



AVIRA RESOURCES LIMITED

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2021

ACN 131 715 645

Table of Contents

| | PAGE NO. |
|---|-------------|
| Directors' Report | 3-12 |
| Auditor's Independence Declaration | 13 |
| Directors' Declaration | 14 |
| Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income | 15 |
| Condensed Consolidated Statement of Financial Position | 16 |
| Condensed Consolidated Statement of Changes in Equity | 17 |
| Condensed Consolidated Statement of Cash Flows | 18 |
| Notes to the Half-Year Financial Statements | 19-24 |
| Independent Auditor's Review Report | 25 |

Directors' Report

Your directors submit their report for the half-year ended 31 December 2021.

Directors

The directors of Avira Resources Limited and its controlled entities (the "Group") in office during the half year, and until the date of this Report are set out below. Directors were in office for this entire period unless otherwise stated.

| <u>Name</u> | <u>Particulars</u> |
|---------------|--|
| David Wheeler | Non-Executive Chairman |
| David De Loub | Executive Director |
| Sonu Cheema | Non-Executive Director and Company Secretary |

Principal activities

The principal activities of the consolidated entity during the financial year included exploration and evaluation activities.

Operating and financial review

(a) Review of operations

Corporate Activities

On 17 September 2021 the Company announced it had received commitments for a placement of up to 343,750,000 fully paid ordinary shares (Placement Shares) at a price of \$0.004 per share to raise \$1,375,000 before costs. Participants to the Placement received a 1 for 1 free attaching listed AVWO option exercisable at \$0.01 on or before 10 July 2022 (Placement Options).

Funds raised via the Placement will be applied to progressing the exploration activities on both Paterson Range and Wyloo projects, project generation activities and general working capital purposes. CPS Capital were engaged by the Company as Broker and Lead Manager to the Placement and retained as Corporate Advisor.

The Company held its AGM on Monday 29th November with all resolutions tabled (refer to ASX release dated 26 October 2021) being passed as per ASX announcement "Results of AGM" dated 29 November 2021.

Project generative work continues to investigate further metallogenic concepts in sediment hosted copper and gold, and in other commodities, to build a portfolio of highly prospective tenure. Avira continues to assess new project opportunities, via both acquisitions and applications in its own right.

Operational Activities

Paterson Range projects, WA

Avira Resources currently holds two tenement packages within the Paterson Range province (Mount Mcpherson and Throssell Range), host to a number of substantial gold, copper and manganese mines and deposits including the Telfer gold-copper mine, Woody Woody manganese and Nifty copper mines.

Directors' Report

Mount Macpherson

The Company progressed the Mount Macpherson project design and completion of a ground based electromagnetic survey of priority conductors identified from the airborne EM survey. This focused ground-based program is designed to delineate deeper bedrock conductors, which will form priority RC drill targets.

The Company signed a service agreement with Wireline Services Group to assist with planning and execution of the proposed ground-based EM survey of the Mount McPherson area of interest. The Company intends to mobilise a drill rig and crew as soon as practicable pending receipt and interpretation of the geophysical data generated from this program which is now expected to be completed in Q2 2022.

The timing of any subsequent drilling will be contingent upon receipt of all land access and heritage clearances and satisfactory weather conditions. The Company has prepared a Programme of Works (now approved) and (if required) a Heritage Clearance Survey will be conducted to allow access to the area in support of anticipated drilling activities.

