

# **Province Resources Limited**

**(Formerly known as ScandiVanadium Ltd)**

**ABN 83 061 375 442**

**Annual Report - 30 June 2021**

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Directors

Patrick Burke  
Non-Executive Chairman

David Frances  
Managing Director

Kylah Morrison  
Non-Executive Director

Roger Martin  
Non-Executive Director

Company secretary

Ian Hobson

Registered office

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

Share register

Automic Pty Ltd  
Level 2, 267 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

Securities Exchange Listing

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

Website

[www.provinceresources.com](http://www.provinceresources.com)

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**Directors' report**  
**30 June 2021**

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 previously ScandiVanadium Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

**Directors**

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

Patrick Burke	Non-Executive Chairman - Appointed 17 February 2021 (previously Non-Executive Director - Appointed 9 November 2020)
David Frances	Managing Director - Appointed 17 February 2021 (previously Executive Chairman - Appointed 3 August 2020)
Kylah Morrison	Non-Executive Director - Appointed 22 March 2021
Roger Martin	Non-Executive Director - Appointed 27 July 2021
Tom Langley	Non-Executive Director - Appointed 3 August 2020 - Resigned 22 March 2021
David Minchin	Executive Director - Appointed 13 November 2018 - Resigned 9 November 2020
Brandon Munro	Non-Executive Director - Appointed 3 August 2020 - Resigned 6 November 2020 (previously Chairman - Appointed 13 November 2018)
Simon Robertson	Non-Executive Director - Appointed 19 November 2015 - Resigned 23 July 2020

**Company Secretary**

Ian Hobson	Appointed 23 July 2020
Simon Robertson	Resigned 23 July 2020

**Principal activities**

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

- mineral exploration
- project evaluation of the HyEnergy - Zero Carbon Hydrogen

**Dividends**

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

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$14,496,384 (30 June 2020: \$1,725,209).

During the period Province progressed a number of green energy and mineral resources activities.

**HyEnergy Green Hydrogen and Industrial Minerals Project**

The Company completed the purchase to acquire all of the shares in Ozexco Pty Ltd ("Ozexco") on 27 April 2021. Ozexco holds seven exploration licence applications in the Gascoyne Region of Western Australia that are considered to be prospective for salt, potash and mineral sands (Gascoyne Project), together with being suitable for developing a renewable green hydrogen project (HyEnergy Project).

The consideration paid for the acquisition of Ozexco comprised:

- \$750,000, satisfied through the issue of 50,000,000 fully paid ordinary shares at a deemed issue price of \$0.015 each to the shareholders of Ozexco ("Vendors")
- an aggregate of 50,000,000 Performance Shares to the Vendors, the conversion of which into ordinary shares is subject to and conditional upon the following events occurring (in broad terms), within the time limits set out below (each a Milestone):

(a) Class A Performance Shares - 16,666,666

Upon the Company announcing to ASX completion of a positive scoping study in relation to the Projects, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed a prefeasibility study on the project, on or before 23 October 2022.

(b) Class B Performance Shares - 16,666,667

Upon the Company announcing to ASX completion of a positive preliminary feasibility study in relation to the Projects (PFS) which demonstrates a net present value for the Projects of at least \$500 million or with an internal rate of return of at least 25% (in each case using a 10% discount rate), on or before 23 October 2023.

(c) Class C Performance Shares - 16,666,667

Upon the Company announcing that it has:

1. secured an offtake partner for a minimum of 30% of production proposed under the PFS; or
2. outright sale of the Projects for a value of at least \$100 million,

on or before 23 October 2024; and

- The Company also reimbursed the Vendors for approximately \$80,000 of expenditure incurred on the Projects to date.

The Company made significant advances on its HyEnergy green hydrogen project in the Gascoyne region of Western Australia. The project has the potential to be a major exporter of hydrogen to the growing markets in South-East Asia and North Asia and the domestic market in Australia.

Through the acquisition of Ozexco Pty Ltd during the period, Province secured applications for tenements that are prospective for renewable energy generation and green hydrogen production as well as industrial minerals. Province subsequently identified and applied for a further 864 sq km in the Gascoyne coastal region to expand the generative capacity of the project.

The Company executed a Memorandum of Understanding with global renewable energy leader Total Eren to perform a feasibility study into potentially developing a renewable power facility of up to 8GW and co-developing 50:50 with Province the downstream hydrogen facility.

Province reached an important milestone with the signing of a Memorandum of Understanding with the Shire of Carnarvon to collaborate on the HyEnergy project.

Following the end of the reporting period the Company signed a Memorandum of Understanding with Global Energy Ventures to assess the feasibility of utilising compressed hydrogen as a marine supply solution for the project. In addition, Province also secured its first permit for the project, being a Section 91 Licence under Western Australia's Land Administration Act, which allows the company to begin environmental and other studies on a 98.6 sq km site north of Carnarvon.

### **Fraser Range - Gnama Nickel-Copper Project**

The Gnama Project is located at the southern end of the Fraser Range, host to several recent nickel discoveries including Nova-Bollinger (Sirius Resources/IGO), Silver Knight (Creasy Group) and Mawson (Legend Mining).

All these discoveries contain similar features:

- Shallow oxide Ni-Cu-Co anomaly
- Barren interval between supergene enrichment
- Local geology of meta-pyroxenites intruded into a sequence of quartz-feldspar-biotite-garnet meta-sediments
- High-grade sulphide mineralisation, initially identified by either ground EM or downhole EM surveying

Gnama, now comprising Gnama South and Gnama North, was first identified by Newmont in the 1960's from geochemical sampling and shallow drilling. Sirius Gold (later renamed Sirius Resources, Sirius) then held the tenement from 2004 to 2011. Drilling by Sirius intersected significant elevated Ni, Cu and Co enrichment in the oxide zone above mixed mafic lithologies.

- Drill hole SFRC0005 intersected 16m @ 0.6% Ni, 0.14% Cu and 0.13% Co from 36m
- Drill hole SFRC0006 intersected 20m @ 0.57% Ni, 0.17% Cu and 0.08% Co from 28m

During the period the Company carried out further investigation and desktop studies on the Gnama Project, delineating a number of targets at both Gnama South and Gnama North.

The Gnama South prospect hosts a significant nickel and copper anomalism, analogous to the early stages of the Sirius discovery at Nova, not yet followed up with deeper drilling. An RC and Diamond drilling program is planned at the Gnama South prospect to target the possible continuation of this nickel and copper anomalism at depth below historic drill results.

At Gnama North an initial 3,200m Air Core drilling program is planned to test the Fraser Zone gabbros in the northern portion of the project.

#### **Paterson Province: Pascale Copper - Gold Project**

The Pascale Copper - Gold Project is located in the Paterson Province within 20km of Newcrest Mining's (ASX:NCM), 32Moz Telfer Mine.

During the period New Resolution Geophysics (NRG) completed 925 line kilometres of Xcite™ HEM and AMAG survey at 100m spacing. This type of survey is designed to detect highly concentrated massive-sulphide bodies down to a depth of approximately 400m whereas AMAG surveys are designed to identify local magnetic anomalies, potentially associated with hydrothermal fluid flow activity. The survey recorded 14 subtle anomalies that could be related to bedrock conductors or be explained by local near surface conductivity variations.

During the period the Company applied for three further tenements totalling 950km<sup>2</sup> approximately 120km south-east of the Pascale Project area targeting Telfer, Winu and Havieron style mineralisation.

#### **Skåne Vanadium Project**

The Skåne Vanadium Project is located on the southern-most tip of Sweden, with the project area about 1 hour's drive from Malmo. The project is comprised of 11 granted licences totalling ~220km<sup>2</sup>.

Province Resources currently have estimated a maiden JORC Mineral Resource of 116.9Mt @ 0.39% V<sub>2</sub>O<sub>5</sub> at the Hörby Target at Skåne. 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 in the 98% that remains unexplored.

It is the Company's intention to carry out further exploration on the Skåne Project in the Tomelilla Municipality. A ten-hole drilling programme has been designed to test the thickness, grade, and variability of the Dictyonema formation. Historic drilling in the area 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>). Province is currently awaiting the outcome of a ruling from the Swedish Land and Environment Court as to whether its proposed work program can proceed.

### Adoption of Global Standard for ESG Reporting

The company adopted the global standard for Environmental, Social and Governance (ESG) metrics and disclosures as released by the World Economic Forum. Province has engaged Socialsuite, a global leader in impact management measuring a company's sustainability and ethical impact.

### Capital Raisings

On 22 July 2020 the Company issued 4,444,444 shares to Directors at an issue price of \$0.009 raising \$40,000 subsequent to approval at the General Meeting.

During November and December 2020, the Company completed a Placement and Entitlement Offer to raise \$2.1 million at \$0.008 per share.

In February 2021, the Company completed a Placement to raise \$1.35 million at \$0.015 per share.

In May 2021, the Company completed a heavily oversubscribed Placement to raise \$18 million at \$0.15 per share led by ESG and other institutional funds.

During the year 61,670,000 options were converted into ordinary shares raising \$2.8 million.

### Board and Management Changes

During the period David Frances was initially appointed as Executive Chairman, assuming the role of Managing Director and CEO upon the HyEnergy green hydrogen acquisition. Patrick Burke was initially appointed as a Non-Executive Director, assuming the Non-Executive Chairman role upon the HyEnergy green hydrogen acquisition. Kyla Morrison was appointed as a Non-Executive Director. After the reporting period, Roger Martin was appointed as a Non-Executive Director.

Thomas Langley, Brandon Munro, David Minchin and Simon Robertson retired as Directors during the period, with Thomas Langley taking up the role of Chief Operations Officer. Simon Robertson resigned as company secretary and Ian Hobson was appointed in his place.

Greg Walker and Burke Maslen joined the executive to drive the approvals and key stakeholder engagement across all exploration projects

### Significant changes in the state of affairs

Other than what is already disclosed, there were no other significant changes in the state of affairs of the consolidated entity during the financial year.

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

15,000,000 Performance Rights were issued to Director David Frances and 5,000,000 Performance Rights were issued to Director Kyla Morrison following shareholder approval on 20 July 2021.

