HAVILAH RESOURCES LIMITED

ABN 39 077 435 520

ANNUAL REPORT 2023

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Forward-looking Statements

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

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

Forward-looking statements are based on the Group and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Group's business and operations in the future. The Group does not give any assurance that the assumptions on which forward-looking statements are based will prove to be correct, or that the Group's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Group or management or beyond the Group's control.

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

Front cover: Phase 1 Study Program diamond drilling on the Kalkaroo ML during the year.

ABOUT HAVILAH

Key Strengths

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

Key Assets and Attributes

Copper–gold–cobalt

- **Kalkaroo:** Kalkaroo is one of the larger undeveloped open pit copper-gold deposits in Australia, based on a 100 million tonne JORC Ore Reserve (90% is in the Proved classification).
- **Mutooroo:** Comparatively high grade open pit and underground copper deposit (1.53%) with appreciable cobalt (20,200 tonnes). Mutooroo is one of the larger and higher-grade undeveloped sulphide cobalt deposits associated with copper in Australia.
- Considerable exploration discovery upside for resource expansion of both Kalkaroo and Mutooroo along strike, down-dip and in adjacent areas as confirmed by recent BHP Group Limited ('BHP') and Havilah drilling results.
- Associated conflict free strategic and/or critical minerals including cobalt, rare earth elements ('REE'), molybdenum, uranium, tin and/or tungsten.

Iron ore

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

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

Uranium

- >10,000 km^2 of the Frome Basin sand-hosted uranium province that is amenable to in situ recovery extraction.
- Significant new hard rock uranium discoveries at the Johnson Dam (from surface) and Homestead prospects.

Exploration potential

- >15,000 km^2 of mineral tenements in the Curnamona Province, covering some of the most prospective and under-explored geological terrain in Australia for copper, gold, cobalt, iron ore, REE and uranium. Refer to havilah-resources-projects.com/exploration for further information.
- Recent Curnamona Province Strategic Alliance drilling funded by BHP has upgraded several prospects within 15 km of Kalkaroo for copper-gold mineralisation with associated critical minerals.

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

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

Experienced technical team

- Havilah's current technical team has an exceptional track record of exploration success (including the delineation of 8 JORC Mineral Resources) and has developed and previously operated the Portia gold mine.

Key Strategic Objectives

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

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

Key Risks

Key risks identified by the Board of Directors as being specific to the Group and its operations and reasonably anticipated by the Board are set out on pages 69 and 70.

[1] South Australia was ranked 9th best jurisdiction for global investment attractiveness by the independent Fraser Institute Annual Survey of Mining Companies 2022.

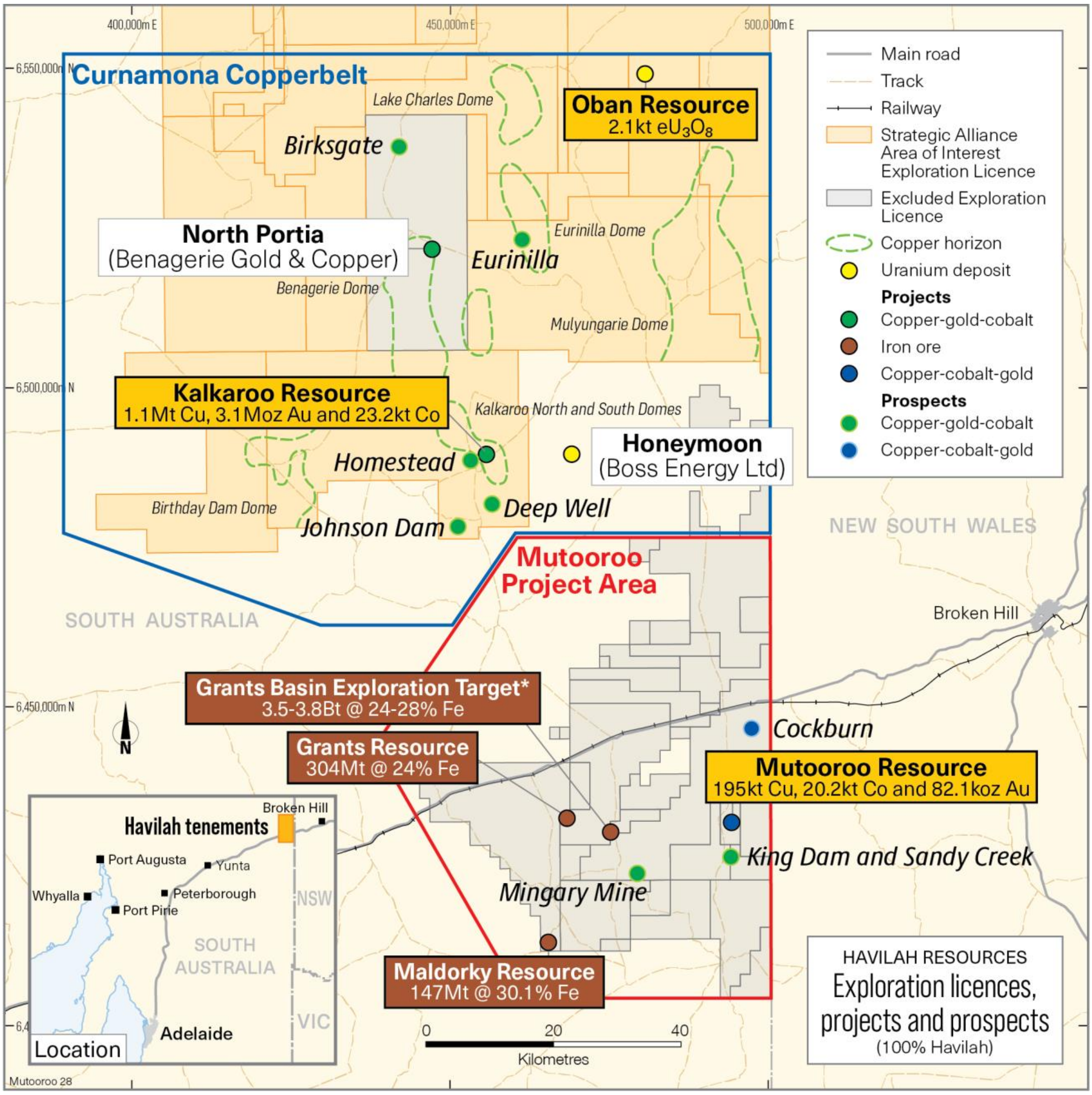

Figure 1 Havilah's deposit, prospect and tenement portfolio in northeastern South Australia, near Broken Hill, including the location of the Kalkaroo Project and Curnamona Province Strategic Alliance Area of Interest exploration licences.

LETTER FROM THE BOARD OF DIRECTORS

This year Havilah was involved in a copper exploration and development alliance on its Curnamona Province tenements, firstly with OZ Minerals, and then with BHP subsequent to the takeover. This successful, cooperative alliance provided funding for work on both the Kalkaroo copper-gold-cobalt deposit (‘Kalkaroo’) and on several copper prospects in the surrounding area, which has substantially benefited Havilah.

At Kalkaroo, BHP’s comprehensive mining and associated studies have generally confirmed Havilah’s previous work and found no fatal flaws in the Kalkaroo Project that would prevent it being developed. BHP carried out diamond drilling that was confirmatory of Havilah’s previous resource drilling, but thus far has not systematically drill-tested the substantial resource upside potential of Kalkaroo. BHP has until 10 May 2024 to decide whether to exercise the option to purchase Kalkaroo. It may opt to make an option exercise decision at any time prior to this date.

Exploration in the surrounding Curnamona Province Strategic Alliance Area of Interest exploration licences initially focussed on known copper prospects within a 15 km trucking distance of Kalkaroo. Encouraging new copper, gold and critical minerals mineralisation was intersected in several drillholes at the Deep Well, Johnson Dam and Homestead prospects highlighting the prospectivity of the region. Apart from the comparatively thin overburden and proximity to the Kalkaroo deposit, each of these prospects have kilometres of unexplored strike length that could potentially host another Kalkaroo-size deposit. As is typical of the stratabound Kalkaroo style of mineralisation, these prospects have a mix of valuable commodities (including cobalt, REE, uranium and/or molybdenum), which could enhance the economics of any potential discovery.

With funding support provided by BHP (formerly OZ Minerals), Havilah was able to continue with its exploration drilling in the Mutooroo Project Area south of the Barrier Highway. The objective was to find additional copper-cobalt-gold mineralisation that could supplement the existing mineral resources at Mutooroo and potentially be processed in the same conceptual sulphide treatment plant. Havilah's drilling at the Mingary Mine, King Dam and Sandy Creek prospects has confirmed and extended previously known copper-gold mineralisation, with good scope to extend mineralisation with further drilling.

Expanding the Mutooroo resource base was also a priority for Havilah during the financial year, given the consensus of a robust outlook for copper prices in the medium to longer-term. A larger resource and an increased scale strengthens the economic rationale for future project development. It also enhances the attractiveness of Mutooroo for third party investment in the project and associated mineral processing, particularly for recovery of cobalt and sulphur from iron sulphide concentrates. While copper is the dominant driver of project economics, unlocking the value of cobalt and sulphur as by-product credits have the potential to enhance project returns.

Havilah also strengthened its position as a significant player in the Braemar iron ore province in northeastern South Australia with the acquisition of a new tenement covering 49 km^2 of prospective Braemar Iron Formation. Havilah’s iron ore assets comprise several robust iron ore deposits based on highly favourable logistics, mining yields, recoveries and size compared with other known Braemar Formation iron ore deposits in South Australia. These deposits all have the strategic advantage of proximity to the Transcontinental railway line with a continuous heavy duty rail link to the Spencer Gulf ports of Whyalla, Port Augusta and Port Pirie.

With renewed market interest in uranium, Havilah’s Frome Basin uranium prospects and recent hard rock uranium discoveries at the Johnson Dam and Homestead prospects have come into focus as serious opportunities.

Havilah’s steadfast objective is to monetise its valuable portfolio of mineral assets for the benefit of shareholders in the most effective manner possible. For example, monetising the Kalkaroo Project may be realised either by BHP exercising the Kalkaroo Option or by an alternative sale transaction that capitalises on the wealth of high quality technical data that has been generated by BHP during the past twelve months.

At a time when high quality mineral assets in low sovereign risk jurisdictions are in high demand, Havilah believes there are similar monetisation opportunities for Mutooroo plus its iron ore and uranium assets. A major effort in the year ahead will be to continue demonstrating the value of these assets through judicious exploration and to secure arrangements and/or alliances with suitable well-funded mining groups that can deliver value to our shareholders.

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

Simon Gray, Victor Previn and Chris Giles

DIRECTORS' REPORT

The Directors present their report on Havilah Resources Limited and its subsidiaries (the 'Group') for the financial year ended 31 July 2023 (the 'financial year'). All monetary amounts are presented in Australian dollars, unless otherwise indicated.

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

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

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

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

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

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

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

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

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

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

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

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

DIRECTORS' REPORT

Directors *(continued)*

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

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

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

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

Company Secretary
Mr Simon Gray. Appointed 25 January 2019.

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

Meeting	**Board of Directors**		**Audit and Risk Committee**		**Nomination Committee**		**Remuneration Committee**	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Director								
Mr Simon Gray	9	9	3	3	1	1	2	2
Mr Victor Previn	9	9	3	3	1	1	2	2
Dr Christopher Giles	9	9	3	3	1	1	2	2

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

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

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

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

DIRECTORS' REPORT

Significant Changes in the State of Affairs

Contributed equity increased by $8,800 during the financial year as the result of the issue of new fully paid ordinary shares. Details of the changes in contributed equity are disclosed in Note 17(b) to the consolidated financial statements.

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

Shares and Share Options

At the date of this Directors' Report there are 316,639,210 fully paid ordinary shares and 14,700,000 unlisted share options outstanding. Details of share options outstanding over unissued ordinary shares in the Company are as follows:

Grant date	Number of share options	Exercise price per share option	Expiry date
3 May 2021 (Employee [1])	4,400,000	$0.25	30 April 2024
21 December 2021 (Employee [2])	200,000	$0.25	30 April 2024
21 December 2021 (Director [3])	7,000,000	$0.265	21 December 2024
1 November 2022 (Employee [1])	3,100,000	$0.375	1 November 2025
Total	14,700,000		

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

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

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

Indemnification of Directors, Officers and External Auditor

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

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

Corporate Governance

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

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

Key Risks

Key risks identified by the Board of Directors as being specific to the Group and its operations and reasonably anticipated by the Board are set out on pages 69 and 70.

DIRECTORS' REPORT

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

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

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

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

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

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

Copper: A Critical Mineral
During August 2023, the South Australian government declared copper a critical mineral for the state. Importantly, South Australia has committed to continue advocating for the inclusion of copper on Australia's Critical Minerals List.

Copper's near-term outlook remains closely linked to global industrial production expectations. From a macroeconomic perspective, the global copper market remains robust with prices still above historical norms. Short-term moves in copper prices are obscuring what is a long-term thesis for copper. This comes at a time when global copper supply in the medium to longer-term is forecast to be limited by declining average ore grades, resource depletion, water constraints, insufficient investment in new mines, and a lack of major new copper discoveries. The surge in demand expected for copper from the global renewable energy transition argues for higher copper prices in the medium-term (2025-2029) to longer-term (2030 onwards).

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

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

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

DIRECTORS' REPORT

Review of Operations

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

Kalkaroo Copper-Gold-Cobalt Project (HAV 100% ownership)
Havilah is the sole owner of the Kalkaroo copper-gold-cobalt project in the Curnamona Province of South Australia, more commonly known as the Kalkaroo Project. The Kalkaroo Project contains JORC Mineral Resources of 1.1 million tonnes of copper, 3.1 million ounces of gold and 23,200 tonnes of cobalt (see JORC tables below). It has an open pit Ore Reserve of 100.1 million tonnes, of which 90% is in the Proved category (as that term is defined in the JORC Code). As such, the Kalkaroo Project is one of the larger undeveloped open pit copper-gold deposits in Australia.