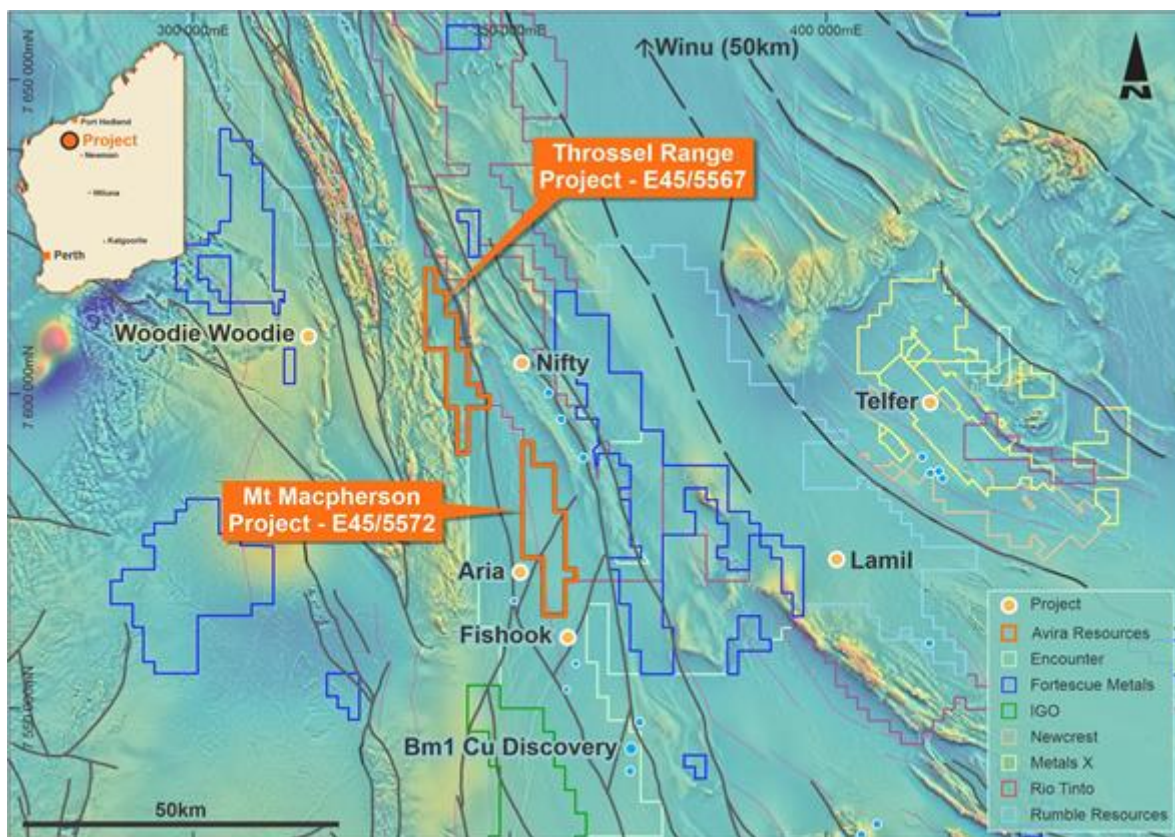


Figure 1. Location of the Mount Macpherson and Throssel Range Projects.

Throssel Range

Soil sampling was conducted over the Throssel Range tenement in two phases, with sample locations planned in the swales between sand dunes to minimise the influence of wind blown sand. Infill lines were conducted to target conductors associated with dolerites hosted within the Archaean basement, which had been identified from the Airborne EM survey.

Directors' Report

The sampling appears to be relatively effective at testing the bedrock, especially in the infill lines. A consistent, coherent low-level response of Cu, Pb and other elements indicate the soils have tested the regolith adequately.

Geochemical assay results were generally low level throughout the area. No high-level anomalism appears to be present within Cu, Au or base metals. No clear anomalism lies over any of the conductive trends in the EM survey. The gold results are generally below detection limit, with a few +1ppb results. No clear trends are evident, and it can be concluded that no significant Au mineralising event has been detected by the sampling. The Company will continue exploration of the Throssell Range and Mount Macpherson projects in the coming year. The focus of exploration efforts will be to design and complete a ground based electromagnetic survey of priority conductors identified from the airborne EM survey. This focused ground-based program is designed to delineate deeper bedrock conductors, which will form priority RC drill targets.

If the follow-up EM identifies targeted anomalies, the company intends to mobilise a drill rig and crew as soon as practicable pending receipt and interpretation of the geophysical data generated from this program. The timing of drilling will be contingent upon receipt of all land access and heritage clearances and satisfactory weather conditions. The Company has prepared a programme of works, and (if required) a heritage clearance survey to open up access tracks and base lines to support drilling activities.

Wyloo (copper/gold) project, WA

The Wyloo Project consists of a series of exploration tenement packages totalling 179 sub blocks covering 586km² in five Exploration Licence applications located in the Ashburton region of Western Australia. The Company considers the ground to be prospective for Mount Clement style epithermal sediment-replacive Au-Ag-Cu hosted within the Wyloo group sediments.

Field reconnaissance was conducted in December 2021 to assess regolith, geology and access. Geophysical data collection is planned to be done by aeromagnetic and ASTER where regolith conditions are amenable. The project location will allow for continuous exploration activity throughout the calendar year between the Wyloo and Paterson Range projects in the Gascoyne and Pilbara respectively.

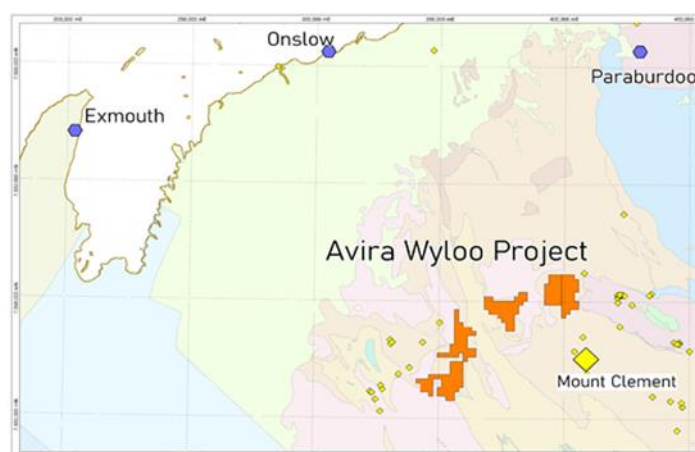


Figure 2. Location of Avira's Wyloo Project in relation to Mount Clement.

The Wyloo project is currently undergoing compilation and re-assessment of previous WAMEX data, complimented by a field reconnaissance trip to ground truth identified access and assess the geology, regolith and general considerations of undertaking a field campaign in

Directors' Report

this region in late November, with first pass mapping for priority areas proximal to the prospective faults and lithologies within the tenure.

A field trip to the Wyloo group of tenement applications was undertaken in December 2021 and focussed on determining appropriate access and field checking prospective magnetic and radiometric signatures observed in open source government data predominantly on applications E08/3330 and E08/3332.

On ELA E08/3330 and outcrop east of the regional scale Cheela Fault was identified and contained foliated mafic volcanics in the northern portion (Figure 3) trending into massive chert then dolomite moving south east and out of the tenure. A number of rock chip samples were taken (see table 1) including brecciated quartz veins, brecciated chert and gossanous dolomite, fitting well with the early potential ore genesis model.



Figure 3. Iron and Manganese brecciated quartz looking west to foliated mafic schist hills on ELAE08/3330.

At ELA E08/3332 gossanous dolomite horizons were also observed (Figure 4) as well as narrow pegmatites in mafic schist (Figure 5). Importantly this potentially adds additional exploration targets and increases the prospectively of the exploration licence applications.



Figure 4: Gossanous dolomite horizon on ELA E08/3332.

