

## December Quarter 2021 Report

### HyENERGY™ PROJECT

Scoping Study activities are completed and the company is in the process of finalising a summary of the studies for release to ASX. Other activities such as progressing land tenure options, engagement with Traditional Owners and other stakeholders, continuing on-site environmental studies and undertaking preliminary discussions with potential customers are ongoing.

### Lead Agency Status

The Western Australian Government has awarded the HyEnergy™ Project lead agency status, which recognises the development as a significant project which is in the State's interest.

The official status allows for a higher level of facilitation to be coordinated by a nominated State agency, in this case the Department of Jobs, Tourism, Science and Innovation (JTSI). The HyEnergy™ Project will benefit from the appointment of a JTSI lead manager to help guide the development through government approval processes.

Hydrogen Industry Minister Alannah MacTiernan announced the lead agency status at a ceremony to open Province Resources' new Carnarvon office, which will support the development of the HyEnergy™ Project.

Also attending the office opening were representatives of the Ingaarda and Baiyungu people, who hold native title over the majority of the project area. They were joined by representatives of the Shire of Carnarvon and the Carnarvon Chamber of Commerce and Industry.

### Technical Activities

One of the shipping solutions under active consideration for the HyEnergy™ Project is the production of compressed hydrogen for export. Province signed an MoU with Global Energy Ventures (ASX:GEV) to evaluate the technical and commercial feasibility of exporting green hydrogen from the HyEnergy™ Project.

Global Energy Ventures announced that the HyEnergy Export Feasibility Study had commenced on the HyEnergy™ Zero Carbon Hydrogen project, with the appointment of key consultants. The objective of the study is to demonstrate the technical feasibility and commercial advantages of its compressed hydrogen shipping solution. The scope of the study will include the integration of the HyEnergy™ Project's proposed green hydrogen production facility with an onshore compression facility and

offshore mooring and loading system, as well as the operation of a fleet of compressed hydrogen ships for marine transport to nominated markets in the Asia Pacific region.

The purpose of the study is to provide the HyEnergy™ Project partners with sufficient confidence to warrant the selection of compressed hydrogen as a preferred transport method in the next phase of project engineering.

### **Environmental Studies**

Initial fauna surveys were completed over the Town Common area and parts of the greater project area. Further environmental surveys will commence early next quarter.

### **Tenure**

The Western Australian Government announced proposed changes to the land tenure regime which will support the development of the green hydrogen industry.

Under the proposed changes, a new form of tenure called a diversification lease would be available to proponents of green hydrogen projects on which to locate wind turbines, solar arrays and hydrogen production assets. The leases pertaining to upstream generation assets would potentially be non-exclusive to allow other coexisting land uses such as pastoral activities, while the leases hosting the downstream hydrogen production assets would likely be exclusive for safety and other reasons.

The new tenure regime reaffirms the central role of Traditional Owners in green hydrogen developments, with leasing arrangements triggering future act processes under the Native Title Act.

The planned changes are consistent with representations made by Province Resources on land reform required to support the development of green hydrogen projects.

While the current Land Administration Act provides some pathways to tenure for such projects, a new form of lease for green hydrogen developments will provide a significant additional land tenure option.

### **Native Title**

Much of the area identified as suitable to support the HyEnergy™ Project falls within the Gnulli native title determination handed down by the Federal Court in 2019. Province is respectful and supportive of the role played by Traditional Owners in caring for their land and helping guide responsible development.

The Yinggarda Aboriginal Corporation and the Baiyungu Aboriginal Corporation are the relevant Prescribed Bodies Corporate for the HyEnergy™ Project development area. Province is establishing relationships with Traditional Owners to support the general principle of being good visitors on their lands, and also to support the necessary consents which will be required at various stages of the development.

### **Offtake**

Province has commenced preliminary discussions with potential customers of the HyEnergy™ Project. Conversations are focussed on creating a greater understanding of the development, including the assessment of possible shipping solutions for intended markets.

Province Resources Ltd  
ABN 83 061 375 442

358 Rokeby Road, SUBIACO WA 6008

PH: +61 8 9329 6862

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## **GNAMA NICKEL-COPPER PROJECT, FRASER RANGE**

### **Gnama North**

During the quarter, Province completed the Phase 1 Air Core drilling program consisting of 891m at Gnama North on tenement E63/1934. Drill lines were spaced 800m north-south, and drill holes spaced 100m east-west.

The planned drilling aimed to test the Fraser Range gabbros with the potential to host prospective meta-pyroxenites. Limited surface testing has occurred in these areas and the aim of the program is to better map the bedrock geology and geochemical characteristics to identify the most prospective areas to carry out both a high-powered EM survey and also deeper drilling into bedrock.

### **Gnama South**

Province engaged Blueprint Environmental Strategies to manage ecological flora and fauna surveys over the prospective Gnama South Prospect.