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

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

BHP announced on 2 May 2023 the completion of the OZ Minerals Limited acquisition and implementation of the scheme of arrangement for BHP Lonsdale Investments Pty Limited, a wholly owned subsidiary of BHP, to acquire 100% of the shares in OZ Minerals Limited. Accordingly, BHP is now the ultimate parent company of OZ Minerals Limited.

Under the full form definitive agreements:
(a) **Call Option agreement**: the Group granted BHP (formerly OZ Minerals) an option to acquire the Kalkaroo Project ('Kalkaroo Option') – disclosed in Note 2 of the consolidated financial statements;
(b) **Access and Compensation agreement**: the Group granted BHP (formerly OZ Minerals) access to the Group's Kalkaroo Station pastoral lease – disclosed in Note 5(a) of the consolidated financial statements; and
(c) **Strategic Alliance agreement**: a strategic alliance was formed between the Group and BHP (formerly OZ Minerals) for the purpose of conducting further exploration for copper in the Curnamona Province of northeastern South Australia ('Curnamona Province Strategic Alliance') - disclosed in Note 21 of the consolidated financial statements.

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

An important component of the Study Program work is diamond drilling, with up to two drilling rigs operating on Kalkaroo Mining Lease ('ML') 6498. This drilling program has several key objectives:

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

BHP's interim assessment of Kalkaroo has recently been completed (refer to ASX announcement of 31 July 2023) without identifying any fatal flaws in the Kalkaroo Project. The first phase of the Kalkaroo work plan has now concluded, including an 8,159 metre diamond drilling program. Using Havilah's verified technical data as the basis, BHP's TAD (Think & Act Differently) team is now undertaking detailed studies of specific new technologies that could potentially add significant value to Kalkaroo, including non-conventional open pit mining, ore-sorting pre-concentration and advanced grinding and flotation technologies informed by new metallurgy testwork. The overriding objective is to apply innovative new technologies that can offer significant efficiencies and improve the Kalkaroo Project operating margins.

DIRECTORS' REPORT

Review of Operations *(continued)*

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

Some of the key work completed to date is summarised below:

Study Program
Two diamond drilling rigs operating within ML6498 successfully completed 31 holes for 8,159 metres as part of the Phase 1 diamond drilling program. This included 7 geotechnical holes and 24 holes that twinned earlier Havilah reverse circulation ('RC') drillholes, some of which provided samples for metallurgical test work. Most drillholes returned long intersections of combined copper-gold mineralisation with cobalt, typical of Kalkaroo.

Analysis of the results for the first 16 twinned diamond drillholes showed that in comparison to Havilah's adjacent holes, there was no systematic bias in the data for copper. Gold results are roughly 20% higher in the recent diamond core compared to Havilah RC and aircore drillholes, which if systematic across the Kalkaroo deposit could result in an uplift in gold grades. This comparative analysis will continue as new assay data becomes available for the remaining diamond drillcore samples.

A comprehensive metallurgical testwork program undertaken by BHP using the new drillcore was ongoing during the period with an expected completion date during October 2023. All assays obtained from the Study Program drilling plus modified geological surfaces and newly estimated grades were incorporated into an updated block model that will be available to Havilah in due course.

A geotechnical testwork program was also completed and information obtained was used to validate phase designs derived from the pit optimisation work. Schedules were then developed and work completed on proposed plant throughputs and designs. This information along with the updated block model will form the basis of a valuation model being developed for the Kalkaroo Project by BHP.

BHP's decision on progressing with a more extensive resource infill and extension diamond drilling program is pending a review of all technical work completed to date. A native title heritage survey and a drilling approval request with the Department for Energy and Mining ('DEM') have been completed in preparation for Phase 2 diamond drilling on the ML area (Figure 2).

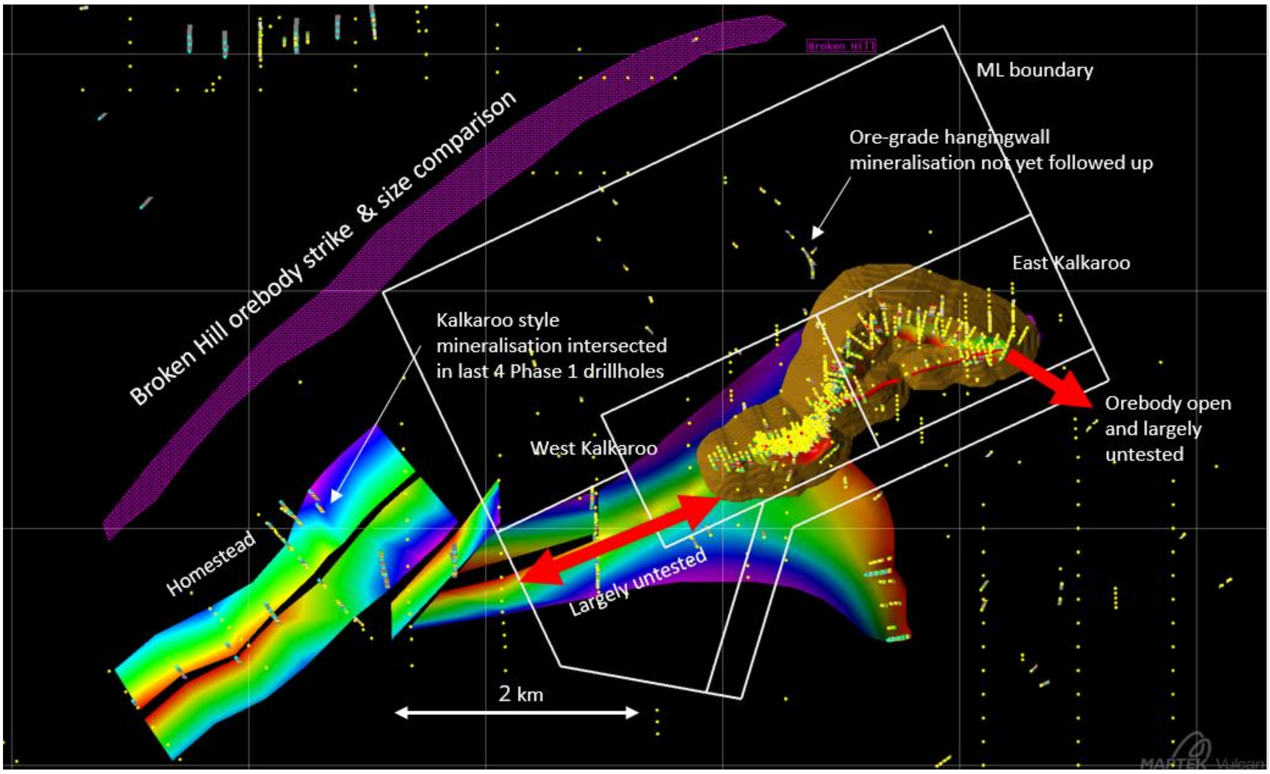

Figure 2 Kalkaroo Project area as defined by the Kalkaroo Mining Lease boundary (outer white line). The location of the Kalkaroo orebody is roughly indicated by the brown conceptual open pit outline. The coloured surfaces are the interpreted position of the base of the Kalkaroo prospective horizon (and mineralisation). The considerable untested prospective strike at West Kalkaroo and the adjacent Homestead prospect is apparent.

DIRECTORS' REPORT

Review of Operations *(continued)*

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

Curnamona Province Strategic Alliance exploration drilling
During the financial year a contractor drilling rig and associated equipment were mobilised to site and RC drilling commenced under the Curnamona Province Strategic Alliance ('Strategic Alliance') (refer to ASX announcement of 18 November 2022). Drilling initially focused on several high priority copper-gold-critical minerals prospects within Havilah's 100% owned exploration licence ('EL') 6659 within 15 km of the Kalkaroo Project. The objective was to locate additional copper resources close to Kalkaroo that could be additive to the existing Kalkaroo JORC Mineral Resource and so enhance its development prospects.

The Phase 1 Strategic Alliance drilling was completed for 72 RC drillholes for a total of 14,932 metres. Significant copper intervals associated with variable amounts of gold, cobalt, REE, uranium and/or molybdenum were intersected at the Deep Well, Johnson Dam and Homestead prospects lying within 15 km of Kalkaroo (Figure 3). The Strategic Alliance drilling is considered to have substantially upgraded the potential of all three prospects for multi-metal discoveries of at least Kalkaroo size. Given the significance of these prospects, brief attributes of each are highlighted here.

1. **Deep Well** (refer to ASX announcement of 9 May 2023)

Drilling targeted a large geophysical conductive zone that had not been the focus of previous drilling. Six RC drillholes were completed for a total of 2,118 metres. All drillholes showed copper mineralisation, including the highest grades of copper and critical minerals mineralisation ever found at the Deep Well prospect from three historic drilling campaigns.

Assay results for three of these holes have been received so far with a best copper result of:
19 metres of 0.42% copper and 206 ppm cobalt from 163 metres downhole, including
3 metres of 1.64 g/t gold from 170 metres downhole in drillhole KKRC0631.

Levels of associated critical minerals often reach potentially economic concentrations, shown by:
29 metres of 460 ppm cobalt and 0.26% copper from 130 metres downhole in drillhole KKRC0630 and
22 metres of 0.09% molybdenum from 43 metres downhole in drillhole KKRC0639.

The present drilling, geophysics and widespread bottom of hole copper anomalism all points to the existence of a large copper mineralised system with a strike length of over 4 km at Deep Well.

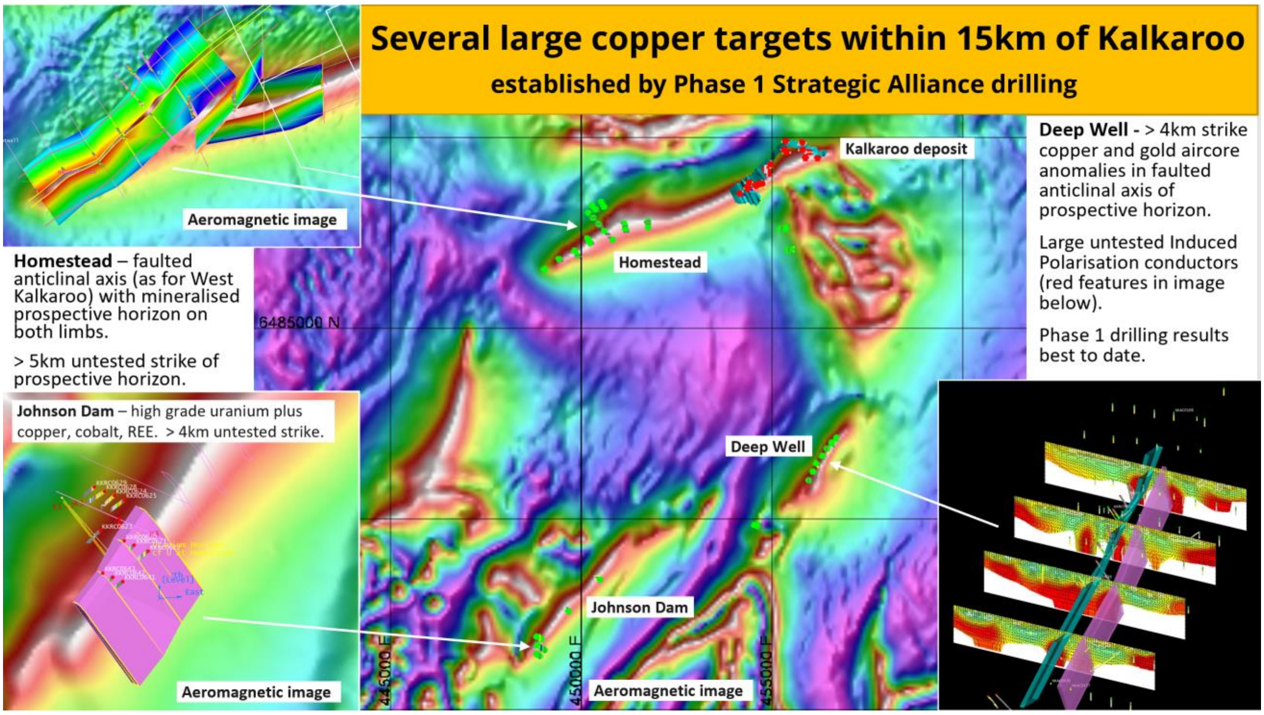

Figure 3 Copper targets within 15 km of Kalkaroo upgraded by the Phase 1 Strategic Alliance drilling.

DIRECTORS' REPORT

Review of Operations *(continued)*

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

2. **Johnson Dam** (refer to ASX announcement of 17 May 2023)

The Johnson Dam prospect lies 14 km south-southwest of Kalkaroo and is an outcropping copper anomalous gossan that had never been drilled prior to this year. Eleven RC drillholes were completed by the Strategic Alliance for a total of 2,026 metres. Results for all drillholes have been received and included:

22 metres of 0.27% copper from 61 metres downhole in drillhole KKRC0621 plus
15 metres of 405 ppm cobalt from 72 metres downhole and
7 metres of 1,489 ppm TREEO (including 465 ppm MREEO) from 61 metres downhole.
(TREEO is the total REE expressed in the oxide form, and MREEO is the more valuable REE (namely Neodymium+Praseodymium+Dysprosium+Terbium+Ytterbium) also expressed in oxide form)

Of note is a persistent uranium horizon that was intersected in two drillholes 200 metres apart, namely:
6 metres of 1,613 ppm U3O8 (or 3.3 lbs/tonne U3O8) and 330 ppm cobalt from 112 metres downhole in drillhole KKRC0622 and
6 metres of 1,269 ppm U3O8 (or 2.6 lbs/tonne U3O8) from 93 metres downhole in drillhole KKRC0641.

