

September Quarter 2022 Report

HyEnergy® PROJECT

During the quarter the Company finalised legally binding key terms with Total Eren to guide the development of the HyEnergy® green hydrogen project.

The agreement settled the 50:50 structure in the project and the relationship between the parties, together with their key roles as the project moves through feasibility stages.

The Company continued to make strong progress on land tenure, expanding the footprint of land subject to licences granted by the Western Australian Government. The licences issued under Section 91 of the Land Administration Act allow the company to conduct feasibility studies on site.

Three Sodar units have been relocated to more remote locations in the project area following a period of calibration with the Meteorological Mast just north of Carnarvon.

A site verification study has been awarded to GHD, a global professional services company, to confirm the suitability of the downstream site for the HyEnergy® Project. This work is expected to be completed in December 2022 and will be used to support the prefeasibility study (PFS).

The PFS has been issued for tender. The PFS is expected to be awarded in late Q4 2022 or early Q1 2023, with kick off planned for Q1 2023 and completion mid-2023. The focus of the PFS is on the downstream component of the project consisting of hydrogen electrolysers, ammonia synthesis, supporting infrastructure and port facilities.

Tenure

Province continues to significantly expand the footprint of the HyEnergy® Project by working closely with native title holders, the Yinggarda and Baiyungu people, and pastoralists in the Gascoyne region to secure the necessary approvals from the Western Australian Government.

During the quarter, licences issued under Section 91 of the Land Administration Act took the total project area to more than 3,000 square kilometres. An additional licence granted subsequent to the quarter increased that area to 4,162 square kilometres.

The size of the area now under licence reinforces Province's leading position in relation to land access for green hydrogen developments in Western Australia.

Province has commenced discussions with the Western Australian Government to secure appropriate tenure during the development stage of the project. These discussions are currently focussed on securing tenure utilising the existing provisions of the Land Administration Act.

Data Collection

Bathymetric data has been sourced to provide preliminary inputs into potential port solutions as part of the Site Verification study. The scope of the data covers the area of the downstream facility out to a depth of 15m, approximately 18km off the coast. The data indicates suitable water depths for the required port facility and supporting infrastructure needed for the project and will be used to inform further studies and refine the technical scope.

The Metmast continues to function as expected and is providing valuable real time information on wind and solar resources to assist in calibrating the Sodar units.

Three Sodar units have been relocated to collect site specific information to further assist in evaluating and understanding the resource. Whilst the data collection is ongoing, the Company has now collected up to 18 months of real time information which continues to validate that the quality of the resource is in line with expectations and earlier preliminary assessments.

Corporate

The Company finalised the negotiation of key terms with Total Eren Australia Pty Ltd (Total Eren) for the co-development of the HyEnergy® green hydrogen project.

The agreement builds on the Memorandum of Understanding signed by both parties in 2021 to support the development, which has subsequently been recognised by the Western Australian Government as a project of State significance.

The agreement on key terms keeps the HyEnergy® project at the forefront of large-scale green hydrogen developments in Australia. It recognises the value of Province's unique relationships with stakeholders in the project area, including native title holders, pastoralists and the wider community.

The agreement also recognises the deep experience and technical capability that Total Eren brings to the project.

GNAMA NICKEL-COPPER PROJECT, FRASER RANGE

Following on from previous drilling that confirmed the prospectivity of the Gnama project, having successfully intersecting a mafic intrusive body below historical supergene nickel-copper anomalism, work during the Quarter comprised review of results to date and planning for the next stage of exploration. Details are in the process of being finalised and will be released shortly, but will extend to the conducting of heritage, flora and fauna surveys across the broader Gnama project area. This will in turn provide the clearance required for a follow up drilling programme in 1H 2023, along with geophysical surveys to be conducted in parallel.

SKÅNE VANADIUM PROJECT, SWEDEN

As previously announced, metallurgical testwork conducted in 1H 2022 concluded that there was no viable process option available for the Skane mineralisation delineated at the Hörby Target in the Skåne Vanadium Project. The Company will continue to look to carry out further testwork on the Hörby samples however it is likely it will have to seek new and innovative processing options which may assist in unlocking the potential of this part of the project.

The previously announced ruling of The Land and Environment Court of Appeal at Växjö District Court, that the Court had rejected appeals against the Company's approval to conduct its proposed ten-hole drilling programme at the Tomelilla Target in the Skåne Vanadium Project, provides an alternate pathway for the Company with respect to unlocking the potential of the Skåne Vanadium Project.

The proposed programme comprises 10 holes in an area where historic drilling reported grades at Fågeltafta-2 (9.7m @ 0.61% V₂O₅) and Gislövshammar-2 (9.2m @ 0.67% V₂O₅) and from surface sampling at Flagabro Creek (~10m @ 0.61% V₂O₅). The programme is designed to test these higher grade areas for mineralisation and the Company hopes to replicate historical results which have been consistent throughout the formation.

Province has estimated a maiden JORC Mineral Resource of 116.9Mt @ 0.39% V₂O₅ at the Hörby Target in the Skåne Vanadium Project. The high tonnage, near surface, resource estimated at Hörby reflects the widespread stratigraphic hosted vanadium mineralisation across the licences, giving confidence that further drilling could generate additional Mineral Resources over higher-grade targets (including Tomelilla) on the 98% of the licences that remain unexplored.

CORPORATE

Cash balance and Related Party Payments

At the end of the quarter the Company had a cash balance of \$18.82 million.

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was \$730,000 Full details of exploration activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter as set out in Section 6.1 of the attached Appendix 5B relate to director salaries and fees in the quarter.