Roger Martin was appointed as a Non-Executive Director on 27 July 2021.

The Group entered into a Memorandum of Understanding with Global Energy Ventures Ltd (ASX:GEV) on 9 August 2021 to support GEV's feasibility study on the export of green hydrogen from the HyEnergy Project utilising GEV's compressed hydrogen marine supply chain.

The following options were converted into ordinary shares:

- \* 6,750,000 options exercisable at \$0.016 on or before 21 January 2024
- \* 10,750,000 options exercisable at \$0.04 on or before 13 November 2022

Total consideration received from conversion of options was \$538,000.

The Group entered into a binding agreement on 16 September 2021 with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascale Project in the Paterson Province. Conditional on the transfer of third party rights, GGP shall acquire E45/5316 from Province for a consideration of \$50,000.

The Company is the sole applicant for exploration licences E45/5754 and E45/5755 and the holder of E45/5756. The Company has granted GGP an option, upon exercise of which GGP will pay consideration of \$150,000 plus \$200,000 cash or \$200,000 in GGP fully paid ordinary shares (at GGP's election) in respect to the withdrawal of the Applications and sale and purchase of E45/5756, and if necessary, the sale and purchase of the licences created if the applications are granted.

The Group announced on 10 September 2021 that they had secured the first permit for the project, being a Section 91 Licence under Western Australia's Land Administration Act, which allows the company to begin environmental and other studies on a 98.6 sq km site north of Carnarvon.

No other matter or circumstance has arisen since 30 June 2021 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.

#### **Likely developments and expected results of operations**

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### **Environmental regulation**

The Consolidated Entity's environmental obligations are regulated under Swedish and Australian laws. The Company has a policy of exceeding or at a minimum complying with its environmental performance obligations.

During the financial year, the Consolidated Entity did not materially breach any particular or significant Swedish or Australian regulation in respect to environmental management.

#### **Competent Persons 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 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.

Directors' report  
30 June 2021

**Information on Directors**

**Name:** Patrick Burke

**Title:** Non-Executive Chairman - Appointed 17 February 2021 (previously Non-Executive Director - Appointed 9 November 2020)

**Qualifications:** Bachelor of Laws from the University of Western Australia.

**Experience and expertise:** Mr Burke has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX listed companies. His legal expertise is in corporate and securities law in particular, capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

**Other current directorships:** Executive Chairman of Meteoric Resources NL  
Non-Executive Chairman of Mandrake Resources Limited  
Non-Executive Director of Triton Minerals Ltd  
Non-Executive Director of Western Gold Resources Limited  
Non-Executive Director of Torque Resources Limited

**Former directorships (last 3 years):** Vulcan Energy Resources Limited - appointed 5 February 2018 - resigned 31 December 2019  
Vanadium Resources Limited - appointed 1 July 2017 - resigned 29 November 2019  
Transcendence Technologies Limited - appointed 28 September 2018 - resigned 20 November 2019  
WestWater Resources, Inc. - appointed 16 March 2016 - resigned 4 April 2019  
Bligh Resources Limited - appointed 5 December 2016 - resigned 28 November 2018

**Interests in shares:** 3,750,000 ordinary shares

**Interests in options:** 3,750,000 Unlisted Options exercisable at \$0.04 expiring 13 November 2022

**Interests in rights:** Nil

**Name:** David Frances

**Title:** Managing Director - Appointed 17 February 2021 (previously Executive Chairman - Appointed 3 August 2020)

**Qualifications:** Bachelor of Science (Hons) from the University of Western Australia.

**Experience and expertise:** Mr Frances is an international executive of nearly 30 years with a track record of transacting, discovering, funding, developing and operating assets in Australia and Africa. A key figure in the transformation of several companies including Mawson West (TSX:MWE) which he led from a micro-cap Western Australian based ASX Company which involved delisting the Company from the ASX and then relisting on the Toronto Stock Exchange after completing the world's largest base metals capital raise and IPO for 2010.

**Other current directorships:** Non-Executive Director of Southern Hemisphere Mining Limited

**Former directorships (last 3 years):** Dakota Minerals – appointed 19 April 2016 – resigned 15 December 2017  
Tiger Resources – appointed 20 December 2017 – resigned 11 July 2019

**Interests in shares:** 10,000,000 ordinary shares

**Interests in options:** Nil

**Interests in rights:** 30,000,000 Performance Rights

Directors' report  
30 June 2021

**Name:** **Kylah Morrison**

**Title:** Non-Executive Director - Appointed 22 March 2021

**Qualifications:** Bachelor of Engineering (Mechanical) and Master of Engineering Management from Canterbury University. She is a member and graduate of the Australian Institute of Company Directors.

**Experience and expertise:** Kylah has over 14 years of experience working in private companies in the oil & gas industry, indigenous organisations, not-for-profits, and start-ups. From 2016 to 2019 Kylah championed regional economic development as the President, then CEO of the Karratha & Districts Chamber of Commerce & Industry, and Founding Chairperson of the Pilbara Universities Centre.

Living and working for nine years in Karratha, Kylah has a deep understanding of risks and challenges experienced by corporates, government, local businesses and indigenous organisations operating in remote and regional Australia, particularly in North-Western Australia.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** Nil

**Interests in options:** Nil

**Interests in rights:** 5,000,000 Performance Rights

**Name:** **Roger Martin**

**Title:** Non-Executive Director - Appointed 27 July 2021

**Qualifications:** Bachelor of Arts from Curtin University and Graduate Diploma in Journalism from Murdoch University. He is a member of the Australian Institute of Company Directors.

**Experience and expertise:** Roger is an experienced energy executive with a strong background in government and public affairs.

Roger began his career as a journalist, reporting on politics and business, before moving to work in the oil and gas industry at Woodside Energy where he was vice president of corporate affairs. He subsequently moved to a fintech start-up providing software trading solutions to buyers and sellers of commodities.

Roger has most recently worked in the Western Australian Government as chief-of-staff to the State Treasurer and Minister for Finance, Lands, Aboriginal Affairs and Energy.

He is currently director of a private corporate advisory firm, Wyatt Martin Pty Ltd, which provides support to corporations on public affairs issues including land access, Aboriginal Affairs and government approvals.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Interests in shares:** Nil

**Interests in options:** Nil

**Interests in rights:** Nil

Directors' report  
30 June 2021

**Name:** Tom Langley  
**Title:** Non-Executive Director - Appointed 3 August 2020 - Resigned 22 March 2021  
**Qualifications:** BSc, Geology from the University of Western Australia and a MSc, Economic Geology from the University of Tasmania.  
**Experience and expertise:** Tom Langley has deep Western Australian experience focussed on the identification of prospective ground and early stage evaluation of mining project. Tom has been active in the Paterson region since 2013 and brings details understanding of the geology of the province. He has worked on large-scale gold resource definition programs through Western Australia with Northern Star as well as significant nickel discoveries such as Nova-Bollinger and Silver Knight deposits in the Fraser Range for Sirius Resources and Creasy Group. Tom also brings operational management experience due to his founding of DT Sands, supplying waterwell drilling companies in the Pilbara.  
**Other current directorships:** N/A  
**Former directorships (last 3 years):** N/A  
**Interests in shares:** N/A  
**Interests in options:** N/A  
**Interests in rights:** N/A

**Name:** David Minchin  
**Title:** Executive Director - Appointed 13 November 2018 - Resigned 9 November 2020  
**Experience and expertise:** David Minchin is a geologist with 15 years' experience working in exploration and mining. He holds a Masters Degree in Geology from the University of Southampton. He is based in the UK which enabled accessibility to the Skåne Project and meeting with Swedish stakeholders.  
  
David has worked for Rio Tinto and the British Geological Survey, as well working as Senior Exploration Geologist for ICL-Boulby where he was instrumental in the discovery of the 3.2Bt Polyhalite Deposit that was subsequently put into production and with an extended operating mine life of over 30 years. From 2013 to 2018 David worked as Director of Geology for AMED Funds, a Private Equity group that focuses on exploration projects in Africa.  
  
David was responsible for investing and monitoring approximately \$450 million in projects from exploration through to feasibility and across a range of commodities.  
**Other current directorships:** N/A  
**Former directorships (last 3 years):** N/A  
**Interests in shares:** N/A  
**Interests in options:** N/A  
**Interests in rights:** N/A

Directors' report  
30 June 2021

**Name:** **Brandon Munro**  
**Title:** Non-Executive Director - Appointed 3 August 2020 - Resigned 6 November 2020 (previously Chairman - Appointed 13 November 2018)  
**Qualifications:** Degrees in economics and law and post graduate qualifications in finance. He is a Fellow of FinSIA and graduate member of the AICD.  
**Experience and expertise:** Brandon Munro has 20 years' experience as a corporate lawyer and resources executive. Brandon is Managing Director and Chief Executive Officer of Bannerman Resources Ltd, an ASX-listed company focused on developing the Etango uranium project in Namibia. Prior to that, he was Managing Director of Kunene Resources Ltd, an ASX-listed exploration company that discovered the Opuwo Cobalt Project in Namibia.  
**Other current directorships:** N/A  
**Former directorships (last 3 years):** N/A  
**Interests in shares:** N/A  
**Interests in options:** N/A  
**Interests in rights:** N/A

**Name:** **Simon Robertson**  
**Title:** Non-Executive Director - Appointed 19 November 2015 - Resigned 23 July 2020  
**Qualifications:** Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.  
**Experience and expertise:** Simon currently holds the position of Company Secretary for a number of publicly listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.  
**Other current directorships:** N/A  
**Former directorships (last 3 years):** N/A  
**Interests in shares:** N/A  
**Interests in options:** N/A  
**Interests in rights:** N/A

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**

**Ian Hobson** - appointed 23 July 2020

A Fellow Chartered Accountant and Chartered Secretary, Mr Hobson has more than 30 years' experience in the areas of corporate finance, governance, corporate accounting, company secretarial and restructuring advice. Mr Hobson was a director of PricewaterhouseCoopers and Ferrier Hodgson Chartered Accountants before specializing in providing company secretarial and corporate accounting services to listed entities

**Simon Robertson** - Resigned 23 July 2020

### Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Attended	Held
Patrick Burke	2	2
David Frances	3	3
Tom Langley	3	3
Kylah Morrison	1	1
Brandon Munro	3	3
David Minchin	2	2
Simon Robertson	1	1

Held: represents the number of meetings held during the time the Director held office.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### *Principles used to determine the nature and amount of remuneration*

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the consolidated entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants, the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

**Directors' report**  
**30 June 2021**

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

*Non-executive Directors remuneration*

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive Directors do not receive share options or other incentives.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at General Meetings and is currently set at \$400,000. Fees for Non-Executive Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company and may subject to shareholder approval, where appropriate, be issued options.

*Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Province Resources Limited:

- Patrick Burke - Non-Executive Chair (Appointed 17 February 2021) - previously Non-Executive Director (Appointed 9 November 2020)
- David Frances - Managing Director (Appointed 17 February 2021) - previously Executive Chairman (Appointed 3 August 2020)
- Kylah Morrison - Non-Executive Director (Appointed 22 March 2021)
- Tom Langley - Non-Executive Director (Appointed 23 July 2020 - Resigned 22 March 2021)
- Brandon Munro - Non-Executive Director (Appointed 3 August 2020 - Resigned 6 November 2020) - previously Chairman (Appointed 13 November 2018)
- David Minchin - Executive Director (Resigned 9 November 2020)
- Simon Robertson - Non-Executive Director (Resigned 23 July 2020)

And the following person:

- Alexander Walker - General Manager (Resigned 31 October 2020)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation/ Pension *	Long service leave	Equity-settled	
<b>30 June 2021</b>	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Patrick Burke	32,168	-	-	-	-	810,058	842,226
Kylah Morrison	10,059	-	-	956	-	6,570	17,585
Tom Langley **	18,275	-	-	1,736	-	53,389	73,400
Brandon Munro	11,307	-	-	1,074	-	-	12,381
David Minchin	44,219	-	-	10,802	-	-	55,021
Simon Robertson	1,620	-	-	154	-	-	1,774
<i>Executive Directors:</i>							
David Frances	183,117	-	-	-	-	126,488	309,605
<i>Other Key Management Personnel:</i>							
Alexander Walker	57,079	-	-	23,798	-	-	80,877
	<b>357,844</b>	-	-	<b>38,520</b>	-	<b>996,505</b>	<b>1,392,869</b>

Directors' report  
30 June 2021

\* Superannuation is calculated at 9.5% and UK pension fund is calculated at 4% of base salary.

\*\* Tom Langley was appointed Non-executive Director from 23 July 2020 to 22 March 2021. Only remuneration received whilst a Non-Executive Director has been disclosed.

	Short-term benefits		Post-employment benefits			Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation/Pension	Accrued annual leave	Options	
30 June 2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Brandon Munro	45,662	-	-	4,338	-	32,268	82,268
David Minchin	207,356	-	-	7,431	-	53,780	268,567
Simon Robertson	27,397	-	-	2,603	-	19,361	49,361
Ian Burvill	22,831	-	-	2,169	-	19,361	44,361
<i>Executive Directors:</i>							
Alexander Walker	193,903	-	-	4,691	-	36,016	234,610
	497,149	-	-	21,232	-	160,786	679,167

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		Options		Performance rights	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<i>Non-Executive Directors:</i>						
Patrick Burke	4%	-	96%	-	-	-
Kylah Morrison	63%	-	-	-	37%	-
Tom Langley	27%	-	-	-	73%	-
Brandon Munro	100%	61%	-	39%	-	-
David Minchin	100%	80%	-	20%	-	-
Simon Robertson	100%	61%	-	39%	-	-
Ian Burvill	-	56%	-	44%	-	-
<i>Executive Directors:</i>						
David Frances	59%	-	-	-	41%	-
<i>Other Key Management Personnel:</i>						
Alexander Walker	-	85%	-	15%	-	-

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Patrick Burke
Title:	Non-Executive Chairman - Appointed 17 February 2021 (previously Non-Executive Director - Appointed 9 November 2020)
Details:	\$60,000 per annum increased to \$80,000 per annum from 27 July 2021.
Name:	David Frances
Title:	Managing Director - Appointed 17 February 2021 (previously Executive Chairman - Appointed 3 August 2020)
Details:	\$250,000 per annum.
Name:	Kylah Morrison
Title:	Non-Executive Director - Appointed 22 March 2021
Details:	\$40,000 per annum (including superannuation) increased to \$60,000 per annum (including superannuation) from 27 July 2021.
Name:	Roger Martin
Title:	Non-Executive Director - Appointed 27 July 2021
Details:	\$60,000 per annum (including superannuation) together with an additional consulting capacity to provide corporate affairs services for a period of 6 months at a rate of \$5,000 per month.
Name:	Tom Langley
Title:	Non-Executive Director - Appointed 3 August 2020 - Resigned 30 April 2021
Details:	\$36,000 per annum (including superannuation).

**Share-based compensation**

*Issue of shares*

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2021.

*Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Patrick Burke	3,750,000	22 April 2021	22 April 2021	13 November 2022	\$0.040	\$0.181
	3,750,000	22 April 2021	22 April 2022	13 November 2022	\$0.040	\$0.181

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Number of options granted during the year 30 June 2021	Number of options granted during the year 30 June 2020	Number of options vested during the year 30 June 2021	Number of options vested during the year 30 June 2020
Patrick Burke	7,500,000	-	3,750,000	-

*Performance rights*

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Fair value per right at grant date
David Frances	5,000,000	22 April 2021	Class A	\$0.204
	5,000,000	22 April 2021	Class B	\$0.204
	5,000,000	22 April 2021	Class C	\$0.204
Tom Langley	2,500,000	22 April 2021	Class A	\$0.204
	2,500,000	22 April 2021	Class B	\$0.204
	2,500,000	22 April 2021	Class C	\$0.204
David Frances	5,000,000	15 June 2021	Class A	\$0.150
	5,000,000	15 June 2021	Class B	\$0.150
	5,000,000	15 June 2021	Class C	\$0.150
Kylah Morrison	1,666,666	15 June 2021	Class A	\$0.150
	1,666,667	15 June 2021	Class B	\$0.150
	1,666,667	15 June 2021	Class C	\$0.150

Class A will vest on the Company announcing to the ASX completion of a positive scoping study in relation to the HyEnergy Project (formerly the Ozexco project), to the reasonable satisfaction of the independent Directors of the Company, as evidenced by a decision to proceed a prefeasibility study on the project, within 18 months of the date of issue.

Class B will vest on the company announcing to the ASX completion of a positive prefeasibility study in relation to the HyEnergy Project (formerly the Ozexco project) which demonstrates a net present value of 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.

Class C will vest on the Company announcing to the ASX that it has secured an offtake partner, under a binding agreement, for a minimum of 30% of production from the HyEnergy Project (formerly the Ozexco project), or an outright sale of the HyEnergy Project for a value of at least \$100 million, within 42 months of completion of the date of issue of the Class B Performance Rights.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Number of rights granted during the year 30 June 2021	Number of rights granted during the year 30 June 2020	Number of rights vested during the year 30 June 2021	Number of rights vested during the year 30 June 2020
David Frances	15,000,000	-	-	-
Tom Langley	7,500,000	-	-	-

Values of performance rights over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of rights granted during the year \$	Value of rights vested during the year \$	Value of rights lapsed during the year \$	Remuneration consisting of rights for the year %
David Frances	106,779	-	-	-
Tom Langley	53,389	-	-	-

**Additional information**

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2017	2018	2019	2020	2021
Share price at financial year end (\$)	-	-	0.01	0.03	0.13
Basic earnings per share (cents per share)	(0.17)	(0.13)	(0.69)	(0.48)	(2.07)

The Company was suspended from trading during 2017 and 2018

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchased/ Acquisition	Disposals/ Balance at resignation	Balance at the end of the year
<i>Ordinary shares</i>					
Patrick Burke <sup>1</sup>	-	-	6,666,666	-	6,666,666
David Frances <sup>2</sup>	-	-	10,000,000	-	10,000,000
Tom Langley <sup>3</sup>	-	-	55,555,555	(55,555,555)	-
Kylah Morrison <sup>4</sup>	-	-	-	-	-
Brandon Munro <sup>5</sup>	8,467,857	-	-	(8,467,857)	-
David Minchin <sup>6</sup>	24,642,857	-	-	(24,642,857)	-
Simon Robertson <sup>7</sup>	3,150,000	-	-	(3,150,000)	-
Alexander Walker <sup>8</sup>	24,332,142	-	-	(24,332,142)	-
	60,592,856	-	72,222,221	(116,148,411)	16,666,666

*Option holding*

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ resignation	Balance at the end of the year
<i>Options over ordinary shares</i>					
Patrick Burke <sup>1</sup>	-	7,500,000	-	-	7,500,000
David Frances <sup>2</sup>	-	-	-	-	-
Tom Langley <sup>3</sup>	-	7,000,000	-	(7,000,000)	-
Kylah Morrison <sup>4</sup>	-	-	-	-	-
Brandon Munro <sup>5</sup>	11,250,000	-	-	(11,250,000)	-
David Minchin <sup>6</sup>	18,750,000	-	-	(18,750,000)	-
Simon Robertson <sup>7</sup>	6,750,000	-	-	(6,750,000)	-
Alexander Walker <sup>8</sup>	4,000,000	-	-	(4,000,000)	-
	40,750,000	14,500,000	-	(47,750,000)	7,500,000

	Vested and exercisable	Unvested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Patrick Burke	3,750,000	3,750,000	7,500,000
	3,750,000	3,750,000	7,500,000

*Performance rights holding*

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as acquisition	Granted as remuneration	Expired/ forfeited/ resignation	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Patrick Burke <sup>1</sup>	-	-	-	-	-
David Frances <sup>2</sup>	-	-	15,000,000	-	15,000,000
Tom Langley <sup>3</sup>	-	7,500,000	-	(7,500,000)	-
Kylah Morrison <sup>4</sup>	-	-	-	-	-
Brandon Munro <sup>5</sup>	8,035,714	-	-	(8,035,714)	-
David Minchin <sup>6</sup>	49,285,718	-	-	(49,285,718)	-
Simon Robertson <sup>7</sup>	-	-	-	-	-
Alexander Walker <sup>8</sup>	44,464,288	-	-	(44,464,288)	-
	101,785,720	7,500,000	15,000,000	(109,285,720)	15,000,000