Johnson Dam is regarded as a high potential follow up drilling target given the comparatively high grade uranium intersections associated with significant copper, cobalt and REE. Several kilometres strike of the prospective magnetic horizon remain to be tested.

3. **Homestead** (refer to ASX announcement of 29 August 2023)

Twenty six RC drillholes were completed at the Homestead prospect by the Strategic Alliance, for a total of 5,888 metres. This drilling identified a wedge of the Kalkaroo prospective horizon (host to the Kalkaroo deposit) on opposite limbs of a faulted anticlinal structure, similar to that seen at nearby West Kalkaroo. Noteworthy multi-metal intervals of copper and associated gold, cobalt, uranium and/or REE mineralisation included:
4 metres of 1,622 ppm U3O8 (or 3.3 lbs/tonne U3O8) from 158 metres downhole plus
3 metres of 5,530 ppm TREEO (including 2,249 ppm MREEO) from 158 metres downhole in RC drillhole KKRC0659.

The Homestead prospect has excellent discovery potential for a new Kalkaroo style copper-gold-cobalt deposit and/or standalone uranium and/or REE deposits along several kilometres of untested strike.

At the date of this Annual Report Phase 2 Strategic Alliance drilling was underway at Kalkaroo North Dome, which is one of several additional drilling targets north of Kalkaroo (Figure 1). Most prospects have indications of copper mineralisation from historic drilling campaigns variously carried out by previous explorers. The Kalkaroo prospective horizon is interpreted to exist at all of the prospects and each have sufficiently long strike lengths to potentially host a copper-gold deposit of Kalkaroo size.

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

Mutooroo is Havilah's advanced stage copper-cobalt-gold project that is located within commuting distance of Broken Hill, and 16 km south of the Transcontinental railway line and Barrier Highway. It contains 195,000 tonnes of copper, 20,200 tonnes of cobalt and 82,100 ounces of gold in Measured, Indicated and Inferred JORC Mineral Resources (see JORC table below). As such, Mutooroo is one of the larger and higher-grade undeveloped sulphide cobalt deposits associated with copper in Australia. Such sulphide cobalt deposits are generally rarer and smaller than nickel-cobalt laterite deposits, but they typically have significant mineral processing cost advantages.

Havilah aims to compile a pre-feasibility study ('PFS') for the Mutooroo project as a proposed 1 million tonne per annum throughput copper and cobalt producer, based on current JORC Measured Resources, initially from an open cut mine that potentially transitions to a longer-term underground mining operation. A detailed work program and budget has been prepared to provide guidance on the funding required to complete the PFS.

Recent PFS work has focussed on shallow drilling to expand the open pit resources. A deeper conductive target identified by airborne electromagnetic surveying, which has the potential to significantly increase the underground sulphide resource, is planned to be drilled before the end of 2023 (Figure 4).

DIRECTORS' REPORT

Review of Operations *(continued)*

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

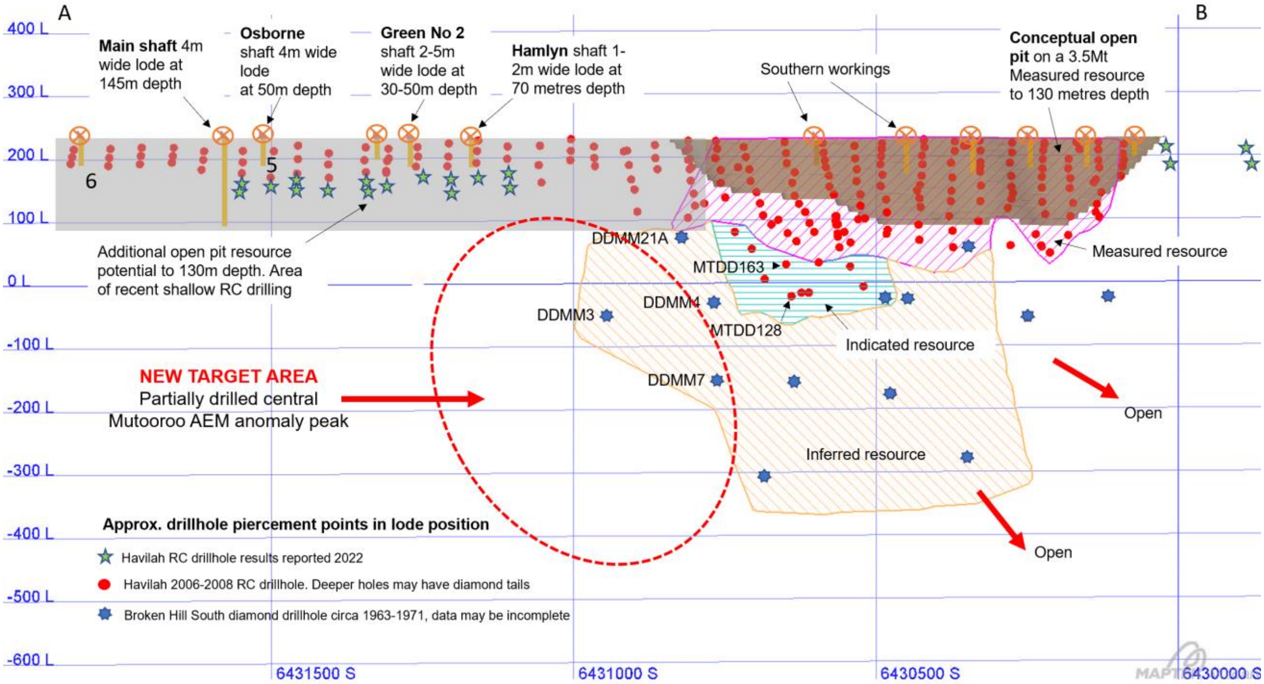

Figure 4 Showing partially drilled new target area defined by the central Mutooroo AEM anomaly peak. This target is interpreted to lie mostly outside of the current Mutooroo copper-cobalt sulphide resource and has not been drilled by Havilah to date.

Mutooroo Project Area (HAV 100% ownership)
The Mutooroo Project Area ('MPA') exploration program continued to systematically drill test priority prospects that were identified by Havilah's geologists in the tenement holding surrounding Mutooroo. The objective is to discover higher-grade copper-cobalt-gold resources within the MPA that can supplement the existing Mutooroo mineral resource and potentially be processed in a central facility at Mutooroo. The MPA is particularly attractive for exploration owing to the generally thin overburden, applicability of surface geochemical sampling and electrical geophysical methods. The area has the major logistical advantage of being close to Broken Hill, the Barrier Highway and Transcontinental railway line. All known prospects are located within trucking distance of the Mutooroo deposit and the terrain is generally flat and amenable to trucking.

New drilling results for three copper prospects, namely Mingary Mine, King Dam and Sandy Creek confirmed historic drilling intersections, some dating back to the 1960s (refer to ASX announcement of 5 July 2023) and all prospects warrant follow up drilling. At the Mingary Mine prospect wide zones of copper-gold mineralisation were intersected over 1 km of strike, including 30 metres of 0.64% copper and 0.43 g/t gold from 89 metres in drillhole MNRC002. There is good scope for extension of this mineralisation along strike and for the discovery of meaningful additions to the Mutooroo resource, albeit of lower copper grade but with valuable gold credits.

Merged data from two earlier airborne electromagnetic ('AEM') geophysical surveys in the MPA showed strong anomalies over Mutooroo and other known sulphide mineralisation at the West Mutooroo and Fallout prospects. (refer to ASX announcement of 15 September 2023). Several other unexplained AEM anomalies were covered by ground electromagnetic surveys to obtain more detailed data for interpretation and definition of potential new drilling targets (Figure 5).

Grants Basin, Maldorky and Grants Iron Ore Projects (HAV 100% ownership)
The Braemar iron ore province in northeastern South Australia is a well-recognised host to several defined iron ore deposits, including Havilah's 100% owned Maldorky and Grants iron ore projects. With its high-yield (40%) and high iron recoveries (85%) Maldorky iron ore is amenable to efficient upgrading to a 65% Fe high quality product that potentially could be suitable for pelletising and modern electric arc furnaces. Havilah has previously reported an iron ore Exploration Target***** at Grants Basin of 3.5-3.8 billion tonnes of 24-28% iron (refer to ASX announcement of 5 April 2019). The western end of this Exploration Target crops out as a solid body of iron ore at least 270 metres thick from surface. Subject to funding and availability of Havilah's drilling rig it is proposed to carry out resource definition drilling at the western end of the Grants Basin Exploration Target prior to the end of 2023. The maiden JORC open pit resource would form the basis for a mining scoping study, to be managed internally by Havilah's mining engineers.

DIRECTORS' REPORT

Review of Operations *(continued)*

Grants Basin, Maldorky and Grants Iron Ore Projects (HAV 100% ownership) *(continued)*
Havilah recently acquired the McDonald Hill iron ore tenement with extensive outcropping Braemar Iron Formation that is located only a few kilometres north of the Barrier Highway and Transcontinental railway line (refer to ASX announcement of 8 August 2023). From the extensive surface outcrops, it is evident that there are certain horizons that are particularly enriched in iron. If this is confirmed by future exploration drilling and assays, there may be the opportunity to selectively mine the higher grade zones, given the steep dips of the iron formation units.

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

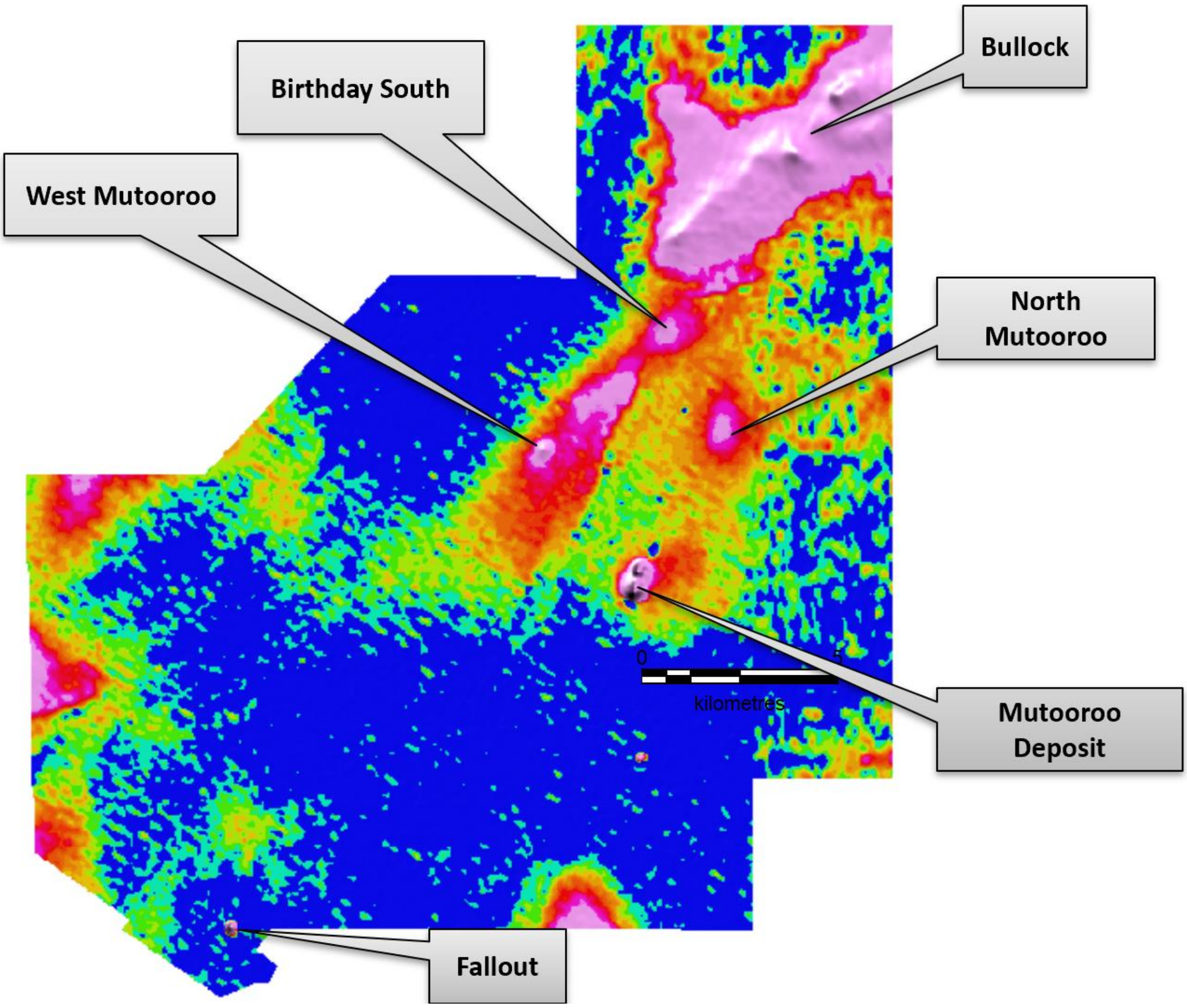

Figure 5 Electromagnetic responses in the merged survey data for the Mutooroo Project Area, with the anomalous areas shown by the red-pink-white colour and the main prospects as named.

Other Exploration (HAV 100% ownership)
Exploration for new mineral deposits leveraging off the Group's large prospective tenement holding in the Curnamona Province and utilising Havilah's extensive knowledge base is a key corporate objective. An important aspect is compliance with the regulatory expenditure requirements and periodic relinquishment of ground, which involves active management and prioritisation of exploration targets.

