



AVIRA RESOURCES
LIMITED

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2022

ACN 131 715 645

Table of Contents

	PAGE NO.
Directors' Report	3-10
Auditor's Independence Declaration	10
Directors' Declaration	11
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Condensed Consolidated Statement of Financial Position	13
Condensed Consolidated Statement of Changes in Equity	14
Condensed Consolidated Statement of Cash Flows	15
Notes to the Half-Year Financial Statements	16-22
Independent Auditor's Review Report	23

Directors' Report

Your directors submit their report for the half-year ended 31 December 2022.

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 period included mineral exploration, identification and evaluation activities associated with mineral exploration.

Operating and financial review

(a) Review of operations

Corporate Activities

Avira received shareholder approval at the general meeting of the Company on 29 July 2022 for an offer of a new class of options at an issue price of \$0.0002 with an exercise price of \$0.008 per option expiring on 31 December 2024 (Priority Offer) (Refer to the Prospectus lodged on 8 July 2022 for details). The issue of 968,710,000 Priority Offer options at \$0.0002 raised \$193,742 (before costs).

The Company held its AGM on Tuesday 22nd November with all resolutions tabled (refer to ASX release dated 21 October 2022) being passed as per ASX announcement "Results of AGM" dated 22 November 2022.

Avira continues to develop existing exploration projects and assess new project opportunities, via both acquisitions and applications in its own right.

Operational Activities

Puolalaki Cu-Ni-Co Project (Sweden)

As announced on 10 October 2022, Avira entered into a binding Heads of Agreement (**HoA**) with Scott Geological AB and Outlier Geoscience Pty Ltd, together the owners of the highly prospective Puolalaki Ni-Cu-Co Project (**Puolalaki Project**).

The Puolalaki Project comprises a single exploration permit (Puolalaki nr 100) centred over the target gabbro intrusion, owned 50% by Scott Geological AB and 50% by Outlier Geoscience Pty Ltd.

It is located in Sweden's premier Gällivare mining district which is host to Europe's largest open-cut copper mine Aitik, owned by Boliden and to LKAB's Malmberget iron-ore mine.

Directors' Report



Figure 1: Puolalaki Project location and images showing Ni-Cu mineralisation from project drill-core.

At Puolalaki, (50km SE of Gällivare) Ni-Cu mineralisation is hosted in a syn-orogenic gabbro intrusion that displays evidence of fractional crystallisation and segregation of the mafic melt. Blebby euhedral magmatic sulphide textures are evident in drillholes PNO98004 and PNO98005. In 1998, exploration company North Atlantic Natural Resources (NAN) drilled two holes intercepting magmatic sulphides at Puolalaki effectively confirming the occurrence of Ni-Cu-Co mineralisation within the gabbro intrusion, significant intercepts included:

- **PNO98004:** 24.1m @ 0.28% Ni, 0.22% Cu, and 0.035% Co from 66.3m
Inc. 10m @ 0.41% Ni, 0.23% Cu and 0.053% Co from 78.3m
- **PNO98005:** 17.1m @ 0.37% Ni, 0.26% Cu and 0.050% Co from 78.2m
Inc. 6m @ 0.54% Ni, 0.19% Cu and 0.070% Co from 78.2m
Inc. 5.9m @ 0.51% Ni, 0.54% Cu and 0.070% Co from 89.5m

Within a few months of discovering Ni-Cu mineralisation at Puolalaki, NAN discovered Zn-Cu mineralisation at Storliden, near the town of Malå. The Storliden deposit (1.8Mt @ 10.3% Zn, 3.5% Cu) was subsequently mined as a joint venture between NAN and Boliden and no further work was completed at Puolalaki by NAN.

The Ni-Cu mineralisation at Puolalaki has never been followed-up since its discovery in 1998 and consequently provides a fantastic opportunity to carry-out modern, high-powered geophysics over the Puolalaki Project to test the gabbro intrusion for more extensive sulphide mineralisation at depths previously untested (historic geophysics completed at Puolalaki had a penetration depth of approx. 50m).

Drilling designed from high-powered, targeted fixed-loop electromagnetic surveying (FLEM) may lead to the discovery of the first major Ni-Cu-Co deposit hosted in the Proterozoic rocks of northern Sweden, at a time when demand for these metals in Europe could not be higher.