Exploration Expenditure

The Company's exploration expenditure on its projects is set out in the accompanying quarterly cash flow report (Appendix 5B), summarised as follows:

Description	Amount \$
Exploration Projects	110,000
HyEnergy™ Project	620,000

ESG

A further two disclosures in the Province ESG Report have progressed and have been verified by World Economic Forum Stakeholder Capitalism Metrics platform provider, SocialSuite. A dashboard is provided below.

Province has adopted the TCFD framework and is currently developing the recommended disclosures and continues to enhance internal policies and processes. We continue to record and collate data on our GHG Scope 1 and Scope 2 emissions and are currently investigating our Scope 3 emissions.

Sponsorship and support of local community events continued with sponsorship of the “Let’s Talk” Basketball Carnival in Carnarvon. The program helped raise awareness of issues related to suicide, mental health and smoking, and served to increase community members’ awareness and knowledge of support services and programs available.

Province Resources ASX:PRL		Progress			
		Period 5 (Apr to Jun 2022)		Period 6 (Jul to Sep 2022)	
Code	Description	Status	Progress (A1-A5)	Status	Progress (A1-A5)
Governance					
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	VERIFIED	C C C C C	VERIFIED	C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	VERIFIED	C C C C C	VERIFIED	C C C C C
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	VERIFIED	C C C C C	VERIFIED	C C C C C
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	VERIFIED	C C C	VERIFIED	C C C
GO-04-C2	Mechanisms to protect ethical behaviour	VERIFIED	C C	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	VERIFIED	C C C C C	VERIFIED	C C C C C
Planet					
CLIMATE CHANGE					
PL-01-C1	GHG emissions	REPORTED	N N C	REPORTED	N N C
PL-01-C2	TCFD implementation	REPORTED	N N N	REPORTED	N N C
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	REPORTED	N N N N N	REPORTED	N N N N N
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	REPORTED	N N N N N	REPORTED	N N N N N
People					
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	VERIFIED	C C C C C	VERIFIED	C C C C C
PE-01-C2	Pay equality	VERIFIED	C C C C	VERIFIED	C C C C
PE-01-C3	Wage level	VERIFIED	C C	VERIFIED	C C
PE-01-C4	Child, forced or compulsory labour	VERIFIED	C	VERIFIED	C
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	REPORTED	N C	VERIFIED	C C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	VERIFIED	C C	VERIFIED	C C
Prosperity					
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	REPORTED	C C	VERIFIED	C C
PR-01-C2	Economic contribution	REPORTED	C N	VERIFIED	C C
PR-01-C3	Financial investment contribution	REPORTED	C N	REPORTED	N C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	REPORTED	N	REPORTED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	REPORTED	N	VERIFIED	C

Compliance Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource is extracted from the report entitled "Maiden JORC Mineral Resource at Skåne" created on 18 December 2019. The information in this report that relates to Exploration Results is extracted from ASX announcements previously lodged. The Company confirms that it is not aware of any new information or data that materially affects the information included in prior announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from previous announcements.

This announcement has been approved by the Board.

For more information contact:

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Schedule of Tenements - Australia

Name	Tenement	Ownership at beginning of quarter	Ownership at end of quarter
Gnama	EL 63/1933	100%	100%
Gnama	EL 63/1934	100%	100%
Gnama	EL 63/1935	100%	100%

Tenement Applications - Australia

Name	Tenement
HyEnergy Project	ELA 09/2507
HyEnergy Project	ELA 09/2508
HyEnergy Project	ELA 09/2510
HyEnergy Project	ELA 09/2511
HyEnergy Project	ELA 09/2512
HyEnergy Project	ELA 09/2513
HyEnergy Project	ELA 09/2514
HyEnergy Project	ELA 09/2528
HyEnergy Project	ELA 09/2529
HyEnergy Project	ELA 09/2530
HyEnergy Project	ELA 09/2537
HyEnergy Project	ELA 09/2486
HyEnergy Project	ELA 09/2487
HyEnergy Project	ELA 09/2488
HyEnergy Project	ELA 09/2489
HyEnergy Project	ELA 09/2490
HyEnergy Project	ELA 09/2491
HyEnergy Project	ELA 09/2492
Pascalie	ELA 45/5754

Schedule of Tenements – Sweden

Name	Tenement	Ownership at beginning of quarter	Ownership at end of quarter
Killeröd	EP 93/2018	100%	100%
Virrestad	EP 94/2018	100%	100%
Andrarum	EP 469/2018	100%	100%
Fågeltofta 1	EP 299/2018	100%	100%
Fågeltofta 2	EP 471/2018	100%	100%
Flagabro	EP 470/2018	100%	100%
Hörby	EP 475/2018	100%	100%
Tosterup	EP 476/2018	100%	100%
Hammenhög	EP 473/2018	100%	100%
Järrestad	EP 474/2018	100%	100%
Gislövshammar	EP 472/2018	100%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Province Resources Limited

ABN

83 061 375 442

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(110)	(110)
(b) development	-	-
(c) production	-	-
(d) staff costs	(432)	(432)
(e) administration and corporate costs	(369)	(369)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	64	64
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (green hydrogen project)	(620)	(620)
1.9 Net cash from / (used in) operating activities	(1,467)	(1,467)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(113)	(113)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets (security deposit)	(2)	(2)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(115)	(115)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	50	50
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	37	37

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,368	20,368
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,467)	(1,467)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(115)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	37	37

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	18,822	18,822

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,488	4,034
5.2	Call deposits	16,334	16,334
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,822	20,368

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	101
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 Directors fees & salaries.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,467)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,467)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18,822
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	18,822
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.83
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 OCTOBER 2022.....

Authorised by:BY THE BOARD.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.