Province Resources Limited

ABN 83 061 375 442

Annual Report - 30 June 2023

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

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Province Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

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

Patrick Burke	Non-Executive Chairman
David Frances	Managing Director
Kylah Morrison	Non-Executive Director
Roger Martin	Non-Executive Director

Company Secretary

Ian Hobson

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:
- mineral exploration
- pre-feasibility study of the HyEnergy® - Zero Carbon Hydrogen Project

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $8,255,031 (30 June 2022: $8,753,409).

HyEnergy® Green Hydrogen Project

The Company continued to progress the HyEnergy® project during the period with a site verification study being completed by GHD to confirm the suitability of the downstream site for the HyEnergy® Project. Based on the outcomes of this study a marine geophysical survey was commissioned and completed, the results of which will be used to support the feasibility of establishing a port facility at the downstream area of the project. The findings of the site verification study have concluded that there are no fundamental issues with the downstream site selection and has concluded that it is suitable for the intended purpose of the HyEnergy® project, comprising the downstream processing plant, product storage, loading, export, port and all supporting utilities and infrastructure.

The Company also continued to progress the HyEnergy® project with global engineering firms GHD and Aurecon appointed to undertake the downstream and upstream components of the pre-feasibility study (PFS) for a large multi-gigawatt scale project respectively.

A separate PFS for a smaller project, wholly contained within the Town Common, has been awarded to GHD. This project is focused on a commercial scale project comprising 200-250MW of wind turbines and solar arrays with 160-200MW of hydrogen electrolysis and associated ammonia production facilities. Allowance has been made for storage and export of approximately 100,000 to 125,000 tonnes per annum of green ammonia (equivalent).

Province has continued negotiation of an Indigenous Land Use Agreement (ILUA) with the Yingaarda native title holders over the footprint of the project, which is progressing extremely well.

Support from the Baiyungu (NTGAC) and Yinggarda groups follows significant engagement with the native title parties over the past 12 months. It allows Province to commence discussions on Indigenous Land Use Agreements (ILUAs) which would cover the construction and operation of the HyEnergy® Project.

Province also continues discussions with the Western Australian Government to secure appropriate tenure during the development stage of the project. These discussions are currently focused on securing tenure utilising the existing provisions of the Land Administration Act. During the period a S.91 licence was granted for the land side area of the proposed marine port – ASX announcement 26/06/2023.

Province, in conjunction with ASX, formed the view that the HyEnergy® Project is now the Company's main undertaking. This potentially constitutes a change in the nature and scale of Province's activities. As a result, in order to continue advancing the HyEnergy® Project, Province must seek to re-comply with new listing requirements set out in Chapters 1 and 2 of the Listing Rules in order to remain listed.

On the 6 April 2023, following discussions with ASX, the Board decided to place Province's shares into suspension while it completes the pre-feasibility study (PFS) for the HyEnergy® Project, and the Company can demonstrate secure tenure, funding ability, an executed Indigenous Land Use Agreement (ILUA), and has an offtake agreement for product from the HyEnergy® project, at which point it will apply to ASX to undertake a re-compliance listing.

On 16 April 2023 an exclusivity arrangement with Total Eren regarding the HyEnergy® Project expired. Province is in discussion with other potential partners and offtakers for the HyEnergy® project.

Fraser Range - Gnama Nickel-Copper Project

The Gnama Project is located at the southern end of the Fraser Range, host to several recent nickel discoveries including Nova-Bollinger (Sirius Resources/IGO), Silver Knight (Creasy Group) and Mawson (Legend Mining).

Work during the period was confined to review of results to date and planning for the next stage of exploration.

Skåne Vanadium Project

Skåne Vanadium Project is located on the southern-most tip of Sweden, with the project area about one hour's drive from Malmo. The project comprised 11 granted licences totalling ~220km^2**.**

No work was carried out during the period and the Company has taken the decision to allow licences that comprise the project to expire. Two licences, Killeröd and Virrestad, expired in July after the end of the reporting period and the balance will be expire in October.

Paterson Province: Pascalle Copper - Gold Project

As announced to ASX on 16 September 2021, Province entered into an binding agreement with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascalle Project. During the period amendments were made to the agreement to address changes in circumstances that had arisen since September 2021. The terms of the agreement are now complete, with Province having received a total of $200,000 from GGP for the Pascalle Project. Province does not retain any interest in the Pascalle Project.

Significant changes in the state of affairs

4,416,666 Class A Performance Rights were converted into Ordinary Shares during the year ended 30 June 2023.

At the Company's AGM on 23 November 2022, it was approved to amend the vesting condition of the Performance Rights as follows:

Class	Vesting conditions	Last vesting date
Class B	Vesting upon the Company announcing publicly: (a) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert ("Independent Expert"); and (b) a decision to proceed to a definitive feasibility study on the HyEnergy Project ("DFS").	31 March 2024
Class C	Vesting upon the Company announcing publicly it has completed a positive DFS as signed off by an Independent Expert.	30 June 2025
Class D	Same as Class B	31 March 2024
Class E	Same as Class C	30 June 2025

The following options were converted into fully paid ordinary shares during the year:

Date converted	Number converted	Exercise price	Expiry date
24/08/2022	1,250,000	$0.040	13/11/2022

3,830,000 options expired unexercised on 13 November 2022, they had an exercise price of $0.04 each.

Wholly owned subsidiary Exenergy Pty Ltd was incorporated on 3 February 2023.

The ordinary shares of the Company were suspended from quotation on the ASX effective from 6 April 2023.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The Consolidated Entity’s environmental obligations are regulated under Swedish and Australian laws. The Company has a policy of exceeding or at a minimum complying with its environmental performance obligations.

During the financial year, the Consolidated Entity did not materially breach any particular or significant Swedish or Australian regulation in respect to environmental management.

Business risks
The Group is engaged in feasibility studies for the HyEnergy® - Zero Carbon Hydrogen Project and mineral exploration activities which, by their very nature, are speculative. Due to the high-risk nature of the Group’s business and the present stage of the various projects, the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The key risks which the Group is subject to and the associated management strategies are summarised below.

Exploration and development risks

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Group. There can be no assurance that exploration on the Projects, or any other exploration tenure that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. The group endeavours to mitigate these risks to reduce uncertainty and increase value in mineral exploration be collecting, managing, and sharing high-quality data and knowledge.

Commercially viable market for green hydrogen

From both a global perspective and domestically, the market for green hydrogen is at an emerging stage. The Group expects that the green hydrogen market will grow considerably in the upcoming years. However, there can be no guarantee that the development of the green hydrogen market will occur at the pace which the Group is expecting.

Growth of the green hydrogen market is dependent on the continuous development of technologies for end-use applications. If such technologies are not sufficiently developed to reach parity in terms of cost and ease of use with existing fossil fuel-based solutions, the end-markets for green hydrogen may not become sufficiently tangible to justify large-scale investments in green energy projects. Any such delay or failure to develop a commercialised green hydrogen market could significantly harm the Company's financial condition and the Company may be unable to fully recover expenses incurred in the development of the HyEnergy® Project. The Group continue to monitor growth of the green hydrogen market and are actively engaging with potential off-takers to prove up demand for the HyEnergy® Project.

