





The recently completed diamond drilling program generated samples from each of the four Resources for use in further metallurgical test work as well as geotechnical test work. Spectacular sulphide intervals up to 15m true width in diamond drill core from Evelyn Deposit, as shown in Figure 2, are awaiting assay.

Mineralised core will be used in further ore sorting, flotation and bio-leaching test work, as well as generating flotation tailings for waste characterisation. Geotechnical test work will confirm the proposed pit designs and provide additional waste rock characterisation samples. The various studies are being compiled into the Feasibility document and results will be announced as the studies are completed.

### Scoping Study

As reported in the Quarterly of 31 December 2021, the recent scoping study serves as a stepping stone toward full feasibility, demonstrating some of the **environmental and sustainability benefits** for Whim Creek, such as the gas fired power station, which will effectively halve the cost of power generation on site.<sup>7</sup>

**New products** will be generated from ore sorting, namely engineered aggregates, which would otherwise become waste. The upgraded ore from sorting would require less reagents, less power and less water to generate concentrates, in turn producing less process tailings.

Anax is participating in numerous research and development projects intended to find new ways to minimise waste at Whim Creek with the intention of attaining ESG certification for the operations.

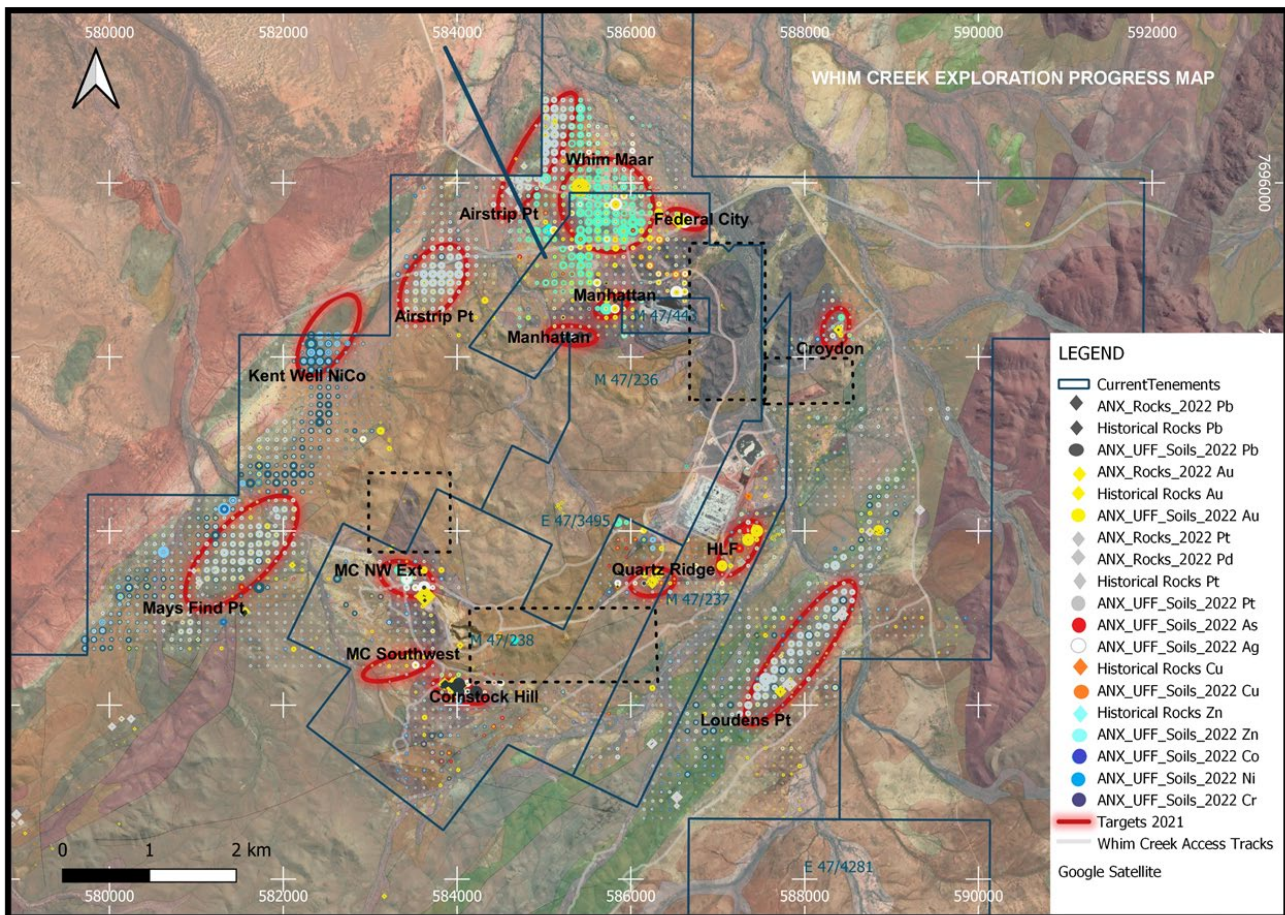
Initial bacterial heap leach test work, using the mid-to-low grade ore from sorting test work, has successfully demonstrated up to 90% copper and zinc recovery. Bio-leaching is intended to make use of the newly refurbished Whim Creek heap leach facility and contribute significantly to the income generated for Whim Creek.