(1) appointed 9 November 2020

(2) appointed 3 August 2020

(3) appointed 22 July 2020 - resigned 30 April 2021

(4) appointed 22 March 2021

(5) resigned 6 November 2020

(6) resigned 9 November 2020

(7) resigned 22 July 2020

(8) resigned 31 October 2020

***This concludes the remuneration report, which has been audited.***

**Shares under option**

Unissued ordinary shares of Province Resources Limited under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
13 November 2022	\$0.040	15,080,000
28 May 2024	\$0.250	12,000,000
		27,080,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares under performance rights and performance shares**

Unissued ordinary shares of Province Resources Limited under performance rights at the date of this report are as follows:

Grant date	Details	Number
22 April 2021	Issued to Directors	22,500,000
20 July 2021	Issued to Directors	20,000,000
		42,500,000

Unissued ordinary shares of Province Resources Limited under performance shares at the date of this report are as follows:

Grant Date	Details	Number
27 April 2021	Issued to the vendor of the Ozexco acquisition	50,000,000

No person entitled to exercise the performance rights or performance shares had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

**Shares issued on the exercise of options**

The following ordinary shares of Province Resources Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Expiry date	Exercise price	Number of shares issued
13 November 2022	\$0.040	61,670,000
21 January 2024	\$0.016	23,250,000
		84,920,000

**Shares issued on the exercise of performance rights**

The following ordinary shares of Province Resources Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of performance rights granted:

Details	Exercise price	Number of shares issued
56,250,000 Performance shares converting to ordinary shares	\$0.000	7

**Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the Company who are former partners of William Buck Audit (WA) Pty Ltd**

There are no officers of the Company who are former partners of William Buck Audit (WA) Pty Ltd.

**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.

**Auditor**

William Buck Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



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Patrick Burke  
Chairman

30 September 2021  
Perth

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PROVINCE RESOURCES LIMITED (FORMERLY KNOWN AS SCANDIVANADIUM LTD)**

I declare that, to the best of my knowledge and belief during year ended 30 June 2021 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 30<sup>th</sup> day of September 2021

**ACCOUNTANTS & ADVISORS**

Level 3, 15 Labouchere Road  
South Perth WA 6151

PO Box 748  
South Perth WA 6951

Telephone: +61 8 6436 2888

**[williambuck.com](http://williambuck.com)**

Province Resources Limited  
(Formerly known as ScandiVanadium Ltd)  
Consolidated statement of profit or loss and other comprehensive income  
For the year ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
Other income	5	59,697	43,912
Interest revenue		8,846	21,789
<b>Expenses</b>			
Administrative expenses	6	(1,046,103)	(340,123)
Employee benefits expense		(460,763)	(342,767)
Depreciation expense		(9,314)	(5,149)
Project acquisition cost	11	(11,090,038)	-
Exploration and evaluation expenditure		(384,687)	(880,666)
Share based payments expense	33	(970,226)	(181,263)
Project evaluation		(246,131)	(40,942)
Impairment of exploration and evaluation	14	(357,665)	-
<b>Loss before income tax expense</b>		<b>(14,496,384)</b>	<b>(1,725,209)</b>
Income tax expense	7	-	-
<b>Loss after income tax expense for the year attributable to the owners of Province Resources Limited</b>	19	<b>(14,496,384)</b>	<b>(1,725,209)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		870	907
Other comprehensive income for the year, net of tax		870	907
<b>Total comprehensive loss for the year attributable to the owners of Province Resources Limited</b>		<b>(14,495,514)</b>	<b>(1,724,302)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	32	(2.07)	(0.48)
Diluted earnings per share	32	(2.07)	(0.48)

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

Province Resources Limited  
(Formerly known as ScandiVanadium Ltd)  
Consolidated statement of financial position  
As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	23,531,596	2,910,835
Trade and other receivables	9	164,367	32,273
Other assets	10	8,800	-
		23,704,763	2,943,108
Held for sale assets	12	50,000	-
<b>Total current assets</b>		<b>23,754,763</b>	<b>2,943,108</b>
<b>Non-current assets</b>			
Project acquisition cost	11	-	38,027
Plant and equipment	13	117,891	19,649
Exploration and evaluation	14	1,935,596	1,638,437
<b>Total non-current assets</b>		<b>2,053,487</b>	<b>1,696,113</b>
<b>Total assets</b>		<b>25,808,250</b>	<b>4,639,221</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	159,568	287,613
Provisions	16	4,143	-
<b>Total current liabilities</b>		<b>163,711</b>	<b>287,613</b>
<b>Total liabilities</b>		<b>163,711</b>	<b>287,613</b>
<b>Net assets</b>		<b>25,644,539</b>	<b>4,351,608</b>
<b>Equity</b>			
Issued capital	17	34,844,247	12,610,243
Reserves	18	15,017,266	1,461,955
Accumulated losses	19	(24,216,974)	(9,720,590)
<b>Total equity</b>		<b>25,644,539</b>	<b>4,351,608</b>

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

Province Resources Limited  
(Formerly known as ScandiVanadium Ltd)  
Consolidated statement of changes in equity  
For the year ended 30 June 2021

	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	11,890,537	1,307,969	(28,184)	(7,995,381)	5,174,941
Loss after income tax expense for the year	-	-	-	(1,725,209)	(1,725,209)
Other comprehensive income for the year, net of tax	-	-	907	-	907
Total comprehensive income/(loss) for the year	-	-	907	(1,725,209)	(1,724,302)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, gross of transaction costs	750,000	-	-	-	750,000
Cost of capital	(30,294)	-	-	-	(30,294)
Option expense amortised	-	181,263	-	-	181,263
Balance at 30 June 2020	12,610,243	1,489,232	(27,277)	(9,720,590)	4,351,608
	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	12,610,243	1,489,232	(27,277)	(9,720,590)	4,351,608
Loss after income tax expense for the year	-	-	-	(14,496,384)	(14,496,384)
Other comprehensive income for the year, net of tax	-	-	870	-	870
Total comprehensive income/(loss) for the year	-	-	870	(14,496,384)	(14,495,514)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 17)	20,633,984	2,223,970	-	-	22,857,954
Share-based payments (note 33)	350,020	970,226	-	-	1,320,246
Shares issued for Vanatech acquisition (note 14)	500,000	-	-	-	500,000
Shares issued for Ozexco acquisition (note 11)	750,000	-	-	-	750,000
Performance shares issued for Ozexco acquisition (note 11)	-	10,250,000	-	-	10,250,000
Options issued for Vanatech acquisition (note 14)	-	110,245	-	-	110,245
Balance at 30 June 2021	34,844,247	15,043,673	(26,407)	(24,216,974)	25,644,539

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

Province Resources Limited  
(Formerly known as ScandiVanadium Ltd)  
Consolidated statement of cash flows  
For the year ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Cash flows from operating activities</b>			
Interest received		8,846	27,256
Payments to suppliers and employees		(1,392,712)	(682,594)
Payments for exploration and project evaluation		(622,802)	(931,627)
Proceeds from government grants		59,697	43,912
<b>Net cash used in operating activities</b>	<b>30</b>	<b>(1,946,971)</b>	<b>(1,543,053)</b>
<b>Cash flows from investing activities</b>			
Payments for investments		(90,038)	(2,385)
Payments for property, plant and equipment	13	(107,007)	(25,228)
Payments for exploration and evaluation acquisition	14	(90,241)	-
Payments for security deposits		(8,800)	-
<b>Net cash used in investing activities</b>		<b>(296,086)</b>	<b>(27,613)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	17	24,358,723	750,000
Share issue transaction costs		(1,500,769)	(31,944)
Proceeds for unclaimed monies		5,864	-
<b>Net cash from financing activities</b>		<b>22,863,818</b>	<b>718,056</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>20,620,761</b>	<b>(852,610)</b>
Cash and cash equivalents at the beginning of the financial year		2,910,835	3,763,445
<b>Cash and cash equivalents at the end of the financial year</b>	<b>8</b>	<b>23,531,596</b>	<b>2,910,835</b>

*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 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 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 30 September 2021. The Directors have the power to amend and reissue the financial statements.

### **Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

## Note 2. Significant accounting policies (continued)

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Province Resources Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Province Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Province Resources Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Note 2. Significant accounting policies (continued)

### Revenue recognition

The consolidated entity recognises revenue as follows:

#### *Government grants*

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised when there is reasonable assurance that both the entity will comply with conditions attached to the grant and that the grant will be received.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The group continues to comply with conditions for deductibility. Deferred tax assets will be obtained when the group derives assessable income of a nature and of an amount sufficient to enable benefits to be utilised.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Note 2. Significant accounting policies (continued)

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade and other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

### Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### *Investments*

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

**Note 2. Significant accounting policies (continued)**

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-8 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Exploration and evaluation assets**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure includes expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the Company's licences including landholder access costs, legal fees and community and public relations costs.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

**Note 2. Significant accounting policies (continued)**

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- (b) exploration and evaluation activities in interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Company 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.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

Trade payables and other accounts payable represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The average credit period on purchases is 45 days from the date of invoice. The Group policy is to pay all undisputed invoices within 30 days from the month of receipt. All amounts are expected to be settled within 12 months.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

## Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, 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, together with market based performance conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, determined by applying an option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Issued capital

Ordinary shares are classified as equity.

