



Province Resources Limited

ABN 83 061 375 442

Half-Year Financial Report - 31 December 2023

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Directors	<p>Peter Wall Non-Executive Chairman</p> <p>David Frances Managing Director</p> <p>Kylah Morrison Non-Executive Director</p> <p>Roger Martin Non-Executive Director</p>
Company secretary	Ian Hobson
Registered office	362 Rokeby Road Subiaco, Western Australia 6008 T: +61 (0)8 9329 6862
Share register	Automic Pty Ltd Level 5, 191 St Georges Terrace Perth WA 6000 T: +61 (0)2 9698 5414
Auditor	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth Western Australia 6151
Website	www.province.limited
Securities Exchange Listing	Province Resources Limited shares are listed on the Australian Securities Exchange (ASX code: PRL)

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Province Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Peter Wall	Non-Executive Chairman - appointed 28 November 2023
Pat Burke	Non-Executive Chairman - resigned 28 November 2023
David Frances	Managing Director
Kylah Morrison	Non-Executive Director
Roger Martin	Non-Executive Director

Company Secretary

Ian Hobson

Principal activities

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

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,075,816 (31 December 2022: \$2,646,271).

Significant changes in the state of affairs

The Company issued 750,000 Performance Rights to employees during the half-year as follows:

Name	Issue date	Number issued Class D	Number issued Class E	Number issued Total
Employees	29/09/2023	250,000	500,000	750,000

At the Company's AGM on 28 November 2023, shareholders approved the issue of Performance Rights to Directors as follows:

Name	Issue date	Number issued Class F	Number issued Class G	Number issued Total
Directors:				
David Frances	20/12/2023	15,900,000	10,600,000	26,500,000
Peter Wall	20/12/2023	4,770,000	3,180,000	7,950,000
Kylah Morrison	20/12/2023	3,180,000	2,120,000	5,300,000
Roger Martin	20/12/2023	3,180,000	2,120,000	5,300,000
		27,030,000	18,020,000	45,050,000

With the following vesting conditions:

Class	Vesting conditions	Last Vesting Date
Class D	Vesting upon the Company announcing publicly, by no later than 31 March 2024 the following: (i) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert; and (ii) a decision to proceed to a definitive feasibility study (DFS) on the HyEnergy Project.	31 March 2024
Class E	Vesting upon the Company announcing publicly that it has completed a positive DFS as signed off by an independent expert by no later than 30 June 2025.	30 June 2025
Class F	The Company releasing an announcement on the ASX confirming the Company has entered into: (i) a binding off take or supply agreement for at least 50% of the proposed product to be produced from the first stage of the HyEnergy Project (for a minimum of 50MW); or (ii) a joint venture agreement (or analogous or similar transaction agreement) with an industry recognised partner to develop a green hydrogen project of at least 50MW within the HyEnergy Project area.	20 December 2026
Class G	The Company releasing an announcement on the ASX that the Company has achieved a positive Final Investment Decision on a commercial scale renewable hydrogen project of at least 50MW within the HyEnergy Project area as evidenced by the Board resolving to proceed to construction of the project on or before the expiry date.	20 December 2027

On 28 November 2023, Patrick Burke resigned as Non-Executive Chair and Peter Wall was appointed as Non-Executive Chair.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 16 January 2024 the Company announced that the environmental approval process of the HyEnergy green hydrogen development has commenced with a referral of the project to Western Australia's Environmental Protection Authority.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors



Peter Wall
Chairman

13 March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Province Resources Limited and its controlled entities

As lead auditor for the review of Province Resources Limited and its controlled entities for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Province Resources Limited and the entities it controlled during the period.

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 13th day of March 2024

Province Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Interest revenue		312,765	223,527
Expenses			
Exploration and evaluation expenditure	6	(66,724)	75,972
Administrative expenses	7	(440,663)	(731,940)
Employee benefits expense		(832,663)	(656,839)
Depreciation expense		(122,619)	(116,978)
Share based payments expense	19	2,268,210	(484,792)
Project evaluation		(2,187,964)	(954,612)
Finance costs		(6,158)	(609)
Loss before income tax expense		(1,075,816)	(2,646,271)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Province Resources Limited	14	(1,075,816)	(2,646,271)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		3,808	(28)
Other comprehensive income/(loss) for the half-year, net of tax		3,808	(28)
Total comprehensive loss for the half-year attributable to the owners of Province Resources Limited		(1,072,008)	(2,646,299)
		Cents	Cents
Basic earnings per share		(0.09)	(0.24)
Diluted earnings per share		(0.09)	(0.24)

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

Province Resources Limited
Consolidated statement of financial position
As at 31 December 2023