Studies and economic feasibility

The Group is currently undertaking pre-feasibility studies and intends to undertake definitive feasibility studies on the HyEnergy® Project. The Group intends to complete such studies within parameters designed to determine the technical and economic feasibility of the projects within certain limits.

There can be no guarantee that any of these studies will confirm the technical and economic viability of the projects or that the results of other studies undertaken by the Group will be consistent with the results of previous studies undertaken. Even if a study confirms the technical and economic viability of a project, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in a feasibility study. The Group has engaged and will continue to engage industry experts in undertaking these studies to ensure they are robust.

Gas price and exchange rate risk

The demand for, and price of, gas is dependent on a number of factors over which the Group has no control, including international and domestic supply and demand, global economic and political developments and other macro-economic factors. As such, it is impossible to predict future commodity prices with certainty. Gas prices fluctuate, at times significantly, and a material decline in the price of gas may have a material adverse effect on the viability of the HyEnergy® Project. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be considered in Australian currency, exposing the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

The Group regularly monitors the gas price and exchange rates along with market sentiment for green hydrogen in order to mitigate these risks.

Project activities

The future activities of the Group may be affected by a range of factors including meteorological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Group.

The success of the Group will also depend upon the Group being able to maintain an interest in the licences and obtaining all required approvals for their contemplated activities. In the event that the projects prove to be unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Group and possible relinquishment of the licences comprising its projects.

These risks are mitigated by the Group via a Risk Management Framework which is reviewed twice annually by the Board.

Native Title and Aboriginal Heritage

The Group closely monitors the potential effect of native title claims or Aboriginal heritage matters involving projects in which the Group has or may have an interest.

In relation to the HyEnergy® Project, the Group has received formal consents from the two Traditional Owner groups for licences critical to the HyEnergy® Project. The Nganhurra Thanardi Garrbu Aboriginal Corporation (NTGAC) and Yinggarda Aboriginal Corporation (YAC) have provided their formal consent for regulators to issue land licences across the HyEnergy® Project area.

Further to this, the Group has commenced discussions on an Indigenous Land Use Agreement (**ILUA**) with YAC which will cover the construction and operation of the HyEnergy® Project. Whilst there is a risk that the terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Group ongoing engagement and negotiation with the traditional owners as well as seeking legal advice is aimed at mitigating this risk.

Government regulation and policy

The Group intends to operate in the green energy industry, which is subject to extensive regulations. Various regulatory efforts have been made, and are in the making, to support the green transition and, by implication, the commercialisation of green hydrogen. As such, the Group considers such factors will be positive for the Group's future operations. However, operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and site safety.

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Further, if new approvals or licenses are required in order for the Group to carry on its business, the Group could face delays or prohibitions in respect to these approvals or licenses, which could adversely affect the business, financial condition, results or future operations of the Group.

In addition, policies supporting the commercialisation of the green hydrogen market may be changed or not come into existence at all due to any number of reasons, including an absence of political will, political focus shifting towards other alternatives, and/or a lack of public funding. The occurrence of these various factors and uncertainties could have an adverse effect on the operations or profitability of the Group.

The Group secured Lead Agency status for the HyEnergy® Project in December 2021 and continues to work closely with the Western Australian government and local stakeholders in the Gascoyne to mitigate this risk.

Environmental

The operations and proposed activities of the Group are subject to regulations concerning the environment. The Group's activities are expected to have an impact on the environment, particularly if advanced production development proceeds. The Group has a policy of exceeding, or at a minimum, complying with its environmental performance obligations, including compliance with all environmental laws.

Production operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of development and production of the projects. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or wildfires may impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Group for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated development and production activities.

ESG risks and opportunities are factored into the Group's business strategy, including the recent HyEnergy® Pre-Feasibility Study which was designed around mitigating climate-related issues. Industry experts are also relied upon to provide guidance with ongoing assessments to ensure that planned projects limit negative climate, environment and social impact.

Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:

(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

During the year ended 30 June 2023 the Group set its GHG baseline in accordance with the GHG Protocol Corporate Accounting and Reporting Standard utilising the NGERS calculator provided by the Australian Government. The Group continues to monitor its emissions outputs and works to identify opportunities to reduce these outputs and improve carbon efficiency.

During the year ended 30 June 2023 the Group became supporters of the TCFD recommendations adopting the TCFD framework and continue to develop the recommended disclosures and metrics to support ongoing integration and mitigate climate risk.

Additional requirements for capital

The Group's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back research and development as the case may be. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group. These risks are mitigated by the Group via a Risk Management Framework which is reviewed twice annually by the Board.

Competition risk

The industry in which the Group will be involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Group's projects and business. The Group management team monitor activities and actions of its competitors, taking appropriate action when required to mitigate this risk.

Insurance and uninsured risks

The Group maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental effect on the Group if one or more of these key employees cease their employment or other roles in the Group.

The Group may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Group may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Group.

These risks are mitigated by providing competitive compensation packages for similar sized projects and incentives where salaries cannot be matched against other industries.

Future acquisitions

As part of its growth strategy, the Group may make further acquisitions of licences or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of assets, such as short-term strain on working capital requirements and achieving project success. Any future acquisitions are subject to appropriate due diligence by the Group to mitigate these risks.

Technology Risk

The HyEnergy® Project will include various existing technologies with respect to power generation (including solar and wind) and hydrogen electrolysers. These technologies are well proven but are the subject of ongoing technological advances to improve the capital cost and operating efficiencies and cost. The risk is that the Group bases the HyEnergy® Project on technologies which are available at the time but subsequent technological improvements render alternate technologies more cost effective and operating efficient. The Group will continue to retain and engage highly experienced renewable energy partners, consultants, and contractors to ensure the HyEnergy® Project employs the most reliable, cost effective, and operating efficient technologies (appropriate for the scale and nature of the HyEnergy® Project) available at the time.

Cyber Security

The Group acknowledges the growing threat of cyber security risks. In order to address these risks, the Group conducted a cyber security audit during the financial year ended 30 June 2023, and is committed to training personnel in mitigating and minimising cyber security risks.

Information on Directors

Name:	**Patrick Burke**
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Laws from the University of Western Australia.
Experience and expertise:	Mr Burke has extensive legal and corporate advisory experience and over the last 17 years has acted as a Director for a large number of ASX listed companies. His legal expertise is in corporate and securities law, in particular capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.
Other current listed directorships:	Non-Executive Director of Triton Minerals Ltd - appointed 22 July 2016 Non-Executive Director of Western Gold Resources Limited - 22 March 2021 Non-Executive Chairman of Torque Metals Limited - appointed 9 February 2021 Non-Executive Chairman of Lycaon Resources Limited - appointed 10 February 2021
Former listed directorships (last 3 years):	Mandrake Resources Limited - appointed August 2019 - resigned 24 March 2022 Executive Chairman of Meteoric Resources NL - appointed 11 December 2017 - resigned 11 April 2023
Interests in shares:	3,750,000 ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