## Note 2. Significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Province Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Note 2. Significant accounting policies (continued)**

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**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.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

*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)**

*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>30 June 2021</b>				
Other income	39,061	-	29,482	68,543
Net other costs	(742,352)	(11,336,169)	(2,486,406)	(14,564,927)
<b>Loss before income tax expense</b>	<b>(703,291)</b>	<b>(11,336,169)</b>	<b>(2,456,924)</b>	<b>(14,496,384)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(14,496,384)</b>
<b>Assets</b>				
Segment assets	1,985,596	-	23,822,654	25,808,250
<b>Total assets</b>				<b>25,808,250</b>
<b>Liabilities</b>				
Segment liabilities	24,629	28,583	110,499	163,711
<b>Total liabilities</b>				<b>163,711</b>

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

	Exploration and evaluation \$	HyEnergy project \$	Corporate \$	Total \$
<b>30 June 2020</b>				
Other income	38,651	-	27,050	65,701
Net other costs	(960,259)	-	(830,651)	(1,790,910)
<b>Loss before income tax expense</b>	<b>(921,608)</b>	<b>-</b>	<b>(803,601)</b>	<b>(1,725,209)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(1,725,209)</b>

<b>Assets</b>				
Segment assets	1,638,437	-	3,000,784	4,639,221
<b>Total assets</b>				<b>4,639,221</b>

<b>Liabilities</b>				
Segment liabilities	23,933	-	263,680	287,613
<b>Total liabilities</b>				<b>287,613</b>

*Geographical information*

	<b>Geographical non-current assets</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Australia	396,898	38,028
Sweden	1,640,390	1,638,436
United Kingdom	16,199	19,649
	<b>2,053,487</b>	<b>1,696,113</b>

**Note 5. Other income**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Subsidies and grants	59,697	43,912

**Note 6. Administrative expenses**

	30 June 2021	30 June 2020
	\$	\$
Corporate compliance costs	252,894	44,477
General legal fees	51,002	61,262
Audit fees	22,259	22,387
Investor relations	450,690	22,050
Accounting & corporate secretarial costs	153,503	87,256
Insurance	36,962	56,020
Administration costs	78,793	46,671
	<b>1,046,103</b>	<b>340,123</b>

**Note 7. Income tax benefit**

	30 June 2021	30 June 2020
	\$	\$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(14,496,384)	(1,725,209)
Tax at the statutory tax rate of 30%	(4,348,915)	(517,562)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of exploration expenditure	107,300	-
Revenue losses not recognised	707,701	126,281
Non-allowable items	352,828	422,001
Other deferred tax assets not recognised	(145,925)	(30,720)
Project acquisition cost	3,327,011	-
<b>Income tax benefit</b>	<b>-</b>	<b>-</b>

	30 June 2021	30 June 2020
	\$	\$
<i>Deferred tax assets not recognised 30%<sup>1</sup></i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carry forward revenue losses	1,918,701	1,192,402
Carry forward capital losses	541,439	541,280
Capital raising costs	993,608	10,334
Exploration and evaluation	182,681	-
Provisions and accruals	5,935	4,500
<b>Total deferred tax assets not recognised</b>	<b>3,642,364</b>	<b>1,748,516</b>

**Note 7. Income tax benefit (continued)**

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Group continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

<sup>1</sup> The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

**Note 8. Cash and cash equivalents**

	30 June 2021	30 June 2020
	\$	\$
<i>Current assets</i>		
Cash at bank	23,531,596	2,910,835

**Note 9. Trade and other receivables**

	30 June 2021	30 June 2020
	\$	\$
<i>Current assets</i>		
Other receivables	84,128	18,315
Prepayments	80,239	13,958
	164,367	32,273

**Note 10. Other assets**

	30 June 2021	30 June 2020
	\$	\$
<i>Current assets</i>		
Other deposits	8,800	-

**Note 11. Project acquisition cost**

	30 June 2021	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Vanatech acquisition costs	-	38,027
<hr/>		
<i>Acquisition of Ozexco</i>		

The Company completed the purchase to acquire all of the shares in Ozexco Pty Ltd ("Ozexco") on 27 April 2021. Ozexco holds seven exploration licence applications in the Gascoyne Region of Western Australia that are considered to be prospective for salt, potash and mineral sands (Gascoyne Project), together with being suitable for developing a renewable green hydrogen project (HyEnergy Project).

The consideration paid for the acquisition of Ozexco comprised:

- \$750,000, satisfied through the issue of 50,000,000 fully paid ordinary shares at a deemed issue price of \$0.015 each to the shareholders of Ozexco ("Vendors")
- an aggregate of 50,000,000 Performance Shares to the Vendors, the conversion of which into ordinary shares is subject to and conditional upon the following events occurring (in broad terms), within the time limits set out below (each a Milestone):

(a) Class A Performance Shares - 16,666,666

Upon the Company announcing to ASX completion of a positive scoping study in relation to the Projects, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed a prefeasibility study on the project, on or before 23 October 2022.

(b) Class B Performance Shares - 16,666,667

Upon the Company announcing to ASX completion of a positive preliminary feasibility study in relation to the Projects (PFS) which demonstrates a net present value for the Projects of at least \$500 million or with an internal rate of return of at least 25% (in each case using a 10% discount rate), on or before 23 October 2023.

(c) Class C Performance Shares - 16,666,667

Upon the Company announcing that it has:

1. secured an offtake partner for a minimum of 30% of production proposed under the PFS; or
2. outright sale of the Projects for a value of at least \$100 million,

on or before 23 October 2024; and

- The Company also reimbursed the Vendors for approximately \$80,000 of expenditure incurred on the Projects to date.

**Note 11. Project acquisition cost (continued)**

	\$
<i>Details of the acquisition costs are as follows:</i>	
50,000,000 fully paid ordinary shares	750,000
Amortisation of 50,000,000 Performance Shares	10,250,000
Costs incurred	90,038
<hr/>	
Project acquisition cost	11,090,038

\* As the tenements acquired through the Ozexco acquisition are exploration licence applications the full amount has been expensed to the statement of profit or loss and other comprehensive income during the period.

The acquisition was accounted for as an asset acquisition and not under AASB 3.

**Note 12. Held for sale assets**

	30 June 2021	30 June 2020
	\$	\$
<i>Current assets</i>		
Exploration and evaluation	50,000	-
<hr/>		

Subsequent to year end the Company announced on 16 September 2021 that they had entered into a binding agreement with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascale Project in the Paterson Province. Conditional on the transfer of third party rights, GGP shall acquire E45/5316 from Province for a consideration of \$50,000.

The Company is the sole applicant for exploration licences E45/5754 and E45/5755 and the holder of E45/5756. The Company has granted GGP an option, upon exercise of which GGP will pay consideration of \$150,000 plus \$200,000 cash or \$200,000 in GGP fully paid ordinary shares (at GGP's election) in respect to the withdrawal of the Applications and sale and purchase of E45/5756, and if necessary, the sale and purchase of the licences created if the applications are granted.

**Note 13. Plant and equipment**

	30 June 2021	30 June 2020
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	132,255	26,520
Less: Accumulated depreciation	(14,364)	(6,871)
<hr/>		
	117,891	19,649

**Note 13. Plant and equipment (continued)**

*Reconciliations*

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

	Plant and equipment \$	Total \$
Balance at 1 July 2019	-	-
Additions	24,561	24,561
Exchange differences	237	237
Depreciation expense	(5,149)	(5,149)
Balance at 30 June 2020	19,649	19,649
Additions	107,007	107,007
Exchange differences	549	549
Depreciation expense	(9,314)	(9,314)
Balance at 30 June 2021	117,891	117,891

**Note 14. Exploration and evaluation**

	30 June 2021 \$	30 June 2020 \$
<i>Non-current assets</i>		
Exploration and evaluation	1,935,596	1,638,437

*Reconciliations*

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

	\$
Balance at 1 July 2019	1,639,079
Exchange differences	(642)
Balance at 30 June 2020	1,638,437
Classified as held for sale (note 12)	(50,000)
Acquisition of Vanatech	702,871
Exchange differences	1,953
Impairment of exploration and evaluation	(357,665)
Balance at 30 June 2021	1,935,596

*Acquisition of Vanatech*

**Note 14. Exploration and evaluation (continued)**

The Company completed the purchase 100% of Vanatech Pty Ltd ("Vanatech") on 23 July 2020 to acquire 4 tenements owned by Vanatech. Director Tom Langley is the founder and sole director and shareholder of Vanatech. The consideration for the acquisition was as follows:

- (a) \$50,000 in cash;
- (b) the issue of 55,555,555 fully paid ordinary shares in Province Resources Limited;
- (c) 50,000,000 performance shares, expiring 48 months after their issue date, each of which shall convert into one share subject to the Company delineating an Inferred Mineral Resource in accordance with the 2012 Edition of the JORC Code of either of the following at either of the Projects:
  - (i) 1 million ounces of gold equivalent at a minimum average grade of 1g/t gold equivalent; or
  - (ii) if nickel is the economically dominant mineral in the relevant resource, 7.5 million tonnes of ore at a minimum average grade of 2% nickel equivalent;
- (d) 7,000,000 options to acquire shares at an exercise price of \$0.04 per option, expiring on 13 November 2022; and

Accounting standards require directors to assess the probability of meeting the above conditions. The performance shares were valued at nil value as the Directors did not believe that the performance shares would convert into ordinary shares based on their assessment at the date of the transaction. The 50,000,000 performance shares were subsequently cancelled on 23 April 2021.

Details of the tenements for the projects acquired are set out below. The Projects are 100% owned by Vanatech:

Name	Tenement	Size	Region	Granted
Pascalle	E 45/5316	7514.30 Ha.	Paterson Province	06/06/2019
Gnama	E 63/1933	4071.96 Ha.	Faser Range	13/12/2019
Gnama	E 63/1934	290.49 Ha.	Fraser Range	13/12/2019
Ganam	E 63/1935	1160.82 Ha.	Fraser Range	13/12/2019

\$

**Details of the acquisition costs are as follows:**

Cash consideration paid	50,000
55,555,555 shares	500,000
7,000,000 options with an exercise price of \$0.04 exercisable on or before 13 November	110,245
50,000,000 Performance Shares	-
Costs incurred	42,626
	<b>702,871</b>

The acquisition was accounted for as an asset acquisition and not under AASB 3.

Subsequent to year end the Company announced on 16 September 2021 that they had entered into a binding agreement with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascalle Project in the Paterson Province. Conditional on the transfer of third party rights, Greatland shall acquire E45/5316 from Province for a consideration of \$50,000.