	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents		11,821,300	15,578,465
Trade and other receivables		292,184	266,121
Other		117,185	90,258
Total current assets		12,230,669	15,934,844
Non-current assets			
Property, plant and equipment	9	675,314	742,014
Right-of-use assets	8	101,812	145,444
Exploration and evaluation	10	295,206	295,206
Total non-current assets		1,072,332	1,182,664
Total assets		13,303,001	17,117,508
Liabilities			
Current liabilities			
Trade and other payables		434,201	897,296
Lease liabilities	11	94,717	88,430
Provisions		82,750	51,419
Total current liabilities		611,668	1,037,145
Non-current liabilities			
Lease liabilities	11	15,950	64,761
Total non-current liabilities		15,950	64,761
Total liabilities		627,618	1,101,906
Net assets		12,675,383	16,015,602
Equity			
Issued capital	12	43,312,810	43,312,810
Reserves	13	11,663,803	13,928,206
Accumulated losses	14	(42,301,230)	(41,225,414)
Total equity		12,675,383	16,015,602

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

Province Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023



	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	42,310,333	13,048,019	(38,890)	(32,970,383)	22,349,079
Loss after income tax expense for the half-year	-	-	-	(2,646,271)	(2,646,271)
Other comprehensive loss for the half-year, net of tax	-	-	(28)	-	(28)
Total comprehensive loss for the half-year	-	-	(28)	(2,646,271)	(2,646,299)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 13 and 19)	150,000	484,792	-	-	634,792
Conversion of options (note 12)	50,000	-	-	-	50,000
Conversion of performance rights to ordinary shares (note 13)	803,624	(803,624)	-	-	-
Costs of capital issued (note 12)	(1,147)	-	-	-	(1,147)
Balance at 31 December 2022	43,312,810	12,729,187	(38,918)	(35,616,654)	20,386,425
	Issued capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	43,312,810	14,036,098	(107,892)	(41,225,414)	16,015,602
Loss after income tax expense for the half-year	-	-	-	(1,075,816)	(1,075,816)
Other comprehensive income for the half-year, net of tax	-	-	3,808	-	3,808
Total comprehensive income/(loss) for the half-year	-	-	3,808	(1,075,816)	(1,072,008)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 19)	-	(2,268,211)	-	-	(2,268,211)
Balance at 31 December 2023	43,312,810	11,767,887	(104,084)	(42,301,230)	12,675,383

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

Province Resources Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities			
Interest received		306,766	182,358
Payments to suppliers and employees for administration activities		(1,254,579)	(1,561,436)
Payments for exploration and project evaluation		(2,725,358)	(961,063)
Net cash used in operating activities		(3,673,171)	(2,340,141)
Cash flows from investing activities			
Payments for property, plant and equipment	9	(12,463)	(173,421)
Payments for security deposits		(26,927)	(2,000)
Net cash used in investing activities		(39,390)	(175,421)
Cash flows from financing activities			
Proceeds from issue of shares	12	-	50,000
Share issue transaction costs		-	(1,147)
Repayment of lease liabilities		(48,588)	(40,488)
Net cash (used in)/from financing activities		(48,588)	8,365
Net decrease in cash and cash equivalents		(3,761,149)	(2,507,197)
Cash and cash equivalents at the beginning of the financial half-year		15,578,465	20,360,131
Effects of exchange rate changes on cash and cash equivalents		3,984	(530)
Cash and cash equivalents at the end of the financial half-year		11,821,300	17,852,404

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

Note 1. General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 March 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

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

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

Exploration and evaluation costs

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

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

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

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

Note 4. Operating segments

Identification of reportable operating segments

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

Operating segment information

	Exploration and evaluation \$	HyEnergy Project \$	Corporate \$	Total \$
31 Dec 2023				
Other income	-	-	312,765	312,765
Net other costs	(66,724)	(2,187,965)	866,108	(1,388,581)
Profit/(loss) before income tax expense	(66,724)	(2,187,965)	1,178,873	(1,075,816)
Income tax expense				-
Loss after income tax expense				(1,075,816)
Assets				
Segment assets	295,206	532,345	12,475,450	13,303,001
Total assets				13,303,001
Liabilities				
Segment liabilities	396	291,666	335,556	627,618
Total liabilities				627,618

Note 4. Operating segments (continued)

	Exploration and evaluation \$	HyEnergy Project \$	Corporate \$	Total \$
31 Dec 2022				
Other income	-	-	223,527	223,527
Net other costs	75,972	(954,612)	(1,991,158)	(2,869,798)
Profit/(loss) before income tax expense	75,972	(954,612)	(1,767,631)	(2,646,271)
Income tax expense				-
Loss after income tax expense				(2,646,271)

30 Jun 2023

Assets

Segment assets	295,206	765,220	16,057,082	17,117,508
Total assets				17,117,508

Liabilities

Segment liabilities	-	762,729	339,177	1,101,906
Total liabilities				1,101,906

Geographical information

	Geographical non-current assets	
	31 Dec 2023	30 Jun 2023
	\$	\$
Australia	1,062,875	1,171,952
	-	-
United Kingdom	9,457	10,712
	1,072,332	1,182,664

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Other income

See note 19 for details.

