



HAVILAH RESOURCES LIMITED
ABN 39 077 435 520



INTERIM FINANCIAL REPORT
FOR THE FINANCIAL HALF-YEAR ENDED
31 JANUARY 2023

For further information please see the Havilah website or contact:

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Forward-looking Statements

This Interim Financial 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 abnormal 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 global 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 condensed 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 Interim Financial 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: Strategic Alliance exploration drilling near Kalkaroo, December 2022.

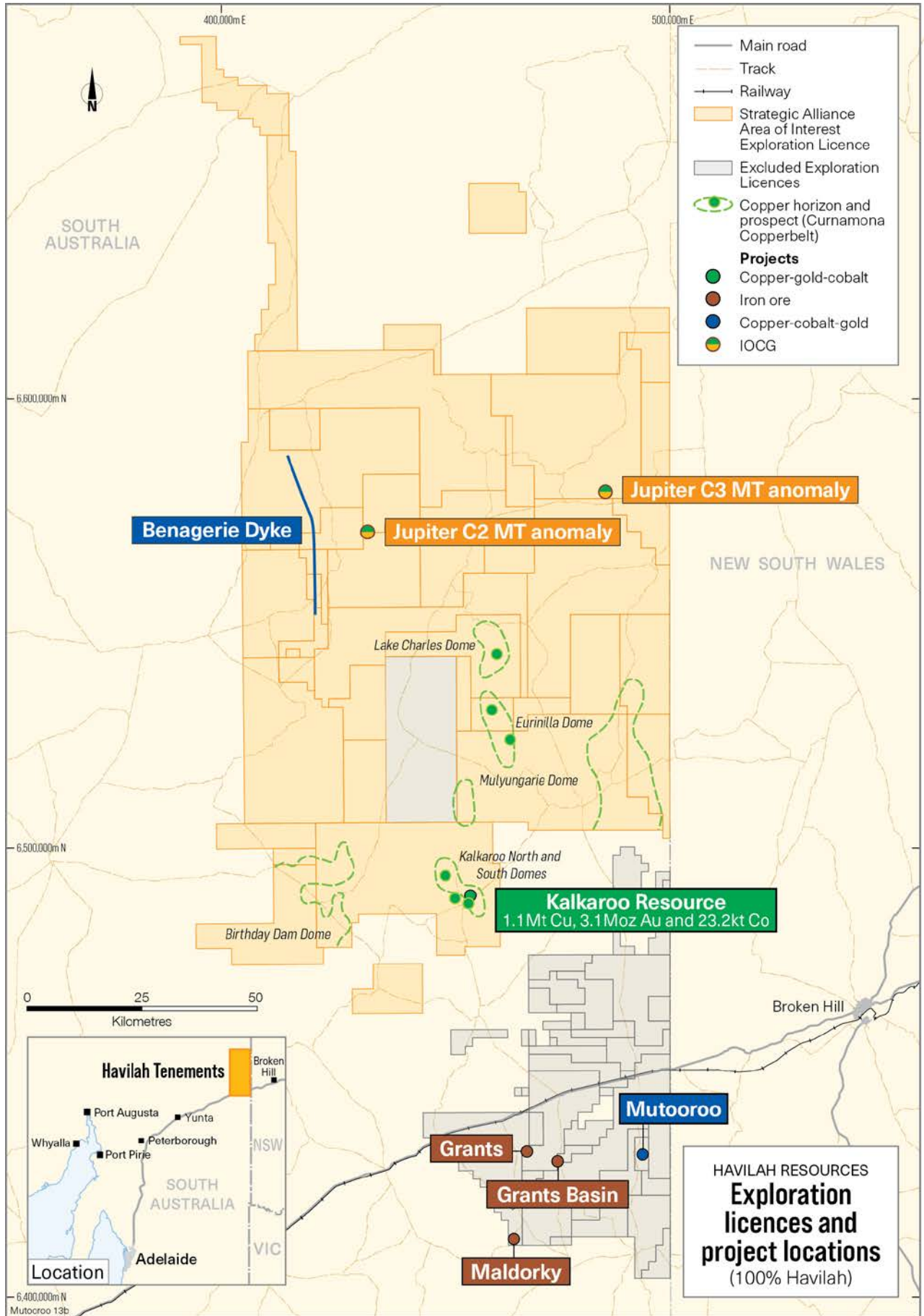


Figure 1 Havilah's deposit, prospect and tenement portfolio in northeastern South Australia, near Broken Hill, including the location of the Kalkaroo copper-gold-cobalt project and Curnamona Province Strategic Alliance Area of Interest exploration licences.

DIRECTORS' REPORT

The Directors present their report on Havilah Resources Limited and its subsidiaries (the 'Group') for the financial half-year ended 31 January 2023 (the 'financial half-year'). Havilah Resources Limited ('Havilah' or the 'Company') is an Australian public company limited by shares and is listed on the Australian Securities Exchange ('ASX'). It is incorporated and domiciled in Australia. Its registered office is at 107 Rundle Street, Kent Town SA 5067. All monetary amounts are presented in Australian dollars, unless otherwise indicated.

Directors

The names of the Directors of the Company during the financial half-year and up to the date of this Directors' Report are set out below:

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

Directors were in office for the entire period.