Several targets have dropped down the priority list during the year as Havilah evaluated the results of its exploration work. This included the Jupiter MT (Magnetotelluric) and Benagerie Dyke prospects, where firm targets with acceptable exploration risk failed to materialise. Other prospects within the Strategic Alliance and MPA exploration areas were downgraded by drilling and are therefore of reduced priority going forward.

DIRECTORS' REPORT

JORC Ore Reserves as at 31 July 2023

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

JORC Mineral Resources as at 31 July 2023

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

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

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

There were no changes in the JORC Ore Reserves and Mineral Resources as at 31 July 2023 compared with 31 July 2022. Numbers in above tables are rounded. Ore Reserves are a subset of the Mineral Resources.

Footnotes to 2023 JORC Ore Reserves and Mineral Resource Tables

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

DIRECTORS' REPORT

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

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

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

Financial Position
At the end of the financial year the Group had a cash and cash equivalents balance of $3,650,548 (31 July 2022: $1,610,201).

The Group's working capital, being current assets less current liabilities, increased from a net current asset surplus of $760,932 as at 31 July 2022 to $24,239,411 as at 31 July 2023 predominantly as a result of transfer to current assets of exploration and evaluation expenditure reclassified as held for sale.

Trade and other receivables of $249,899 as at 31 July 2023 was predominantly associated with Strategic Alliance agreement funding from BHP (formerly OZ Minerals) for non-Strategic Alliance activities.

Exploration and evaluation expenditure carried forward decreased during the financial year to $18,565,544 primarily by the transfer to current assets of exploration and evaluation expenditure reclassified as held for sale of $21,789,758; partially offset by $1,329,666 incurred on Kalkaroo, Mutooroo and iron ore tenements.

Property, plant and equipment (that includes right-of-use assets) were acquired during the financial year, at a cost of $636,463.

The Kalkaroo Station pastoral lease, on which the Kalkaroo deposit is situated, continues to be carried at cost ($2,241,043) in property, plant and equipment.

The Group's equity investment in ASX listed Auteco Minerals Ltd as at 31 July 2023 was valued at $162,250 (31 July 2022: $240,917).

The Group's total liabilities increased predominantly due to an increase in trade and other payables, borrowings and lease liabilities, and provision for employee benefits.

The Company issued 40,000 new fully paid ordinary shares during the financial year, as a result of the exercise of 40,000 unlisted employee share options by Mr Simon Gray, with contributed equity increasing by $8,800 as at 31 July 2023. Funds raised were used for ongoing working capital requirements.

DIRECTORS' REPORT

Financial Results
The consolidated result of the Group for the financial year was a profit after tax of $2,931,514 (2022: loss after tax $2,927,574).

The profit for the financial year includes revenue associated with Portia Gold Mine royalty revenue $8,095 (2022: $54,777); and other income associated with interest income $53,013 (2022: $40), Strategic Alliance contributions from BHP (formerly OZ Minerals) (Upfront Investment for non-Strategic Alliance activities) of $5,500,000 (2022: $Nil), Access Fee for Kalkaroo Station pastoral lease access rights $99,356 (2022: $Nil), diesel fuel rebates received $42,228 (2022: $17,280), overhead recovery $1,214,173 (2022: $38,770), and other sundry income $2,101 (2022: $Nil).

The profit for the financial year also includes the fair value loss of $78,667 (2022: $299,917) from the Group's equity investment in Auteco Minerals Ltd, classified as fair value through profit or loss.

Expenses for the financial year predominantly includes net employee benefits expense of $2,215,278 (2022: $1,680,506), which includes share-based payments expense of $289,389 (2022: $449,287) associated with unlisted share options, and exploration and evaluation expenditure expense of $765,469 (2022: $383,904).

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

Cash Flows
Operating activities resulted in net cash inflows of $3,887,844 for the financial year (2022: net outflows $2,804,217), predominantly from Strategic Alliance agreement funding for non-Strategic Alliance activities $5,500,000 (2022: $Nil), Strategic Alliance overhead recoveries $1,214,173 (2022: $Nil), Access Fee for Kalkaroo Station pastoral lease access rights $99,356 (2022: $Nil), receipts from customers $50,323 (2022: $54,777), and interest received $53,013 (2022: $40); partially offset by payments to suppliers and employees $1,993,655 (2022: $2,297,688), payments for exploration and evaluation expenditure expensed $1,015,369 (2022: $383,904), and interest and other costs of finance paid $19,997 (2022: $18,736).

Net cash outflows from investing activities of $1,798,606 (2022: $2,015,263) for the financial year were primarily associated with payments for exploration and evaluation expenditure of $1,329,666 (2022: $1,932,383) on the Group's exploration projects and payments for property, plant and equipment $491,572 (2022: $476,668); partially offset by government grants received for exploration activities $22,632 (2022: $158,309).

Financing activities resulted in net cash outflows of $48,891 (2022: $2,422,271 net inflows) for the financial year, predominantly associated with proceeds from issue of new fully paid ordinary shares $8,800 (2022: $2,400,020) and repayments of borrowings of $57,691 (2022: $17,528).

The financial year ended with a net increase in cash and cash equivalents of $2,040,347 (2022: net decrease $2,397,209).

DIRECTORS' REPORT

Remuneration Report (Audited)

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

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

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

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

Section 1. Key Management Personnel Details

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

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

The named persons held their current position for the whole of the financial year and since the end of the financial year. Mr Buckley was promoted to the position of Chief Operating Officer during September 2022.

Section 2. Remuneration Policy

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

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

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

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 2. Remuneration Policy *(continued)*

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

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

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

At the 2022 Annual General Meeting a resolution that the Remuneration Report for the financial year ended 31 July 2022 be adopted was put to the vote, and received a 99.61% vote (cast on a poll) in favour.

Section 3. Relationship between the Remuneration Policy and Group Performance

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

The tables below set out summary information about the Group's earnings and movements in shareholder wealth to 31 July 2023:

Financial Year Ended 31 July:	2023	2022	2021	2020	2019
	$	$	$	$	$
Revenue	8,095	54,777	149,480	123,213	843,178
Profit (loss) for financial year	2,931,514	(2,927,574)	(2,361,870)	(4,726,429)	(7,337,693)

Financial Year Ended 31 July:	2023	2022	2021	2020	2019
	Cents	Cents	Cents	Cents	Cents
Share price at beginning of financial year	25	20.5	19	15	22
Share price at end of financial year	25	25	20.5	19	15
Basic profit (loss) per ordinary share	0.93	(0.95)	(0.80)	(1.90)	(3.36)
Diluted profit (loss) per ordinary share	0.92	(0.95)	(0.80)	(1.90)	(3.36)

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 4. Remuneration of Key Management Personnel

Financial Year Ended 31 July 2023	Short-term employee benefits			Post-employment benefits	Long-term employee benefits	Share-based payments expense	
	Salary & fees	Annual leave	Non-monetary	Superannuation	Long service leave	Share options [1]	Total
	$	$	$	$	$	$	$
Directors							
Mr Simon Gray	83,927	7,344	-	8,844	-	-	100,115
Mr Victor Previn	31,472	-	-	3,316	-	-	34,788
Dr Christopher Giles	203,554	17,654	5,200[2]	21,452	-	-	247,860
Other Key Management Personnel							
Mr Richard Buckley	316,924	21,250	-	25,757	34,942	89,803	488,676
Total	**635,877**	**46,248**	**5,200**	**59,369**	**34,942**	**89,803**	**871,439**

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

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

[2] Provision of Company funded vehicle.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

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

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

	Fixed remuneration		Remuneration as share options [1]	
	2023	**2022**	**2023**	**2022**
Directors				
Mr Simon Gray	100%	45%	0%	55%
Mr Victor Previn	100%	22%	0%	78%
Dr Christopher Giles	100%	55%	0%	45%
Other Key Management Personnel				
Mr Richard Buckley	82%	100%	18%	0%

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

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

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

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

During the financial year 3,100,000 unlisted share options were granted to employees under the Plan. The number of share options granted to employees is set by the Board of Directors at its discretion but consideration is given to employment contract terms. Employees are the key to Havilah's success. Exploration activity is managed by professionally skilled and technically competent personnel and is supported by a team with decades of proven experience in their fields. Exploration success remains the basic long-term driver for the Group's organic growth.

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

The share options granted expire within the option period set by the Board of Directors at its discretion. Share options expire 1 month after the resignation of an employee but this condition can be waived at the discretion of the Board of Directors.

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

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

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

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

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

	Grant date	Grant date fair value	Exercise price per share option	Expiry date	Vesting date
Other Key Management Personnel					
Mr Richard Buckley	1 November 2022	$0.149	$0.375	1 November 2025	Varied [1]

[1] Vesting dates are 1 November 2022 (33.33%), 1 November 2023 (33.34%), and 1 November 2024 (33.33%).

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

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

Value of share options – basis of calculation:

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

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

Name	Number granted	Number vested	% of grant vested	Maximum total value of grant yet to vest
Directors				
Mr Simon Gray	-	-	-	$-
Mr Victor Previn	-	-	-	$-
Dr Christopher Giles	-	-	-	$-
Other Key Management Personnel				
Mr Richard Buckley	1,000,000	333,333	33.33%	$66,413

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

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

941,389 unlisted employee share options held by Mr Buckley's lapsed on 11 July 2023 (i.e. an option that remains unexercised after its expiration) in accordance with the terms under which they were issued during July 2019. The value of the employee share options lapsed was $Nil. There were no other share options that lapsed or that were forfeited during the financial year in relation to share options granted to key management personnel as part of their remuneration.

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

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

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

Section 5. Key Terms of Employment Contracts
During the financial year a review was conducted to align base remuneration and short-term incentives with current market practices and to improve employee retention. This resulted in an increase in base remuneration for all key management personnel.

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

Directors	Mr Victor Previn	Dr Christopher Giles	Mr Simon Gray
Contract:	Non-Executive Director	Executive agreement	Executive agreement
Title:	Non-Executive Director	Executive Director – Technical Director	Executive Director – Chairman, Company Secretary, Chief Financial Officer
Duration:	No expiration	No fixed term	No fixed term
Period of notice:	None	6 months, in writing	1 month, in writing
Termination payments:	None	Payment in lieu of notice	Payment in lieu of notice
Change of control clause:	No	No	No
Remuneration (exclusive of superannuation):	$31,825 per annum	$204,717 per annum	$84,500 per annum
Vehicle provided for Company use:	No	Yes	No
Remuneration – Short-term incentive:	No	At the discretion of the Board	At the discretion of the Board
Plan eligible:	No	No	No

Other Key Management Personnel	Mr Richard Buckley
Contract:	Employment agreement
Title:	Chief Operating Officer
Duration:	No fixed term
Period of notice:	5 weeks, in writing
Termination payments:	Payment in lieu of notice
Change of control clause:	No
Remuneration – Base Salary (exclusive of superannuation):	$325,000 per annum
Vehicle provided for Company use:	No
Remuneration – Short-term incentive:	Up to $37,500 payable at the discretion of the Board
Remuneration – Long-term incentive:	Eligible to participate in any Company long-term incentive plan

DIRECTORS' REPORT

Remuneration Report (Audited) *(continued)*

Section 6. Statutory Reporting

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

Key Management Personnel Ordinary Share Holdings
The number of Havilah Resources Limited ordinary shares held by Directors and other key management personnel, including their personally related parties, as at 31 July 2023 was as follows:

	Balance at 31 July 2022	Options exercised	Ordinary shares purchased	Ordinary shares sold	Balance at 31 July 2023	Balance held nominally [1]
Directors						
Mr Simon Gray	158,823	40,000[2]	-	-	198,823	-
Mr Victor Previn	2,451,622	-	-	-	2,451,622	-
Dr Christopher Giles	42,033,909	-	-	-	42,033,909	-
Other Key Management Personnel						
Mr Richard Buckley	675,147	-	-	-	675,147	-

[1] 'Held nominally' refers to the situation where the ordinary shares are in the name of the Director or other key management personnel, but they are not the beneficial owner. [2] Options exercised at 22.0 cents per share.

Key Management Personnel Share Option Holdings
The number of share options (unlisted) held by Directors and other key management personnel, including their personally related parties, as at 31 July 2023 was as follows:

	Balance at 31 July 2022	Granted as Remuneration/ (Exercised)	Lapsed	Balance at 31 July 2023	Total vested & exercisable at 31 July 2023	Total unvested at 31 July 2023	Options vested during financial year
Directors							
Mr Simon Gray	2,040,000	(40,000)	-	2,000,000	2,000,000	-	-
Mr Victor Previn	2,000,000	-	-	2,000,000	2,000,000	-	-
Dr Christopher Giles	3,000,000	-	-	3,000,000	3,000,000	-	-
Other Key Management Personnel							
Mr Richard Buckley	1,741,389	1,000,000	(941,389)	1,800,000	1,133,333	666,667	333,333

Share options granted may or may not be exercised by Directors and other key management personnel. During the financial year 40,000 unlisted employee share options were exercised into fully paid ordinary shares by Mr Simon Gray.

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

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

- $47,155 (2022: $31,000) for marketing and public relations services to a social media company (Filtrd) in which a related party (William Giles) of Dr Christopher Giles has an interest. The balance outstanding included in trade and other payables is $Nil (2022: $2,000).

END OF REMUNERATION REPORT (AUDITED)

DIRECTORS' REPORT

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

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

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

Details of the amounts paid or payable to the external auditor for audit and non-audit services provided during the financial year are set out in Note 5 to the consolidated financial statements.

External Auditor's Independence Declaration
A copy of the external Auditor's Independence Declaration for the financial year, as required under Section 307C of the *Corporations Act 2001*, is included on page 26.