Name:	**David Frances**
Title:	Managing Director
Qualifications:	Bachelor of Science (Hons) from the University of Western Australia.
Experience and expertise:	Mr Frances is an international executive of 30 years with a track record of transacting, discovering, funding, developing and operating assets in Australia and Africa. A key figure in the transformation of several companies including Mawson West (TSX:MWE) which he led from a micro-cap Western Australian based ASX Company which involved delisting the Company from the ASX and then relisting on the Toronto Stock Exchange after completing the world’s largest base metals capital raise and IPO for 2010.
Other current listed directorships:	Non-Executive Director of Southern Hemisphere Mining Limited - appointed 5 February 2021 Non-Executive Chairman of Lanthanein Resources Ltd - appointed 4 February 2022
Former listed directorships (last 3 years):	None
Interests in shares:	20,000,000 ordinary shares
Interests in options:	Nil
Interests in rights:	20,000,000 Performance Rights

Name:	**Kylah Morrison**
Title:	Non-Executive Director
Qualifications:	Bachelor of Engineering (Mechanical) and Master of Engineering Management from Canterbury University. She is a member and graduate of the Australian Institute of Company Directors.
Experience and expertise:	Ms Morrison has over 15 years of experience working in private companies in the oil & gas industry, indigenous organisations, not-for-profits, and start-ups. She holds executive, non-executive and advisory board positions for organisations at the forefront of the clean energy transition. From 2016 to 2019 she championed regional economic development as the President, then CEO of the Karratha & Districts Chamber of Commerce & Industry, and Founding Chairperson of the Pilbara Universities Centre. Living and working for nine years in Karratha, she has a deep understanding of risks and challenges experienced by corporates, government, local businesses and indigenous organisations operating in remote and regional Australia, particularly in North-Western Australia.
Other current listed directorships:	None
Former listed directorships (last 3 years):	None
Interests in shares:	1,666,666 ordinary shares
Interests in options:	Nil
Interests in rights:	3,333,334 Performance Rights

Name:	**Roger Martin**
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts from Curtin University and Graduate Diploma in Journalism from Murdoch University. He is a graduate of the Australian Institute of Company Directors.
Experience and expertise:	Mr Martin is an experienced energy executive with a strong background in government and public affairs. Mr Martin began his career as a journalist, reporting on politics and business, before moving to work in the oil and gas industry at Woodside Energy where he was vice president of corporate affairs. He subsequently moved to a fintech start-up providing software trading solutions to buyers and sellers of commodities. He has most recently worked in the Western Australian Government as chief-of-staff to the State Treasurer and Minister for Finance, Lands, Aboriginal Affairs and Energy. He is currently director of a private corporate advisory firm, Wyatt Martin Pty Ltd, which provides support to corporations on public affairs issues including land access, Aboriginal Affairs and government approvals.
Other current listed directorships:	None
Former listed directorships (last 3 years):	None
Interests in shares:	1,666,666 ordinary shares
Interests in options:	Nil
Interests in rights:	3,333,334 Performance Rights

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ian Hobson

A Fellow Chartered Accountant and Chartered Secretary, Mr Hobson has more than 30 years' experience in the areas of corporate finance, governance, corporate accounting, company secretarial and restructuring advice. Mr Hobson was a director of PricewaterhouseCoopers and Ferrier Hodgson Chartered Accountants before specializing in providing company secretarial and corporate accounting services to listed entities

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Attended	Held
Patrick Burke	6	6
David Frances	6	6
Kylah Morrison	6	6
Roger Martin	6	6

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the consolidated entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants, the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration
Non-Executive Directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholder approval must be obtained in relation to the overall limit set for non-executive Directors' fees.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is $400,000 per annum The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Non-Executive Directors are not provided with retirement benefits other than usual superannuation contributions.

Executive remuneration
The consolidated entity's remuneration policy is designed to promote superior performance and long-term commitment to the Company. Executives and employees receive a base remuneration which is market related and may be entitled to performance-based remuneration which is determined on an annual basis.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:
- remuneration reflects the competitive market in which the Company operates;
- individual remuneration should be linked to performance criteria if appropriate; and
- executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives may consist of the following:
- salary – executives receive a fixed sum payable monthly in cash;
- cash at risk component – the executives are eligible to participate in a cash bonus plan if deemed appropriate;
- share and option at risk component – executives may participate in share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue shares, performance rights and options to executives outside of approved schemes in exceptional circumstances; and
- other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Province Resources Limited:
- Patrick Burke - Non-Executive Chair
- David Frances - Managing Director
- Kylah Morrison - Non-Executive Director
- Roger Martin - Non-Executive Director

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Patrick Burke	80,000	-	-	-	-	-	80,000
Kylah Morrison	54,299	-	-	5,701	-	354,722	414,722
Roger Martin*	114,299	-	-	5,701	-	136,468	256,468
Executive Directors:							
David Frances	268,456	-	-	-	-	834,936	1,103,392
	517,054	-	-	11,402	-	1,326,126	1,854,582

* Included in Cash salary and fees is Director Fees $54,299 and $60,000 for government and public affairs consulting services paid to Seacastle Consulting Pty Ltd a company which Roger Martin is a director and beneficial shareholder.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
30 June 2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Patrick Burke	78,333	-	-	-	-	549,350	627,683
Kylah Morrison	53,857	-	-	5,386	-	303,463	362,706
Roger Martin*	105,826	-	-	5,083	-	320,307	431,216
Executive Directors:							
David Frances	258,394	-	-	-	-	2,092,606	2,351,000
	496,410	-	-	10,469	-	3,265,726	3,772,605

* Included in Cash salary and fees is Director Fees $50,826 and $55,000 for government and public affairs consulting services paid to Seacastle Consulting Pty Ltd a company which Roger Martin is a director and beneficial shareholder.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		Options		Performance rights	
Name	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Non-Executive Directors:						
Patrick Burke	100%	12%	-	88%	-	-
Kylah Morrison	14%	16%	-	-	86%	84%
Roger Martin	47%	26%	-	-	53%	74%
Executive Directors:						
David Frances	24%	11%	-	-	76%	89%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Patrick Burke
Title:	Non-Executive Chairman
Details:	$80,000 per annum.
Name:	David Frances
Title:	Managing Director
Details:	$362,500 per annum.
Name:	Kylah Morrison
Title:	Non-Executive Director
Details:	$60,000 per annum (including superannuation).
Name:	Roger Martin
Title:	Non-Executive Director
Details:	$60,000 per annum (including superannuation) together with an additional consulting capacity to provide corporate affairs services at a rate of $5,000 per month.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Fair value per right at grant date
David Frances	5,000,000	22 April 2021	Class B	$0.204
	5,000,000	22 April 2021	Class C	$0.204
David Frances	5,000,000	15 June 2021	Class B	$0.150
	5,000,000	15 June 2021	Class C	$0.150
Kylah Morrison	1,666,667	15 June 2021	Class B	$0.150
	1,666,667	15 June 2021	Class C	$0.150
Roger Martin	1,666,667	21 November 2021	Class B	$0.161
	1,666,667	21 November 2021	Class C	$0.161

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

Class	Amended vesting condition
B	Vesting upon the Company announcing publicly: (a) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert (**Independent Expert**); and (b) a decision to proceed to a definitive feasibility study on the HyEnergy Project (**DFS**), by no later than 31 March 2024.
C	Vesting upon the Company announcing publicly it has completed a positive DFS as signed off by an Independent Expert by no later than 30 June 2025.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of rights granted during the year 30 June 2023	Number of rights granted during the year 30 June 2022	Number of rights vested during the year 30 June 2023	Number of rights vested during the year 30 June 2022
David Frances	-	-	-	10,000,000
Kylah Morrison	-	-	-	1,666,666
Roger Martin	-	5,000,000	-	1,666,666