Company Secretary

Mr Simon Gray.

Principal Activities

The principal activities of the Group during the financial half-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 half-year are outlined in the Review of Operations below.

Both the COVID-19 pandemic and rising geopolitical tensions continue to highlight to the Board the importance of regional supply chain security for strategic and critical minerals (copper, cobalt, molybdenum, sulphur, rare earth elements, tin and tungsten) that are necessary for national economic and security interests.

Review of Operations

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

Havilah's key objectives for calendar year 2023 were outlined in the Technical Review presentation at the Annual General Meeting on 16 December 2022 ([refer to ASX announcement of 16 December 2022](#)). Subject to any unforeseen circumstances (weather, pandemics, regulations, equipment availability etc), they are:

- Exploration for new copper deposits in the Curnamona Province (Curnamona Copperbelt) under the OZ Minerals Strategic Alliance.
- OZ Minerals Kalkaroo Study Program – working towards a decision on whether to exercise the Kalkaroo Option.
- Continuation of Mutooroo pre-feasibility study ('PFS') work and exploration drilling for new copper-cobalt-gold deposits in the surrounding Mutooroo Project Area.
- Resource drilling and commencement of a mining scoping study on the western outcropping portion of the Grants Basin iron ore deposit.
- Divestment of uranium assets in NU Energy Resources Limited, subject to market conditions for uranium and other factors.
- Exploration of the conceptual Benagerie Dyke feature.

DIRECTORS' REPORT**Review of Operations** *(continued)***Kalkaroo Copper-Gold-Cobalt Project (HAV 100% ownership – OZ Minerals Kalkaroo Option)**

Havilah is the sole owner of the Kalkaroo copper-gold-cobalt project in the Curnamona Province of South Australia, more commonly known as the Kalkaroo Project. The Kalkaroo Project contains JORC Mineral Resources of 1.1 million tonnes of copper, 3.1 million ounces of gold and 23,200 tonnes of cobalt (see JORC tables below). It has an open pit Ore Reserve of 100.1 million tonnes, of which 90% is in the Proved category (as that term is defined in the JORC Code). As such, the Kalkaroo Project is one of the larger undeveloped open pit copper-gold deposits in Australia.

Havilah has 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.

At the general meeting of shareholders held on 31 August 2022 Havilah shareholders overwhelmingly approved the Proposed Transaction with OZ Minerals Limited and, its wholly owned subsidiary, OZ Exploration Pty Ltd ('OZ Minerals') and disposal of interest in the Kalkaroo Project in accordance with the Kalkaroo Transaction. The full form definitive agreements executed with OZ Minerals on 25 July 2022, that covered all aspects of the Proposed Transaction, all have an effective date of 31 August 2022.

Under the full form definitive agreements:

- (a) Call Option agreement: the Group granted OZ Minerals an option to acquire the Kalkaroo Project ('Kalkaroo Option') – disclosed in Note 4 of the condensed consolidated financial statements;
- (b) Access and Compensation agreement: the Group granted OZ Minerals access to the Group's Kalkaroo Station pastoral lease – disclosed in Note 6(a) of the condensed consolidated financial statements; and
- (c) Strategic Alliance agreement: a strategic alliance was formed between the Group and OZ Minerals for the purpose of conducting further exploration for copper in the Curnamona Province of northeastern South Australia ('Strategic Alliance') - disclosed in Note 9 of the condensed consolidated financial statements.

As a result of unavoidable delays during the financial half-year caused by unseasonably heavy rains and receipt of requisite land access approvals, during January 2023 the Group and OZ Minerals agreed to a 69 day extension to the Study Program under the force majeure provisions. This has the effect of extending the period for exercise of the Kalkaroo Option by 69 days to 10 May 2024 (if not exercised earlier or further extended).

During the financial half-year a contractor drilling rig and associated equipment were mobilised to site and reverse circulation drilling commenced ([refer to ASX announcement of 18 November 2022](#)). The Curnamona Province Strategic Alliance exploration drilling program comprises up to 20,000 metres of reverse circulation drilling, for a total budget of up to \$4 million over an up to six month period, initially focusing on 7 separate high priority copper prospect areas within Havilah's 100% owned exploration licence ('EL') 6659 within 15 km of the Kalkaroo Project. The objective is to locate additional copper resources close to Kalkaroo that could be additive to the existing Kalkaroo JORC Mineral Resource and so enhance its development prospects. At the end of the financial half-year 39 reverse circulation percussion drillholes had been completed for a total of approximately 7,458 metres on 4 of these copper prospects, namely Johnson Dam, Deep Well, Main Dome NW and Homestead (formerly Kalkaroo West). 2,332 reverse circulation drill chip samples have been submitted to an Adelaide assay laboratory and complete assay results are pending.

An important component of the Study Program work is diamond drilling, with one drilling rig (subsequently joined by a second drilling rig) operating on Kalkaroo Mining Lease ('ML') 6498. Initially 30 diamond drillholes are planned including 7 geotechnical holes and 23 holes that twin existing Havilah reverse circulation drillholes. This drilling program has several key objectives:

- resource verification and checking for any bias in Havilah's earlier drilling results;
- obtaining representative metallurgical bulk samples;
- gathering detailed structural information for geotechnical inputs to inform open pit designs; and
- evaluating data quality of historical Havilah drilling programs.