Significant Matters Arising Subsequent to the End of the Financial Year
Since 31 July 2023, the following significant matter has occurred:

(a) New Iron Ore Tenement
On 8 August 2023 the Group announced that it had signed a binding sale and purchase agreement with GBM Resources Limited for the acquisition of EL6299 (McDonald Hill) near Olary in northeastern South Australia. EL6299 covers an area of 49 km^2 that is largely underlain by extensive outcrops of the Braemar Iron Formation.

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

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

On behalf of the Board of Directors:

Dr Christopher Giles	**Mr Simon Gray**
Executive Director	Executive Chairman

30 October 2023

For personal use only

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Grant Thornton House
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Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Havilah Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Havilah Resources Limited for the year ended 31 July 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 October 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Financial Year Ended 31 July 2023	31 July 2022
		$	$
Revenue	5	8,095	54,777
Other income	5	6,910,871	280,846
Fair value loss on financial assets	13(a)	(78,667)	(299,917)
Employee benefits expense (net)	5	(2,215,278)	(1,680,506)
Depreciation expense	5	(201,992)	(110,583)
Finance costs	5	(19,997)	(18,736)
Exploration and evaluation expenditure expensed		(765,469)	(383,904)
Share registrar, ASIC and ASX listing fees		(125,269)	(116,720)
Insurance expense		(111,419)	(82,326)
Investor relations cost		(48,554)	(35,389)
Professional and consulting fees		(26,911)	(108,688)
Computer software expense		(199,828)	(31,012)
Transaction costs associated with the Proposed Transaction – OZ Minerals		(10,728)	(256,658)
Other expenses		(183,340)	(138,758)
Profit (loss) before income tax		2,931,514	(2,927,574)
Income tax expense	6(a)	-	-
Profit (loss) for financial year attributable to equity holders of the Company		**2,931,514**	**(2,927,574)**
Other comprehensive income for financial year, net of income tax		-	-
Total comprehensive profit (loss) for financial year attributable to equity holders of the Company		**2,931,514**	**(2,927,574)**
Profit (loss) per share attributable to equity holders of the Company:		**Cents**	**Cents**
Basic profit (loss) per ordinary share	3	0.93	(0.95)
Diluted profit (loss) per ordinary share	3	0.92	(0.95)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 July 2023	31 July 2022
		$	$
Current assets			
Cash and cash equivalents	7(a)	3,650,548	1,610,201
Trade and other receivables	8	249,899	98,714
Non-current assets classified as held for sale	9	21,789,758	-
Other assets	10	97,400	204,175
Total current assets		25,787,605	1,913,090
Non-current assets			
Exploration and evaluation expenditure	11	18,565,544	39,048,268
Property, plant and equipment	12	3,374,015	2,939,544
Other financial assets	13	222,250	300,917
Total non-current assets		22,161,809	42,288,729
Total assets		47,949,414	44,201,819
Current liabilities			
Trade and other payables	14	661,912	434,930
Borrowings and lease liabilities	15	38,375	62,360
Provisions	16	847,907	654,868
Total current liabilities		1,548,194	1,152,158
Non-current liabilities			
Borrowings and lease liabilities	15	133,562	41,724
Provisions	16	30,018	-
Total non-current liabilities		163,580	41,724
Total liabilities		1,711,774	1,193,882
Net assets		**46,237,640**	**43,007,937**
Equity			
Contributed equity	17(a)	85,220,663	85,211,863
Accumulated losses		(37,500,232)	(40,742,324)
Share-based payments reserve		1,117,006	1,138,195
Buy-out reserve		(2,599,797)	(2,599,797)
Total equity		**46,237,640**	**43,007,937**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity	Accumulated Losses	Share-based Payments Reserve	Buy-out Reserve	Total Equity
	$	$	$	$	$
Balance as at 31 July 2021	82,829,843	(38,378,583)	1,252,741	(2,599,797)	43,104,204
Loss for financial year	-	(2,927,574)	-	-	(2,927,574)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for financial year	-	(2,927,574)	-	-	(2,927,574)
Transactions with owners in their capacity as owners:					
Ordinary shares issued	2,400,020	-	-	-	2,400,020
Transaction costs arising on ordinary shares issued	(18,000)	-	-	-	(18,000)
Unlisted options lapsed	-	563,833	(563,833)	-	-
Share-based payments expense	-	-	449,287	-	449,287
Balance as at 31 July 2022	**85,211,863**	**(40,742,324)**	**1,138,195**	**(2,599,797)**	**43,007,937**
Profit for financial year	-	2,931,514	-	-	2,931,514
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for financial year	-	2,931,514	-	-	2,931,514
Transactions with owners in their capacity as owners:					
Ordinary shares issued	8,800	-	-	-	8,800
Unlisted options lapsed	-	310,578	(310,578)	-	-
Share-based payments expense	-	-	289,389	-	289,389
Balance as at 31 July 2023	**85,220,663**	**(37,500,232)**	**1,117,006**	**(2,599,797)**	**46,237,640**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Financial Year Ended 31 July 2023	31 July 2022
		$	$
Cash flows from operating activities			
Receipts from customers		50,323	54,777
Strategic Alliance agreement funding, for non-Strategic Alliance activities		5,500,000	-
Strategic Alliance overhead recoveries		1,214,173	-
Access Fee for Kalkaroo Station pastoral lease access rights		99,356	-
Interest received		53,013	40
Payments to suppliers and employees		(1,993,655)	(2,297,688)
Payments for exploration and evaluation expenditure expensed		(1,015,369)	(383,904)
Payment of Research & Development amendment		-	(158,706)
Interest and other costs of finance paid		(19,997)	(18,736)
Net cash flows provided by (used in) operating activities	7(b)	3,887,844	(2,804,217)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure capitalised		(1,329,666)	(1,932,383)
Government grants received for exploration activities		22,632	158,309
Payments for property, plant and equipment		(491,572)	(476,668)
Proceeds from disposal of non-current assets		-	235,479
Net cash flows used in investing activities		(1,798,606)	(2,015,263)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		8,800	2,400,020
Payment of ordinary share issue costs		-	(18,000)
Proceeds from borrowings and lease liabilities		-	57,779
Repayments of borrowings and lease liabilities		(57,691)	(17,528)
Net cash flows provided by (used in) financing activities		(48,891)	2,422,271
Net increase (decrease) in cash and cash equivalents		2,040,347	(2,397,209)
Cash and cash equivalents at beginning of financial year		1,610,201	4,007,410
Cash and cash equivalents at end of financial year	7(a)	**3,650,548**	**1,610,201**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Preparation of the Consolidated Financial Statements

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

The consolidated financial statements are for the consolidated entity consisting of the Company and its subsidiaries (the 'Group'). Information on the nature of the operations and principal activities of the Group are described in the Directors' Report. Interests in subsidiaries are set out in Note 19.

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

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

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

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

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

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

- Note 6 Income Tax;
- Note 9 Non-current Assets Classified as Held for Sale;
- Note 11 Exploration and Evaluation Expenditure;
- Note 13 Other Financial Assets; and
- Note 25 Share-based Payments.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Going Concern

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

During the financial year the Group recognised a profit of $2,931,514, had net cash inflows from operating and investing activities of $2,089,238; and had accumulated losses of $37,500,232 as at 31 July 2023.

On 16 May 2022 the Group signed a conditional binding Terms Sheet with OZ Minerals Limited and, its wholly owned subsidiary, OZ Exploration Pty Ltd ('OZ Minerals') related to a Proposed Transaction comprising the key elements of the grant of an option to OZ Minerals to purchase the Kalkaroo Project and a Strategic Alliance to explore for copper in the Group's extensive tenement holding in the Curnamona Province of northeastern South Australia. At the general meeting of shareholders held on 31 August 2022 Havilah shareholders approved the Proposed Transaction and disposal of interest in the Kalkaroo Project in accordance with the Kalkaroo Transaction. OZ Minerals now forms part of BHP Group Limited ('BHP').

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

Under the Call Option agreement, during the Kalkaroo Option period (commencing 31 August 2022) BHP (formerly OZ Minerals) is undertaking a Study Program on the Kalkaroo Tenements with the aim of progressing and completing an update to the current Kalkaroo Project pre-feasibility study. The results of the Study Program will assist BHP (formerly OZ Minerals) in determining whether to exercise the Kalkaroo Option during the Kalkaroo Option (period expires on 10 May 2024, if not exercised earlier or further extended). If exercised, BHP (formerly OZ Minerals) would proceed with the purchase of 100% of the Kalkaroo Project for a consideration payable to the Group of a cash payment of $205,000,000 at Completion, and contingent consideration up to a maximum of $200,000,000 subject to the satisfaction of the relevant milestones.

BHP (formerly OZ Minerals) may elect to not exercise the Kalkaroo Option at any time during the Kalkaroo Option period.

In accordance with the Strategic Alliance agreement BHP (formerly OZ Minerals) will pay $1,000,000 a month (up to a total of $18,000,000 over 18 months from 31 August 2022, as an 'Upfront Investment') until the earlier of (a) the end of the Strategic Alliance period (period expires on 10 May 2024, unless extended); or (b) the date the Kalkaroo Option is exercised. Under the Strategic Alliance agreement, the Group must spend at least 50% of the Upfront Investment on Strategic Alliance activities. The remainder can be applied to the Group's other non-Strategic Alliance activities, including general working capital and corporate expenditures. During the financial year the Group received funding from BHP (formerly OZ Minerals) of $5,500,000 under the Strategic Alliance agreement for non-Strategic Alliance activities.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Earnings per Share

The Group discloses relevant basic and diluted earnings per share data for its ordinary shares. Basic is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the financial year.

Potential ordinary shares
Share options over unissued ordinary shares of the Company outstanding at the end of the financial year are considered to be potential ordinary shares, to the extent to which they are dilutive, and have been included in the determination of diluted earnings per ordinary share. Share options have not been included in the determination of basic earnings per ordinary share.

Diluted loss per ordinary share equates to basic loss per ordinary share because a loss per ordinary share is not considered dilutive for the purposes of calculating earnings per share in accordance with AASB 133 *'Earnings per Share'*.

	Financial Year Ended	
	31 July 2023	**31 July 2022**
Earnings per share attributable to equity holders of the Company:	**Cents**	**Cents**
Basic profit (loss) per ordinary share	0.93	(0.95)
Diluted profit (loss) per ordinary share	0.92	(0.95)
	$	**$**
Profit (loss) for financial year attributable to equity holders of the Company used to calculate basic and diluted earnings per ordinary share:	2,931,514	(2,927,574)
	Number of	**Number of**
Weighted average number of ordinary shares on issue during the financial year used in calculating basic earnings per ordinary share:	316,638,005	309,416,125
Weighted average number of potential ordinary shares:	3,070,549	N/A
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per ordinary share:	319,708,554	N/A

Note 4. Segment Information

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Results for the Financial Year

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

	Financial Year Ended	
	31 July 2023	31 July 2022
	$	$
Revenue		
Royalty revenue from Portia Gold Mine	8,095	54,777
Total revenue	8,095	54,777
Other Income		
Interest income from unrelated entities	53,013	40
Strategic Alliance contributions from BHP (formerly OZ Minerals) (Upfront Investment for non-Strategic Alliance activities, refer Note 21)	5,500,000	-
Access Fee for Kalkaroo Station pastoral lease access rights (refer (a) below)	99,356	-
Diesel fuel rebates received	42,228	17,280
Overhead recovery	1,214,173	38,770
Gain on disposal of non-current assets	-	224,756
Other sundry income	2,101	-
Total other income	6,910,871	280,846

(a) The Kalkaroo Station pastoral lease is excluded from the Kalkaroo Assets and is not the subject of the Kalkaroo Option. The Group has separately granted BHP (formerly OZ Minerals), under the Access and Compensation agreement, the right to access the Kalkaroo Station pastoral lease for the purposes of undertaking the Study Program and exploration activities, subject to the exercise of the Kalkaroo Option and Completion occurring.

During the Kalkaroo Option period, BHP (formerly OZ Minerals) will have exclusive possession and use of the Kalkaroo Tenements, including the Kalkaroo Station pastoral lease, which it can terminate at any time during the Kalkaroo Option period.

In consideration for the access rights, BHP (formerly OZ Minerals) will pay the Group an annual payment that is paid quarterly in advance, equal to two times the annual Kalkaroo Tenements rent, capped at $500 per day on the basis of 365 day year indexed by the Consumer Price Index (‘Access Fee’).

BHP (formerly OZ Minerals) has a right of first refusal to purchase the Kalkaroo Station pastoral lease. This right of first refusal will cease if the Kalkaroo Option is not exercised during the Kalkaroo Option period.