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Purchased/ Converted/ Acquisition	Disposals	Balance at the end of the year
Ordinary shares					
Patrick Burke	3,750,000	-	-	-	3,750,000
David Frances	20,000,000	-	-	-	20,000,000
Kylah Morrison	-	-	1,666,666	-	1,666,666
Roger Martin	1,666,666	-	-	-	1,666,666
	25,416,666	-	1,666,666	-	27,083,332

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ resignation	Balance at the end of the year
Options over ordinary shares					
Patrick Burke	3,750,000	-	-	(3,750,000)	-
David Frances	-	-	-	-	-
Kylah Morrison	-	-	-	-	-
Roger Martin	-	-	-	-	-
	3,750,000	-	-	(3,750,000)	-

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Converted	Expired/ forfeited/ resignation	Balance at the end of the year
Performance rights over ordinary shares					
Patrick Burke	-	-	-	-	-
David Frances	20,000,000	-	-	-	20,000,000
Kylah Morrison	5,000,000	-	(1,666,666)	-	3,333,334
Roger Martin	3,333,334	-	-	-	3,333,334
	28,333,334	-	(1,666,666)	-	26,666,668

Additional information
The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Loss after income tax	(8,255,031)	(8,753,409)	(14,496,384)	(1,725,209)	(2,105,732)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end ($)	0.04	0.05	0.13	0.03	0.01
Basic earnings per share (cents per share)	(0.70)	(0.77)	(2.07)	(0.48)	(0.69)

The Company was suspended from trading during 2023.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Province Resources Limited under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
28 May 2024	$0.250	12,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights and performance shares
Unissued ordinary shares of Province Resources Limited under performance rights at the date of this report are as follows:

Grant date	Details	Number
22 April 2021	Issued to Directors	15,000,000
20 July 2021	Issued to Directors	13,333,334
21 October 2021	Issued to Directors	3,333,334
26 November 2021	Issued to employees	12,416,666
		44,083,334

Unissued ordinary shares of Province Resources Limited under performance shares at the date of this report are as follows:

Grant Date	Details	Number
27 April 2021	Issued to the vendor of the Ozexco acquisition	33,333,334

No person entitled to exercise the performance rights or performance shares had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
The following ordinary shares of Province Resources Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted:

Expiry date	Exercise price	Number of shares issued
13 November 2022	$0.040	1,250,000

Shares issued on the exercise of performance rights and performance shares
The following ordinary shares of Province Resources Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Details	Number of shares issued
Class A Performance Rights - Directors	4,166,666
Class A Performance Rights - Employees	250,000
	4,416,666

There were no ordinary shares of Province Resources Limited issued on the exercise of performance shares during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of William Buck Audit (WA) Pty Ltd
There are no officers of the Company who are former partners of William Buck Audit (WA) Pty Ltd.

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

Auditor
William Buck Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Patrick Burke
Chairman

27 September 2023

WilliamBuck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PROVINCE RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director
Dated this 27th day of September 2023

	Note	30 June 2023 $	30 June 2022 $
Other income	5	50,000	100,000
Interest revenue		512,570	85,379
Expenses			
Exploration and evaluation expenditure	6	138,788	(698,213)
Administrative expenses	7	(1,397,592)	(1,195,490)
Employee benefits expense		(1,425,485)	(1,308,015)
Depreciation expense		(247,005)	(106,113)
Share based payments expense	34	(1,791,703)	(4,454,236)
Project evaluation		(2,520,250)	(1,175,194)
Impairment of exploration and evaluation	14	(1,568,591)	-
Finance costs		(5,763)	(1,527)
Loss before income tax expense		(8,255,031)	(8,753,409)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Province Resources Limited	20	(8,255,031)	(8,753,409)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(69,002)	(12,483)
Other comprehensive loss for the year, net of tax		(69,002)	(12,483)
Total comprehensive loss for the year attributable to the owners of Province Resources Limited		(8,324,033)	(8,765,892)
		Cents	**Cents**
Basic earnings per share	33	(0.70)	(0.77)
Diluted earnings per share	33	(0.70)	(0.77)

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

	Note	30 June 2023 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents	9	15,578,465	20,360,131
Trade and other receivables	10	266,121	223,475
Other assets	11	90,258	22,571
Total current assets		15,934,844	20,606,177
Non-current assets			
Plant and equipment	13	742,014	699,108
Right-of-use assets	12	145,444	49,075
Exploration and evaluation	14	295,206	1,932,657
Total non-current assets		1,182,664	2,680,840
Total assets		17,117,508	23,287,017
Liabilities			
Current liabilities			
Trade and other payables	15	897,296	846,297
Lease liabilities	16	88,430	54,187
Provisions	17	51,419	37,454
Total current liabilities		1,037,145	937,938
Non-current liabilities			
Lease liabilities	16	64,761	-
Total non-current liabilities		64,761	-
Total liabilities		1,101,906	937,938
Net assets		16,015,602	22,349,079
Equity			
Issued capital	18	43,312,810	42,310,333
Reserves	19	13,928,206	13,009,129
Accumulated losses	20	(41,225,414)	(32,970,383)
Total equity		16,015,602	22,349,079

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

Province Resources Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	34,844,247	15,043,673	(26,407)	(24,216,974)	25,644,539
Loss after income tax expense for the year	-	-	-	(8,753,409)	(8,753,409)
Other comprehensive loss for the year, net of tax	-	-	(12,483)	-	(12,483)
Total comprehensive loss for the year	-	-	(12,483)	(8,753,409)	(8,765,892)
Transactions with owners in their capacity as owners:					
Issue of shares, net of transaction costs (note 18)	1,016,196	-	-	-	1,016,196
Share-based payments	-	4,454,236	-	-	4,454,236
Performance rights converted	2,353,519	(2,353,519)	-	-	-
Performance shares converted	3,416,667	(3,416,667)	-	-	-
Options converted	679,704	(679,704)	-	-	-
Balance at 30 June 2022	42,310,333	13,048,019	(38,890)	(32,970,383)	22,349,079

	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	42,310,333	13,048,019	(38,890)	(32,970,383)	22,349,079
Loss after income tax expense for the year	-	-	-	(8,255,031)	(8,255,031)
Other comprehensive loss for the year, net of tax	-	-	(69,002)	-	(69,002)
Total comprehensive loss for the year	-	-	(69,002)	(8,255,031)	(8,324,033)
Transactions with owners in their capacity as owners:					
Share-based payments (note 34)	-	1,791,703	-	-	1,791,703
Shares issued in lieu of payment (note 34)	150,000	-	-	-	150,000
Performance rights converted	803,624	(803,624)	-	-	-
Conversion of options	50,000	-	-	-	50,000
Costs of capital issued (note 18)	(1,147)	-	-	-	(1,147)
Balance at 30 June 2023	43,312,810	14,036,098	(107,892)	(41,225,414)	16,015,602