OZ Minerals has set up its own drillcore logging, cutting and density measurement facilities on site to handle the volume of drillcore and has assigned experienced geologists to this task. Orexplore Technologies Limited has established a core scanning facility on site using its state-of-the-art GeoCore X10 hardware and its Insight software. Historical and new drillcore is presently being scanned to produce digital core models that are able to be remotely viewed and interpreted by the geology and study teams. A primary objective of this work is to evaluate the variability of physical properties, mineralogy and other orebody attributes across the Kalkaroo orebody to complement resource modelling and metallurgical studies.

To accommodate all of the personnel working on site, OZ Minerals has established a 33 person fully catered camp (subsequently expanded to 45 persons) adjacent to Havilah's existing exploration camp.

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. Such sulphide cobalt deposits are generally rarer and smaller than nickel-cobalt laterite deposits, but they typically have significant mineral processing cost advantages.

Havilah is carrying out a PFS for the Mutooroo project as a proposed 1 million tonne per annum throughput copper and cobalt producer, based on current JORC Measured Resources, initially from an open cut mine that potentially transitions to a longer-term underground mining operation. Following shallow open pit resource drilling last year, the focus this calendar year will be on mining and environmental aspects. It is planned this will be managed internally by Havilah's mining engineers and environmental manager, with assistance from external consultants as required.

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.

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.

This calendar year, subject to adequate funding, Havilah intends to conduct a shallow reverse circulation resource delineation drilling program, that is designed to convert a portion of the western end Grants Basin 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.

The drilling program is planned to be undertaken by Havilah's drilling crew and the mining scoping study will be managed internally by Havilah's mining engineers, with external consultants input when required.

* 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.

Exploration Strategy

One of Havilah's strategic assets is its ~16,000 km² 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, rare earth elements, tin and tungsten. Exploration for new economic discoveries leveraging off the Group's large prospective tenement holding and utilising its extensive knowledge base is a key objective.

Mutooroo Project Area (HAV 100% ownership)

Evaluation of existing geological, geophysical and geochemical data for the Mutooroo Project Area ('MPA') by Havilah's senior exploration geologist over the past two years has identified many robust copper-cobalt exploration prospects, which will be systematically drilled during calendar 2023.

Havilah's exploration strategy is to discover additional copper-cobalt-gold resources in the MPA that could support a spoke and hub development concept, with the central mining and processing operation located at the Mutooroo copper-cobalt deposit.

The MPA 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.

DIRECTORS' REPORT**Review of Operations** *(continued)****Jupiter MT and Benagerie Dyke (HAV 100% ownership)***

The Benagerie Dyke is a prominent linear magnetic feature of unknown origin that extends for at least 28 km along the interpreted western rifted margin of the Benagerie Ridge. There may be analogies with the Julimar style PGE-Ni-Cu-Co-Au mineralisation that was discovered near Perth during March 2020.

A dedicated exploration geologist has been employed to manage the Accelerated Development Initiative ('ADI') grant 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, 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.

Rare Earth Element ('REE') 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.

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DIRECTORS' REPORT

Financial Position

At the end of the financial half-year the Group had a cash and cash equivalents balance of \$1,897,596 (31 July 2022: \$1,610,201).

The Group's working capital, being current assets less current liabilities, increased from a net current asset surplus of \$760,932 as at 31 July 2022 to \$1,191,849 as at 31 January 2023.

Trade and other receivables of \$1,287,737 as at 31 January 2023 was associated with Strategic Alliance agreement funding from OZ Minerals for non-Strategic Alliance activities.

Exploration and evaluation expenditure carried forward increased during the financial half-year to \$39,732,142 primarily due to \$683,874 incurred on Kalkaroo and Mutooroo tenements.

Property, plant and equipment (that includes right-of-use assets) was acquired during the financial half-year, at a cost of \$337,636.

The Group's equity investment in ASX listed Auteco Minerals Ltd as at 31 January 2023 was valued at \$280,250 (31 July 2022: \$240,917).

The Group's total liabilities increased predominantly due to an increase in trade and other payables, borrowings and lease liabilities, provision for employee benefits, and other financial liabilities. An other liability of \$500,000 has been recognised for Strategic Alliance agreement funding from OZ Minerals for non-Strategic Alliance activities (Upfront Investment), invoiced in advance.

The Company issued 40,000 new fully paid ordinary shares as a result of unlisted employee share options being exercised during the financial half-year, with contributed equity increasing by \$8,800 as at 31 January 2023. Funds raised will be used for ongoing working capital requirements.

Cash Flows

Operating activities resulted in net cash inflows of \$1,216,470 (2022: outflows of \$1,157,529) for the financial half-year, predominantly from Strategic Alliance agreement funding for non-Strategic Alliance activities \$2,500,000 (2022: \$Nil), receipts from customers \$170,166 (2022: \$37,925), government grants received for exploration activities \$Nil (2022: \$65,029) and interest received \$13,235 (2022: \$15); partially offset by payments to suppliers and employees \$1,061,932 (2022: \$1,035,516), payments for exploration and evaluation expenditure expensed \$393,250 (2022: \$53,531), final payment of Research & Development amendment \$Nil (2022: \$158,706), interest and other costs of finance paid \$11,749 (2022: \$12,745).