	Financial Year Ended	
	31 July 2023	31 July 2022
	$	$
Expenses		
Employee benefits expense (net):		
- Employee benefits expense (refer (b) below)	(2,134,040)	(1,544,879)
- Capitalisation of employee benefits expense to exploration and evaluation expenditure	590,914	655,095
- Directors’ remuneration	(382,763)	(751,908)
- Share-based payments expense (refer Note 25)	(289,389)	(38,814)
Total employee benefits expense (net of amounts capitalised)	(2,215,278)	(1,680,506)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Results for the Financial Year *(continued)*

	Financial Year Ended	
	31 July 2023	31 July 2022
	$	$
Expenses *(continued)*		
Depreciation expense:		
- Depreciation expense – Property, plant and equipment	(191,090)	(110,583)
- Depreciation expense – Right-of-use assets	(10,902)	-
Total depreciation expense	(201,992)	(110,583)
Finance costs:		
- Interest expense	(1,182)	(6,756)
- Interest expense on lease liabilities	(5,642)	-
- Bank fees	(13,173)	(11,980)
Total finance costs	(19,997)	(18,736)

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

	Financial Year Ended	
	31 July 2023	31 July 2022
	$	$
Grant Thornton Audit Pty Ltd		
Audit or review of financial reports	(53,323)	(52,313)
Total remuneration for audit and other assurance services	(53,323)	(52,313)
Taxation services	(7,004)	(8,360)
Total remuneration for other services	(7,004)	(8,360)
Total remuneration of external auditor	(60,327)	(60,673)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Results for the Financial Year *(continued)*

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

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

Note 6. Income Tax

	Financial Year Ended	
	31 July 2023	**31 July 2022**
	$	**$**
(a) Income Tax Recognised in Profit or Loss		
The prima facie consolidated tax on profit (loss) before income tax is reconciled to income tax expense as follows:		
Prima facie tax payable on profit (loss) before income tax, calculated at the Australian company tax rate of 25% (2022: 25%)	732,879	(731,894)
Share-based payments expense	72,347	112,322
Other	238	-
Temporary differences not bought to account	(805,464)	619,572
Income tax expense	-	-

	31 July 2023	31 July 2022
	$	**$**
(b) Deferred Tax Balances		
Deferred tax assets and (liabilities) are attributable to the following:		
Temporary differences		
Exploration and evaluation expenditure	(9,773,570)	(9,443,729)
Plant and equipment	(198,802)	(83,632)
Other financial assets	145,583	125,916
Employee benefit provisions	219,481	167,232
Other	(14,838)	31,106
Transaction costs arising on ordinary shares issued	82,306	123,151
Total	(9,539,840)	(9,079,956)
Offset by deferred tax assets relating to losses	9,539,840	9,079,956
Net deferred tax assets and (liabilities) unrecognised	-	-
(c) Unrecognised Deferred Tax Assets		
Deferred tax assets have not been recognised in respect of the following items:		
Revenue tax losses	9,787,567	10,654,514
Capital tax losses	-	-
Total unrecognised deferred tax assets	9,787,567	10,654,514

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Income Tax *(continued)*

(d) Tax Consolidation

Relevance of tax consolidation to the Group
With effect from 1 July 2003, the Company and its wholly-owned Australian resident subsidiaries formed a tax-consolidated group and are taxed as a single entity. The head entity within the tax-consolidated group is Havilah Resources Limited. The members of the tax-consolidated group are identified at Note 19.

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Cash and Cash Equivalents

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

	31 July 2023	31 July 2022
	$	$
Cash at banks and on hand	3,650,548	1,610,201
Total cash and cash equivalents	3,650,548	1,610,201

Financial Risk Management
Information concerning the Group's exposure to financial risks on cash and cash equivalents is set out in Note 18.

(b) Reconciliation of Cash Flows provided by (used in) Operating Activities

	Financial Year Ended	
	31 July 2023	31 July 2022
	$	$
Profit (loss) for financial year	2,931,514	(2,927,574)
Non-cash items included in the result for financial year:		
Fair value loss on financial assets	78,667	299,917
Share-based payments expense	289,389	449,287
Depreciation expense	201,992	110,583
Other including gain on disposal of non-current assets	(19,347)	242,762
Items classified as investing or financing activities:		
Proceeds from sale non-current assets	-	(235,479)
Government grants received for exploration activities	-	(158,309)
Changes in operating assets and liabilities:		
(Increase)/decrease in assets		
Trade and other receivables	(151,185)	(35,718)
Other current assets	106,775	(121,106)
Increase/(decrease) in liabilities		
Trade and other payables	226,982	(242,023)
Provisions	223,057	83,649
Other financial liabilities	-	(158,706)
Deferred grants	-	(111,500)
Net cash flows provided by (used in) operating activities	3,887,844	(2,804,217)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(c) Total Liabilities from Financing Activities

	Hire purchase loan	Lease liabilities
	$	$
Balance as at 31 July 2021	63,833	-
Proceeds from borrowing	57,779	-
Repayment of borrowing	(17,528)	-
Balance as at 31 July 2022	104,084	-
Liability recognised - lease liabilities	-	144,891
Repayment and amortisation of borrowing and lease liabilities	(62,090)	(14,948)
Balance as at 31 July 2023	41,994	129,943

Note 8. Trade and Other Receivables

	31 July 2023	31 July 2022
	$	$
Current		
Trade receivables	116,861	-
Strategic Alliance recoveries	133,038	-
GST recoverable	-	98,714
Total current trade and other receivables	249,899	98,714

Goods and Services Tax ('GST')
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Financial Risk Management
Information concerning the Group's exposure to financial risks on trade and other receivables is set out in Note 18.

Note 9. Non-current Assets Classified as Held for Sale

	31 July 2023	31 July 2022
	$	$
Current		
Exploration and evaluation expenditure carried forward held for sale	21,789,758	-
Total non-current assets classified as held for sale	21,789,758	-

Option to BHP (formerly OZ Minerals) to Purchase the Kalkaroo Project
During the Kalkaroo Option period (commencing 31 August 2022), BHP (formerly OZ Minerals) has an option to exercise the Kalkaroo Option. If exercised, BHP (formerly OZ Minerals) will acquire 100% of the Kalkaroo Project for consideration payable to the Group comprised of a cash payment of $205,000,000 at Completion, and contingent consideration up to a maximum of $200,000,000 subject to the satisfaction of relevant production milestones.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Non-current Assets Classified as Held for Sale *(continued)*

Option to BHP (formerly OZ Minerals) to Purchase the Kalkaroo Project *(continued)*
BHP (formerly OZ Minerals) may elect to not exercise the Kalkaroo Option at any time during the Kalkaroo Option period. If the Kalkaroo Option is not exercised, the Group would retain ownership of the Study Program data and the value of BHP's (formerly OZ Minerals') investment in Kalkaroo would continue to be available for use by the Group in advancing Kalkaroo.

During the Kalkaroo Option period, BHP (formerly OZ Minerals) will have exclusive possession and use of the Kalkaroo Tenements. Subject to and with effect from 31 August 2022, the Group granted BHP (formerly OZ Minerals) an exclusive right to apply for one or more new mining tenements in respect of an area wholly or partly within EL6659 (Kalkaroo exploration licence) where this is required to cover a contiguous extension of the existing Kalkaroo JORC Mineral Resource disclosed in the baseline study for mining purposes or for any ancillary operations related to or supportive of the Kalkaroo Project.

Exploration and evaluation expenditure carried forward of $21,789,758 relating to the Kalkaroo Project has been reclassified as non-current assets held for sale as at 31 July 2023. Pursuant to the Call Option agreement, the assets may be realised by sale within 12 months.

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

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

Note 10. Other Assets

	31 July 2023	31 July 2022
	$	$
Current		
Prepayments	97,400	204,175
Total current other assets	97,400	204,175

Note 11. Exploration and Evaluation Expenditure

	31 July 2023	31 July 2022
	$	$
Cost brought forward	39,048,268	37,346,924
Expenditure incurred during the financial period	1,329,666	1,932,120
Transfer to non-current assets classified as held for sale (refer Note 9)	(21,789,758)	-
Government grant off set	(22,632)	(230,776)
Total exploration and evaluation expenditure carried forward	18,565,544	39,048,268
Intangible	18,565,544	39,048,268

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Exploration and Evaluation Expenditure *(continued)*

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

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Property, Plant and Equipment

	Pastoral lease at cost [1]	Freehold land and buildings	Plant and equipment	Right-of-use assets	Total
	$	$	$	$	$
Cost brought forward					
Balance as at 31 July 2021	2,241,043	-	3,885,125	-	6,126,168
Additions	-	61,000 [2]	415,668	-	476,668
Assets scrapped	-	-	(16,807)	-	(16,807)
Balance as at 31 July 2022	2,241,043	61,000	4,283,986	-	6,586,029
Additions	-	-	503,727	132,736	636,463
Balance as at 31 July 2023	2,241,043	61,000	4,787,713	132,736	7,222,492
Accumulated depreciation					
Balance as at 31 July 2021	-	-	(3,541,986)	-	(3,541,986)
Depreciation expense	-	(650)	(109,933)	-	(110,583)
Depreciation assets scrapped	-	-	6,084	-	6,084
Balance as at 31 July 2022	-	(650)	(3,645,835)	-	(3,646,485)
Depreciation expense	-	(1,560)	(189,530)	(10,902)	(201,992)
Balance as at 31 July 2023	-	(2,210)	(3,835,365)	(10,902)	(3,848,477)
Net Book Value:					
As at 31 July 2022	2,241,043	60,350	638,151	-	2,939,544
As at 31 July 2023	2,241,043	58,790	952,348	121,834	3,374,015

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

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

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

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

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

For the right-of-use asset accounting policy, refer to Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Property, Plant and Equipment *(continued)*

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

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

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

Note 13. Other Financial Assets

	31 July 2023	31 July 2022
	$	$
Non-current		
At amortised cost:		
Bank term deposits (refer Note 23(a))	60,000	60,000
At fair value (investment in equity instruments at FVTPL):		
Shares in a listed ASX entity (refer (a) below)	162,250	240,917
Total non-current other financial assets	222,250	300,917

(a) Financial assets at FVTPL (Fair value through profit or loss) comprise 4,916,667 fully paid ordinary shares held in ASX listed Auteco Minerals Ltd. Fair value is based on the last traded price (ASX issuer code: AUT) at the end of the reporting period. The FVTPL loss for the financial year was $78,667 (2022: loss $299,917).

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

Financial Risk Management
Information concerning the Group's exposure to financial risks on other financial assets is set out in Note 18.

Note 14. Trade and Other Payables

	31 July 2023	31 July 2022
	$	$
Current (unsecured)		
Trade payables	128,284	193,246
Sundry payables and accruals	533,628	241,684
Total current trade and other payables	661,912	434,930

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

Financial Risk Management
Information concerning the Group's exposure to financial risks on trade and other payables is set out in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Borrowings and Lease Liabilities

	31 July 2023	31 July 2022
	$	$
Current (secured)		
Hire purchase loans (refer (a) below)	10,577	62,360
Lease liabilities (refer (b) below)	27,798	-
Total current borrowings and lease liabilities	38,375	62,360
Non-current (secured)		
Hire purchase loans (refer (a) below)	31,417	41,724
Lease liabilities (refer (b) below)	102,145	-
Total non-current borrowings and lease liabilities	133,562	41,724

(a) Hire purchase loans:
(i) Secured hire purchase loan of $Nil (2022: $52,972) at a lending rate of 4.23% per annum for the purchase of a heavy-duty field vehicle used by the Company's Drilling Supervisor. Expired during December 2022; and
(ii) Secured hire purchase loan of $41,994 (2022: $51,112) at a lending rate of 2.9% per annum for the purchase of a heavy-duty field vehicle used by the Company's Geologist. Expires during August 2025.

(b) Lease liabilities:
(i) Secured hire purchase loan of $73,521 at a lending rate of 5.08% per annum for the purchase of a heavy-duty field vehicle used by a Company Geologist. Expires during September 2026; and
(ii) Secured hire purchase loan of $56,422 at a lending rate of 5.34% per annum for the purchase of a heavy-duty field vehicle used by a Company Geologist. Expires during October 2026.

(c) The Group also has access to a $500,000 secured bank guarantee facility provided by the National Australia Bank Limited, of which $151,000 is currently being utilised to secure bank guarantees for rehabilitation bonds. The facility expires January 2024. Refer Note 23(a) for further details.

The Group also has access to a $500,000 secured overdraft facility with the National Australia Bank Limited at a business lending rate of 4.7% per annum plus a customer margin of 2.2% if drawn down. As at the end of the financial year the Group has no balance owing on this facility and the full amount is available for use. The facility expires January 2024.

The bank guarantee and overdraft facilities with the National Australia Bank Limited are secured by a $1,000,000 mortgage over the Kalkaroo Station pastoral lease (refer Note 12).

Significant Accounting Policy: Right-of-Use Assets and Lease Liabilities
The Group recognises a right-of-use asset and a lease liability at the lease commencement date (i.e. the date the underlying asset is available for use). The right-of-use asset is initially measured at cost (present value of the lease liability plus deemed cost of acquiring the asset less any lease incentives received). The recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's estimated incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is further remeasured if the estimated future lease payments change as a result of index or rate changes, residual value guarantees or likelihood of exercise of purchase, extension or termination options. When lease contracts are terminated or altered, the unpaid lease liability and net carrying value of the right-of-use asset is de-recognised.

Short-term (12 months or less) leases and low value (below $5,000) leases continue to be expensed in profit or loss.

Financial Risk Management
Information concerning the Group's exposure to financial risks on borrowings and lease liabilities is set out in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Provisions

	31 July 2023	31 July 2022
	$	$
Current		
Employee benefits	847,907	654,868
Total current provisions	847,907	654,868
Non-current		
Employee benefits	30,018	-
Total non-current provisions	30,018	-

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

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

Note 17. Contributed Equity and Reserves

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

(b) Movement in Ordinary Shares

Dates	Details	Number of ordinary shares	$
1 August 2021	Opening balance in prior financial year	306,277,228	82,829,843
24 December 2021	Ordinary shares issued – share placement	2,941,294	500,020
12 January 2022	Ordinary shares issued – share placement	588,235	100,000
6 June 2022	Ordinary shares issued – share placement	6,792,453	1,800,000
	Transaction costs arising on ordinary shares issued	-	(18,000)
31 July 2022	Balance at end of prior financial year	316,599,210	85,211,863
12 August 2022	Ordinary shares issued – unlisted employee share options exercised	40,000	8,800
31 July 2023	Balance at end of financial year	316,639,210	85,220,663

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Contributed Equity and Reserves *(continued)*

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

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

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

The capital structure of the Group consists of debt (which includes borrowings and lease liabilities disclosed in Note 15), cash and cash equivalents, and equity attributable to equity holders of the Company comprising contributed equity, accumulated losses and reserves.