Directors' Report



Figure 2: Regional location and mineralisation setting for the Puolalaki Project

In addition to the Ni-Cu mineralisation at Puolalaki, the project also contains significant, high-grade gold (\pm Cu, W, Mo) mineralisation. The bulk of the historic exploration at Puolalaki was focused on the gold mineralisation that was first discovered by LKAB during the 1980's whilst exploring for metallurgical olivine within the Puolalaki gabbro.

At least two zones of gold mineralisation (refer Figure 3) have been delineated through diamond drilling (<50 drillholes) at Puolalaki where the gold is hosted in gneissic metasedimentary and metavolcanic rocks intruded by granodiorite to tonalite bodies; a sequence of host rocks not dissimilar to the nearby Aitik deposit. Scheelite, chalcopyrite and molybdenite often accompany the gold-arsenic mineralisation and visible gold (0.8mm) has been observed. The gold mineralisation is currently open at depth and along strike.

Gold intercepts from the early LKAB drilling include: **PUO11**: 20.7m @ 1.1g/t Au from 36.5m Inc. 4.7m @ 3.2g/t Au from 39.5m. **PUO22**: 17m @ 1g/t Au from 48.8m **PUO23**: 3.1m @ 2.9g/t Au from 24.4m **PUO24**: 7.3m @ 2.8g/t Au from 26m Inc. 0.7m @ 22.7g/t Au from 31.6m **PUO26**: 4.4m @ 8.9g/t Au from 54.9m Inc. 2.1m @ 18.5g/t Au from 56.2m **PUO27**: 11.5m @ 1.3g/t Au from 28.4m **PUO28**: 2.3m @ 3.1g/t Au from 52.1m.

Gold intercepts from the NAN gold drilling include: **PNO98003**: 7.5m @ 3.4g/t Au from 71.9m. **PNO98003**: 7.9m @ 3.9g/t Au from 85.6m.

Directors' Report

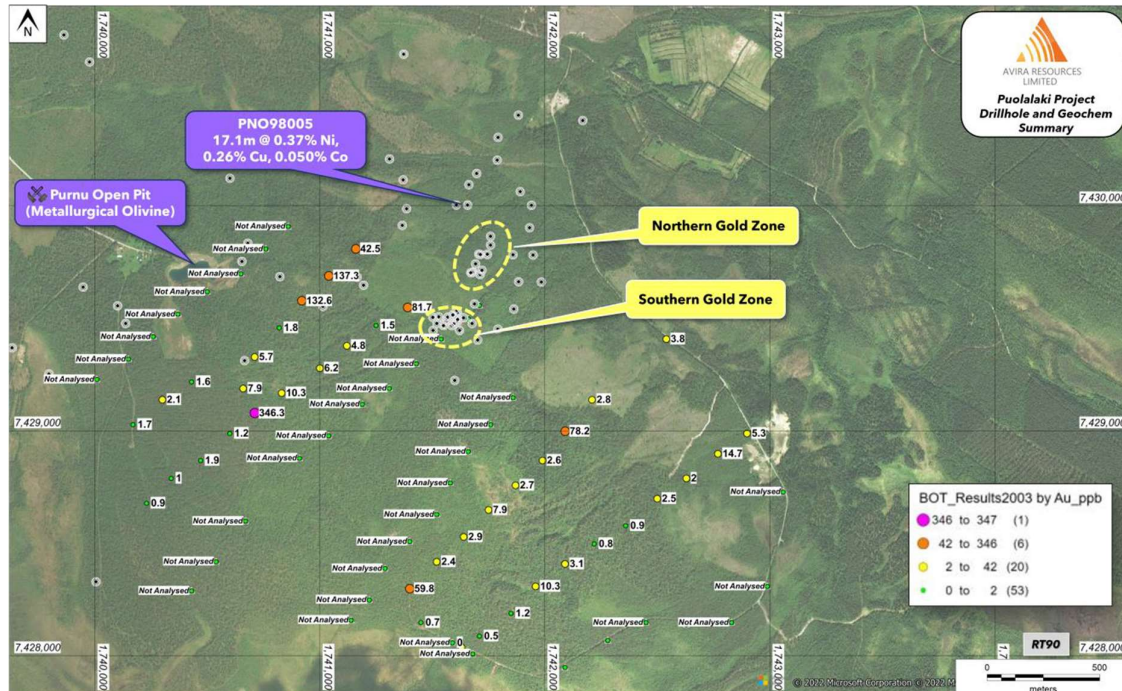


Figure 3: Drillhole location and geochemistry anomaly map for the Puolalaki Project

Several bottom-of-till (BOT) and C-horizon soil sampling anomalies (gold) remain untested by drilling and provide significant upside potential for the gold mineralisation.