Net cash outflows from investing activities \$1,021,510 (2022: \$1,453,870) for the financial half-year were primarily associated with payments for exploration and evaluation expenditure \$683,874 (2022: \$1,280,313) on the Group's exploration projects, and payments for property, plant and equipment \$337,636 (2022: \$173,557).

Financing activities resulted in net cash inflows of \$92,435 (2022: \$632,220) for the financial half-year, predominantly associated with proceeds from issue of new fully paid ordinary shares \$8,800 (2022: \$600,020) and proceeds from borrowings and lease liabilities \$144,891 (2022: \$57,779); partially offset by payment of ordinary share issue costs \$Nil (2022: \$18,000), and repayments of borrowings and lease liabilities \$61,256 (2022: \$7,579).

The financial half-year ended with a net increase in cash and cash equivalents of \$287,395 (2022: net decrease \$1,979,179).

Financial Results

The consolidated result of the Group for the financial half-year was a profit after tax of \$1,376,772 (2022: loss after tax \$1,338,025).

The profit for the financial half-year includes revenue associated with Portia Gold Mine royalty revenue \$Nil (2022: \$26,956); and other income associated with interest income \$13,235 (2022: \$15), Strategic Alliance contributions from OZ Minerals (Upfront Investment for non-Strategic Alliance activities) of \$2,500,000 (2022: \$Nil), Access Fee for Kalkaroo Station pastoral lease access rights \$99,356 (2022: \$Nil), diesel fuel rebates received \$4,593 (2022: \$10,969), overhead recovery \$154,117 (2022: \$38,770), and other sundry income \$2,100 (2022: \$Nil).

The profit for the financial half-year also includes the fair value gain of \$39,333 (2022: loss of \$162,500) from the Group's equity investment in Auteco Minerals Ltd, classified as fair value through profit or loss.

Expenses for the financial half-year predominantly includes net employee benefits expense of \$681,840 (2022: \$970,566), which includes share-based payments expense of \$14,095 (2022: \$435,058) associated with unlisted share options, exploration and evaluation expenditure expense of \$304,869 (2022: \$53,531).

The costs of labour and consumables (including the price of diesel fuel) have experienced significant escalation driven by high demand, the COVID-19 pandemic and the Russian invasion of Ukraine.

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

Numbers in above tables are rounded. Ore Reserves are a subset of the Mineral Resources.

Footnotes to 2022 JORC Ore Reserve 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 Interim Financial Report.

Competent Person's Statements

The information in this Interim Financial 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 Interim Financial 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 Interim Financial 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.

Non-Audit Services

During the financial half-year the Group's external auditor, Grant Thornton Audit Pty Ltd, performed certain other services (taxation services) in addition to its statutory audit duties receiving remuneration of \$7,004 (2021: \$6,000).

The Board has considered the non-audit services provided during the financial half-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 Group 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 Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the external Auditor's Independence Declaration for the financial half-year, as required under Section 307C of the *Corporations Act 2001*, is included on page 10.

Significant Matters Arising Subsequent to the End of the Financial Half-Year

Other than the matter disclosed in Note 11 of the condensed consolidated financial statements, there has been no matter or circumstance that has arisen since the end of the financial half-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.

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

14 April 2023

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Auditor's Independence Declaration

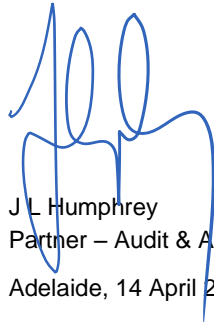
To the Directors of Havilah Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Havilah Resources Limited for the half-year ended 31 January 2023. 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance
Adelaide, 14 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Financial Half-Year Ended	
		31 January 2023	31 January 2022
		\$	\$
Revenue	6	-	26,956
Other income	6	2,773,401	49,754
Fair value gain (loss) on financial assets		39,333	(162,500)
Employee benefits expense (net)	6	(681,840)	(970,566)
Depreciation expense		(76,222)	(45,089)
Finance costs	6	(11,749)	(12,745)
Exploration and evaluation expenditure expensed		(304,869)	(53,531)
Share registrar, ASIC and ASX listing fees		(41,744)	(36,710)
Insurance expense		(100,382)	(83,947)
Investor relations cost		(23,525)	(23,064)
Professional and consulting fees		(35,237)	(8,100)
Computer software expense		(129,162)	(11,164)
Transaction costs associated with the Proposed Transaction – OZ Minerals		(10,708)	-
Other expenses		(20,524)	(7,319)
Profit (loss) before income tax		1,376,772	(1,338,025)
Income tax expense		-	-
Profit (loss) for financial half-year attributable to equity holders of the Company		1,376,772	(1,338,025)
Other comprehensive income for financial half-year, net of income tax		-	-
Total comprehensive profit (loss) for financial half-year attributable to equity holders of the Company		1,376,772	(1,338,025)
Profit (loss) per share attributable to equity holders of the Company:		Cents	Cents
Basic profit (loss) per ordinary share		0.435	(0.44)
Diluted profit (loss) per ordinary share		0.430	(0.44)