Column leach test work, simulating heap leach conditions, is ongoing at two Perth laboratories, using bacteria sourced onsite at Whim Creek, as well as hybridised, commercially available bacterial cultures. Further heap leach amenability test work will use ore sorted middlings from Whim Creek, Salt Creek and Evelyn metallurgical drill core from recent drilling.<sup>1</sup>

Nexus and PPM Global Pty Ltd were commissioned to scope an updated sulphide extraction – electrowinning (SX-EW) flow sheet incorporating a zinc sulphate precipitation circuit, which will generate additional revenue for the project once the heap leach infrastructure has been licenced to operate.<sup>8</sup>

### Exploration

Final results from regional UltraFine+™ soil sample analysis generated multiple, well-defined geochemical anomalies at Whim Creek for gold, platinum group metals (PGEs), nickel-cobalt and base metals- copper, zinc and lead (Figure 3). The **HLF gold prospect** has been prioritised for drilling in May 2022, along with near-mine targets at Whim Creek and Mons Cupri.<sup>2</sup>



**Figure 3: GSWA 2020 Geology and UltraFine+™ Geochemical Soil Anomalies at Whim Creek Project 3**

The UltraFine+™ analysis method separates the clay portion of the soil for analysis, which generates a broad suite of elements with cohesive anomalies and less ‘spikey’ results than standard soil sample analysis techniques. The method was developed by CSIRO and LabWest to detect gold mineralisation under cover but has been found to be equally effective for base metals. The method is used extensively across the Pilbara Region where gold exploration is booming since De Grey’s Hemi discovery.

Anax’s participation in the CSIRO UltraFine+™ R&D programme will generate further interpretive data from the UltraFine+™ soil geochemistry. However, the results of this study will remain confidential until published by CSIRO.<sup>7</sup>

The innovative 3D structural model of Whim Creek has been used to define gaps in drilling around Whim Creek and Mons Cupri Resources and these targets have been prioritised for resource extension drilling in May 2022.2 Further drilling of near mine targets at Whim Creek, Mons Cupri and Evelyn will be scheduled as Programme of Works approvals are granted.

During the Quarter, field exploration work got underway at Whim Creek Project to extend regional soil sampling coverage and follow up on defined geochemical targets.

### Anax's 100%-Owned Exploration Tenure

Regional UltraFine+™ soil sampling over prospective structures generated new gold anomalies at **Loudens Patch** tenement (E47/4281), located adjacent to the Whim Creek Project. Historical geochemistry over the ground formerly held by De Grey had generated low level gold anomalism, field investigation of which confirmed quartz-limonite outcrop over 100m along a ridge. Rock chip sampling confirmed gold in situ. The UltraFine+™ soil sampling grids will now be extended across the tenement and auger drilling will follow.

Located near Ravensthorpe and securing a section of historically drilled Bandalup ultramafics and Chester metasediments of the Younami Archean Terrane, the **Mount Short** tenement (E74/651) is prospective for base metal massive sulphides and VMS style deposits, as well as gold and lithium-pegmatites. Field investigation in Q4, 2021, generated new rare earth anomalism. Anax will schedule auger drilling around the growing season of this Wheatbelt tenure. Anax continues to consider potential JV partnerships to develop this project further.

### Advanced Project Procurement Plan

The Company continues to pursue additions to its project portfolio, investigating assets that are amenable to the integration of smart ore sorting technology. Anax is systematically furthering this strategy with its ongoing project review and collaboration with strategic partnerships.

### Compliance

For the purpose of Listing Rule 5.3.1, during the quarter, the Company spent \$1,658k on its exploration, site upgrade and feasibility activities, of which \$1,636k related to the Whim Creek project. The total spend comprised \$397k site upgrade and remediation work; \$614k feasibility studies and permitting; \$483k site maintenance and other site related costs, and \$164k on direct exploration and tenure.