Directors' Report

A number of stream sediment samples were taken at ELA E08/3330 to assist with early targeting and for baseline geological data for further stream sediment sampling campaigns. It was also observed that large portions of ELA's E08/3329, E08/3330 and E08/3332 would be amenable to stream sediment sampling.



Figure 5: Outcropping quartz albite muscovite pegmatite at ASR004.

| ID | Description | GDA94 Z50 mE | GDA94 Z50 mN | RL m | Tenement (application) |
|--------|--|--------------|--------------|------|------------------------|
| ASR001 | Quartz in talc schist poss aspy/scorodite | 369395 | 7497639 | 129 | E08/3332 |
| ASR002 | Fe and Mn siliceous goossanous horizon in dolomite | 368990 | 7498146 | 130 | E08/3332 |
| ASR003 | Fe brecciated dolomite | 368928 | 7498261 | 124 | E08/3332 |
| ASR004 | Narrow pegmatite in mafic schist, abundant muscovite pale green alteration | 376763 | 7498836 | 117 | E08/3332 |
| ASR005 | Quartz vein in mafic schist, remnant skeletal oxidised py | 404601 | 7507799 | 177 | E08/3330 |
| ASR006 | Fe and Mn brecciated quartz vein | 404682 | 7508142 | 169 | E08/3330 |
| ASR007 | Fe and Mn brecciated quartz vein | 404642 | 7508087 | 168 | E08/3330 |
| ASR008 | Fe and Mn brecciated chert | 405008 | 7496901 | 169 | E08/3330 |
| ASR009 | siliceous dolomite | 404374 | 7499641 | 159 | E08/3330 |
| ASR010 | brecciated chert at dolomite contact | 404370 | 7499626 | 158 | E08/3330 |
| ASR011 | brecciated chert | 403637 | 7500398 | 149 | E08/3330 |
| ASR012 | Fe brecciated quartz vein adjacent to massive chert | 403619 | 7500389 | 148 | E08/3330 |

Table 1. Location and description of rock samples.

Subsequent Events

On the 16 February 2022 Avira announced that it had entered into a binding option agreement with GTT Ventures Pty Ltd ("**GTT**" or "**Vendor**") (ACN 601 029 636) to acquire its holdings in licence application ELA45/5770 ("**Tenement**" or "**Project**") in the Marble Bar region of Western Australia.

The Project is situated approximately 120km by road south of Port Hedland, accessed by the Great Northern Hwy, approximately 5km from the Wodgina Lithium Deposit (ALB/MIN: 259.2 Mt @ 1.17% Li₂O) and ~30km from the Pilgangoora Lithium Deposit (PLS: 223.2Mt @ 1.27% Li₂O) with numerous Li-Ta-Sn deposits located within a 130km radius with other major projects

Directors' Report

including the Marble Bar (Li) Deposit and the Tabba Tabba (Ta) Deposit. This region is considered to be a Lithium hotspot with neighbouring, significant landholders in the region including ALB (Albermarle), PLS (Pilbara Minerals Ltd), FMG (Fortescue Metals Group Ltd) & ESS (Essential Metals Ltd) (Figure 6).

ELA45/5770 consists of 3-blocks covering an area of 9.5km². The tenement hosts the same rock types as the Wodgina Lithium Deposit and is along-strike from numerous MINEDEX Li-Ta prospects and occurrences (Figure 8). 10 MINEDEX occurrences have been identified within the tenement boundary. Only 11 historical RC drill holes (1,011m) and 199 geochemical samples completed.

High grade rock chips up to (MINEDEX: Stannum/Metallicity): 2.45% Li₂O with 127 ppm Ta₂O₅ and 480 ppm Sn.