This statement should be read in conjunction with the notes to the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 January 2023	31 July 2022
		\$	\$
Current assets			
Cash and cash equivalents		1,897,596	1,610,201
Trade and other receivables		1,287,737	98,714
Other assets		-	204,175
Total current assets		3,185,333	1,913,090
Non-current assets			
Exploration and evaluation expenditure	7	39,732,142	39,048,268
Property, plant and equipment		3,200,958	2,939,544
Other financial assets		340,250	300,917
Total non-current assets		43,273,350	42,288,729
Total assets		46,458,683	44,201,819
Current liabilities			
Trade and other payables		532,906	434,930
Borrowings and lease liabilities		156,735	62,360
Other liability - OZ Minerals Strategic Alliance billed in advance	9	500,000	-
Provisions		803,843	654,868
Total current liabilities		1,993,484	1,152,158
Non-current liabilities			
Borrowings and lease liabilities		30,066	41,724
Provisions		27,529	-
Total non-current liabilities		57,595	41,724
Total liabilities		2,051,079	1,193,882
Net assets		44,407,604	43,007,937
Equity			
Contributed equity	8	85,220,663	85,211,863
Accumulated losses		(39,365,552)	(40,742,324)
Share-based payments reserve		1,152,290	1,138,195
Buy-out reserve		(2,599,797)	(2,599,797)
Total equity		44,407,604	43,007,937

This statement should be read in conjunction with the notes to the condensed 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 1 August 2021	82,829,843	(38,378,583)	1,252,741	(2,599,797)	43,104,204
Loss for financial half-year	-	(1,338,025)	-	-	(1,338,025)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for financial half-year	-	(1,338,025)	-	-	(1,338,025)
Transactions with owners in their capacity as owners:					
Ordinary shares issued	600,020	-	-	-	600,020
Transaction costs arising on ordinary shares issued	(18,000)	-	-	-	(18,000)
Unlisted options lapsed	-	563,833	(563,833)	-	-
Share-based payments expense	-	-	435,058	-	435,058
Balance as at 31 January 2022	83,411,863	(39,152,775)	1,123,966	(2,599,797)	42,783,257
Balance as at 1 August 2022	85,211,863	(40,742,324)	1,138,195	(2,599,797)	43,007,937
Profit for financial half-year	-	1,376,772	-	-	1,376,772
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for financial half-year	-	1,376,772	-	-	1,376,772
Transactions with owners in their capacity as owners:					
Ordinary shares issued	8,800	-	-	-	8,800
Transaction costs arising on ordinary shares issued	-	-	-	-	-
Share-based payments expense	-	-	14,095	-	14,095
Balance as at 31 January 2023	85,220,663	(39,365,552)	1,152,290	(2,599,797)	44,407,604

This statement should be read in conjunction with the notes to the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Half-Year Ended	
	31 January 2023	31 January 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	170,166	37,925
Strategic Alliance agreement funding, for non-Strategic Alliance activities	2,500,000	-
Government grants received for exploration activities	-	65,029
Interest received	13,235	15
Payments to suppliers and employees	(1,061,932)	(1,035,516)
Payments for exploration and evaluation expenditure expensed	(393,250)	(53,531)
Payment of Research & Development amendment	-	(158,706)
Interest and other costs of finance paid	(11,749)	(12,745)
Net cash flows provided by (used in) operating activities	1,216,470	(1,157,529)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure capitalised	(683,874)	(1,280,313)
Payments for property, plant and equipment	(337,636)	(173,557)
Net cash flows used in investing activities	(1,021,510)	(1,453,870)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	8,800	600,020
Payment of ordinary share issue costs	-	(18,000)
Proceeds from borrowings and lease liabilities	144,891	57,779
Repayments of borrowings and lease liabilities	(61,256)	(7,579)
Net cash flows provided by financing activities	92,435	632,220
Net increase (decrease) in cash and cash equivalents	287,395	(1,979,179)
Cash and cash equivalents at beginning of financial half-year	1,610,201	4,007,410
Cash and cash equivalents at end of financial half-year	1,897,596	2,028,231

This statement should be read in conjunction with the notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**Note 1. Basis of Preparation of the Condensed Consolidated Financial Statements**

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

These general purpose condensed consolidated financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

The Interim Financial Report represents a set of 'condensed financial statements' as referred to in AASB 134 *'Interim Financial Reporting'*. Accordingly, it does not include all the information normally included in an Annual Report and should be read in conjunction with the Group's Annual Report for the financial year ended 31 July 2022 and any public announcements made by the Company during the current reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. Information on the nature of the operations and principal activities of the Group are described in the Directors' Report.

The condensed consolidated financial statements are for the consolidated entity consisting of the Company and its subsidiaries (the 'Group') and have been prepared using the same accounting policies, critical estimates, judgements and methods of computation as disclosed in the Group's Annual Report for the financial year ended 31 July 2022.

The condensed consolidated financial statements are presented in Australian dollars, which is Havilah's functional and presentation currency. Amounts are rounded to the nearest dollar.