Note 6. Exploration and evaluation expenditure

	31 Dec 2023	31 Dec 2022
	\$	\$
Exploration and evaluation expenditure	66,724	63,886
Refund of tenement applications	-	(139,858)
	66,724	(75,972)

Note 7. Administrative expenses

	31 Dec 2023 \$	31 Dec 2022 \$
Corporate compliance costs	98,269	117,030
General legal fees	26,955	97,705
Audit fees	14,370	13,333
Investor relations	43,508	150,689
Accounting & corporate secretarial costs	78,202	68,402
Insurance	33,087	33,015
Administration costs	146,272	251,766
	440,663	731,940

Note 8. Right-of-use assets

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	174,532	174,532
Less: Accumulated depreciation	(72,720)	(29,088)
	101,812	145,444

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

Reconciliations

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

	\$
Balance at 1 July 2022	49,075
Additions	174,537
Depreciation expense	(78,168)
Balance at 30 June 2023	145,444
Depreciation expense	(43,632)
Balance at 31 December 2023	101,812

Note 9. Property, plant and equipment

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	847,449	839,791
Less: Accumulated depreciation	(272,712)	(209,178)
	574,737	630,613
Motor vehicles - at cost	153,556	149,251
Less: Accumulated depreciation	(52,979)	(37,850)
	100,577	111,401
	675,314	742,014

Reconciliations

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

	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	625,314	73,794	699,108
Additions	146,556	64,358	210,914
Exchange differences	829	-	829
Depreciation expense	(142,086)	(26,751)	(168,837)
Balance at 30 June 2023	630,613	111,401	742,014
Additions	8,157	4,306	12,463
Exchange differences	(176)	-	(176)
Depreciation expense	(63,857)	(15,130)	(78,987)
Balance at 31 December 2023	574,737	100,577	675,314

Note 10. Exploration and evaluation

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Non-current assets</i>		
Exploration and evaluation	295,206	295,206

Note 11. Lease liabilities

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Current liabilities</i>		
Lease liability	94,717	88,430
<i>Non-current liabilities</i>		
Lease liability	15,950	64,761
	110,667	153,191

Note 12. Issued capital

	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	1,181,493,143	1,181,493,143	43,312,810	43,312,810

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	1,169,826,477		42,310,333
Conversion of performance rights	5 July 2022	2,500,000	\$0.000	511,058
Conversion of performance rights	18 July 2022	1,666,666	\$0.000	249,676
Shares issued in lieu of payment	1 August 2022	6,000,000	\$0.025	150,000
Conversion of performance rights	8 August 2022	250,000	\$0.000	42,890
Conversion of options	24 August 2022	1,250,000	\$0.040	50,000
Capital raising costs				(1,147)
Balance	30 Jun 2023	1,181,493,143		43,312,810
Balance	31 December 2023	1,181,493,143		43,312,810

Ordinary shares

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

Share buy-back

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

Note 13. Reserves

	31 Dec 2023 \$	30 Jun 2023 \$
Foreign currency reserve	(104,084)	(107,892)
Share-based payments reserve	11,767,887	14,036,098
	11,663,803	13,928,206

Foreign currency reserve

Functional and presentation currency:

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

Note 13. Reserves (continued)

Transaction and balances:

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

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

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

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

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

Share-based payments reserve

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

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

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

Movements in reserves

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

	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$
Balance at 1 July 2022	(38,890)	13,048,019	13,009,129
Foreign currency translation	(69,002)	-	(69,002)
Share based payments	-	1,791,703	1,791,703
Conversion of performance rights	-	(803,624)	(803,624)
Balance at 30 June 2023	(107,892)	14,036,098	13,928,206
Foreign currency translation	3,808	-	3,808
Reversal of share based payments expense	-	(2,283,966)	(2,283,966)
Share based payments expense	-	15,755	15,755
Balance at 31 December 2023	(104,084)	11,767,887	11,663,803

Note 14. Accumulated losses

	31 Dec 2023 \$	30 Jun 2023 \$
Accumulated losses at the beginning of the financial half-year	(41,225,414)	(32,970,383)
Loss after income tax expense for the half-year	(1,075,816)	(8,255,031)
Accumulated losses at the end of the financial half-year	(42,301,230)	(41,225,414)

Note 15. Dividends

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

Note 16. Contingent liabilities

There are no significant contingent liabilities as at 30 June 2023 and the date of signing of this report.

