange rates prevailing at the end of the reporting period;
- Income and expenditure are translated at average exchange rates for the period, when the average rate approximates the rate at the date of the transaction; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed of.

### *Share-based payments reserve*

The Company may provide benefits to employees (including directors) and non-employees of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

Rights over shares (options) using an option pricing model takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Shares issued in lieu of payment are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

## Note 12. Reserves (continued)

### Movements in reserves

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

	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 July 2021	(26,407)	15,043,673	15,017,266
Foreign currency translation	(12,483)	-	(12,483)
Share based payments	-	4,454,236	4,454,236
Performance rights converted	-	(2,353,519)	(2,353,519)
Performance shares converted	-	(3,416,667)	(3,416,667)
Options converted	-	(679,704)	(679,704)
Balance at 30 June 2022	(38,890)	13,048,019	13,009,129
Foreign currency translation	(28)	-	(28)
Share based payments	-	484,792	484,792
Conversion of performance rights	-	(803,624)	(803,624)
Balance at 31 December 2022	(38,918)	12,729,187	12,690,269

## Note 13. Accumulated losses

	31 Dec 2022 \$	30 Jun 2022 \$
Accumulated losses at the beginning of the financial half-year/year	(32,970,383)	(24,216,972)
Loss after income tax expense for the half-year/year	(2,646,271)	(8,753,411)
Accumulated losses at the end of the financial half-year/year	(35,616,654)	(32,970,383)

## Note 14. Dividends

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

## Note 15. Contingent liabilities

There are no significant contingent liabilities as at 30 June 2022 and the date of signing of this report.

## Note 16. Related party transactions

### Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2022 \$	31 Dec 2021 \$
Transactions with director-related entities:		
Seacastle Consulting Pty Ltd (i)	30,000	25,000

### Loans to/from related parties

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

## Note 16. Related party transactions (continued)

### Terms and conditions

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

- (i) Seacastle Consulting Pty Ltd is a company which Roger Martin is a director and beneficial shareholder. The payments were for government and public affairs consulting services on an arm's length basis.

## Note 17. Events after the reporting period

Subsequent to half-year end the Company has entered into a 2 year rental lease for an office premises, and incorporated a wholly owned subsidiary Exenergy Pty Ltd on 3 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Note 18. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	17,080,000	\$0.188
Exercised	(1,250,000)	\$0.040
Expired	(3,830,000)	\$0.040
<b>Outstanding at the end of the financial half-year</b>	<b>12,000,000</b>	<b>\$0.250</b>
<b>Exercisable at the end of the financial half-year</b>	<b>12,000,000</b>	<b>\$0.250</b>

The Company's Employee Securities Incentive Plan was adopted by Shareholders on 12 September 2018, whereby the consolidated entity may, at the discretion of the Board of Directors, grant performance rights over ordinary shares in the company to certain key management personnel and employees of the consolidated entity. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

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

	Number of rights 31 Dec 2022	31 Dec 2021
Outstanding at the beginning of the financial half-year	48,500,000	22,500,000
Granted	-	34,500,000
Exercised	(4,416,666)	-
<b>Outstanding at the end of the financial half-year</b>	<b>44,083,334</b>	<b>57,000,000</b>

The Performance Rights vesting conditions were amended and accepted by shareholders at the Annual General Meeting on 23 November 2022:

**Note 18. Share-based payments (continued)**

Class	Original vesting condition	Amended vesting condition
Class B	Class B Performance Rights shall vest on upon the Company announcing to ASX completion of a positive prefeasibility study in relation to the Ozexco Project ( <b>PFS</b> ), which demonstrates a net present value at least \$500 million with an internal rate of return of at least 25% (in each case using a 10% discount rate), within 30 months from the date of issue.	Vesting upon the Company announcing publicly:  (a) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert ( <b>Independent Expert</b> ); and  (b) a decision to proceed to a definitive feasibility study on the HyEnergy Project ( <b>DFS</b> ),  by no later than 31 March 2024.
Class C	Class C Performance Rights shall vest upon the Company announcing to ASX that it has:  (a) secured an off take partner, under a binding agreement, for a minimum of 30% of production proposed under the PFS; and  (b) an out right sale of the Ozexco Project for a value of at least \$100 million.  within 42 months of completion of the date of issue of the Class Performance Rights.	Vesting upon the Company announcing publicly it has completed a positive DFS as signed off by an Independent Expert by no later than 30 June 2025.
Class D	Class D Performance Rights shall vest upon the Company:  (a) announcing to ASX completion of the PFS, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed to a definitive feasibility study on the Ozexco Project ( <b>DFS</b> ); or  (b) completing the sale of the Ozexco Project,  by 23 October 2023.	Same milestone as the amended Class B Performance Rights milestone noted above.
Class E	Class E Performance Rights shall vest upon the Company:  (a) announcing to ASX completion of the DFS, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed to a final investment decision on the HyEnergy Project; or  (b) completing the sale of the Ozexco Project,  by 23 October 2024	Same milestone as the amended Class C Performance Rights milestone noted above.

These performance rights were valued, using a valuation methodology based on the guidelines set out in AASB 2 *Share based payment*. The 10 day VWAP was used given the fluctuations in the Company's share price on and around the grant date.

As the valuation was based on original grant date the fair value of the performance rights has not changed.

As the performance conditions are non-market based, the probabilities of the rights vesting will need to be reassessed at every reporting period.

**Note 18. Share-based payments (continued)**

The value of the Performance Rights are being expensed over the deemed life of the Rights. During the period \$484,792, was recognised as an expense in relation to the rights.

***Shares in lieu of payment***

On 1 August 2022, 6,000,000 ordinary shares were issued as consideration for marketing and investor services provided in lieu of payment. The shares were valued at \$0.025 each being the share price at the date of agreement for a total value of \$150,000 which was expensed during the period.



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



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Patrick Burke  
Chairman

15 February 2023  
Perth

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

Report on the Review of the Half-Year Financial Report

**Conclusion**

We have reviewed the accompanying half-year financial report of Province Resources Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**Responsibility of Management for the Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

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

Amar Nathwani

**Amar Nathwani**  
**Director**

Dated this 15<sup>th</sup> day of February 2023