An impairment of exploration and evaluation expenditure of \$357,665 was recognised in relation to the tenement during the year.

**Note 15. Trade and other payables**

	30 June 2021	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	109,027	122,718
Other payables	50,541	164,895
	159,568	287,613

Refer to note 21 for further information on financial instruments.

**Note 16. Provisions**

	30 June 2021	30 June 2020
	\$	\$
<i>Current liabilities</i>		
Annual leave	4,143	-
	4,143	-

**Note 17. Issued capital**

	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,112,159,811	435,199,434	34,844,247	12,610,243
	1,112,159,811	435,199,434	34,844,247	12,610,243

**Note 17. Issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	351,866,100		11,890,537
Shares issued	9 June 2020	83,333,334	\$0.090	750,000
Capital raising costs				(30,294)
Balance	30 June 2020	435,199,434		12,610,243
Issue of shares to advisors	22 July 2020	4,000,000	\$0.025	100,000
Acquisition of Vanatech	22 July 2020	55,555,555	\$0.022	500,000
Capital raising	22 July 2020	4,444,444	\$0.009	40,000
Conversion of performance rights	26 November 2020	7	\$0.000	-
Capital raising	30 November 2020	74,879,914	\$0.008	599,039
Capital raising	23 December 2020	96,939,762	\$0.008	775,518
Capital raising	21 January 2021	94,420,695	\$0.008	755,366
Capital raising	22 February 2021	73,333,334	\$0.015	1,100,000
Conversion of options	23 February 2021	12,120,000	\$0.040	484,800
Conversion of options	12 March 2021	14,800,000	\$0.040	592,000
Conversion of options	25 March 2021	18,500,000	\$0.040	740,000
Conversion of options	9 April 2021	7,750,000	\$0.040	310,000
Conversion of options	20 April 2021	2,500,000	\$0.040	100,000
Conversion of options	20 April 2021	13,500,000	\$0.016	216,000
Capital raising	23 April 2021	16,666,666	\$0.015	250,000
Conversion of options	23 April 2021	2,000,000	\$0.040	80,000
Acquisition of Ozexco	23 April 2021	50,000,000	\$0.015	750,000
Conversion of options	07 May 2021	4,000,000	\$0.040	160,000
Capital raising	26 May 2021	120,000,000	\$0.150	18,000,000
Issue of shares to advisors	26 May 2021	1,800,000	\$0.139	250,020
Conversion of options	28 May 2021	9,250,000	\$0.016	148,000
Conversion of options	18 June 2021	500,000	\$0.016	8,000
Capital raising costs				(3,724,739)
Balance	30 June 2021	1,112,159,811		34,844,247

*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.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

**Note 17. Issued capital (continued)**

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

**Note 18. Reserves**

	30 June 2021	30 June 2020
	\$	\$
Foreign currency reserve	(26,407)	(27,277)
Share-based payments reserve	15,043,673	1,489,232
	15,017,266	1,461,955

*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').

**Note 18. Reserves (continued)**

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.

*Movements in reserves*

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

	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 July 2019	(28,184)	1,307,969	1,279,785
Foreign currency translation	907	-	907
Option expense	-	181,263	181,263
Balance at 30 June 2020	(27,277)	1,489,232	1,461,955
Foreign currency translation	870	-	870
Options issued for capital raising costs	-	2,223,970	2,223,970
Share based payments	-	970,226	970,226
Performance shares issued for Ozexco acquisition (see Note 11)	-	10,250,000	10,250,000
Options issued for Vanatech acquisition (see note 14)	-	110,245	110,245
Balance at 30 June 2021	(26,407)	15,043,673	15,017,266

**Note 19. Accumulated losses**

	30 June 2021 \$	30 June 2020 \$
Accumulated losses at the beginning of the financial year	(9,720,590)	(7,995,381)
Loss after income tax expense for the year	(14,496,384)	(1,725,209)
Accumulated losses at the end of the financial year	(24,216,974)	(9,720,590)

**Note 20. Dividends**

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

**Note 21. Financial instruments**

**Financial risk management objectives**

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk) and liquidity risk.

Risk management is carried out by the Board of Directors ('the Board') under policies approved by the Board. The board identifies and evaluates financial risks and provides written principles for overall risk management.

**Market risk**

*Foreign currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United Kingdom Pound Sterling and the Swedish Kroner. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for working capital purposes.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditure of the Group.

*Interest rate risk*

The Group's financial instruments that are exposed to interest rate risk at 30 June are as follows:

	30 June 2021	30 June 2020
	\$	\$
Variable rate instruments		
Cash and cash equivalents	23,531,596	2,910,835

*Sensitivity analysis:*

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss 100bp increase	Profit or loss 100bp decrease	Equity 100bp increase	Equity 100bp decrease
<b>30 June 2021</b>				
Variable rate instruments	235,315	(235,315)	235,315	(235,315)
<b>30 June 2020</b>				
Variable rate instruments	29,108	(29,108)	29,108	(29,108)

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Note 21. Financial instruments (continued)**

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 22. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2021	30 June 2020
	\$	\$
Short-term employee benefits	357,844	497,149
Post-employment benefits	38,520	21,232
Share-based payments	996,505	160,786
	1,392,869	679,167

**Note 23. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by William Buck Audit (WA) Pty Ltd, the auditor of the Company:

	30 June 2021	30 June 2020
	\$	\$
<i>Audit services - William Buck Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	22,259	19,387

**Note 24. Contingent liabilities**

There are no significant contingent liabilities as at the date of signing of this report.

**Note 25. Commitments**

	30 June 2021	30 June 2020
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	105,000	-
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	105,000	-

**Note 26. Related party transactions**

*Subsidiaries*

Interests in subsidiaries are set out in note 28.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

*Transactions with related parties*

The following transactions occurred with related parties:

	30 June 2021	30 June 2020
	\$	\$
Transactions with director-related entities:		
SLR Consulting Pty Ltd (i)	3,042	35,064
Caprodite Transactions Execution Pty Ltd (ii)	-	12,350
Gascoyne Industrial Sands Pty Ltd (iii)	10,000	-

The Company completed the purchase 100% of Vanatech Pty Ltd ("Vanatech") on 23 July 2020 to acquire 4 tenements owned by Vanatech. Director Tom Langley is the founder and sole director and shareholder of Vanatech see note 14.

*Payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	30 June 2021	30 June 2020
	\$	\$
Current payables:		
SLR Consulting Pty Ltd (i)	-	13,603
Caprodite Transaction Executions Pty Ltd (ii)	-	10,025

*Loans to/from related parties*

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

*Terms and conditions*

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

- (i) SLR Consulting Pty Ltd is a company of which Simon Robertson is a director and beneficial shareholder. The payments were for corporate advisory and financial services on an arm's length basis.
- (ii) Caprodite Transaction Executions Pty Ltd is a company of which Brandon Munro is a director and beneficial shareholder. The payments were for marketing and investor relations services on an arm's length basis.
- (iii) Gascoyne Industrial Sands Pty Ltd is a company of which Tom Langley is a director and beneficial shareholder. The payments were for geological services on an arm's length basis.

**Note 27. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>30 June 2021</b>	<b>Parent 30 June 2020</b>
	\$	\$
Loss after income tax	(14,690,183)	(1,953,317)
Total comprehensive loss	(14,690,183)	(1,953,317)

*Statement of financial position*

	<b>30 June 2021</b>	<b>Parent 30 June 2020</b>
	\$	\$
Total current assets	23,592,534	2,730,982
Total assets	25,363,748	4,287,759
Total current liabilities	142,893	165,166
Total liabilities	142,893	165,166
Equity		
Issued capital	34,844,247	12,610,243
Share-based payments reserve	15,043,673	1,489,232
Accumulated losses	(24,667,065)	(9,976,882)
Total equity	25,220,855	4,122,593

**Note 28. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2021 %	30 June 2020 %
Ozexco Pty Ltd	Australia	100	-
Vanatech Pty Ltd	Australia	100	-
Assemble Holdings Pty Ltd	Australia	100	100
ScandiVanadium Limited	United Kingdom	100	100
ScandiVanadium Sweden AB	Sweden	100	100
Kaz Ventures Australia Pty Ltd	Australia	-	100
Discovery Ventures Kazakhstan Ltd	Astana International Finance Centre	-	100

**Note 29. Events after the reporting period**

15,000,000 Performance Rights were issued to Director David Frances and 5,000,000 Performance Rights were issued to Director Kyla Morrison following shareholder approval on 20 July 2021.

Roger Martin was appointed as a Non-Executive Director on 27 July 2021.

The Group entered into a Memorandum of Understanding with Global Energy Ventures Ltd (ASX:GEV) on 9 August 2021 to support GEV's feasibility study on the export of green hydrogen from the HyEnergy Project utilising GEV's compressed hydrogen marine supply chain.

The following options were converted into ordinary shares:

- \* 6,750,000 options exercisable at \$0.016 on or before 21 January 2024
- \* 10,750,000 options exercisable at \$0.04 on or before 13 November 2022

Total consideration received from conversion of options was \$538,000.

The Group entered into a binding agreement on 16 September 2021 with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascale Project in the Paterson Province. Conditional on the transfer of third party rights, GGP shall acquire E45/5316 from Province for a consideration of \$50,000.

The Company is the sole applicant for exploration licences E45/5754 and E45/5755 and the holder of E45/5756. The Company has granted GGP an option, upon exercise of which GGP will pay consideration of \$150,000 plus \$200,000 cash or \$200,000 in GGP fully paid ordinary shares (at GGP's election) in respect to the withdrawal of the Applications and sale and purchase of E45/5756, and if necessary, the sale and purchase of the licences created if the applications are granted.

The Group announced on 10 September 2021 that they had secured the first permit for the project, being a Section 91 Licence under Western Australia's Land Administration Act, which allows the company to begin environmental and other studies on a 98.6 sq km site north of Carnarvon.