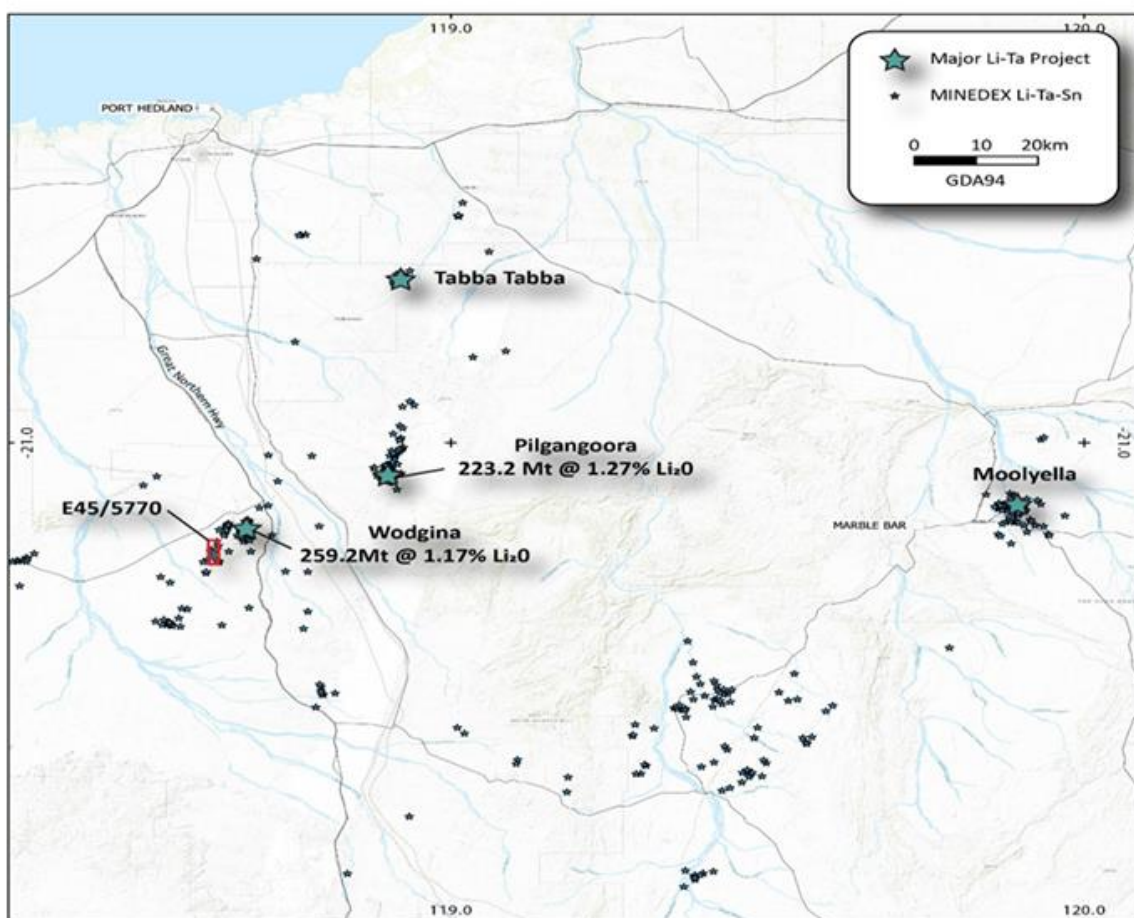


Figure 6. Location of the Yule River Project (ELA45/5770) in relation to mines and emerging prospects.

The Yule River project is currently undergoing compilation and re-assessment of previous WAMEX data, complimented by a field reconnaissance trip to ground truth identified access and assess the pegmatite dyke orientations and general considerations of undertaking a drilling campaign in this region.

Secondary assessments of the mapping completed by previous explorers will look for priority areas within the host lithologies within the tenure. A field trip to the Yule River tenement application is to be undertaken in March 2022 and is focussed on determining appropriate access and field checking prospective structures and non-magnetic signatures observed in open-source government data.

Directors' Report

A closer assessment of magnetically low areas within the Honeyeater Basalt (Figure 7) will be made to determine the width of LCT (lithium-caesium-tantalum) pegmatite dyke swarms and potential for coalescence at depth within the mapped pegmatites.

Extensive rock chips were collected by previous explorers and two of the identified Li anomalous zones have not been tested by drilling. These may be similar to the already drill tested Tria prospect which has an anomalous drill hole intercept of 22 m at 0.18% Li₂O including 2 m at 0.46% Li₂O (*REF WAMEX) within the magnetically low zone. The highest grade rock chip at the Duus prospect is also inadequately tested by drilling.

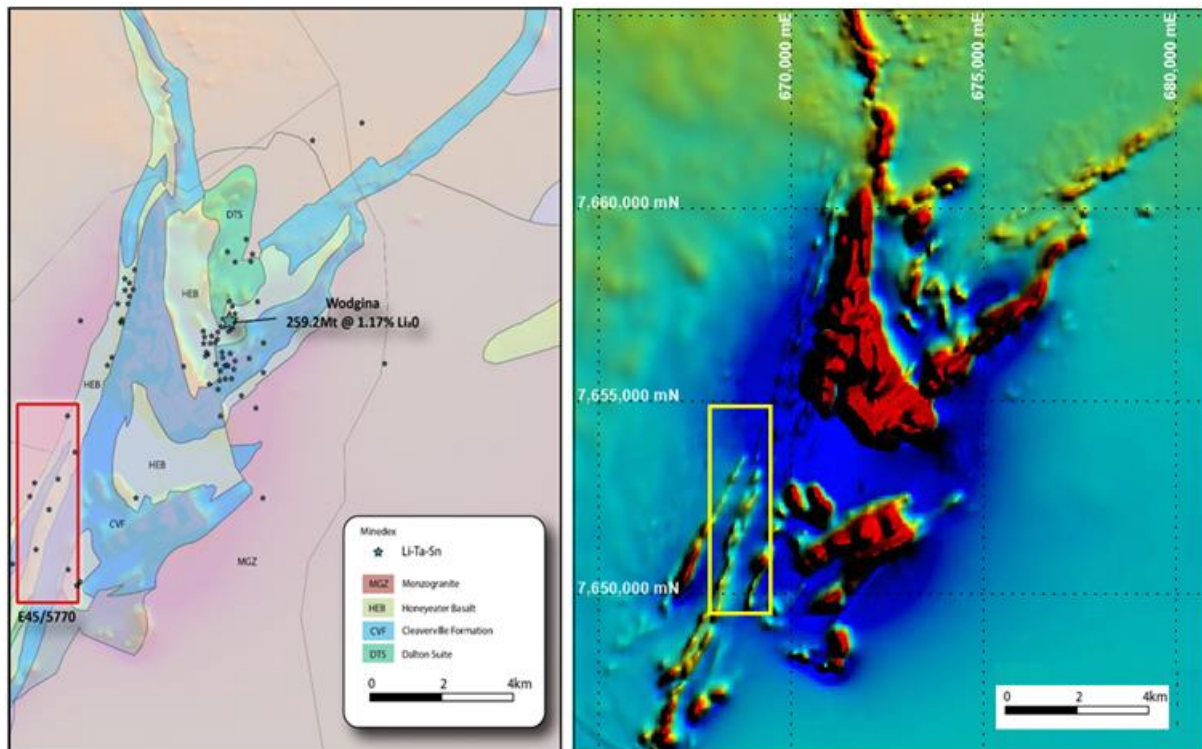


Figure 7: Local Geology and magnetics of the Yule River Tenement ELA45/5770 – note Honeyeater Basalt with patchy magnetic signal similar to Wodgina.