A comprehensive Flora Report was received during the quarter following the initial flora survey in the September quarter. The flora survey covered an area of approximately 167Ha within Exploration Licence E 63/1935, with data collected on the following:

- Small Scale Detailed Baseline Flora Survey
- POW Exploration Flora Inspections
- Clearing Permit Application

Identification of sampled plant species arising out of the survey was carried out and a comprehensive Flora Report was provided to the Company. The survey established that the condition of the vegetation in the survey area is overall 'Good' to 'Excellent' condition, with no threatened flora recorded in the area.

On receipt of the flora survey a Program of Work was lodged for an up to 6,000m RC and 5,000m DDH drill program to test for primary nickel sulphide mineralisation at depth and along strike of historical results. The Gnama South drilling program is designed to target the possible continuation of a significant nickel and copper anomalism at depth below historic drill results (refer ASX Announcement 8 October 2021).

## **SKÅNE VANADIUM PROJECT, SWEDEN**

During the quarter Province announced the commencement of studies into the Skåne Vanadium Project with work comprising metallurgical testwork on samples to be carried out by well-respected UK based consultants Grinding Solutions Limited.

Results from this testwork is to be fed into a new study by globally-renowned consultants Micon International on the techno-economic opportunity of developing the Skåne Vanadium Project at current and forecast vanadium prices, which is anticipated to be at Scoping Study level.

Skåne is located in southern Sweden surrounded by excellent regional infrastructure and offers access to EU markets where vanadium is considered a critical metal due to economic importance and lack of European supply.

In addition, Province continued to await the ruling of The Land and Environment Court of Appeal at Växjö District Court regarding approval to conduct its proposed ten-hole drilling programme at the

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Tomelilla Target in the Skåne Vanadium Project. In the September quarter 2020, The Land and Environment Court at Växjö District Court rejected objections to the programme from landowners living nearby Killeröd 1 and Fågeltofta 1. This decision was subsequently appealed by the landholders to The Land and Environment Court of Appeal.

The proposed programme comprises 10 holes in an area where historic drilling reported grades at Fågeltofta-2 (9.7m @ 0.61% V<sub>2</sub>O<sub>5</sub>) and Gislövshammar-2 (9.2m @ 0.67% V<sub>2</sub>O<sub>5</sub>) and from surface sampling at Flagabro Creek (~10m @ 0.61% V<sub>2</sub>O<sub>5</sub>). The programme is designed to test these higher grade areas for mineralisation and the Company hopes to replicate historical results which have been consistent throughout the formation.

Province has estimated a maiden JORC Mineral Resource of 116.9Mt @ 0.39% V<sub>2</sub>O<sub>5</sub> at the Hörby Target in the Skåne Vanadium Project. The high tonnage, near surface, resource estimated at Hörby reflects the widespread stratigraphic hosted vanadium mineralisation across the licences, giving confidence that further drilling could generate additional Mineral Resources over higher-grade targets (including Tomelilla) on the 98% of the licences that remain unexplored.

### **PASCALLE COPPER GOLD PROJECT, PATERSON PROVINCE**

As announced to ASX on 16 September 2021, Province entered into a binding agreement with AIM listed Greatland Gold plc (AIM:GGP) to sell the Pascale Project.

During the quarter the acquisition by GGP of EL45/5316 from Province for consideration of \$50,000 was completed.

In addition, Province is the sole applicant for exploration licences EL45/5754 and EL45/5755 and the holder of EL45/5756. Province has granted GGP an option, upon exercise of which GGP will pay consideration of \$150,000 plus \$200,000 in cash or GGP shares (at GGP's election) for the withdrawal of the applications and sale and purchase of EL45/5756, and if necessary, the sale and purchase of the licences created if the applications are granted.

### **CORPORATE**

#### **Cash balance and Related Party Payments**

At the end of the quarter the Company had a cash balance of \$22.3 million.

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

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure spend during the quarter was \$315,000. Full details of exploration activity during the December 2021 quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter as set out in Section 6.1 of the attached Appendix 5B relate to director salaries and fees in the quarter.

## Exploration Expenditure

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

Description	Amount \$
Exploration Projects	148,000
HyEnergy™ Project	167,000

## ESG

The Company is committed to building Environmental, Social and Governance (ESG) credentials. Province is making ESG disclosures against the World Economic Forum (WEF) Stakeholder Capitalism Framework. The WEF framework is a set of common metrics for sustainable value creation captured in 21 core ESG disclosures. Hundreds of companies worldwide are disclosing against this core ESG framework.

Province uses this universal ESG framework to align its mainstream reporting on performance against ESG indicators. By integrating ESG metrics into its governance, business strategy, and performance management process, Province diligently consider all pertinent risks and opportunities in running its business.