The southwestern gold geochemical anomaly is robust over an area of ~800m x 250m with a peak assay of 346ppb Au whereas the southeastern anomaly is less robust with a peak assay of 59.8ppb Au (refer Figure 3).

Fixed Loop Ground and Downhole TEM

A fixed-loop configuration was used with a transmitter loop of 600x400m, a survey line spacing of 50-100m and a station spacing of 25-50m for a total of 7.5 line-km. The base frequency was 1hz, with a minimum of 3 readings per station.

Three of the historic diamond drillholes were first dummy probed to check if they were open and amenable to downhole surveying; all three holes were open and subsequently surveyed with a transmitter loop of 600x400m and a station spacing of 5-10m.

Processed data from the, FLEM and DHEM surveys was received in mid-February 2023. Data and results from the UAV-borne magnetic survey is expected to be received in early March 2023.

An initial diamond drilling program of approximately 1,000m is estimated to take approximately 4-6 weeks to complete from the date of rig mobilisation.

Directors' Report

Paterson Range projects, WA

Avira currently holds two tenement packages within the Paterson Range province, 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.

Mount Macpherson

A high powered, systematic moving-loop TEM (MLTEM) survey program was performed at the Mt Macpherson project area in the Telfer district between the 3rd and 15th July 2022 by Southern Geoscience Consultants on behalf of Avira Resources. MLTEM efforts encompassed a total of four traverse lines (single block) for 17-line kms of surveying (89stns).

All data was acquired with a SMARTem24 instrument combined with an DRTX transmitter and a SMARTcoil sensor working at a low base frequency of 1Hz (250ms time base).



Figure 4: MLTEM Surveying completed at the Mt McPherson project.

Line	Base Freq (Hz)	Data Compts	Line Start		Line End		No. Stns	Coverage (m)	
			Easting	Northing	Easting	Northing			
250N	1	ZXY	354426	7574698	358627	7572827	24	4600	
500N	1	ZXY	354650	7575693	358852	7573822	24	4600	
750N	1	ZXY	354690	7576770	358710	7574980	23	4400	
1000N	1	ZXY	355463	7577521	358570	7576140	18	3400	
							TOTALS	89	17 000

Table 1: Summary of MLTEM Acquisition

A total of 4 lines of high powered MLTEM surveying were completed within the Mt Macpherson project area, totaling 17-line kms of surveying (89stns). All surveying was completed using a single turn 200x200m transmitter loop, with in-loop coil dB/dt (ZXY components) sensor measurements being recorded. A summary outlining the detailed results defined by the surveying is provided below.

Directors' Report

Background/conductive overburden effects were limited so HP MLTEM surveying is deemed to have been highly effective in the project area. Overall, on average, noise levels observed were low at ~0.1-0.2uV/A in the data resulting in a high-quality final dataset.

No bedrock conductors worthy of follow up have been identified from this survey. CDI's have been created for each line to visualise if any depth extension is present. The CDIs confirm the responses are shallow and related to changes in overburden thickness. Based on the responses seen MLTEM would be adequate to see any bedrock conductors in the area due to minimal IP effects and conductive overburden.

Further exploration work on the Paterson Range projects is currently being considered with a decision to proceed with further ground based exploration activity (including additional FLEM and air core drilling) will be made ahead of the upcoming 2023 exploration season.

Subsequent Events

Subsequent to 31 December 2022, Avira Resources completed the first stage of the planned exploration program of the FLEM, DHEM and UAVsurvey at the Puolalaki Cu-Ni-Co Project located in northern Sweden (refer ASX announcement on 27 January 2023). These results support an initial diamond core drill program of approximately 1,000m. A drill rig is currently being sourced with the program slated to commence in the 2nd quarter of 2023.

In addition, the Company made the decision to relinquish its five Exploration Licence Applications (ELAs) related to the Wyloo REE project located in the Gascoyne region of Western Australia. This allows the Company to focus its attention and resources on the Swedish based Puolalaki Project and the Paterson Range project located in the Pilbara region of Western Australia.