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

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 Australian Accounting Standards Board that are relevant to its operations and effective for the financial half-year ended 31 January 2023 ('financial half-year'). The Group has not elected to apply any new or revised Australian Accounting Standards before their operative dates during the financial half-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 half-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 the preparation of condensed consolidated financial statements.

Note 2. 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 condensed consolidated financial statements.

Note 3. Financial Instruments

The Group's financial instruments consist of cash and cash equivalents, trade and other receivables, bank term deposits, shares in a listed ASX entity classified as fair value through profit or loss, trade and other payables, borrowings and lease liabilities, and OZ Minerals Strategic Alliance billed in advance. For financial assets and financial liabilities carried at fair values, there has been no change in either relevant valuation methods or fair value hierarchy during the financial half-year.

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments during the financial half-year. 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**Note 4. Going Concern**

The condensed 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 half-year ended 31 January 2023 the Group recognised a profit of \$1,376,772, had net cash outflows from operating and investing activities of \$194,960; and had accumulated losses of \$39,365,552 as at 31 January 2023.

On 16 May 2022 the Group signed a conditional binding Terms Sheet with OZ Minerals Limited and, its wholly owned subsidiary, OZ Exploration Pty Ltd ('OZ Minerals') related to a Proposed Transaction comprising the key elements of the grant of an option to OZ Minerals to purchase the Kalkaroo Project and a Strategic Alliance to explore for copper in the Group's extensive tenement holding in the Curnamona Province of northeastern South Australia. 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 Project in accordance with the Kalkaroo Transaction.

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

Under the Call Option agreement, during the Kalkaroo Option period (commencing 31 August 2022) OZ Minerals plans to undertake and sole fund a study and work program on the Kalkaroo Tenements 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 Minerals in determining whether to exercise the Kalkaroo Option during the Kalkaroo Option (period expires on 10 May 2024, if not exercised earlier or further extended). If exercised, OZ Minerals would proceed with the purchase of 100% of the Kalkaroo 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.

In accordance with the Strategic Alliance agreement OZ Minerals will pay \$1,000,000 a month (up to a total of \$18,000,000 over 18 months from 31 August 2022, as an 'Upfront Investment') until the earlier of (a) the end of the Strategic Alliance period (period expires on 10 May 2024, unless extended); or (b) the date the Kalkaroo Option is exercised. Under the Strategic Alliance agreement, the Group 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. During the financial half-year the Group received funding from OZ Minerals of \$2,500,000 under the Strategic Alliance agreement for non-Strategic Alliance activities.

OZ Minerals may elect to not exercise the Kalkaroo Option at any time during the 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 Minerals 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 condensed consolidated financial statements and notes.

The condensed 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Dividends

There were no dividends declared or paid during the financial half-year by the Company (2022: \$Nil).

Note 6. Results for the Financial Half-Year

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

	Financial Half-Year Ended	
	31 January 2023	31 January 2022
	\$	\$
Revenue		
Royalty revenue from Portia Gold Mine	-	26,956
Total revenue	-	26,956
Other Income		
Interest income from unrelated entities	13,235	15
Strategic Alliance contributions from OZ Minerals (Upfront Investment for non-Strategic Alliance activities, refer Note 9)	2,500,000	-
Access Fee for Kalkaroo Station pastoral lease access rights (refer (a) below)	99,356	-
Diesel fuel rebates received	4,593	10,969
Overhead recovery	154,117	38,770
Other sundry income	2,100	-
Total other income	2,773,401	49,754
 (a) The Kalkaroo Station pastoral lease is excluded from the Kalkaroo Assets and is not the subject of the Kalkaroo Option. The Group has separately granted OZ Minerals, under the Access and Compensation agreement, the right to access the Kalkaroo Station pastoral lease for the purposes of undertaking the study and work program and exploration activities, subject to the exercise of the Kalkaroo Option and Completion occurring.		
During the Kalkaroo Option period, OZ Minerals will have exclusive possession and use of the Kalkaroo Tenements, including the Kalkaroo Station pastoral lease, which it can terminate at any time during the Kalkaroo Option period.		
In consideration for the access rights, OZ Minerals will pay the Group an annual payment that is paid quarterly in advance, equal to two times the annual Kalkaroo Tenements rent, capped at \$500 per day on the basis of 365 day year indexed by the Consumer Price Index ('Access Fee').		
OZ Minerals has a right of first refusal to purchase the Kalkaroo Station pastoral lease. This right of first refusal will cease if the Kalkaroo Option is not exercised during the Kalkaroo Option period.		
Expenses		
Employee benefits expense (net):		
- Employee benefits expense	(819,710)	(676,206)
- Capitalisation of employee benefits expense to exploration and evaluation expenditure	325,922	297,438
- Directors' remuneration	(173,957)	(156,740)
- Share-based payments expense	(14,095)	(435,058)
Total employee benefits expense (net of amounts capitalised)	(681,840)	(970,566)
Finance costs:		
- Interest expense	(713)	(4,806)
- Interest expense on lease liabilities	(2,851)	-
- Bank fees	(8,185)	(7,939)
Total finance costs	(11,749)	(12,745)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Exploration and Evaluation Expenditure

	31 January 2023	31 July 2022
	\$	\$
Cost brought forward	39,048,268	37,346,924
Expenditure incurred during the financial period	683,874	1,932,120
Government grant offset	-	(230,776)
Total exploration and evaluation expenditure carried forward	39,732,142	39,048,268

A review of the Group's exploration and evaluation tenement portfolio was conducted during the financial half-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 Minerals to Purchase the Kalkaroo Project

During the Kalkaroo Option period (commencing 31 August 2022), OZ Minerals has an option to exercise the Kalkaroo Option. If exercised, OZ Minerals will acquire 100% of the Kalkaroo Project for consideration payable to the Group comprised 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 relevant production milestones (\$65,000,000 if a 30% uplift in Measured & Indicated Mineral Resources; up to \$135,000,000 from 20% revenue share if copper price >U\$10,000/t).