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

	Note	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Interest received		485,346	61,977
Payments to suppliers and employees		(3,007,514)	(2,144,946)
Payments for exploration and project evaluation		(1,997,483)	(1,547,634)
Net cash used in operating activities	31	(4,519,651)	(3,630,603)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(210,914)	(644,967)
Payments for deposits		(67,687)	(13,771)
Proceeds from disposal of exploration assets		50,000	150,000
Net cash used in investing activities		(228,601)	(508,738)
Cash flows from financing activities			
Proceeds from issue of shares	18	50,000	938,000
Share issue transaction costs		(1,147)	78,196
Repayment of lease liabilities		(81,293)	(39,358)
Net cash from/(used in) financing activities		(32,440)	976,838
Net decrease in cash and cash equivalents		(4,780,692)	(3,162,503)
Cash and cash equivalents at the beginning of the financial year		20,360,131	23,531,596
Effects of exchange rate changes on cash and cash equivalents		(974)	(8,962)
Cash and cash equivalents at the end of the financial year	9	15,578,465	20,360,131

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

Note 1. General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Province Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Province Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Province Resources Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

Government grants
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised when there is reasonable assurance that both the entity will comply with conditions attached to the grant and that the grant will be received.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The group continues to comply with conditions for deductibility. Deferred tax assets will be obtained when the group derives assessable income of a nature and of an amount sufficient to enable benefits to be utilised.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses.

Note 2. Significant accounting policies (continued)

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-8 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Note 2. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure includes expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the Company’s licences including landholder access costs, legal fees and community and public relations costs.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
(b) exploration and evaluation activities in interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

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

Project evaluation expenditures

Expenditure incurred by the Group on the Group’s Green Energy projects are expensed until such time the Group can demonstrate the project is technically feasible, generate future economic benefit and the availability of technical, financial and other reasons to develop it.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
Trade payables and other accounts payable represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The average credit period on purchases is 45 days from the date of invoice. The Group policy is to pay all undisputed invoices within 30 days from the month of receipt. All amounts are expected to be settled within 12 months.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and other parties in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with market based performance conditions that do not determine whether the consolidated entity receives the services that entitle the employees and other parties to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, determined by applying an option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Province Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The diluted value is set equal to the basic earnings per share should the dilution act to reduce the loss per share.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

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

Performance Shares and Performance Rights over shares use an appropriate pricing model taking into account the share price at grant date and the term of the vesting conditions. The fair value granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number likely to be exercisable.

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

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful live could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

Exploration and evaluation costs
Exploration and evaluation expenditure incurred by the Group on the acquisition of the rights to explore is capitalised until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

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

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

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

Note 4. Operating segments

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

Operating segment information

30 June 2023	Exploration and evaluation $	HyEnergy project $	Corporate $	Total $
Interest revenue	-	-	512,570	512,570
Other income	50,000	-	-	50,000
Impairment of exploration and evaluation	(1,568,591)	-	-	(1,568,591)
Net other costs	(14,535)	(2,520,250)	(4,714,225)	(7,249,010)
Loss before income tax expense	(1,533,126)	(2,520,250)	(4,201,655)	(8,255,031)
Income tax expense				-
Loss after income tax expense				(8,255,031)
Assets				
Segment assets	295,206	765,220	16,057,082	17,117,508
Total assets				17,117,508
Liabilities				
Segment liabilities	-	762,729	339,177	1,101,906
Total liabilities				1,101,906

Note 4. Operating segments (continued)

30 June 2022	Exploration and evaluation $	HyEnergy project $	Corporate $	Total $
Other income	100,000	-	85,379	185,379
Net other costs	(698,213)	(1,175,194)	(7,065,381)	(8,938,788)
Loss before income tax expense	(598,213)	(1,175,194)	(6,980,002)	(8,753,409)
Income tax expense				-
Loss after income tax expense				(8,753,409)
Assets				
Segment assets	2,009,501	580,182	20,697,334	23,287,017
Total assets				23,287,017
Liabilities				
Segment liabilities	27,838	352,330	557,770	937,938
Total liabilities				937,938

Geographical information

	Geographical non-current assets	
	30 June 2023 $	**30 June 2022 $**
Australia	1,171,952	1,030,991
Sweden	-	1,637,451
United Kingdom	10,712	12,398
	1,182,664	2,680,840

Note 5. Other income

	30 June 2023 $	**30 June 2022 $**
Proceeds on withdrawal of tenement application (i)	50,000	-
Net gain on disposal of exploration and evaluation tenements (ii)	-	100,000
Other income	50,000	100,000

(i) Proceeds received from Greatland Gold plc (AIM:GGP) on withdrawal of application of tenement E45/5754, under the agreement with GGP to acquire the Pascalle Copper - Gold Project announced 12 September 2021.
(ii) Profit on the sale of the Pascalle Copper - Gold Project sold to GGP.

Note 6. Exploration and evaluation expenditure

	30 June 2023 $	30 June 2022 $
Exploration and evaluation expenditure	68,674	694,198
(Refund)/payment of tenement applications (i)	(207,462)	4,015
	(138,788)	698,213

(i) Tenement applications which were cancelled or not successful from previous years were refunded.

Note 7. Administrative expenses

	30 June 2023 $	30 June 2022 $
Corporate compliance costs	209,571	266,099
General legal fees	278,863	53,027
Audit fees	34,333	32,900
Investor relations & marketing	250,027	482,610
Accounting & corporate secretarial costs	128,219	128,330
Insurance	64,318	44,186
Other	432,261	188,338
	1,397,592	1,195,490

Note 8. Income tax expense

	30 June 2023 $	30 June 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(8,255,031)	(8,753,409)
Tax at the statutory tax rate of 30% (2022: 25%)	(2,476,509)	(2,188,352)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Revenue losses not recognised	880,805	1,020,787
Non-allowable items	1,031,125	1,135,248
Other deferred tax assets not recognised	564,579	32,317
Income tax expense	-	-

Note 8. Income tax expense (continued)

	30 June 2023 $	30 June 2022 $
Deferred tax recognised at 30%[1]		
Deferred tax liabilities		
Interest receivable	(15,188)	(7,021)
Prepayments	(159)	(142)
Right of use asset	(43,633)	(14,722)
	(58,980)	(21,885)
Deferred tax assets		
Carry forward revenue losses	58,980	21,885
Net deferred tax	-	-

	30 June 2023 $	30 June 2022 $
Unrecognised deferred tax assets 30% [1]		
Carry forward revenue losses	3,951,036	3,054,524
Carry forward capital losses	541,439	541,439
Capital raising costs	529,153	724,114
Exploration and evaluation	55,323	35,077
Lease liability	45,957	16,256
Provisions and accruals	20,466	61,151
Intangible assets	3,342	2,914
Property, plant and equipment	422	1,266
HyEnergy (Project pool)	1,167,473	426,398
Total deferred tax assets not recognised	6,314,611	4,863,139

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the Group continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

Province Resources Limited and its wholly owned Australian resident subsidiaries formed a tax consolidated group with effect from 4 March 2016. Province Resources Limited is the head entity of the tax consolidated group.

Comparative figures have been restated to meet legislative requirements. The overall tax position has not changed.