Tenement Table

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	19-August-20	18-August-25	Avira	E45/5567
Puolalaki (Sweden)							
NR100	Puolalaki	16	Kms ²	21-Dec-2018	21-Dec-2023	Scott Geological AB	N/A

Table 2. Avira Resources Tenement Register (at 28th February 2023).

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 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.

Directors' Report

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 Simon Coxhell. Mr Coxhell is a consultant geologist for Avira and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell 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 Coxhell consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

ASX Listing Rules Compliance

In preparing the Half Year Report for the period ended 31 December 2022 and to date, the Company has relied on the following ASX announcements.

ASX Announcement	30/1/2023	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B
ASX Announcement	27/1/2023	AVIRA COMPLETES INITIAL GROUND BASED EXPLORATION PROGRAM
ASX Announcement	22/11/2022	RESULTS OF AGM
ASX Announcement	7/11/2022	AVW - PROJECT EXPLORATION PROGRAM COMMENCED
ASX Announcement	27/10/2022	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B
ASX Announcement	21/10/2022	NOTICE OF ANNUAL GENERAL MEETING/PROXY FORM
ASX Announcement	17/10/2022	CLEANSING NOTICE
ASX Announcement	17/10/2022	APPLICATION FOR QUOTATION OS SECURITIES - AVW
ASX Announcement	10/10/2022	PROPOSED ISSUE OF SECURITIES – AVW
ASX Announcement	10/10/2022	AVIRA SIGNS AGREEMENT TO ACQUIRE NI-CU-CO PROJECT IN SWEDEN
ASX Announcement	30/9/2022	APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT
ASX Announcement	30/9/2022	AVW – ANNUAL REPORT 30 JUNE 2022
ASX Announcement	27/9/2022	DATE OF AGM AND CLOSING DATE FOR DIRECTOR NOMINATIONS
ASX Announcement	12/8/2022	APPENDIX 3Y
ASX Announcement	12/8/2022	AVWOA – TOP 20 HOLDERS AND DISTRIBUTION SCHEDULE
ASX Announcement	12/8/2022	APPLICATION FOR QUOTATION OF SECURITIES – AVW
ASX Announcement	29/7/2022	RESULTS OF MEETING
ASX Announcement	26/7/2022	QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B
ASX Announcement	11/7/2022	APPENDIX 3Y – SC
ASX Announcement	8/7/2022	OPTIONS PROSPECTUS
ASX Announcement	30/06/2022	AVW – OPERATIONAL UPDATE
ASX Announcement	3/06/2022	EXPIRY OF LISTED OPTIONS AND PRIORITY OPTIONS OFFER

Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Half Year Report.

Auditor's independence declaration

The auditor's independence declaration is included on page 10 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 Directors



David De Loub
Executive Director
Dated: 27/02/2023

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 2022, 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
27 February 2023**



**D I Buckley
Partner**

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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 2022 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 2022 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: 27/02/2023

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2022**

	Notes	Consolidated Half-year ended	
		31/12/2022 \$	31/12/2021 \$
Revenues			
Other revenue	11	7,757	94,527
Fair value gain on financial assets		-	66,446
Expenses			
Employee benefits expense		(100,235)	(109,238)
Impairment of non-current assets held for sale		-	(12,886)
Administration expense		(240,845)	(195,252)
Other expense		(103,925)	(61,333)
Exploration and evaluation expenditure		(21,137)	(33,601)
Loss before tax		(458,385)	(251,337)
Income tax (expense)/ benefit		-	-
Loss after tax		(458,385)	(251,337)
Total comprehensive loss for the period		(458,385)	(251,337)
Loss for the period is attributable to:			
Owners of the parent		(458,385)	(251,337)
Non-controlling interest		-	-
Loss for the period		(458,385)	(251,337)
Total comprehensive loss for the period is attributable to:			
Owners of the parent		(458,385)	(251,337)
Non-controlling interest		-	-
Total comprehensive loss for the period		(458,385)	(251,337)
Loss per share (cents per share)			
Basic loss per share	10	(0.022)	(0.016)
Diluted loss per share	10	(0.022)	(0.016)