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

(e) Significant Accounting Policies:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Financial Instruments (including Financial Risk Management)

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

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

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

	Note	31 July 2023	31 July 2022
		$	$
Financial assets			
Cash and cash equivalents	7(a)	3,650,548	1,610,201
Trade and other receivables	8	249,899	98,714
Bank term deposits	13	60,000	60,000
Shares in a listed ASX entity (at FVTPL)	13	162,250	240,917
Financial liabilities			
Trade and other payables	14	661,912	434,930
Borrowings and lease liabilities	15	171,937	104,084

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

(a) Market Risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Financial Instruments (including Financial Risk Management) *(continued)*

(a) Market Risk *(continued)*

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

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

The Group had no interest rate hedging in place as at 31 July 2023 (or 31 July 2022).

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

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

If interest rates had been 50 basis points higher or lower at the end of the reporting period, and all other variables were held constant, the Group's profit would increase by $18,553 and decrease by $18,232 respectively (2022: loss would decrease by $8,351 and increase by $40 respectively). This is attributable to interest rates on bank term deposits and trading accounts.

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

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

At the end of the reporting period, if Auteco Minerals Ltd's last traded price on the ASX had been 5% higher or lower the Group's profit would increase/decrease by $8,113 (2022: loss would decrease/increase by $12,046).

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

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

Where commercially practical, the Group seeks to limit the amount of credit exposure to any one bank or financial institution. The Group is exposed to concentration of credit risk in relation to bank term deposits and trading accounts held with the National Australia Bank Limited, the maximum exposure as at 31 July 2023 was $3,710,548 (31 July 2022: $1,670,201).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Financial Instruments (including Financial Risk Management) *(continued)*

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

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

Financial assets	Weighted average effective interest rate	Less than 1 year	1 to 2 years
2023	**%**	**$**	**$**
Non-interest bearing	-	412,149	-
Variable interest rate	2.6	3,710,548	-
2022			
Non-interest bearing	-	339,631	-
Variable interest rate	0.0	1,670,201	-

Financial liabilities	Weighted average effective interest rate	Less than 1 year	1 to 4 years
2023	**%**	**$**	**$**
Non-interest bearing	-	661,912	-
Fixed interest rate	4.42	38,375	133,562
2022			
Non-interest bearing	-	434,930	-
Fixed interest rate	3.57	62,360	41,724

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

As the shares in a listed ASX entity (at FVTPL) are publicly traded listed securities (and traded actively on the ASX) the fair value as at 31 July 2023 of $162,250 (31 July 2022: $240,917) was based on the shares last quoted sales price (Level 1) at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities on a non-recurring basis as at 31 July 2023 (or 31 July 2022).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Financial Instruments (including Financial Risk Management) *(continued)*

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Composition of the Group

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

Name	Country of incorporation & activities carried on in	Principal activity	Ownership and voting interest held by the Group 2023	2022
Parent Company:				
Havilah Resources Limited	Australia	Parent Company. Owner of various exploration licences and Mutooroo Mining Lease		
Subsidiaries:				
Copper Aura Pty Ltd	Australia	Owner of various tenements in the Mutooroo Project Area	100%	100%
Iron Genesis Pty Ltd	Australia	Owner of various tenements related to the Group's iron ore assets	100%	100%
Havilah Royalties Pty Ltd	Australia	Owner of Benagerie mining lease royalty for the Portia Gold Mine	100%	100%
NU Energy Resources Pty Ltd	Australia	No current tenements	100%	100%
Geothermal Resources Pty Limited	Australia	Owner of Neo Oil Pty Ltd and a geothermal exploration licence	100%	100%
Kalkaroo Copper Pty Ltd	Australia	Owner of the Kalkaroo Project (3 Mining Leases, 2 Miscellaneous Purposes Licences and 1 Mineral Claim granted)	100%	100%
Kalkaroo Pastoral Company Pty Limited	Australia	Owner of the Kalkaroo Station pastoral lease	100%	100%
Lilydale Iron Pty Ltd	Australia	No current tenements	100%	100%
Maldorky Iron Pty Ltd	Australia	Owner of the Maldorky iron ore project (5 Mineral Claims granted and Mining Lease application in process)	100%	100%
Mutooroo Metals Pty Ltd	Australia	Owner of the Mutooroo project (2 Mineral Claims granted)	100%	100%
Neo Oil Pty Ltd	Australia	No current tenements	100%	100%
Oban Energy Pty Limited	Australia	No current tenements	100%	100%

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

Significant Accounting Policy: Basis of Consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 July 2023 and the results of all subsidiaries for the financial year then ended.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20. Joint Arrangements

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

(a) Joint Venture Arrangements
The Group had no joint venture arrangements as at 31 July 2023 (or 31 July 2022).

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

	31 July 2023	31 July 2022
Prospect Hill farm-in agreement	Earning up to 85%	Earning up to 85%
Pernatty Lagoon farm-in agreement	10%, carried interest	10%, carried interest

There are no amounts (2022: $Nil) represented in the Group's share of assets, liabilities, revenues or expenses in respect of joint operations.

There are $Nil (31 July 2022: $Nil) exploration expenditure commitments in respect of joint operations.

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 21. Curnamona Province Strategic Alliance (effective date 31 August 2022)

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

BHP (formerly OZ Minerals) has agreed to pay $1,000,000 per month (up to a total of $18,000,000 over 18 months from 31 August 2022, as an ‘Upfront Investment’) (the 18 month timeframe may be extended as a result of certain delays, currently 10 May 2024, with no additional monthly payment) during the Kalkaroo Option period, of which $500,000 per month must be spent on Strategic Alliance activities, administered by the Group, but at the direction of the Curnamona Province Strategic Alliance which is controlled by BHP (formerly OZ Minerals). The Group therefore considers itself an agent as it relates to the $500,000 per month to be spent on Strategic Alliance activities. The remaining $500,000 per month is provided to the Group for it to use at its discretion and was therefore recognised as other income on an accrual basis in the consolidated statement of profit or loss and other comprehensive income during the financial year.

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

As at 31 July 2023 the joint bank account held $1,879,047 to be spent solely on Strategic Alliance activities and is available for no other purpose. The Group has therefore accounted for the funds received on Strategic Alliance activities as a collaboration arrangement and has not recognised any transactions related to the relevant funds received or the expenditures paid from the joint bank account in its own consolidated financial statements during the financial year.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22. Commitments

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

During the financial year the Group undertook to make statutory relinquishments of a portion of its tenement holdings in accordance with its obligations under its two AEAs for the 2021 and 2022 calendar years. Future relinquishments will depend on the Group's compliance with its expenditure and work obligations under new AEAs for the 2023 calendar year according to the review criteria applied by the DEM at the time.

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

	31 July 2023	31 July 2022
	$	**$**
Not later than 1 year	150,000	190,000
Total non-AEA exploration expenditure commitments	150,000	190,000

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

	31 July 2023	31 July 2022
	$	**$**
Not later than 1 year	140,288	137,367
Later than 1 year but not later than 5 years	561,152	549,468
Later than 5 years	1,543,174	1,648,405
Total MLs and MPLs rental commitments	2,244,614	2,335,240

(c) Kalkaroo Station Pastoral Lease Rental Commitment
Non-cancellable annual Kalkaroo Station pastoral lease rentals for future financial years have not been provided for in the consolidated financial statements. The Kalkaroo Station pastoral lease rental payment is currently $6,068 (2022: $6,068) per annum and will be payable annually for an indefinite period of time.

(d) Capital Expenditure Commitments
The Group has no contractual capital expenditure commitments outstanding as at 31 July 2023 (31 July 2022: $Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23. Contingent Liabilities and Contingent Assets

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

(a) Contingent Liabilities

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

Production royalties
The Group has a liability for royalties contingent on projects advancing into production, see notes to Tenement Schedule on page 68 for relevant royalty arrangements.

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

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

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

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

Additionally, the Group has utilised $151,000 of a non-cash backed National Australia Bank Limited guarantee facility of $500,000 as security for unconditional irrevocable bank guarantees: for rehabilitation bonds to the Minister for Energy and Mining.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24. Related Party Disclosures

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

(a) Subsidiaries
The ultimate Parent Company within the Group is Havilah Resources Limited. Details of the percentage ownership of ordinary shares in subsidiaries are disclosed in Note 19.

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

	Financial Year Ended	
	31 July 2023	**31 July 2022**
	$	**$**
Short-term employee benefits	687,325	562,825
Post-employment benefits	59,369	52,029
Long-term employee benefits	34,942	6,233
Share-based payments expense	89,803	410,765
Total key management personnel remuneration	871,439	1,031,852

Detailed remuneration disclosures for key management personnel are provided on page 20 of the Remuneration Report (Audited).

Apart from the details disclosed in this note, no Director or other key management personnel has entered into a material contract with the Group since the end of the prior financial year and there were no material contracts involving Directors' or other key management personnel interests subsisting as at 31 July 2023.

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

- $47,155 (2022: $31,000) for marketing and public relations services to a social media company (Filtrd) in which a related party (William Giles) of Dr Christopher Giles has an interest. The balance outstanding included in trade and other payables is $Nil (2022: $2,000).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25. Share-based Payments

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

Employee options provide an incentive and a reward for success.

Other relevant details are:

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

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

Grant date	Number	Grant date fair value	Exercise price per share option	Expiry date
3 May 2021 (Employee [1])	3,733,333	$0.11	$0.25	30 April 2024
3 May 2021 (Employee [1])	333,334	$0.09	$0.25	30 April 2024
3 May 2021 (Employee [1])	333,333	$0.06	$0.25	30 April 2024
21 December 2021 (Employee [2])	200,000	$0.05	$0.25	30 April 2024
21 December 2021 (Director [3])	7,000,000	$0.06	$0.265	21 December 2024
1 November 2022 (Employee [1])	3,100,000	$0.149	$0.375	1 November 2025
Total	14,700,000			

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

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

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Balance at beginning of financial year	17,556,874	0.26	20,256,874	0.26
Issued during financial year	3,100,000	0.375	7,200,000	0.265
Exercised during financial year	(40,000)	0.22	-	-
Expired during financial year	(5,916,874)	0.25	(9,900,000)	0.26
Forfeited during financial year	-	-	-	-
Balance at end of financial year	14,700,000	0.28	17,556,874	0.26
Exercisable at end of financial year	12,633,333	0.27	17,223,541	0.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

During the financial year 40,000 unlisted employee share options were exercised into fully paid ordinary shares by Mr Simon Gray.

The weighted average fair value of share options granted during the financial year was $0.149 (2022: $0.058).

Share options outstanding at the end of the financial year had a weighted average exercise price of $0.28 (31 July 2022: $0.26), a range of exercise prices from $0.25 to $0.375 (31 July 2022: $0.22 to $0.28), with a weighted average remaining contractual life of 502 days (31 July 2022: 633 days).

Share-based payments expense is summarised as follows:

	Financial Year Ended	
	31 July 2023	**31 July 2022**
	$	**$**
Director share options	-	(410,473)
Employee share options	(289,389)	(38,814)
Total share-based payments expense	(289,389)	(449,287)

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

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

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

Grant date	Share price at grant date	Exercise price	Expected volatility	Share option life	Expected dividends	Risk-free interest rate
1 November 2022	$0.31	$0.375	98%	3.0 years	-	3.71%

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

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

Note 26. Parent Company Financial Information

Commitments for Expenditure and Contingent Liabilities of Parent Company

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Parent Company	
	31 July 2023	**31 July 2022**
	$	**$**
Statement of Financial Position		
Current assets	3,864,808	1,916,961
Non-current assets	36,942,383	34,974,194
Total assets	40,807,191	36,891,155
Current liabilities	1,581,841	1,156,652
Non-current liabilities	163,580	41,733
Total liabilities	1,745,421	1,198,385
Net assets	**39,061,770**	**35,692,770**
Contributed equity	85,220,663	85,211,863
Share-based payments reserve	1,117,006	1,138,195
Accumulated losses	(47,275,899)	(50,657,288)
Total equity	**39,061,770**	**35,692,770**
Profit (loss) for financial year	3,070,811	(2,664,199)
Other comprehensive income	-	-
Total comprehensive profit (loss)	**3,070,811**	**(2,664,199)**

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

The Annual Report was authorised for issue by the Board of Directors on 30 October 2023. The Board of Directors has the power to amend and reissue this Annual Report.

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

(a) New Iron Ore Tenement
On 8 August 2023 the Group announced that it had signed a binding sale and purchase agreement with GBM Resources Limited for the acquisition of EL6299 (McDonald Hill) near Olary in northeastern South Australia. EL6299 covers an area of 49 km^2 that is largely underlain by extensive outcrops of the Braemar Iron Formation.

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

DIRECTORS' DECLARATION

The Directors' declare that:

(a) in the Directors' opinion, the consolidated financial statements and notes, set out on pages 27 to 59, are in accordance with the *Corporations Act 2001,* including:

   (i) complying with relevant Australian Accounting Standards and the *Corporations Regulations 2001*; and
   (ii) giving a true and fair view of the Group's financial position as at 31 July 2023 and of its performance for the financial year ended on that date; and

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

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

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

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

On behalf of the Board of Directors

C.W. Giles.

Dr Christopher Giles
Executive Director

Mr Simon Gray
Executive Chairman

30 October 2023

Grant Thornton

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Independent Auditor's Report

To the Members of Havilah Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Havilah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 July 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

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

a giving a true and fair view of the Group's financial position as at 31 July 2023 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Our opinion is not modified in respect of this matter.

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets – Note 11	

At 31 July 2023 the carrying value of exploration and evaluation assets was $18,565,544.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	
	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  – enquiry of management regarding its intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and
	• assessing the appropriateness of the related financial statement disclosures.