As a result of unavoidable delays during the financial half-year caused by unseasonably heavy rains and delays in receipt of requisite land access approvals, during January 2023 the Group and OZ Minerals agreed to a 69 day extension to the Study Program under the force majeure provisions. This has the effect of extending the period for exercise of the Kalkaroo Option by 69 days to 10 May 2024 (if not exercised earlier).

During the Kalkaroo Option period, OZ Minerals will have exclusive possession and use of the Kalkaroo Tenements. Subject to and with effect from 31 August 2022, the Group grant OZ Minerals an exclusive right to apply for one or more new mining tenements in respect of an area wholly or partly within EL 6659 (Kalkaroo exploration licence) where this is required to cover a contiguous extension of the existing Kalkaroo JORC Mineral Resource disclosed in the baseline study for mining purposes or for any ancillary operations related to or supportive of the Kalkaroo Project.

OZ Minerals may elect to not exercise the Kalkaroo Option at any time during the Kalkaroo Option period provided 5,000 metres has been drilled on the Kalkaroo Tenements, subject to a shortfall penalty payment (metres not drilled multiplied by \$400) is paid to the Group. If the Kalkaroo Option is not exercised, the Group would retain ownership of the study and work program data and the value of OZ Minerals' investment in Kalkaroo would continue to be available for use by the Group in advancing Kalkaroo.

Exploration and evaluation expenditure carried forward of \$21,530,777 relating to the Kalkaroo Project has not been reclassified as held for sale as at 31 January 2023. The last day for OZ Minerals to exercise the Kalkaroo Option is 10 May 2024 (if not exercised earlier or further extended) and therefore Havilah management does not currently expect it to qualify for recognition as a completed sale within the next 12 months.

Note 8. Contributed Equity

	31 January 2023	31 July 2022
	\$	\$
(a) Contributed Equity		
Ordinary shares, fully paid	85,220,663	85,211,863
Total contributed equity	85,220,663	85,211,863

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Contributed Equity (continued)

(b) Movement in Ordinary Shares

Dates	Details	Number of ordinary shares	\$
1 August 2021	Opening balance in 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 prior financial year	316,599,210	85,211,863
12 August 2022	Ordinary shares issued – unlisted employee share options exercised	40,000	8,800
	Transaction costs arising on ordinary shares issued	-	-
31 January 2023	Balance at end of financial half-year	316,639,210	85,220,663

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

Note 9. Curnamona Province Strategic Alliance (effective date 31 August 2022)

The Group and OZ Minerals executed the Strategic Alliance agreement for the purposes of conducting activities aimed at the discovery, location and delineation of copper dominant mineralisation on tenements within the Area of Interest ('AOI') and any work relating to the possible development and exploitation of minerals within the AOI ('Strategic Alliance activities'). The Strategic Alliance agreement was executed with OZ Minerals on 25 July 2022 but had an effective date of 31 August 2022.

OZ Minerals has agreed to pay \$1,000,000 per month (up to a total of \$18,000,000 over 18 months from 31 August 2022, as an 'Upfront Investment') during the Kalkaroo Option period, of which \$500,000 per month must be spent on Strategic Alliance activities, administered by the Group, but at the direction of the Curnamona Province Strategic Alliance which is controlled by OZ Minerals. The Group therefore considers itself an agent as it relates to the \$500,000 per month to be spent on Strategic Alliance activities.

The Upfront Investment for Strategic Alliance activities must be repaid at the end of the Strategic Alliance period unless such funds have already been committed to work programs or other expenses that have been approved by the Strategic Alliance Stakeholder Team, which cannot be discontinued or suspended, or if the Group and OZ Minerals agree to further extend the Strategic Alliance period (may only be extended by a maximum of three months).

As at 31 January 2023 the joint bank account held \$1,729,467 to be spent solely on Strategic Alliance activities and is available for no other purpose. The Group has therefore accounted for the funds received on Strategic Alliance activities as a collaboration arrangement and has not recognised any transactions related to the relevant funds received or the expenditures paid from the joint bank account in its own condensed consolidated financial statements as at 31 January 2023, other than any amounts received that have not yet been transferred to the joint bank account. As at 31 January 2023, the Group has \$500,000 receivable from OZ Minerals which had not yet been transferred to the joint bank account. This has been included in the consolidated statement of financial position as an other current liability as OZ Minerals has an unconditional right to refund upon exercise of its right to terminate the Strategic Alliance.

The remainder of the Upfront Investment is recognised as other income on an accrual basis.