Field traverses following up 0.11% Cs₂O rock chips at Stannum prospect and two anomalous zones of rock chips (red circles in figure 8) in the south of the tenement application will be primary reconnaissance activities. At the Tria prospect apparently shallow dipping LCT pegmatites were encountered below weakly anomalous surface samples. Stacked pegmatites are known to occur in the Wodgina and Pilgangoora deposits and an assessment of likely dips in the outcrops will be routinely collected in the target areas. More broadly the system is anomalous for Tin (Sn), Tantalum (Ta), Niobium (Nb) and weak anomalous in Rubidium (Rb). Bedrock may contain areas of enrichment in these elements with small alluvial shows of Sn and Ta recorded by previous explorers.

Directors' Report

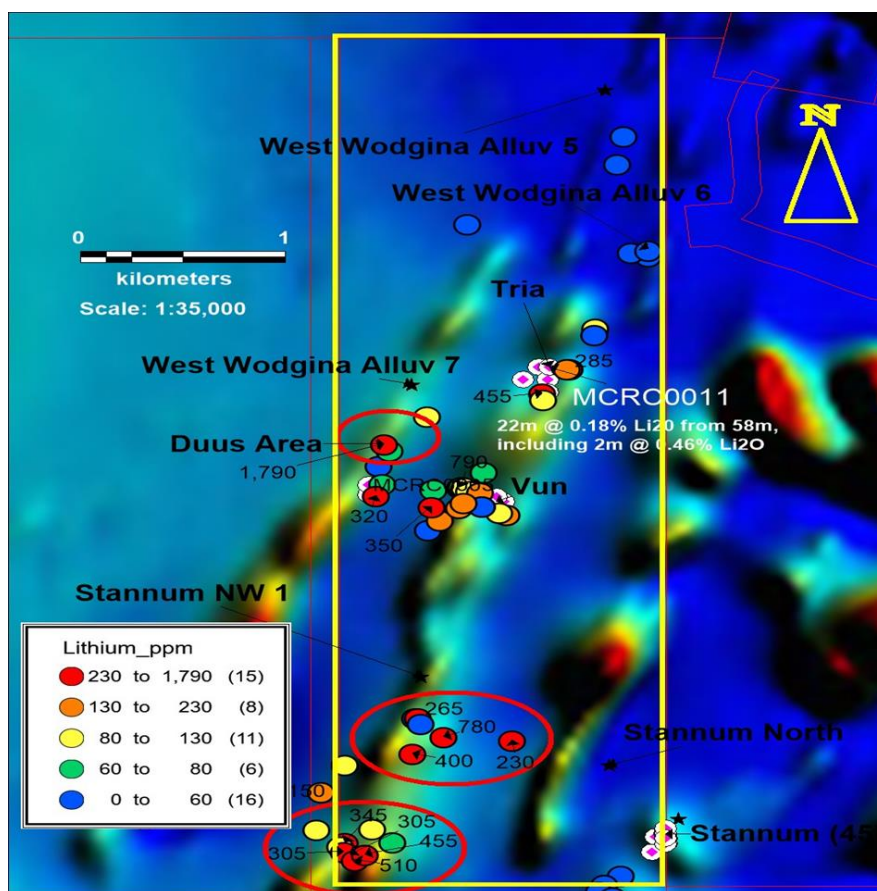


Figure 8: Geochemical rock chip anomalism (untested top quartile values in red) over 40m TMI magnetics ELA45/5770, drillholes in white (enclosing purple diamond)

Terms of Option and Acquisition

The proposed key terms and conditions of the Option Agreement are set out below:

Option Period

- The Option expires on the date that is six (6) months following the date of execution of the Option Agreement.
- In the event that ELA 45/5770 has not been granted by this date, the option period shall be automatically extended by a further six (6) months.

Conditions Precedent

This Agreement and the obligation of the Parties to complete the sale and purchase of the Assets are subject to and conditional upon:

- exercise of the Option by the Purchaser;
- the Purchaser having received all necessary shareholder approvals required in order to give effect to Settlement, including the issue of the Consideration Shares and any other approvals required under the Corporations Act or the ASX Listing Rules (including under item 7 of section 611 of the Corporations Act to the extent required);
- the execution of a final form Heritage Agreement by the Vendor and Kariyarra Aboriginal Corporation;
- the Purchaser and Vendor using best endeavours to execute the required documents to enforce the 1% Net Smelter Royalty over all minerals extracted from ELA 45/5770. If the

Directors' Report

parties are unable to agree on terms within 2 months of the Execution Date, the Parties agree to revert to the Energy & Resources Law Association (formerly AMPLA) standard form Minerals Royalty Agreement to enforce the Net Smelter Royalty; and

- the Purchaser undertaking a capital raising at an issue price of \$0.005 ("Raising"), which the Vendor or nominee has a firm allocation of the greater of \$1,000,000 or 50% of the Raising, within three (3) days of the Execution Date.

Consideration

- Option (exclusivity) Fee - a non-refundable cash payment of \$150,000, payable on execution of the Option Agreement ("Option Fee").
- Option Exercise Fee – on exercise of the option will incur a fee of:
 - Cash consideration of \$1,000,000; or
 - Equity based consideration of \$1,000,000 in the capital of Avira fully paid ordinary shares ("**Shares**") with the issue price of the Shares calculated at the higher of \$0.005 and a 10% discount to the 20-day VWAP payable upon the date of exercise of the Option by Avira and subject to approval at the Company's next general meeting of shareholders.

During the term of the Option the Company will conduct a further due diligence at a desktop and ground level study to confirm historical work and mineral occurrences.