[1] The corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 9. Cash and cash equivalents

	30 June 2023 $	30 June 2022 $
Current assets		
Cash at bank	15,578,465	20,360,131

Note 10. Trade and other receivables

	30 June 2023 $	30 June 2022 $
Current assets		
Other receivables	150,588	134,116
Prepayments	64,907	65,957
Interest receivable	50,626	23,402
	266,121	223,475

Note 11. Other assets

	30 June 2023 $	30 June 2022 $
Current assets		
Other deposits	90,258	22,571

Note 12. Right-of-use assets

	30 June 2023 $	30 June 2022 $
Non-current assets		
Land and buildings - right-of-use	174,532	92,020
Less: Accumulated depreciation	(29,088)	(42,945)
	145,444	49,075

Additions to the right-of-use assets during the year were $174,537.

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

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

	$
Balance at 1 July 2022	49,075
Additions	174,537
Depreciation expense	(78,168)
Balance at 30 June 2023	145,444

Note 13. Plant and equipment

	30 June 2023 $	30 June 2022 $
Non-current assets		
Plant and equipment - at cost	839,791	691,295
Less: Accumulated depreciation	(209,178)	(65,981)
	630,613	625,314
Motor vehicles - at cost	149,251	84,894
Less: Accumulated depreciation	(37,850)	(11,100)
	111,401	73,794
	742,014	699,108

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

	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2021	117,891	-	117,891
Additions	560,073	84,894	644,967
Exchange differences	(582)	-	(582)
Depreciation expense	(52,068)	(11,100)	(63,168)
Balance at 30 June 2022	625,314	73,794	699,108
Additions	146,556	64,358	210,914
Exchange differences	829	-	829
Depreciation expense	(142,086)	(26,751)	(168,837)
Balance at 30 June 2023	630,613	111,401	742,014

Note 14. Exploration and evaluation

	30 June 2023 $	30 June 2022 $
Non-current assets		
Exploration and evaluation	295,206	1,932,657

Note 14. Exploration and evaluation (continued)

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

	$
Balance at 1 July 2021	1,935,596
Exchange differences	(2,939)
Balance at 30 June 2022	1,932,657
Exchange differences	(68,860)
Impairment of exploration and evaluation*	(1,568,591)
Balance at 30 June 2023	295,206

* The Company has taken to the decision to allow the licences that comprise the Skåne Vanadium Project to expire. Two licences, Killeröd and Virrestad, expired in July after the end of the reporting period and the balance will be expire in October. The carrying value of the project as at 30 June 2023 has been fully impaired.

Note 15. Trade and other payables

	30 June 2023 $	30 June 2022 $
Current liabilities		
Trade payables	836,259	684,547
Other payables	61,037	161,750
	897,296	846,297

Refer to note 22 for further information on financial instruments.

Note 16. Lease liabilities

	30 June 2023 $	30 June 2022 $
Current liabilities		
Lease liability	88,430	54,187
Non-current liabilities		
Lease liability	64,761	-
	153,191	54,187

Refer to note 22 for further information on financial instruments.

Note 17. Provisions

	30 June 2023 $	30 June 2022 $
Current liabilities		
Annual leave	51,419	37,454

Note 18. Issued capital

	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 $	30 June 2022 $
Ordinary shares - fully paid	1,181,493,143	1,169,826,477	43,312,810	42,310,333

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	1,112,159,811		34,844,247
Conversion of options	21 July 2021	6,750,000	$0.016	108,000
Conversion of options	21 July 2021	7,000,000	$0.040	280,000
Conversion of options *	20 August 2021	3,750,000	$0.040	829,704
Conversion performance shares	2 March 2022	16,666,666	$0.000	3,416,667
Conversion of options	15 March 2022	10,000,000	$0.040	400,000
Conversion of performance rights	15 March 2022	1,500,000	$0.000	257,340
Conversion of performance rights	5 April 2022	333,334	$0.000	57,187
Conversion of performance rights	16 June 2022	11,666,666	$0.000	2,038,992
Adjustment on GST on prior year capital raising cost				89,664
Capital raising costs				(11,468)
Balance	30 June 2022	1,169,826,477		42,310,333
Conversion of performance rights	5 July 2022	2,500,000	$0.000	511,058
Conversion of performance rights	18 July 2022	1,666,666	$0.000	249,676
Shares issued in lieu of payment	1 August 2022	6,000,000	$0.025	150,000
Conversion of performance rights	8 August 2022	250,000	$0.000	42,890
Conversion of options	24 August 2022	1,250,000	$0.040	50,000
Capital raising costs				(1,147)
Balance	30 June 2023	1,181,493,143		43,312,810

* $150,000 comprised cash transaction, whilst $679,704 relates to share based payments.

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

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 19. Reserves

	30 June 2023 $	30 June 2022 $
Foreign currency reserve	(107,892)	(38,890)
Share-based payments reserve	14,036,098	13,048,019
	13,928,206	13,009,129

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

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

	Foreign currency translation reserve $	Share based payment reserve $	Total $
Balance at 1 July 2021	(26,407)	15,043,673	15,017,266
Foreign currency translation	(12,483)	-	(12,483)
Share based payments (see note 34)	-	4,454,236	4,454,236
Performance rights converted	-	(2,353,519)	(2,353,519)
Performance shares converted	-	(3,416,667)	(3,416,667)
Options converted	-	(679,704)	(679,704)
Balance at 30 June 2022	(38,890)	13,048,019	13,009,129
Foreign currency translation	(69,002)	-	(69,002)
Share based payments (see note 34)	-	1,791,703	1,791,703
Performance rights converted	-	(803,624)	(803,624)
Balance at 30 June 2023	(107,892)	14,036,098	13,928,206

Note 20. Accumulated losses

	30 June 2023 $	30 June 2022 $
Accumulated losses at the beginning of the financial year	(32,970,383)	(24,216,974)
Loss after income tax expense for the year	(8,255,031)	(8,753,409)
Accumulated losses at the end of the financial year	(41,225,414)	(32,970,383)

Note 21. Dividends

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

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk) and liquidity risk.

Risk management is carried out by the Board of Directors ('the Board') under policies approved by the Board. The board identifies and evaluates financial risks and provides written principles for overall risk management.

Market risk

Foreign currency risk
The Group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United Kingdom Pound Sterling and the Swedish Kroner. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for working capital purposes.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditure of the Group.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		**Liabilities**	
	30 June 2023 $	**30 June 2022 $**	**30 June 2023 $**	**30 June 2022 $**
Pound Sterling	8,416	12,872	-	-
Swedish Kroner	74,895	76,844	1,392	8,951
	83,311	89,716	1,392	8,951

Interest rate risk
The Group's financial instruments that are exposed to interest rate risk at 30 June are as follows:

	30 June 2023 $	**30 June 2022 $**
Variable rate instruments		
Cash and cash equivalents	15,578,465	20,360,131

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 22. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	836,259	-	-	-	836,259
Other payables	-	61,037	-	-	-	61,037
Interest-bearing - fixed rate						
Lease liability	9.51%	88,430	64,761	-	-	153,191
Total non-derivatives		985,726	64,761	-	-	1,050,487

30 June 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	684,547	-	-	-	684,547
Other payables	-	161,750	-	-	-	161,750
Interest-bearing - fixed rate						
Lease liability	3.60%	54,187	-	-	-	54,187
Total non-derivatives		900,484	-	-	-	900,484

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Key management personnel disclosures

Directors
The following persons were Directors of Province Resources Limited during the financial year:

Patrick Burke	Non-Executive Chairman
David Frances	Managing Director
Kylah Morrison	Non-Executive Director
Roger Martin	Non-Executive Director

Note 23. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	517,054	496,410
Post-employment benefits	11,402	10,469
Share-based payments	1,326,126	3,265,726
	1,854,582	3,772,605

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (WA) Pty Ltd, the auditor of the Company:

	30 June 2023 $	30 June 2022 $
Audit services - William Buck Audit (WA) Pty Ltd		
Audit or review of the financial statements	34,000	29,000

Note 25. Contingent liabilities

There are no significant contingent liabilities as at the date of signing of this report (30 June 2022: $nil)

Note 26. Commitments

	30 June 2023 $	30 June 2022 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation	60,000	146,872
Section 91 Licence fees	158,500	-
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	218,500	146,872

Note 27. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the Directors' report.