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 2022**

	Notes	Consolidated	
		31/12/2022	30/06/2022
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,020,287	2,387,627
Other assets		5,475	5,475
Other receivables		75,000	75,000
Total current assets		2,100,762	2,468,102
Non-current assets			
Plant and Equipment		24,067	26,966
Exploration and evaluation expenditure	4	595,278	377,964
Financial assets	5	43,751	54,740
Total non-current assets		663,096	459,670
TOTAL ASSETS		2,763,858	2,927,772
LIABILITIES			
Current liabilities			
Trade and other payables	12	171,917	131,188
Unsecured borrowings		3,645	3,645
Total current liabilities		175,562	134,833
TOTAL LIABILITIES		175,562	134,833
NET ASSETS/(LIABILITIES)		2,588,296	2,792,939
EQUITY			
Issued capital	8	34,190,246	34,130,246
Reserves	9	3,118,348	2,924,606
Accumulated losses		(33,548,618)	(33,090,233)
Equity attributable to owners of the parent		3,759,976	3,964,619
Non-controlling interest		(1,171,680)	(1,171,680)
TOTAL EQUITY		2,588,296	2,792,939

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

**Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2022**

CONSOLIDATED	Attributable to equity holders of the parent				
	Fully paid ordinary shares	Accumulated losses	Reserves	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$
At 1 July 2022	34,130,246	(33,090,233)	2,924,606	(1,171,680)	2,792,939
(Loss) for the period	-	(458,385)	-	-	(458,385)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(458,385)	-	-	(458,385)
Options issued	-	-	193,742	-	193,742
Issuance for the year (net of costs)	60,000	-	-	-	60,000
At 31 December 2022	34,190,246	(33,548,618)	3,118,348	(1,171,680)	2,588,296
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)
Options issued	-	-	200,000	-	200,000
Issuance for the year (net of costs)	1,078,932	-	-	-	1,078,932
At 31 December 2021	32,260,246	(32,425,326)	2,924,606	(1,171,680)	1,587,846

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 2022**

	Consolidated	
	31/12/2022	31/12/2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(388,708)	(445,901)
Interest received	7,757	382
Interest paid	(142)	(341)
Net cash flows (used in) operating activities	<u>(381,093)</u>	<u>(445,860)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(120,849)	-
Other	6,542	-
Net cash flow (used in) investing activities	<u>(114,307)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issues of equity securities	193,742	1,286,250
Payment of share issue costs	(65,682)	-
Net cash flow provided by financing activities	<u>128,060</u>	<u>1,286,250</u>
Net increase/(decrease) in cash and cash equivalents	(367,340)	840,390
Cash and cash equivalents at beginning of period	2,387,627	304,616
Cash and cash equivalents at end of period	<u><u>2,020,287</u></u>	<u><u>1,145,006</u></u>

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 2022

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This condensed financial report for the half-year ended 31 December 2022 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 2022 and considered together with any public announcements made by Avira Resources Limited during the half-year ended 31 December 2022 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 2022

In the period ended 31 December 2022, 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 2022. 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 2022

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.

For the period ending 31 December 2022, the consolidated entity incurred a net loss after tax of \$458,385, had cash outflows from operating activities of \$381,093 and had working capital at period end of \$1,952,000.

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 2022: Nil).

4. EXPLORATION AND EVALUATION ASSETS

	31/12/2022	30/06/2022
	\$	\$
Exploration and evaluation expenditure		
Balance at the beginning of the period	377,964	371,117
Expenditure incurred during the period	217,314	6,847
Balance at the end of the period	<u>595,278</u>	<u>377,964</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 and the successful development and exploitation of the area of interest, or alternatively 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 observability 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

For The Half-Year Ended 31 December 2022

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 2022 and 30 June 2022.

	Six months ended 31 December 2022 Fair value	Year ended 30 June 2022 Fair value	Fair value hierarchy	Valuation technique
	\$	\$		
Equity investments designated at fair value through profit or loss	43,751	54,740	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 of their fair values.

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

	Six months to 31 December 2022 \$	Year to 30 June 2022 \$
Opening balance	54,740	65,371
Fair value movement on fair value through profit or loss assets	-	(10,631)
Disposals	(10,989)	-
	43,751	54,740

6. SEGMENT INFORMATION

Avira Resources Limited (the "Group") operates predominantly in one business segment and two geographical segment being the mining industry in Australia and Sweden. 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 2022 or the prior period.