Key audit matter	How our audit addressed the key audit matter
Call Option agreement, Access and Compensation agreement, and (Curnamona Province) Strategic Alliance agreement – Notes 5, 9 and 21	
The Group entered into three agreements during the year which granted BHP (via its wholly owned subsidiary, OZ Exploration Pty Ltd) an option to acquire the Kalkaroo Project, access to the Kalkaroo Station pastoral lease, and formed a strategic alliance for the purpose of conducting further exploration in the relevant areas of interest. As a consequence of implementing the three agreements the Group has recognised the previously capitalised costs associated with the Kalkaroo project of $21,789,758 as a non-current assets classified as held for sale and recognised other income totalling $6,813,529 relating to the Kalkaroo access rights and Strategic Alliance contributions and reimbursements. The application of Australian Accounting Standards to the economic substance of this transaction is not straight forward. This is a key audit matter due to the significance of the Call Option and Strategic Alliance agreements to the financial results, and the complexity in determining the appropriate accounting treatment for the transactions.	Our procedures included, amongst others: • obtaining and reviewing the Call Option, Access and Compensation agreement and (Curnamona Province) Strategic Alliance agreement; • reviewing management's accounting position papers regarding the application of the agreements; • utilising our own financial reporting specialists conducting our own assessment of the accounting treatment; • assessing the accuracy and valuation of amounts reclassified to non-current assets held for sale; • assessing the accuracy and occurrence of other income transactions from the Strategic Alliance by tracing amounts to bank deposits, and corroborating amounts with the terms of the agreement; • assessing the accuracy and occurrence of reimbursable costs recognised as other income from the Strategic Alliance by tracing a sample of transactions to supporting evidence, and the terms of the agreement; and • assessing the appropriateness of the related financial statement presentation and disclosures.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 July 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in Director's Report for the year ended 31 July 2023.

In our opinion, the Remuneration Report of Havilah Resources Limited, for the year ended 31 July 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 October 2023

ADDITIONAL SECURITIES EXCHANGE INFORMATION

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

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this Annual Report is set out below. The information was applicable for the Company as at 18 October 2023.

Distribution of Shareholding: Ordinary Shares
The number of shareholders ranked by size of holding is set out below:

Size of Holding	Number of Holders	Number of Ordinary Shares on Issue
Less than 1,000	272	70,036
1,001 to 5,000	1,018	3,128,116
5,001 to 10,000	559	4,298,685
10,001 to 100,000	1,249	44,360,280
100,001 to 1,000,000	277	78,862,333
More than 1,000,000	35	185,919,760
Total	3,410	316,639,210

There were 545 shareholders holding less than a marketable parcel of ordinary shares to the value of $500.

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

Shareholder		Number Held	% of Total Issued Ordinary Shares
1	BNP PARIBAS NOMS PTY LTD <DRP>	44,463,201	14.04
2	IQ EQ (JERSEY) LIMTED <THE AYSCOUGH 2 A/C>	18,014,442	5.69
3	TRINDAL PTY LTD <THE WILPENA A/C>	17,457,718	5.51
4	TRINDAL PTY LTD	11,073,918	3.50
5	GLENCORE AUSTRALIA HOLDINGS PTY LTD	10,153,756	3.21
6	TRINDAL PTY LTD <TRINDAL SUPER FUND A/C>	9,804,834	3.10
7	MR PAUL GEORGE CLARK	8,176,470	2.58
8	CITICORP NOMINEES PTY LIMITED	7,195,837	2.27
9	MAPTEK PTY LTD	6,792,453	2.15
10	WOOLSTHORPE INVESTMENTS LIMITED	6,480,514	2.05
11	MISS KRYSTYNA HELENA KASPEROWICZ	3,701,470	1.17
12	TRINDAL PTY LTD <TRINDAL SUPER FUND A/C>	3,437,357	1.09
13	STATSMIN NOMINEES PTY LTD	3,401,102	1.07
14	HNC HOLDINGS PTY LTD	2,654,411	0.84
15	STATSMIN NOMINEES PTY LTD <STATSMIN SUPER FUND A/C>	2,647,272	0.84
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,560,820	0.81
17	CRAIG PARK PTY LTD	2,363,669	0.75
18	TALAGER PTY LTD	2,172,904	0.69
19	DIANNE PEARL INVESTMENTS PTY LTD <DIANNE PEARL FAMILY A/C>	1,935,851	0.61
20	KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	1,747,635	0.55
Total		166,235,634	52.50

ADDITIONAL SECURITIES EXCHANGE INFORMATION *(continued)*

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

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

Unlisted Equity Securities: Share Options
The following share options over unissued ordinary shares of the Company are not quoted:

	Number of Holders	Number of Unlisted Share Options on Issue
Director share options	3	7,000,000
Employee share options	18	7,700,000
Total	21	14,700,000

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

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

(b) Unlisted Share Options
No voting rights.

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

Havilah's registered office and principal place of business is 107 Rundle Street, Kent Town, SA 5067. Telephone: +61 8 7111 3627. Email: info@havilah-resources.com.au

There is no current on-market buy-back.

The Company has no restricted securities on issue.

TENEMENT SCHEDULE AS AT 31 JULY 2023

Location	Project Name	Tenement No.	Tenement Name	Registered Owner[1]	% Interest	Status
South Australia	Curnamona	5785	Moko	Havilah	100	Current
South Australia	Curnamona	5824	Coolibah Dam	Havilah	100	Current
South Australia	Curnamona	5831	Bonython Hill (2)	Copper Aura	100	Current
South Australia	Curnamona	5848	Mingary (2)	Iron Genesis	100	Current
South Australia	Curnamona	5853	Oratan	Havilah	100	Current
South Australia	Curnamona	5873 [2]	Benagerie	Havilah	100	Current
South Australia	Curnamona	5882	Mutooroo(2)	Copper Aura	100	Current
South Australia	Curnamona	5891 [3]	Prospect Hill	Teale & Mander	65	Current
South Australia	Curnamona	5903	Border Block	Havilah	100	Current
South Australia	Curnamona	5904	Mundaerno Hill	Havilah	100	Current
South Australia	Curnamona	5915 [2]	Emu Dam	Havilah	100	Current
South Australia	Curnamona	5940	Coonarbine	Havilah	100	Current
South Australia	Curnamona	5951	Jacks Find	Havilah	100	Current
South Australia	Curnamona	5952	Thurlooka	Havilah	100	Current
South Australia	Curnamona	5956	Wompinie	Havilah	100	Current
South Australia	Curnamona	5964	Yalkalpo East	Havilah	100	Current
South Australia	Curnamona	5966	Moolawatana	Havilah	100	Current
South Australia	Gawler Craton	6014 [4]	Pernatty	Red Metal	10	Current
South Australia	Curnamona	6041	Cutana	Iron Genesis	100	Current
South Australia	Curnamona	6054	Bindarrah	Iron Genesis	100	Current
South Australia	Curnamona	6056	Frome	Havilah	100	Current
South Australia	Curnamona	6099	Lake Carnanto	Havilah	100	Current
South Australia	Curnamona	6161	Chocolate Dam	Havilah	100	Current
South Australia	Curnamona	6163	Mutooroo South	Copper Aura	100	Current
South Australia	Curnamona	6165	Poverty Lake	Havilah	100	Current
South Australia	Curnamona	6194	Bundera Dam	Havilah	100	Current
South Australia	Curnamona	6203	Watsons Bore	Havilah	100	Current
South Australia	Curnamona	6211	Cochra	Havilah	100	Current
South Australia	Curnamona	6258	Kidman Bore	Havilah	100	Current
South Australia	Curnamona	6271	Prospect Hill SW	Havilah	100	Current
South Australia	Curnamona	6280 [5]	Mingary	Iron Genesis	100	Current
South Australia	Curnamona	6298	Yalkalpo	Havilah	100	Current
South Australia	Curnamona	6323	Lake Charles	Havilah	100	Current
South Australia	Curnamona	6355	Olary	Havilah	100	Current
South Australia	Curnamona	6356	Lake Namba	Havilah	100	Current
South Australia	Curnamona	6357	Swamp Dam	Havilah	100	Current
South Australia	Curnamona	6358	Telechie	Havilah	100	Current
South Australia	Curnamona	6359	Yalu	Havilah	100	Current
South Australia	Curnamona	6360	Woodville Dam (Cockburn)	Havilah	100	Current
South Australia	Curnamona	6361	Tepco	Iron Genesis	100	Current
South Australia	Curnamona	6370	Carnanto	Havilah	100	Current
South Australia	Curnamona	6408	Lake Yandra	Havilah	100	Current
South Australia	Curnamona	6409	Tarkarooloo	Havilah	100	Current
South Australia	Curnamona	6410	Lucky Hit Bore	Havilah	100	Current
South Australia	Curnamona	6411	Coombs Bore	Havilah	100	Current
South Australia	Curnamona	6415	Eurinilla	Havilah	100	Current
South Australia	Curnamona	6428	Collins Tank (Cockburn)	Havilah	100	Current
South Australia	Curnamona	6434	Lake Frome	Havilah	100	Current
South Australia	Gawler Craton	6468	Sandstone	Havilah	100	Current
South Australia	Curnamona	6546	Billeroo West	Havilah	100	Current
South Australia	Curnamona	2022/0002 [6]	Rocky Dam	Havilah	100	ELA
South Australia	Curnamona	6591	Kalabity	Havilah	100	Current
South Australia	Curnamona	6592	Mutooroo Mine	Copper Aura	100	Current
South Australia	Curnamona	6593	Mundi Mundi	Havilah	100	Current
South Australia	Curnamona	6594	Bonython Hill	Copper Aura	100	Current
South Australia	Curnamona	6656	Mutooroo West	Copper Aura	100	Current
South Australia	Curnamona	6657	Bundera	Copper Aura	100	Current
South Australia	Curnamona	6659	Kalkaroo	Havilah	100	Current

TENEMENT SCHEDULE AS AT 31 JULY 2023 *(continued)*

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

Location	Project Name	Tenement No.	Tenement Name	Registered Owner [1]	% Interest	Status
South Australia	Kalkaroo	ML6498 [7]	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	ML6499 [7]	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	ML6500 [7]	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPL158 [7]	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPL159 [7]	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3828	Kalkaroo	Kalkaroo	100	Current
South Australia	Maldorky	MC4271	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4272	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4273	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4274	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4364	Maldorky	Maldorky	100	Current
South Australia	Mutooroo	ML5678	Mutooroo	Havilah	100	Current
South Australia	Mutooroo	MC3565	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3566	Mutooroo	Mutooroo	100	Current

Notes to Tenement Schedule as at 31 July 2023

Note 1

Havilah:	Havilah Resources Limited
Copper Aura:	Copper Aura Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Geothermal:	Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited
Iron Genesis:	Iron Genesis Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Kalkaroo:	Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Maldorky:	Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Mutooroo:	Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited
Red Metal:	Red Metal Limited
Teale & Mander:	Teale & Associates Pty Ltd, and Monica Mary Mander

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

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

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

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

Note 6 - Temporarily reverted to confirmed application status for procedural reasons pending final grant of EL

Note 7 - Kalkaroo Tenements means ML6498, ML6499, ML6500, MPL158 and MPL159 under the Kalkaroo Option with BHP (via its wholly owned subsidiary, OZ Exploration Pty Ltd)

KEY RISKS

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

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

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

(a) Specific Risk Factors

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

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

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

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

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

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

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

KEY RISKS *(continued)*

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

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

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

Pandemic risk
COVID-19 demonstrated the operational risks posed by a pandemic. There remains the possibility of future global pandemics that could have a greater or lesser disruptive effect on the Group’s business than COVID-19.

(b) General Risk Factors

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

GLOSSARY

Term	Definition
$ or cents	Units of Australian currency.
AASB	Australian Accounting Standards Board.
AEA	Amalgamated Expenditure Agreement.
Access Fee, Area of Interest (‘AOI’), Kalkaroo Tenements, Proposed Transaction, Strategic Alliance, Study Program, Terms Sheet	See relevant definitions in Schedules 1 and 3 of Notice of Meeting documents (refer to ASX announcement of 29 July 2022).
ASX	ASX Limited ABN 98 008 624 691, trading as Australian Securities Exchange.
BHP	BHP Group Limited.
Company, Havilah or Parent Company	Havilah Resources Limited.
consolidated entity	The provisions of the *Corporations Act 2001* use the term ‘consolidated entity’, rather than ‘Group’, to refer to the Parent Company and its subsidiaries.
COVID-19	coronavirus disease 2019.
CPI	Consumer Price Index.
DEM	Department for Energy and Mining (the regulator in South Australia).
EL	Exploration Licence.
ESG	environmental, social and governance.
eU3O8	equivalent uranium oxide.
Fe	iron.
financial year	the financial year ended 31 July 2023.
FVTPL	fair value through profit or loss.
GEL	Geothermal Exploration Licence.
Group	Havilah Resources Limited and its subsidiaries.
GST	Goods and Services Tax.
g/t	gram/tonne.
JORC	Joint Ore Reserves Committee.
Kalkaroo Option	Option to purchase the Kalkaroo copper-gold-cobalt project.
Kalkaroo Transaction	The grant and exercise of the Kalkaroo Option.
km, km^2	kilometres and square kilometres respectively.
koz, Moz	thousand troy ounces and million troy ounces respectively.
Kt, Mt, t	thousand tonnes, million tonnes and tonnes respectively.
MC, ML, MPL	Mineral Claim, Mining Lease and Miscellaneous Purposes Licence respectively.
NAWNTAC	Ngadjuri Adnyamathanha Wilyakali Native Title Aboriginal Corporation.
OZ Minerals	OZ Exploration Pty Ltd. OZ Minerals now forms part of BHP Group Limited.
PFS	pre-feasibility study.
Plan	Performance Rights and Share Option Plan.
ppm	parts per million.
RC	reverse circulation (drilling).
REE	rare earth elements.