About the capital raising

On the 16 February 2022 the Company also announced that it had received firm commitments from sophisticated and professional investors to subscribe for 400 million Shares at \$0.005 per Share to raise \$2,000,000 ("**Placement**") before costs. Funds raised via the Placement will be applied to progressing the development of the existing and new exploration projects held by the Company, business development and for general working capital.

There has not been any other matter or circumstance apart from the above, occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

Tenement Table - Wyloo and Paterson Range and Yule River projects

| LEASE | NAME | AREA | AREA UNITS | GRANT DATE | EXPIRY DATE | HOLDER | EA |
|-------|------|------|------------|------------|-------------|--------|----|
|-------|------|------|------------|------------|-------------|--------|----|

Paterson Range (WA)

| | | | | | | | |
|----------|----------------|----|------------|------------|------------|---------------|----------|
| E45/5572 | Mt Macpherson | 41 | Sub-Blocks | 13-July-20 | 12-July-25 | Mt Macpherson | E45/5572 |
| E45/5567 | Throssel Range | 32 | Sub-Blocks | | | Avira | E45/5567 |

Wyloo (WA)

| | | | | | | | |
|-----------|---------------|----|------------|------------|-----|-------|-----|
| E08/3329* | Tajeri Bore | 26 | Sub-Blocks | 18-Feb-21* | N/A | Avira | N/A |
| E08/3330* | Mount Edith | 32 | Sub-Blocks | 18-Feb-21* | N/A | Avira | N/A |
| E08/3331* | Gilba Bore | 39 | Sub-Blocks | 18-Feb-21* | N/A | Avira | N/A |
| E08/3332* | Boolaloo | 43 | Sub-Blocks | 18-Feb-21* | N/A | Avira | N/A |
| E08/3333* | Thowagee Well | 39 | Sub-Blocks | 18-Feb-21* | N/A | Avira | N/A |

Yule River (WA)

| | | | | | | | |
|--------------|------------|---|------------|-----|-----|--------------|-----|
| ELA45/5770** | Yule River | 3 | Sub-Blocks | N/A | N/A | GTT Ventures | N/A |
|--------------|------------|---|------------|-----|-----|--------------|-----|

*Under Application

**Option to acquire EL

Table 2. Avira Resources Tenement Register

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements does not guarantee future performance and involve known and unknown

Directors' Report

risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr John McDougall. Mr McDougall is a consultant geologist for AVW and a member of the Australian Institute of Geoscientists . Mr McDougall has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr McDougall consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Auditor's independence declaration

The auditor's independence declaration is included on page 13 of the financial report.

This directors' report has been made and signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Director



David De Loub
Executive Director
Dated: 14 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Avira Resources Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

**Perth, Western Australia
14 March 2022**



**D I Buckley
Partner**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Declaration

The directors of Avira Resources Limited and its controlled entities declare that:

- (a) The financial statements and notes of Avira Resources Limited and its controlled entities for the half-year ended 31 December 2021 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting.
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



David De Loub
Director
Dated: 14 March 2022

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
As at 31 December 2021**

| | Notes | Consolidated Half-year ended | |
|--|-------|---------------------------------|------------------|
| | | 31/12/2021 | 31/12/2020 |
| | | \$ | \$ |
| Revenues | | | |
| Other revenue | 11 | 94,527 | 47,284 |
| Fair value gain on financial assets | | 66,446 | - |
| Expenses | | | |
| Employee benefits expense | | (109,238) | (90,484) |
| Impairment of exploration expenditure | | - | (233,355) |
| Impairment of non-current assets held for sale | | (12,886) | (58,207) |
| Administration expense | | (195,252) | (264,310) |
| Other expense | | (61,333) | (51,638) |
| Exploration and evaluation expenditure | | (33,601) | (58,204) |
| Loss before tax | | (251,337) | (708,914) |
| Income tax (expense) benefit | | - | - |
| Loss after tax | | (251,337) | (708,914) |
| Total comprehensive loss for the period | | (251,337) | (708,914) |
| Loss for the period is attributable to: | | | |
| Owners of the parent | | (251,337) | (651,739) |
| Non-controlling interest | | - | (57,175) |
| Loss for the period | | (251,337) | (708,914) |
| Comprehensive loss for the period is attributable to: | | | |
| Owners of the parent | | (251,337) | (651,739) |
| Non-controlling interest | | - | (57,175) |
| Total comprehensive loss for the period | | (251,337) | (708,914) |
| Loss per share (cents per share) | | | |
| Basic loss per share | 10 | (0.016) | (0.047) |
| Diluted loss per share | 10 | (0.016) | (0.047) |

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

**Condensed Consolidated Statement of Financial Position
As at 31 December 2021**

| | Notes | Consolidated | |
|--|-------|------------------|------------------|
| | | 31/12/21 \$ | 30/06/21 \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 1,145,006 | 304,616 |
| Other assets | | 5,475 | 5,475 |
| Other receivables | | 77,871 | - |
| Total current assets | | 1,228,352 | 310,091 |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 4 | 377,964 | 371,117 |
| Financial asset | 5 | 128,946 | 65,371 |
| Other receivables | | - | 75,000 |
| Total non-current assets | | 506,910 | 511,488 |
| TOTAL ASSETS | | 1,735,262 | 821,579 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 143,771 | 257,682 |
| Unsecured borrowings | | 3,645 | 3,645 |
| Total current liabilities | | 147,416 | 261,327 |
| TOTAL LIABILITIES | | 147,416 | 261,327 |
| NET ASSETS/(LIABILITIES) | | 1,587,846 | 560,250 |
| EQUITY | | | |
| Issued capital | 8 | 32,260,246 | 31,181,314 |
| Reserves | 9 | 2,924,606 | 2,724,605 |
| Accumulated losses | | (32,425,326) | (32,173,989) |
| Equity attributable to owners of the parent | | 2,759,526 | 1,731,930 |
| Non-controlling interest | | (1,171,680) | (1,171,680) |
| TOTAL EQUITY | | 1,587,846 | 560,250 |