No other matter or circumstance has arisen since 30 June 2021 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 30. Reconciliation of loss after income tax to net cash used in operating activities**

	30 June 2021	30 June 2020
	\$	\$
Loss after income tax expense for the year	(14,496,384)	(1,725,209)
Adjustments for:		
Depreciation and amortisation	9,314	5,149
Share-based payments	970,226	181,263
Foreign exchange differences	(1,633)	1,981
Shares in lieu of payment	350,020	-
Proceeds from unclaimed monies	(5,864)	-
Impairment of exploration and evaluation	357,665	-
Project acquisition costs	11,090,038	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(132,094)	3,660
Decrease in trade and other payables	(92,402)	(9,897)
Increase in other provisions	4,143	-
<b>Net cash used in operating activities</b>	<b>(1,946,971)</b>	<b>(1,543,053)</b>

**Note 31. Non-cash investing and financing activities**

	30 June 2021	30 June 2020
	\$	\$
Options issued to Directors	810,058	-
Options issued for the Vanatech acquisition	110,245	-
Options issued for Capital Raising Costs	2,223,970	-
Options issued to management	-	181,263
Amortisation of Performance Rights under employee share plan	160,168	-
Amortisation of Performance Shares for the Ozexco acquisition	10,250,000	-
Shares issued to Stocks Digital in lieu of cash	350,020	-
Shares issued for the Vanatech acquisition	500,000	-
Shares issued for the Ozexco acquisition	750,000	-
	<b>15,154,461</b>	<b>181,263</b>

**Note 32. Earnings per share**

	30 June 2021	30 June 2020
	\$	\$
<b>Loss after income tax attributable to the owners of Province Resources Limited</b>	<b>(14,496,384)</b>	<b>(1,725,209)</b>

**Note 32. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	700,450,007	356,647,521
Weighted average number of ordinary shares used in calculating diluted earnings per share	700,450,007	356,647,521
	Cents	Cents
Basic earnings per share	(2.07)	(0.48)
Diluted earnings per share	(2.07)	(0.48)

Options are considered to be potential ordinary shares. When the Company is in a loss-making position, options are not included in the determination of diluted loss per share as they are not considered to be dilutive. At 30 June 2021 there was 44,580,000 options on issue (30 June 2020: 63,000,000 options).

**Note 33. Share-based payments**

**Acquisition of Vanatech Pty Ltd**

On 22 July 2020 the Company acquired Vanatech Pty Ltd following shareholder approval, from Director Tom Langley who was the founder and sole director. The following share based payments formed part of the acquisition cost:

*Ordinary Shares*

55,555,555 fully paid ordinary shares were issued at an issue price of \$0.009 per share. \$500,000 was recognised as a cost of the exploration and evaluation acquisition.

*Options*

7,000,000 options were issued at an exercise price of \$0.04 per option, expiring on 13 November 2022, the options vested on issue. \$110,245 was recognised as a cost of the exploration and evaluation acquisition.

*Performance shares*

50,000,000 performance shares, expiring 48 months after their issue date, each of which will convert into one fully paid ordinary share subject to the Company delineating an Inferred Mineral Resource in accordance with the 2012 Edition of the JORC code of either of the following at either of the Projects:

- (a) 1 million ounces of gold equivalent at a minimum average grade of 1 g/t gold equivalent; or
- (b) if nickel is the economically dominant mineral in the relevant resource, 7.5 million tonnes of or at a minimum average grade of 2% nickel equivalent.

Accounting standards require directors to assess the probability of meeting the above conditions. The performance shares were valued at nil value as the Directors did not believe that the performance shares would convert into ordinary shares based on their assessment at the date of the transaction. The 50,000,000 performance shares were subsequently cancelled on 23 April 2021.

**Note 33. Share-based payments (continued)**

**Acquisition of Ozexco Pty Ltd**

The Company completed the purchase to acquire all of the shares in Ozexco Pty Ltd ("Ozexco") on 27 April 2021. The following share based payments formed part of the acquisition cost:

*Ordinary Shares*

50,000,000 fully paid ordinary shares were issued at a deemed issue price of \$0.015 per share. \$750,000 was recognised as a cost of the acquisition.

*Performance shares*

50,000,000 Performance Shares issued to the Vendors, the conversion of which into ordinary shares is subject to and conditional upon the following events occurring (in broad terms), within the time limits set out below (each a Milestone):

- (a) Class A Performance Shares - 16,666,666

Upon the Company announcing to ASX completion of a positive scoping study in relation to the Projects, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed a prefeasibility study on the project, within 18 months of the date of issue of the Class A Performance Shares.

- (b) Class B Performance Shares - 16,666,667

Upon the Company announcing to ASX completion of a positive preliminary feasibility study in relation to the Projects (PFS) which demonstrates a net present value for the Projects of at least \$500 million or with an internal rate of return of at least 25% (in each case using a 10% discount rate), within 30 months of the date of issue of the Class B Performance Shares.

- (c) Class C Performance Shares - 16,666,667

Upon the Company announcing that it has:

1. secured an offtake partner for a minimum of 30% of production proposed under the PFS; or
2. outright sale of the Projects for a value of at least \$100 million,

within 42 months of the date of issue of the Class B Performance Shares; and

**Assumptions:**

Valuation date	22 April 2021
Share price at approval date	\$0.205
Indicative value per Performance Share	\$0.205
Valuation of Performance Shares	\$10,250,000

During the period \$10,250,000 was recognised as project acquisition costs.

**Options**

10,000,000 options were issued to advisors at an exercise price of \$0.04 exercisable on or before 13 November 2022. The options were valued using a Black Scholes valuation model and an amount of \$169,526 was recognised as capital raising costs during the period.

**Note 33. Share-based payments (continued)**

30,000,000 options were issued to advisors at an exercise price of \$0.016 exercisable on or before 21 January 2024. The options were valued using a Black Scholes valuation model and an amount of \$514,422 was recognised as capital raising costs during the period.

12,000,000 options were issued to advisors at an exercise price of \$0.25 exercisable on or before 28 May 2024. The options were valued using a Black Scholes valuation model and an amount of \$1,540,022 was recognised as capital raising costs during the period.

7,500,000 options were issued to Director Patrick Burke at an exercise price of \$0.04 exercisable on or before 13 November 2022 as Director Incentive Options. The options were issued in two tranches:

	Number of options	Vesting Conditions
Tranche 1	3,375,000	Exercisable at any time on or prior to expiry date
Tranche 2	3,375,000	Subject to Patrick Burke remaining employed or appointed by the Company for a period of 12 months of continuous service after the issue of the Options.

The options were valued using a Black Scholes valuation model and were valued at \$1,359,408. An amount of \$679,704 was recognised for Tranche 1 and \$130,354 for Tranche 2 to share based payments expense during the period.

Movements in the number of options on issue during the year are as follows:

	Number of options 30 June 2021	Weighted average exercise price 30 June 2021	Number of options 30 June 2020	Weighted average exercise price 30 June 2020
Outstanding at the beginning of the financial year	63,000,000	\$0.040	58,000,000	\$0.040
Granted	66,500,000	\$0.067	5,000,000	\$0.040
Exercised	(84,920,000)	\$0.033	-	\$0.000
Outstanding at the end of the financial year	44,580,000	\$0.093	63,000,000	\$0.000
Exercisable at the end of the financial year	40,830,000	\$0.098	63,000,000	\$0.040

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
22/07/2020	13/11/2022	\$0.022	\$0.040	162.23%	-	0.28%	\$0.016
15/02/2021	13/11/2022	\$0.026	\$0.040	162.23%	-	0.12%	\$0.017
21/01/2021	21/01/2024	\$0.020	\$0.016	162.23%	-	0.11%	\$0.017
22/04/2021	13/11/2022	\$0.205	\$0.040	162.23%	-	0.07%	\$0.181
28/05/2020	28/05/2024	\$0.160	\$0.250	162.23%	-	0.12%	\$0.128

**Note 33. Share-based payments (continued)**

**Performance Rights**

Following shareholder approval on 22 April 2021 15,000,000 Performance Rights were issued to Director David Frances and 7,500,000 Performance Rights to Tom Langley. The Performance Rights were issued pursuant to the Company's Employee Securities Incentive Plan as adopted by Shareholders on 12 September 2018 and subject to the following Vesting Conditions:

- Class A will vest on the Company announcing to the ASX completion of a positive scoping study in relation to the HyEnergy Project (formerly the Ozexco project), to the reasonable satisfaction of the independent Directors of the Company, as evidenced by a decision to proceed a prefeasibility study on the project, within 18 months of the date of issue.
- Class B will vest on the company announcing to the ASX completion of a positive prefeasibility study in relation to the HyEnergy Project (formerly the Ozexco project) which demonstrates a net present value of 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; and
- Class C will vest on the Company announcing to the ASX that it has secured an offtake partner, under a binding agreement, for a minimum of 30% of production from the HyEnergy Project (formerly the Ozexco project), or an outright sale of the HyEnergy Project for a value of at least \$100 million, within 42 months of completion of the date of issue of the Class B Performance Rights.

	David Frances	Tom Langley	Total
Class A Performance Rights	5,000,000	2,500,000	7,500,000
Class B Performance Rights	5,000,000	2,500,000	7,500,000
Class C Performance Rights	5,000,000	2,500,000	7,500,000
	15,000,000	7,500,000	22,500,000

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.

Assumptions:

Valuation/grant date	22 April 2021
10 day VWAP	\$0.2044
Indicative value per Performance Right	\$0.2044
- David Frances	\$3,066,348
- Tom Langley	\$1,533,174

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

The value of the Performance Rights are being expensed over the deemed life of the Rights. During the period \$160,168, was recognised as an expense in relation to the rights.