Where the Curnamona Province Strategic Alliance makes a discovery within the AOI of copper dominant mineralisation (as measured by reference to the value of copper in the mineralisation) or other associated mineralisation that OZ Minerals considers it could process in its proposed (or upgraded) Kalkaroo Project processing plant ('AOI Discovery'), OZ Minerals may notify the Group that the AOI Discovery is a discovery of interest ('DOI') and shall provide the Group with a proposed work program in relation to the DOI, which shall be sole funded by OZ Minerals. OZ Minerals is limited to three DOIs at any given time.

If OZ Minerals defines an initial JORC Mineral Resource pursuant to a DOI work program in relation to the particular DOI, then a joint venture will be formed, between OZ Minerals and the Group, under which the initial joint venture interests of the participants will be: 70% - OZ Minerals; and 30% - the Group. OZ Minerals would sole fund all joint venture expenditure until a final investment decision to proceed with a commercial mining operation is made by the joint venture operating committee, and OZ Minerals shall be the initial manager of the joint venture.

The Group will also grant OZ Minerals a right of first refusal to purchase the Group's interest in an AOI Discovery in the event that the Group intends to dispose of its interest in an AOI Discovery, subject to the Kalkaroo Option having been exercised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**Note 10. Commitments for Expenditure, Contingent Liabilities and Contingent Assets**

Amalgamated Expenditure Agreements with the Department for Energy and Mining (the regulator in South Australia) prescribe the expenditure and relinquishment requirements for Havilah's Curnamona Province tenements. As at 31 January 2023, the Department for Energy and Mining was reviewing the Group's allowable expenditures for the two year calendar period of 2021 and 2022. Any required relinquishments will be selected from the least prospective portions of the Group's tenement holding.

There have not been any other significant changes in commitments for expenditure from the Group's Annual Report for the financial year ended 31 July 2022.

There have not been any significant changes in contingent liabilities from the Group's 2022 Annual Report.

There has not been any change in the contingent asset from the Group's 2022 Annual Report.

Note 11. Significant Matters Arising Subsequent to the End of the Financial Half-Year

The Interim Financial Report was authorised for issue by the Board of Directors on 14 April 2023. The Board of Directors has the power to amend and reissue the Interim Financial Report.

Since 31 January 2023, the following significant matter has occurred:

(a) Employee Options Issued

The Company issued 3,100,000 unlisted employee share options on 16 February 2023. Employee share options vest in three tranches and are exercisable at \$0.375 each on or before 1 November 2025.

There has been no other matter or circumstance that has arisen since the end of the financial half-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 condensed consolidated financial statements and notes, set out on pages 11 to 20, are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 January 2023 and of its performance for the financial half-year ended on that date; and
- (b) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

14 April 2023

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Independent Auditor's Review Report

To the Members of Havilah Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Havilah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 January 2023, and 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 description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Havilah Resources Limited financial position as at 31 January 2023 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

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

Material uncertainty related to going concern

We draw attention to Note 4 in the financial report, which indicates that the Group had net cash outflows from investing activities of \$1,021,510 and had accumulated losses of \$39,365,552. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year 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 responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group's financial position as at 31 January 2023 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 14 April 2023

GLOSSARY

Term	Definition
\$, cents	Units of Australian currency.
AASB	Australian Accounting Standards Board.
Access Fee, Completion, Proposed Transaction, Stakeholder Team, Strategic Alliance, Study Program, Terms Sheet	See relevant definitions in Schedule 1 or Schedule 3 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.
Company or Havilah	Havilah Resources Limited.
consolidated entity	The provisions of the <i>Corporations Act 2001</i> use the term 'consolidated entity' rather than 'Group'.
COVID-19	coronavirus disease 2019.
EL, ML	Exploration Licence and Mining Lease respectively.
eU3O8	equivalent uranium oxide.
Fe	iron.
financial half-year	the financial half-year ended 31 January 2023.
Group	Havilah Resources Limited and its subsidiaries.
g/t	gram/tonne.
JORC	Joint Ore Reserves Committee.
JORC Code	Australasian Code for reporting of exploration results, Mineral Resources and Ore Reserves.
Kalkaroo Assets	means all assets (including plant, equipment, contracts, business records and intellectual property developed, acquired or created by or on behalf of the Company or its related bodies corporate) in relation to the Kalkaroo Project.
Kalkaroo Option	Option to purchase the Kalkaroo Project.
Kalkaroo Project	means the Kalkaroo copper-gold-cobalt project in the Curnamona Province of South Australia and comprises the Kalkaroo Tenements and the Kalkaroo Assets.
Kalkaroo Tenements	means ML 6498, ML 6499, ML 6500, MPL 158 and MPL 159 under the Kalkaroo Option with OZ Minerals.
Kalkaroo Transaction	The grant and exercise of the Kalkaroo Option.
km, km ²	kilometres and square kilometres respectively.
Koz	thousand troy ounces.
Kt, Mt, t	thousand tonnes, million tonnes and tonnes respectively.
MPA	Mutooroo Project Area.
MT	magnetotelluric.
OZ Minerals	OZ Exploration Pty Ltd.
PFS	pre-feasibility study.
ppm	parts per million.
REE	rare earth elements.