Note 27. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	30 June 2023 $	30 June 2022 $
Transactions with director-related entities:		
Seacastle Consulting Pty Ltd (i)	60,000	55,000

Payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	30 June 2023 $	30 June 2022 $
Current payables:		
Seacastle Consulting Pty Ltd (i)	5,500	5,500

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

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

(i) Seacastle Consulting Pty Ltd is a company which Roger Martin is a director and beneficial shareholder. The payments were for government and public affairs consulting services on an arm's length basis.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 30 June 2023 $	Parent 30 June 2022 $
Loss after income tax	(8,830,760)	(8,775,329)
Total comprehensive loss	(8,830,760)	(8,775,329)

Note 28. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2023 $	30 June 2022 $
Total current assets	16,146,740	22,330,417
Total assets	17,023,485	23,692,160
Total current liabilities	1,034,976	928,209
Total liabilities	1,099,737	928,209
Equity		
Issued capital	43,312,810	42,310,332
Share-based payments reserve	14,036,098	13,048,019
Accumulated losses	(41,425,160)	(32,594,400)
Total equity	15,923,748	22,763,951

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2023 %**	**30 June 2022 %**
Ozexco Pty Ltd	Australia	100%	100%
Vanatech Pty Ltd	Australia	100%	100%
Assemble Holdings Pty Ltd	Australia	100%	100%
ScandVandium Australia Pty Ltd	Australia	100%	100%
Hyenergy Pty Ltd	Australia	100%	100%
Zero Carbon Hydrogen Pty Ltd	Australia	100%	100%
ScandiVanadium Limited	United Kingdom	100%	100%
ScandiVanadium Sweden AB	Sweden	100%	100%
Exenergy Pty Ltd - incorporated 3 February 2023	Australia	100%	-

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2023 $	30 June 2022 $
Loss after income tax expense for the year	(8,255,031)	(8,753,409)
Adjustments for:		
Depreciation and amortisation	247,005	106,113
Share-based payments	1,791,703	4,454,236
Shares in lieu of payment	150,000	-
Impairment of exploration and evaluation	1,568,591	-
Net gain on disposal of exploration and evaluation	(50,000)	(100,000)
Finance costs	5,763	1,527
Change in operating assets and liabilities:		
Increase in trade and other receivables	(42,646)	(59,110)
Increase in trade and other payables	50,999	686,729
Increase in other provisions	13,965	33,311
Net cash used in operating activities	(4,519,651)	(3,630,603)

Note 32. Non-cash investing and financing activities

	30 June 2023 $	30 June 2022 $
Options issued to Directors	-	549,350
Amortisation of Performance Rights under employee share plan	1,791,703	3,904,887
Shares issued to Stocks Digital in lieu of cash	150,000	-
	1,941,703	4,454,237

Note 33. Earnings per share

	30 June 2023 $	30 June 2022 $
Loss after income tax attributable to the owners of Province Resources Limited	(8,255,031)	(8,753,409)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,180,667,572	1,137,879,446
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,180,667,572	1,137,879,446
	Cents	**Cents**
Basic earnings per share	(0.70)	(0.77)
Diluted earnings per share	(0.70)	(0.77)

Note 33. Earnings per share (continued)

Options are considered to be potential ordinary shares. When the Company in in a loss-making position, options are not included in the determination of diluted loss per share as they are not considered to be dilutive. At 30 June 2023 there was 12,000,000 options on issue (30 June 2022: 17,080,000 options), 44,083,334 performance rights on issue (30 June 2022: 48,500,000 performance rights) and 33,333,334 performance shares on issue (30 June 2022: 33,333,334 performance shares).

Note 34. Share-based payments

Options

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel, employees and contractors of the consolidated entity. The Board may also issue options towards the Cost of Capital and the acquisition of projects.

Movements in the number of options on issue during the year are as follows:

	Number of options 30 June 2023	Weighted average exercise price 30 June 2023	Number of options 30 June 2022	Weighted average exercise price 30 June 2022
Outstanding at the beginning of the financial year	17,080,000	$0.188	44,580,000	$0.093
Converted	(1,250,000)	$0.040	(27,500,000)	$0.034
Expired	(3,830,000)	$0.040	-	$0.000
Outstanding at the end of the financial year	12,000,000	$0.250	17,080,000	$0.188
Exercisable at the end of the financial year	12,000,000	$0.250	17,080,000	$0.188

For options exercised during the year, the weighted average share price at the date of exercise was $0.12 (2022: $0.12).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.9 years (2022: 1.45 years).

Performance Rights

The Company's Employee Securities Incentive Plan was adopted by Shareholders on 12 September 2018, whereby the consolidated entity may, at the discretion of the Board of Directors, grant performance rights over ordinary shares in the company to certain key management personnel and employees of the consolidated entity. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

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

	Number of rights 30 June 2023	Number of rights 30 June 2022
Outstanding at the beginning of the financial year	48,500,000	22,500,000
Granted	-	39,500,000
Exercised	(4,416,666)	(13,500,000)
Outstanding at the end of the financial year	44,083,334	48,500,000

Note 34. Share-based payments (continued)

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

Class	Original vesting condition	Amended vesting condition
Class B	Class B Performance Rights shall vest on upon the Company announcing to ASX completion of a positive prefeasibility study in relation to the Ozexco Project (**PFS**), which demonstrates a net present value at least $500 million with an internal rate of return of at least 25% (in each case using a 10% discount rate), within 30 months from the date of issue.	Vesting upon the Company announcing publicly: (a) completion of a positive pre-feasibility study for the HyEnergy Project signed off by an independent consultant or expert (**Independent Expert**); and (b) a decision to proceed to a definitive feasibility study on the HyEnergy Project (**DFS**), by no later than 31 March 2024.
Class C	Class C Performance Rights shall vest upon the Company announcing to ASX that it has: a) secured an off take partner, under a binding agreement, for a minimum of 30% of production proposed under the PFS; and b) an out right sale of the Ozexco Project for a value of at least $100 million. within 42 months of completion of the date of issue of the Class Performance Rights.	Vesting upon the Company announcing publicly it has completed a positive DFS as signed off by an Independent Expert by no later than 30 June 2025.
Class D	Class D Performance Rights shall vest upon the Company: (a) announcing to ASX completion of the PFS, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed to a definitive feasibility study on the Ozexco Project (**DFS**); or (b) completing the sale of the Ozexco Project, by 23 October 2023.	Same milestone as the amended Class B Performance Rights milestone noted above.
Class E	Class E Performance Rights shall vest upon the Company: (a) announcing to ASX completion of the DFS, to the reasonable satisfaction of the Independent Directors of the Company, as evidenced by a decision to proceed to a final investment decision on the HyEnergy Project; or (b) completing the sale of the Ozexco Project, by 23 October 2024	Same milestone as the amended Class C Performance Rights milestone noted above.