For the purpose of Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the quarter by the Company or its subsidiaries.

Pursuant to Listing Rule 5.3.4, the Company provides the following comparison of its actual group expenditure on the individual items in the "use of funds" statement in its Prospectus <sup>10</sup> since the date of its admission to ASX's official list against the estimated expenditure on those items in the "use of funds" statement in the prospectus and an explanation of any material variances.

Table 2: Use of Funds

Use of Funds	Estimate for the first year after ASX admission (as per Prospectus) <sup>14</sup>	Actual Use March 2022 Quarter (Cumulative) <sup>1</sup>	Variance Under/(Over)
Feasibility studies	1,500,000	2,685,322	(1,185,322)
Environmental and site improvements	2,218,000	4,728,783	(2,510,783)
Exploration, heritage and tenure	548,000	687,249	(139,249)
Site management	955,000	2,265,066	(1,310,066)
Earnin and Joint Venture Agreement (deposit and stamp duty payments)	550,000*	0 <sup>2</sup>	550,000 <sup>2</sup>
Working capital	1,687,677	2,507,848	(820,171)
Estimated expenses of the Offers	290,879	139,905	150,974
<b>TOTAL</b>	<b>7,749,556</b>	<b>13,014,172</b>	<b>(5,264,616)</b>

<sup>1</sup> Cumulative spend covers activities for the 21-month period to March 2022.

<sup>2</sup> \$150,000 was paid in respect of this total due prior to the company's re-quotations and commencement of the reporting period.

For the purpose of Listing Rule 5.3.5, the company confirms that \$110,654 in directors' fees was paid in the quarter (inclusive of \$1,500 GST and \$9,923 statutory superannuation). Payments to related parties of the Company and their associates during the quarter totalled \$173,754 (including \$15,796 GST) – this included \$9,900 (including \$900 GST) paid to Holihox Pty Ltd (a related party of Mr Phillip Jackson) for legal consulting; \$129,781 (including \$11,798 GST) paid to Nexus Bonum Pty Ltd (a related party of Geoff Laing) for technical consulting fees; and \$34,072 (including \$3,098 GST) was paid to Grange Consulting Pty Ltd (a related party of Phil Warren) for company secretarial and corporate advisory services. These amounts are included at Item 6 of the Appendix 5B.

## Corporate

During the quarter, Anax raised \$4m additional equity through the issue of 43,956,044 new fully paid ordinary shares to institutional, sophisticated and professional investors at an issue price of \$0.091 per share<sup>15</sup>. On 31 March 2022, Anax had a total of 400,956,044 fully paid ordinary shares on issue.

Table 3: Unlisted options on issue

Code	Number	Strike price	Expiry date	No holders	Vested (Yes/No)	Vesting date
2	2,700,000	\$0.069	10 Dec 2022	1	Yes	26 Nov 2018
3	29,250,000	\$0.045	28 Oct 2023	21	Yes	27 Oct 2021, Escrowed
4	3,000,000	\$0.045	28 Oct 2023	3	Yes	27 Oct 2021
5	4,000,000	\$0.136	10 Mar 2023	1	Yes	Immediately
6	2,000,000	\$0.105	28 May 2024	1	Yes	26 May 2022
<b>TOTAL</b>	<b>40,950,000</b>					

Table 4: Performance Rights on issue

Tranche	No of Performance Rights	Vesting Condition to convert into one share in the Company per Performance Right	Expiry Date	Vested (Yes/No)	Comment
<b>Class A*</b>	6,000,000	The 20-day VWAP of the Company's Shares reaching 150% of the Public Offer Price (being \$0.045) prior to the Expiry Date	2 years from grant date	Yes	The vesting condition was met on 22 January 2021
<b>Class B*</b>	4,800,000	The 20-day VWAP of the Company's Shares reaching 300% of the Public Offer Price (being \$0.090) prior to the Expiry Date	2 years from grant date	Yes	The vesting condition was met on 15 June 2021
<b>Class C</b>	4,500,000	The 20-day VWAP of the Company's Shares reaching 450% of the Public Offer Price (being \$0.135) prior to the Expiry Date	2 years from grant date	No	N/A
<b>TOTAL</b>	<b>15,300,000</b>				

\*The Class A and Class B Performance Rights are now able to be converted into Anax shares at the holder's election, prior to their expiry, as per their terms.

















## 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: ...26 April 2022.....

Authorised 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.