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

**Condensed Consolidated Statement of Changes in Equity
As at 31 December 2021**

| CONSOLIDATED | Attributable to equity holders of the parent | | | | |
|--|--|-----------------------|------------------|----------------------------------|------------------|
| | Fully paid ordinary shares | Accumulated losses | Reserves | Non- controlling interests | Total equity |
| | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2021 | 31,181,314 | (32,173,989) | 2,724,606 | (1,171,680) | 560,251 |
| (Loss) for the period | - | (251,337) | - | - | (251,337) |
| Other comprehensive income | | | | | |
| Total comprehensive loss for the period | - | (251,337) | - | - | (251,337) |
| Issuance for the year (net of costs) | 1,078,932 | - | - | - | 1,078,932 |
| Options issued | - | - | 200,000 | - | 200,000 |
| At 31 December 2021 | 32,260,246 | (32,425,326) | 2,924,606 | (1,171,680) | 1,587,846 |
| At 1 July 2020 | 31,181,114 | (31,127,474) | 2,201,384 | (1,118,765) | 1,136,260 |
| (Loss) for the period | - | (651,739) | - | (57,175) | (708,914) |
| Other comprehensive income | | | | | |
| Total comprehensive loss for the period | - | (651,739) | - | (57,175) | (708,914) |
| Options issued | - | - | 571,993 | - | 571,993 |
| Exercise of Options | 200 | - | - | - | 200 |
| Option issue costs | - | - | (48,771) | - | (48,571) |
| At 31 December 2020 | 31,181,314 | (31,779,213) | 2,724,606 | (1,175,940) | 950,968 |

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

**Condensed Consolidated Statement of Cash Flow
For The Half-Year Ended 31 December 2021**

| | Consolidated | |
|---|---------------------|-------------------|
| | 31/12/2021 | 31/12/2020 |
| | \$ | \$ |
| | <hr/> | <hr/> |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (446,242) | (712,549) |
| Other income | 382 | 33,088 |
| | <hr/> | <hr/> |
| Net cash flows (used in) operating activities | (445,860) | (679,461) |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Receipts from sale of assets held for sale | - | 54,214 |
| | <hr/> | <hr/> |
| Net cash flow provided by investing activities | - | 54,214 |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Proceeds from issues of equity securities | 1,286,250 | 422,331 |
| | <hr/> | <hr/> |
| Net cash flow provided by financing activities | 1,286,250 | 422,331 |
| | <hr/> | <hr/> |
| Net increase/(decrease) in cash and cash equivalents | 840,390 | (311,345) |
| Cash and cash equivalents at beginning of period | 304,616 | 747,008 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | 1,145,006 | 435,663 |
| | <hr/> | <hr/> |

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

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the half-year ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 *Interim Financial Reporting* ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2021 and considered together with any public announcements made by Avira Resources Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX listing rules. The Company is a for-profit Company domiciled in Australia and listed on ASX.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) Changes in accounting policies

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New Standards and Interpretations applicable for the half year ended 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Critical accounting estimates and judgments

The preparation of condensed financial statements in conformity with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financing Reporting Standard IAS 34 *Interim Financial Reporting* requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where

Notes to the Financial Statements

For The Half-Year Ended 31 December 2021

assumptions and estimates are significant to the financial statements, are the same as those applied in the most recent annual financial statements.

2. GOING CONCERN

The half-year financial statements are prepared on a going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and liabilities in the normal course of business.

As at 31 December 2021, the consolidated entity incurred a net loss after tax of \$251,337 and cash outflows from operating activities of \$445,860. Avira successfully completed a placement during the half year ended 31 December 2021 to raise \$1.375 million and a further capital raise of \$2 million in February 2022.

Based on the recent capital raising activities, the Directors are confident that the current cash reserves are sufficient to fund the group's financial commitments as and when they fall due and have determined that the going concern assumption is appropriate for the preparation of this financial report.

3. DIVIDENDS PAID OR PROPOSED

No dividends have been provided for or paid at the reporting date (30 June 2021: Nil).

4. EXPLORATION AND EVALUATION ASSETS

| | 31/12/2021 | 30/06/2021 |
|---|----------------|----------------|
| | \$ | \$ |
| Exploration and evaluation expenditure | | |
| Balance at the beginning of the period | 371,117 | 704,762 |
| Reclassified as held for sale | - | (433,206) |
| Expenditure incurred during the period | 6,847 | 333,216 |
| Tenement write-back/ (impairment) | - | (233,355) |
| Balance at the end of the period | <u>377,964</u> | <u>371,117</u> |

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The ultimate recoverability of exploration and evaluation expenditure is dependent upon the maintenance of minimum spend requirements to ensure that the exploration licences remain in good standing, the successful development and exploitation of the area of interest, or alternatively, by its sale.

5. FINANCIAL ASSETS

This note provides information about how the Group determines fair value of various financial assets and financial liabilities. The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and

Notes to the Financial Statements

For The Half-Year Ended 31 December 2021

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31 December 2021 and 30 June 2021.

| | Six months to 31 December 2021 Fair value | Year to 30 June 2021 Fair value | Fair value hierarchy | Valuation technique |
|--|--|--|---------------------------------|--|
| | \$ | \$ | | |
| Equity investments designated at fair value through profit or loss | 128,946 | 62,500 | Level 1 | Quoted market prices in an active market |

The directors consider that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values.