Province's progress will be reported quarterly and will shortly be live on its website. Province's progress from last quarter to the current quarter is set out below.

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Action	E Explanation	D Development	R Reported	V Verified	A Audited	Period 2, Jul-Sep 2021					Period 3, Oct-Dec 2021				
						DISCLOSURE	MATURITY					DISCLOSURE	MATURITY		
						A1	A2	A3	A4	A5	A1	A2	A3	A4	A5
<b>ESG Go Dashboard</b>															
<b>Governance</b>															
GO-01-A	Setting purpose					V	V	V	V	V	V	V	V	V	V
GO-02-A	Governance body composition					V	V	V	V	V	V	V	V	V	V
GO-03-A	Material issues impacting stakeholders					D	R	R	D	D	D	D	D	D	D
GO-04-A	Anti-corruption practices					R	R	R	R		R	R	R	R	
GO-04-B	Mechanisms to protect ethical behaviour					R	R	R			R	R	R		
GO-05-A	Integrating risk and opportunity into business process					R	R	R	R	R	R	R	R	R	R
<b>Planet</b>															
PL-01-A	GHG emissions					E	E	E	E		E	E	E	E	
PL-01-B	TCFD implementation					E	E	E	E		E	E	E	E	
PL-02-A	Land use and ecological sensitivity					E	E	E	E	E	E	E	E	E	E
PL-03-A	Water consumption					E	E	E	E	E	E	E	E	E	E
<b>People</b>															
PE-01-A	Diversity and inclusion					R	R	R	R	R	R	R	R	R	R
PE-01-B	Pay equality					R	R	R	R	R	R	R	R	R	R
PE-01-C	Wage level					R	R	R			R	R	R		
PE-01-D	Child, forced or compulsory labour					R	R				R	R			
PE-02-A	Health and safety					R	R	E			R	R	E		
PE-03-A	Training provided					R	R	R			R	R	R		
<b>Prosperity</b>															
PR-01-A	Rate of employment					R	R	R			R	R	R		
PR-01-B	Economic contribution					E	E	R			E	E	R		
PR-01-C	Financial investment contribution					E	R	E			E	R	E		
PR-02-A	Total R&D expenses					E	E				E	E			
PR-03-A	Total tax paid					E	E				E	E			

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Province’s quarterly ESG activity summary:

- Dedicated ESG position added to the Company to drive the ESG principles throughout the Company.

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

This announcement has been approved by the Board.

**For more information contact:**

**David J Frances**

**Managing Director - CEO**

**David.frances@provinceresources.com**

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ABN 83 061 375 442

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**Schedule of Tenements - Australia**

Name	Tenement	Ownership at beginning of quarter	Ownership at end of quarter
Pascalie	EL 45/5316	100%	Nil
Pascalie	EL 45/5756	100%	100%
Gnama	EL 63/1933	100%	100%
Gnama	EL 63/1934	100%	100%
Gnama	EL 63/1935	100%	100%

**Tenement Applications - Australia**

Name	Tenement
HyEnergy Project	ELA 09/2507
HyEnergy Project	ELA 09/2508
HyEnergy Project	ELA 09/2510
HyEnergy Project	ELA 09/2511
HyEnergy Project	ELA 09/2512
HyEnergy Project	ELA 09/2513
HyEnergy Project	ELA 09/2514
HyEnergy Project	ELA 09/2528
HyEnergy Project	ELA 09/2529
HyEnergy Project	ELA 09/2530
HyEnergy Project	ELA 09/2537
HyEnergy Project	ELA 09/2486
HyEnergy Project	ELA 09/2487
HyEnergy Project	ELA 09/2488
HyEnergy Project	ELA 09/2489
HyEnergy Project	ELA 09/2490
HyEnergy Project	ELA 09/2491
HyEnergy Project	ELA 09/2492
Pascalie	ELA 45/5754
Pascalie	ELA 45/5755

**Schedule of Tenements – Sweden**

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

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## Appendix 5B

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

Name of entity

Province Resources Limited

ABN

83 061 375 442

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(148)	(349)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(263)	(474)
	(e) administration and corporate costs	(300)	(572)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (green hydrogen project)	(167)	(270)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(866)</b>	<b>(1,638)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(148)	(202)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	50	50
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(98)</b>	<b>(152)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	538
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>538</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	23,313	23,600
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(866)	(1,638)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(98)	(152)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	538

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>22,348</b>	<b>22,348</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,059	7,022
5.2	Call deposits	16,289	16,291
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>22,348</b>	<b>23,313</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

Item 6.1 Directors fees & salaries.

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

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

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(866)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(866)
8.4 Cash and cash equivalents at quarter end (item 4.6)	22,348
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	22,348
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	25.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

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

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

Answer: n/a

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

**Compliance statement**

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

Date: .....20 JANUARY 2022.....

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

**Notes**

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