Note 34. Share-based payments (continued)

These performance rights were valued, using a valuation methodology based on the guidelines set out in AASB 2 *Share based payment.* The 10 day VWAP was used given the fluctuations in the Company's share price on and around the grant date.

As the valuation was based on the original grant date without incorporating non-market performance conditions the fair value of the performance rights has not changed following the modification. Under the Plan performance rights holders must remain as an eligible participant as a service condition.

As the performance conditions are non-market based, the probabilities of the rights vesting will need to be reassessed at every reporting period.

The value of the Performance Rights are being expensed over the deemed life of the Rights. During the period $1,791,703 (2022: $3,904,886), was recognised as an expense in relation to the rights.

	30 June 2023 $	30 June 2022 $
Total value expensed in profit and loss		
7,500,000 Options issued to Patrick Burke	-	549,350
Performance Rights issued to Directors and employees	1,791,703	3,904,886
	1,791,703	4,454,236

Shares in lieu of payment

On 1 August 2022, 6,000,000 ordinary shares were issued as consideration for marketing and investor services provided in lieu of payment. The shares were valued at $0.025 each being the share price at the date of agreement for a total value of $150,000 which was expensed during the period.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Patrick Burke
Chairman

27 September 2023

Province Resources Limited
Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Province Resources Limited (the Company) and the entities it controlled at the year end or from time to time during the year (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Details	How we addressed it
Share based payments *Refer also Note 3 and Note 34*	
The Group had during the year reported $1,791,703 of share based payments in respect of performance rights and options issued, cancelled and modified during the audit and from prior year. Significant judgement and estimation by management is required in determining the share-based payment expense for the period.	Our audit procedures included: — assessing management's calculation of fair value at grant date, including the appropriateness of the valuation models used and inputs applied; — Critically reviewing management's assumptions regarding the likelihood of meeting performance conditions; and — Assessing whether management's reporting and disclosure of share based payments was in accordance with AASB 2 *Share Based Payments.* — Gaining an understanding of the modifications made to performance rights previously granted and assessing management's accounting and disclosures for the modifications.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 12 to 17 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Province Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

William Buck

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

Amar Nathwani

Amar Nathwani
Director
Dated this 27th day of September 2023

The shareholder information set out below was applicable as at 12 September 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	expiring 28/05/2024 @ $0.25 Number of holders	% of total shares issued
1 to 1,000	621	0.01	-	-
1,001 to 5,000	2,956	0.91	-	-
5,001 to 10,000	3,918	2.56	-	-
10,001 to 100,000	9,124	28.10	-	-
100,001 and over	1,963	68.42	2	100.00
	18,582	100.00	2	100.00
Holding less than a marketable parcel	8,346	-	-	-

	Performance shares				Performance rights	
	vendors Number of holders	% of total shares issued	Class B Number of holders	% of total shares issued	Class C Number of holders	% of total shares issued
1 to 1,000	-	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-	-
10,001 to 100,000	-	-	-	-	-	-
100,001 and over	3	100.00	4	100.00	4	100.00
	3	100.00	4	100.00	4	100.00

			Performance rights	
	Class D Number of holders	% of total shares issued	Class E Number of holders	% of total shares issued
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	4	100.00	4	100.00
	4	100.00	4	100.00

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
CITICORP NOMINEES PTY LIMITED	31,693,692	2.68
S3 CONSORTIUM HOLDINGS PTY LTD (NEXTINVESTORS DOT COM A/C)	20,402,926	1.73
SUPERHERO SECURITIES LIMITED (CLIENT A/C)	13,361,426	1.13
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	12,779,454	1.08
PUISSANCE HOLDINGS PTY LTD (GIRO A/C)	10,000,000	0.85
PUISSANCE HOLDINGS PTY LTD (THE NYANG SUPER A/C)	10,000,000	0.85
BNP PARIBAS NOMS PTY LTD DRP>	8,286,486	0.70
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,771,757	0.57
MR YIXUAN ZHU	6,643,256	0.56
MRS YE ZHAO	6,000,000	0.51
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,830,065	0.41
MR YAN ZHANG	4,806,000	0.41
LHO LA PTY LTD (ACME FOUNDATION A/C)	4,373,333	0.37
QUEENSLAND FOREST INDUSTRIES PTY LTD	4,001,318	0.34
MR LEBIN CHEN	4,000,000	0.34
HAMPSHIRE AUTOMOTIVE CENTRE PTY LTD	3,977,044	0.34
MS HAO GENG	3,955,597	0.33
ROBWARD PTY LTD (ROBWARD INVESTMENT A/C)	3,800,000	0.32
ROWAN HALL PTY LTD (ROWAN HALL TRADING A/C)	3,750,000	0.32
MISS FANG GAO	3,600,000	0.30
	167,032,354	14.14

Unquoted equity securities

	Number on issue	Number of holders
PRLOPT3 - UNLISTED OPTIONS EXP 28/05/2024 @ $0.25	12,000,000	2
PRLDPRB - DIRECTOR PERFORMANCE RIGHTS - CLASS B	15,833,334	4
PRLDPRC - DIRECTOR PERFORMANCE RIGHTS - CLASS C	15,833,334	4
PRLDPRD - PERFORMANCE RIGHTS - CLASS D	5,833,333	4
PRLDPRE - PERFORMANCE RIGHTS - CLASS E	6,583,333	4
PRLVPRB - VENDOR PERFORMANCE RIGHTS - CLASS B	16,666,667	3
PRLVPRC - VENDOR PERFORMANCE RIGHTS - CLASS C	1,666,667	3

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
3VL PTY LTD	VENDOR PERFORMANCE RIGHTS	16,666,666
PHEAKES PTY LTD	VENDOR PERFORMANCE RIGHTS	8,333,334
MR MARK JONATHON SANDFORD	VENDOR PERFORMANCE RIGHTS	8,333,334
PUISSANCE HOLDINGS PTY LTD	DIRECTOR PERFORMANCE RIGHTS	20,000,000
INYATI FUND PTY LTD	PRLOPT3 - UNLISTED OPTIONS EXP 28/05/2024 @ $0.25	10,500,000

Substantial holders
There are no substantial holders in the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a Member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each fully paid ordinary share held. None of the options have any voting rights.

There are no voting rights attached to any class of options or performance rights that are on issue.

There are no other classes of equity securities.

Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: www.province.limited

Tenements - Australia

Name	Tenement number	Interest owned %
Gnama	E 63/1933	100
Gnama	E 63/1934	100
Gnama	E 63/1935	100

Tenement Applications - Australia

Name	Tenement
HyEnergy Project	ELA 09/2756

Tenements - Sweden

Name	Tenement number	Interest owned %
Andrarum	EP 469/2018	100
Fågeltofta 1	EP 299/2018	100
Fågeltofta 2	EP 471/2018	100
Flagabro	EP 470/2018	100
Hörby	EP 475/2018	100
Tosterup	EP 476/2018	100
Hammenhög	EP 473/2018	100
Järrestad	EP 474/2018	100
Gislövshammar	EP 472/2018	100