Note 17. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2023 \$	31 Dec 2022 \$
Transactions with director-related entities:		
Seacastle Consulting Pty Ltd (i)	25,000	30,000
Steinepreis Paganin (ii)	4,105	-

Loans to/from related parties

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

Terms and conditions

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

- (i) Seacastle Consulting Pty Ltd is a company which Roger Martin is a director and beneficial shareholder. The payments were for government and public affairs consulting services on an arm's length basis.
- (ii) Steinepreis Paganin provides legal services which Peter Wall is a Partner, the legal services have been provided on an arm's length basis. Costs reported are from commencement date of Peter Wall as Director.

Note 18. Events after the reporting period

On 16 January 2024 the Company announced that the environmental approval process of the HyEnergy green hydrogen development has commenced with a referral of the project to Western Australia's Environmental Protection Authority.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Share-based payments

The Company's Employee Securities Incentive Plan was adopted by Shareholders on 28 November 2023, whereby the consolidated entity may, at the discretion of the Board of Directors, grant performance rights over ordinary shares in the company to certain key management personnel and employees of the consolidated entity. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

Note 19. Share-based payments (continued)

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

	Number of rights 31 Dec 2023
Outstanding at the beginning of the financial half-year	44,083,334
Granted	45,800,000
Outstanding at the end of the financial half-year	89,883,334

The following performance rights were issued to Directors and employees during the half-year ended 31 December 2023:

Name	Issue date	Number issued Class D	Number issued Class E	Number issued Class F	Number issued Class G	Number issued Total
David Frances	20/12/2023	-	-	15,900,000	10,600,000	26,500,000
Peter Wall	20/12/2023	-	-	4,770,000	3,180,000	7,950,000
Kylah Morrison	20/12/2023	-	-	3,180,000	2,120,000	5,300,000
Roger Martin	20/12/2023	-	-	3,180,000	2,120,000	5,300,000
Employees	29/09/2023	250,000	500,000	-	-	750,000
		250,000	500,000	27,030,000	18,020,000	45,800,000

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

Class	Vesting conditions	Last Vesting Date
Class B & D	Vesting upon the Company announcing publicly, by no later than 31 March 2024 the following: (i) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert; and (ii) a decision to proceed to a definitive feasibility study (DFS) on the HyEnergy Project.	31 March 2024
Class C & E	Vesting upon the Company announcing publicly that it has completed a positive DFS as signed off by an independent expert by no later than 30 June 2025.	30 June 2025
Class F	The Company releasing an announcement on the ASX confirming the Company has entered into: (i) a binding off take or supply agreement for at least 50% of the proposed product to be produced from the first stage of the HyEnergy Project (for a minimum of 50MW); or (ii) a joint venture agreement (or analogous or similar transaction agreement) with an industry recognised partner to develop a green hydrogen project of at least 50MW within the HyEnergy Project area.	20 December 2026
Class G	The Company releasing an announcement on the ASX that the Company has achieved a positive Final Investment Decision on a commercial scale renewable hydrogen project of at least 50MW within the HyEnergy Project area as evidenced by the Board resolving to proceed to construction of the project on or before the expiry date.	20 December 2027

These performance rights were valued, using a valuation methodology based on the guidelines set out in AASB 2 *Share based payment*. The last traded share price was used given the Company's shares are suspended from trading on the ASX.

Note 19. Share-based payments (continued)

Assumptions:

	Employees Class D	Employees Class E	Directors Class F	Directors Class G
Number	250,000	500,000	27,030,000	18,020,000
Valuation/grant date	29/09/2023	29/09/2023	28/11/2023	28/11/2023
Last traded share price	\$0.041	\$0.041	\$0.041	\$0.041
Indicative value per Performance Right	\$0.041	\$0.041	\$0.041	\$0.041
Valuation	\$10,250	\$20,500	\$1,108,230	\$738,820

The performance conditions are non-market based. At the end of each reporting date, an estimate is made of whether the non-market based condition is likely to be met and the timing of when the instruments will ultimately vest.

The value of the Performance Rights are being expensed over the deemed life of the Rights. During the period \$15,755 (December 2022: \$484,792), was recognised as an expense in relation to the rights.

The probability of Classes B, C, D and E vesting have been revised downwards by the Company in accordance with AASB 2 *Share based payments*. The excess of the amounts previously expensed have been recognised in share based payment expenses.

	31 Dec 2023 \$	31 Dec 2022 \$
Performance rights expense	15,755	484,792
Reversal of share based payments expense	(2,283,966)	-
	(2,268,211)	484,792

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read "Peter Wall", written over a horizontal line.

Peter Wall
Chairman

13 March 2024

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

Report on the half-year financial report



Our conclusion

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

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the consolidated 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director

Dated this 13th day of March 2024

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