Movement in equity investments designated at fair value through profit or loss:

| | Six months to 31 December 2021 \$ | Year to 30 June 2021 \$ |
|---|--|--|
| Opening balance | 62,500 | - |
| Additions | - | 65,371 |
| Fair value movement on fair value through profit or loss assets | 66,446 | - |
| Disposals | - | - |
| | <u>128,946</u> | <u>65,371</u> |

6. SEGMENT INFORMATION

Avira Resources Limited (the "Group") operates predominantly in one business segment and one geographical segment being the mining industry in Australia. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. No revenue from this activity was earned in the six months to 31 December 2021 or the prior period.

Notes to the Financial Statements

For The Half-Year Ended 31 December 2021

7. CASH AND CASH EQUIVALENTS

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 December 2021:

| | 31/12/2021 | 30/06/2021 |
|---------------------------|------------------|----------------|
| | \$ | \$ |
| Cash and cash equivalents | 1,145,006 | 304,616 |
| | <u>1,145,006</u> | <u>304,616</u> |

8. ISSUED SHARE CAPITAL

| | 31/12/2021 | 30/06/2021 |
|--|-------------------|-------------------|
| | \$ | \$ |
| 1,718,790,000 paid ordinary shares (30 June 2021: 1,375,040,000) | 32,260,246 | 31,181,314 |
| Share capital as at the end of period | <u>32,260,246</u> | <u>31,181,314</u> |

8.1 Fully paid ordinary shares

| | No of shares | Share capital \$ |
|---|----------------------|---------------------|
| As at beginning of period | <u>1,375,040,000</u> | <u>31,181,314</u> |
| September 2021 issue of ordinary shares | 343,750,000 | 1,375,000 |
| Capital raising costs | - | (296,061) |
| As at the end of period | <u>1,718,790,000</u> | <u>32,260,246</u> |

9. OPTION RESERVE

(a) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

| | 31/12/2021 | | 30/06/2021 | |
|--------------------------------|--------------------|--|--------------------|--|
| | No. of options | Weighted average exercise price \$ | No. of options | Weighted average exercise price \$ |
| Balance at beginning of period | 582,232,728 | 0.01 | 582,687,728 | 0.01 |
| Issued during the year | 443,750,000 | 0.01 | - | 0.01 |
| Exercised during the year | - | - | - | - |
| Expired Options | (57,272,728) | | (455,000) | |
| Balance at end of the period | <u>968,710,000</u> | 0.01 | <u>582,232,728</u> | 0.01 |
| Exercisable at end of year | 968,710,000 | \$0.01 | 582,232,728 | \$0.01 |

Notes to the Financial Statements

For The Half-Year Ended 31 December 2021

10. LOSS PER SHARE

| | Half-year ended 31/12/2021 Cents per share | Half-year ended 31/12/2020 Cents per share |
|---|--|--|
| Basis loss per share | (0.016) | (0.047) |
| Diluted loss per share | (0.016) | (0.047) |
| Basis loss share | \$ | \$ |
| The earnings and weighted average number of ordinary share used in the calculation of basis loss per share are as follows: | | |
| Net loss | (251,337) | (650,707) |
| Loss used in the calculation of basic EPS from continuing operations | | |
| | No. | No. |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 1,573,857,568 | 1,372,295,435 |
| Diluted loss per share | \$ | \$ |
| The loss and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows: | | |
| Net loss | (251,337) | (650,707) |
| Loss used in the calculation of diluted EPS from continuing operations | (251,337) | (650,707) |
| | No. | No. |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 1,573,857,568 | 1,372,295,435 |

Notes to the Financial Statements

For The Half-Year Ended 31 December 2021

11. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions which have been entered into with related parties during the six month period ending 31 December 2021 and 30 June 2021:

(a) Subsidiaries

| Name of subsidiary | Country of incorporation | Ownership interest | Ownership interest |
|--------------------------------|--------------------------|--------------------|--------------------|
| | | 31/12/2021 | 30/6/2021 |
| | | % | % |
| MGT Mining Limited | Australia | 89.48% | 89.48% |
| Garimperos Pty Limited (i) | Australia | 100.00% | 100.00% |
| Avira Australia Pty Ltd (ii) | Australia | 100.00% | 100.00% |
| Mount Macpherson Pty Ltd (iii) | Australia | 100.00% | 100.00% |

- i) Garimperos Pty Limited is 100% owned by MGT Mining Limited.
- ii) Avira Australia Pty Ltd was registered as a wholly owned subsidiary of Avira Resources Limited on 2 September 2016.
- iii) 100% owned by Avira Resources Limited pursuant to the acquisition of Mount Macpherson Pty Ltd as announced with ASX on 29 November 2019.

Directors' fees of \$94,145 were either over accrued or forgiven during the period and were included with other revenue.

12. TRADE AND OTHER PAYABLES

| | 31/12/2021 | 30/6/2021 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Trade and other payables | 131,771 | 142,555 |
| Accrued expenses | 12,000 | 115,127 |
| | <u>143,771</u> | <u>257,682</u> |

13. SUBSEQUENT EVENTS

As announced on 16 February 2022, the Company announced it has entered into a binding option agreement with GTT Ventures Pty Ltd ("GTT" or "Vendor") (ACN 601 029 636) granting the Company an option to acquire a 100% interest in license application ELA45/5770 ("Tenement" or "Yule Project") in the Marble Bar region of Western Australia.

On the 16 February 2022, the Company announced a placement of 400,000,000 fully paid shares (Placement Shares) at a price of \$0.005 per share to raise \$2,000,000 before costs.

There has not been any other matter or circumstance apart from the above, occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Avira Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Avira Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Responsibility of the directors for the financial report

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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2022



D I Buckley
Partner