Notes to the Financial Statements

For The Half-Year Ended 31 December 2022

(a) Segment Assets

	Australia \$	Sweden \$	Total \$
Opening balance 1 July 2022	2,927,772	-	2,927,772
Movement	(281,581)	117,667	(163,914)
Closing balance 31 December 2022	<u>2,646,191</u>	<u>117,667</u>	<u>2,763,858</u>

(b) Segment Liabilities

	Australia \$	Sweden \$	Total \$
Opening balance 1 July 2022	134,833	-	134,833
Movement	14,178	26,551	40,729
Closing balance 31 December 2022	<u>149,011</u>	<u>26,551</u>	<u>175,562</u>

7. CASH AND CASH EQUIVALENTS

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 December 2022:

	31/12/2022 \$	30/06/2022 \$
Cash and cash equivalents	<u>2,020,287</u>	<u>2,387,627</u>
	<u>2,020,287</u>	<u>2,387,627</u>

8. ISSUED SHARE CAPITAL

	Half-Year to 31 Dec 2022		Year to 30 Jun 2022	
	No.	\$	No.	\$
Ordinary shares on issue	2,133,790,000	34,190,246	2,118,790,000	34,130,246
	<u>2,133,790,000</u>	<u>34,190,246</u>	<u>2,118,790,000</u>	<u>34,130,246</u>

	Half-Year to 31 Dec 2022		Year to 30 Jun 2022	
	No.	\$	No.	\$
Ordinary shares				
<i>Movement in number of fully paid ordinary shares</i>				
Opening balance	2,118,790,000	34,130,246	1,375,040,000	31,181,314
Shares issued on placement	-	-	743,750,000	2,948,932
Shares issued for acquisition of assets	15,000,000	60,000	-	-
Closing balance	<u>2,133,790,000</u>	<u>34,190,246</u>	<u>2,118,790,000</u>	<u>34,130,246</u>

Notes to the Financial Statements

For The Half-Year Ended 31 December 2022

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:

	31/12/2022		30/06/2022	
	No. of options	Weighted average exercise price \$	No. of options	Weighted average exercise price \$
Balance at beginning of period	968,710,000 ¹	0.01	582,232,728	0.01
Issued during the year	-	0.01	443,750,000	0.01
Exercised during the year ¹	968,710,000	0.008	-	-
Expired Options ¹	(968,710,000)		(57,272,728)	-
Balance at end of the period	968,710,000	0.01	968,710,000	0.01
Exercisable at end of year	968,710,000	\$0.008	968,710,000	\$0.01

¹Expiry of Options (AVWO) on 10 July 2022, as announced on 3 June 2022. The issue of 968,710,000 Priority Offer options at \$0.0002 raised \$193,742 (before costs). Each new quoted option is exercisable at \$0.008 each and expiring at 5:00pm (WST) on 31 December 2024.

10. LOSS PER SHARE

	Half-year ended 31/12/2022 Cents per share	Half-year ended 31/12/2021 Cents per share
Basis loss per share	(0.022)	(0.016)
Diluted loss per share	(0.022)	(0.016)

Basis loss share

\$

\$

The earnings and weighted average number of ordinary shares used in the calculation of basis loss per share are as follows:

Net loss	(458,385)	(251,337)
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	2,124,985,652	1,573,857,568

Notes to the Financial Statements

For The Half-Year Ended 31 December 2022

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	(458,385)	(251,337)
Loss used in the calculation of diluted EPS from continuing operations		(251,337)
	No.	No.
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,124,985,652	1,573,857,568

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 2022 and 30 June 2022.

(a) Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest 31/12/2022 %	Ownership interest 30/6/2022 %
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.

12. TRADE AND OTHER PAYABLES

	31/12/2022 \$	30/6/2022 \$
Trade and other payables	159,917	111,188
Accrued expenses	12,000	20,000
	<u>171,917</u>	<u>131,188</u>

13. SUBSEQUENT EVENTS

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.

Notes to the Financial Statements
For The Half-Year Ended 31 December 2022

14. CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 31 December 2022 (30 June 2022: None).

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 2022, 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 Group 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 Group's financial position as at 31 December 2022 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.

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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 Group's financial position as at 31 December 2022 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
27 February 2023



D I Buckley
Partner