**Note 33. Share-based payments (continued)**

Movements in the number of performance rights on issue during the year are as follows:

	Number of rights	
	30 June 2021	30 June 2020
Outstanding at the beginning of the financial year	-	-
Granted	22,500,000	-
Exercised	-	-
<b>Outstanding at the end of the financial year</b>	<b>22,500,000</b>	<b>-</b>
<b>Exercisable at the end of the financial year</b>	<b>22,500,000</b>	<b>-</b>

	30 June 2021	30 June 2020
	\$	\$
Total value expensed in profit and loss		
7,500,000 Options issued to Patrick Burke	810,058	-
22,500,000 Performance Rights issued to David Frances and Tom Langley	160,168	-
5,000,000 Options issued to management	-	45,020
47,500,000 Options issued to management	-	136,243
	<b>970,226</b>	<b>181,263</b>

**Shares in lieu of payment**

On 2nd July 2020, 4,000,000 ordinary shares were issued as consideration for marketing and investor services to be provided during the year in lieu of payment. The shares were valued at \$0.025 each being the current share price for a total value of \$100,000 which was expensed during the period.

On 26 May 2021, 1,800,000 ordinary shares were issued as consideration for marketing and investor services to be provided during the year in lieu of payment. The shares were valued at \$0.139 each being the current share price for a total value of \$250,020 which was expensed during the period.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Patrick Burke  
Chairman

30 September 2021  
Perth

# Province Resources Limited (formerly known as Scandivanadium Ltd)

Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Province Resources Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

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

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

### Key Audit Matters

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

#### ACCOUNTANTS & ADVISORS

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### ACQUISITION COST OF EXPLORATION LICENCE APPLICATIONS

Area of focus Refer also to note 11	How our audit addressed it
<p>The Group acquired Ozexco Pty Ltd in the year which holds seven exploration licence applications.</p> <p>As the applications do not meet the recognition criteria for assets they have been expensed to the statement of profit or loss and other comprehensive income for the year.</p> <p>This is a key audit matter due to the fact that significant judgement was applied in determining the accounting treatment of the acquisition costs.</p>	<p>Our procedures focussed on evaluating management's accounting treatment of the acquisition cost of the licence applications including:</p> <ul style="list-style-type: none"> <li>— Assessing whether the costs could be recognised within the scope of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>;</li> <li>— Assessing whether the costs were within the scope of <i>AASB 138 Intangible Assets</i>.</li> <li>— Reviewing the contract for the acquisition of Ozexco Pty Ltd.</li> </ul>

### CARRYING VALUE OF EXPLORATION COST

Area of focus Refer also to notes 2 and 14	How our audit addressed it
<p>The capitalised exploration expenditure comprises the acquisition cost of the mineral rights in Sweden and in Western Australia.</p> <p>The carrying value of these costs represents a significant asset of the Group.</p> <p>This is a key audit matter due to the fact that significant judgement is applied in determining whether the capitalised exploration costs continue to meet the recognition criteria of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>.</p>	<p>Our procedures focussed on evaluating management's assessment of whether the exploration assets continue to meet the recognition criteria of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> <li>— Obtaining evidence that the Group has valid rights to explore the areas represented by the capitalised exploration costs.</li> <li>— Enquiring of management and reviewing the cashflow forecast to verify that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest was planned.</li> <li>— Enquiring with management, reviewing announcements made and reviewing minutes of director</li> </ul>

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	<p>meetings to verify that the Group had not decided to discontinue activities in any of its areas of interest.</p> <p>We also assessed the adequacy of the Group's disclosures in the financial report.</p>
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### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the

Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 12 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Province Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "William Buck".

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

A handwritten signature in black ink that reads "Amar Nathwani".

Amar Nathwani  
Director

Dated this 30<sup>th</sup> day of September, 2021

The shareholder information set out below was applicable as at 23 September 2021.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	586	0.01	-	-
1,001 to 5,000	3,210	1.04	-	-
5,001 to 10,000	4,060	2.78	-	-
10,001 to 100,000	9,653	31.15	1	0.30
100,001 and over	1,862	65.03	4	99.70
	19,371	100.01	5	100.00

Holding less than a marketable parcel	1,822	0.30	-	-
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	Performance shares		Performance rights	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	3	100.00	10	100.00
	3	100.00	10	100.00

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	24,000,000	2.12
CITICORP NOMINEES PTY LIMITED	22,437,277	1.99
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,155,665	1.08
COMSEC NOMINEES PTY LIMITED	11,192,645	0.99
PUISSANCE HOLDINGS PTY LTD <THE NYANG SUPER A/C>	10,000,000	0.89
NALEY PTY LTD	10,000,000	0.89
SUPERHERO NOMINEES PTY LTD	8,127,949	0.72
OLI FUNDS MANAGEMENT PTY LTD	7,590,183	0.67
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	6,203,781	0.55
MOSCH PTY LTD	5,000,000	0.44
PHEAKES PTY LTD <SENATE A/C>	4,750,000	0.42
ROBWARD PTY LTD <ROBWARD INVESTMENT A/C>	4,650,000	0.41
LHO LA PTY LTD <ACME FOUNDATION A/C>	4,373,333	0.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,300,665	0.38
MR YIXUAN ZHU	4,300,000	0.38
GRANIMO NOMINEES PTY LTD <GTP FAMILY SUPER FUND A/C>	4,000,000	0.35
ROBWARD PTY LTD <MYSIM SUPER FUND A/C>	4,000,000	0.35
ROWAN HALL PTY LTD <ROWAN HALL TRADING A/C>	3,750,000	0.33
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,620,752	0.32
S3 CONSORTIUM PTY LTD	3,600,000	0.32
	<b>158,052,250</b>	<b>13.99</b>

	<b>Options over ordinary shares</b>	
	<b>Number held</b>	<b>% of total options issued</b>
INYATI FUND PTY LTD	12,000,000	44.31
VIVIEN ENTERPRISES PTE LTD	10,000,000	36.93
ROWAN HALL PTY LTD	3,750,000	13.85
SEQUOI NOMINEES PTY LTD	1,250,000	4.62
MR JU CHEN	80,000	0.30
	<b>27,080,000</b>	<b>100.01</b>

Performance shares

	Number held	% of total Performance shares issued
3VL PTY LTD	25,000,000	50.00
PHEAKES PTY LTD	12,500,000	25.00
MR MARK JONATHAN SANDFORD	12,500,000	25.00
	50,000,000	100.00

Performance rights

	Number held	% of total Performance rights issued
PUISSANCE HOLDINGS PTY LTD	30,000,000	30.38
DAVID MINCHIN	24,642,859	24.95
PINNACLE TRUSTEES LIIMITED	22,232,144	22.51
MR THOMAS EDWARD LANGLEY	7,500,000	7.59
KYLAH MORRISON	5,000,000	5.06
SEQUOI NOMINEES PTY LTD	4,017,857	4.07
WILLIAM DAVID ARNSTEIN	1,339,285	1.36
LISA FAX	1,339,285	1.36
PETER GULLESTRUP	1,339,285	1.36
SAM DELEVAN QUINN	1,339,285	1.36
	98,750,000	100.00

Unquoted equity securities

	Number on issue	Number of holders
PRLOPT1 - UNLISTED OPTIONS EXP 13/11/2022 @ \$0.04	15,080,000	4
PRLOPT3 - UNLISTED OPTIONS EXP 28/05/2024 @ \$0.25	120,000,000	1

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
VIVIEN ENTERPRISES PTE LTD	PRLOPT1 - UNLISTED OPTIONS EXP 13/11/2022 @ \$0.04	10,000,000
ROWAN HALL PTY LTD	PRLOPT1 - UNLISTED OPTIONS EXP 13/11/2022 @ \$0.04	3,750,000
INYATI FUND PTY LTD	PRLOPT3 - UNLISTED OPTIONS EXP 28/05/2024 @ \$0.25	12,000,000

**Substantial holders**

Substantial holders in the Company are set out below:

	Options over ordinary shares	
	Number held	% of total options issued
INYATI FUND PTY LTD	12,000,000	44.31
VIVIEN ENTERPRISES PTE LTD	10,000,000	36.93
ROWAN HALL PTY LTD	3,750,000	13.85
	Performance shares	
	Number held	% of total Performance shares issued
3VL PTY LTD	25,000,000	50.00
PHEAKES PTY LTD	12,500,000	25.00
MR MARK JONATHAN SANDFORD	12,500,000	25.00
	Performance rights	
	Number held	% of total Performance rights issued
PUISSANCE HOLDINGS PTY LTD	30,000,000	30.38
DAVID MINCHIN	24,642,859	24.95
PINNACLE TRUSTEES LIIMITED	22,232,144	22.51

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

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

There are no other classes of equity securities.

**Tenements - Australia**

<b>Description</b>	<b>Tenement number</b>	<b>Interest owned %</b>
Pascalle	E 45/5316	100
Paterson South	ELA 45/5754	100
Paterson South	ELA 45/5755	100
Paterson South	ELA 45/5756	100
Gnama	E 63/1933	100
Gnama	E 63/1934	100
Gnama	E 63/1935	100
HyEnergy & Gascoyne Projects	ELA 09/2507	100
HyEnergy & Gascoyne Projects	ELA 09/2508	100
HyEnergy & Gascoyne Projects	ELA 09/2510	100
HyEnergy & Gascoyne Projects	ELA 09/2511	100
HyEnergy & Gascoyne Projects	ELA 09/2512	100
HyEnergy & Gascoyne Projects	ELA 09/2513	100
HyEnergy & Gascoyne Projects	ELA 09/2514	100
HyEnergy & Gascoyne Projects	ELA 09/2486	100
HyEnergy & Gascoyne Projects	ELA 09/2487	100
HyEnergy & Gascoyne Projects	ELA 09/2488	100
HyEnergy & Gascoyne Projects	ELA 09/2489	100
HyEnergy & Gascoyne Projects	ELA 09/2490	100
HyEnergy & Gascoyne Projects	ELA 09/2491	100
HyEnergy & Gascoyne Projects	ELA 09/2492	100

**Tenements - Sweden**

<b>Description</b>	<b>Tenement number</b>	<b>Interest owned %</b>
Killeröd	EP 93/2018	100
Virrestad	EP 94/2018	100
Andrarum	EP 469/2018	100
Fågeltofta 1	EP 299/2018	100
Fågeltofta 2	EP 471/2018	100
Flagabro	EP 470/2018	100
Hörby	EP 475/2018	100
Tosterup	EP 476/2018	100
Hammenhög	EP 473/2018	100
Järrestad	EP 474/2018	100
Gislövshammar	EP 472/2018	100