

ASX: ANX

29 JULY 2022

## JUNE 2022 QUARTERLY ACTIVITIES REPORT

*Anax Metals Limited - acquiring and developing advanced mineral projects through innovation and the integration of ore-sorting technology*

### Quarter Highlights

- **Spectacular Massive Sulphides Intersected at Whim Creek** <sup>4</sup>
- **Outstanding Assays Confirm Massive Sulphide Intersections** <sup>2</sup>
- **Gold and Copper Exploration Drilling Underway Post Quarter-End** <sup>1</sup>
- **High-Grade Gold in Rock Chips at “Hemi-Style” HLF Prospect** <sup>1</sup>
- **Loudens Patch and Mount Short Exploration Update** <sup>3</sup>

### Whim Creek Project Joint Venture (ANX 80% - DVP 20%)

Anax Metals Limited (ASX: **ANX**, Anax, or the **Company**) is advancing the Whim Creek Project with a two-pronged approach: simultaneously driving forward **Resource development** through ongoing Feasibility Studies; and systematic **Exploration**, using innovative techniques to define new **copper-zinc, gold, nickel-cobalt and platinum group metals (PGM)** deposits.

### Feasibility Study and Permitting Progress

The diamond drilling programme completed in April 2022, generated samples from Salt Creek and Evelyn for use in metallurgical and geotechnical test work, contributing to Anax’s ongoing **Definitive Feasibility Studies (DFS)**.

**Spectacular massive sulphide intervals up to 15m** (true width), consisting of chalcopyrite, sphalerite, galena, pyrite and pyrrhotite in diamond drill core from Evelyn Deposit, as illustrated in Figure 1, generated outstanding assay results, including:

22AED003 - **18m @ 2.52% Cu, 7.22% Zn, 0.69% Pb, 60g/t Ag and 0.83 g/t Au** from 41m, and

22AED004A - **20m @ 2.65% Cu, 11.3% Zn and 0.99% Pb** from 68m. <sup>2</sup>

Anax’s Managing Director, Geoff Laing commented: *“These assay results are very pleasing and confirm that the Evelyn deposit will provide considerable upside to Whim Creek project outcomes. Metallurgical test work is well advanced and initial indications suggest that Evelyn ore will be highly compatible with the processing flow sheet currently being finalised for both the Mons Cupri and Whim Creek ore deposits. It is envisaged that Evelyn ore will feed directly into the Whim Creek development scenario.”*



*Figure 1: Massive sulphide copper-zinc mineralisation in 22AED003 and 22AED004A<sup>2</sup>*

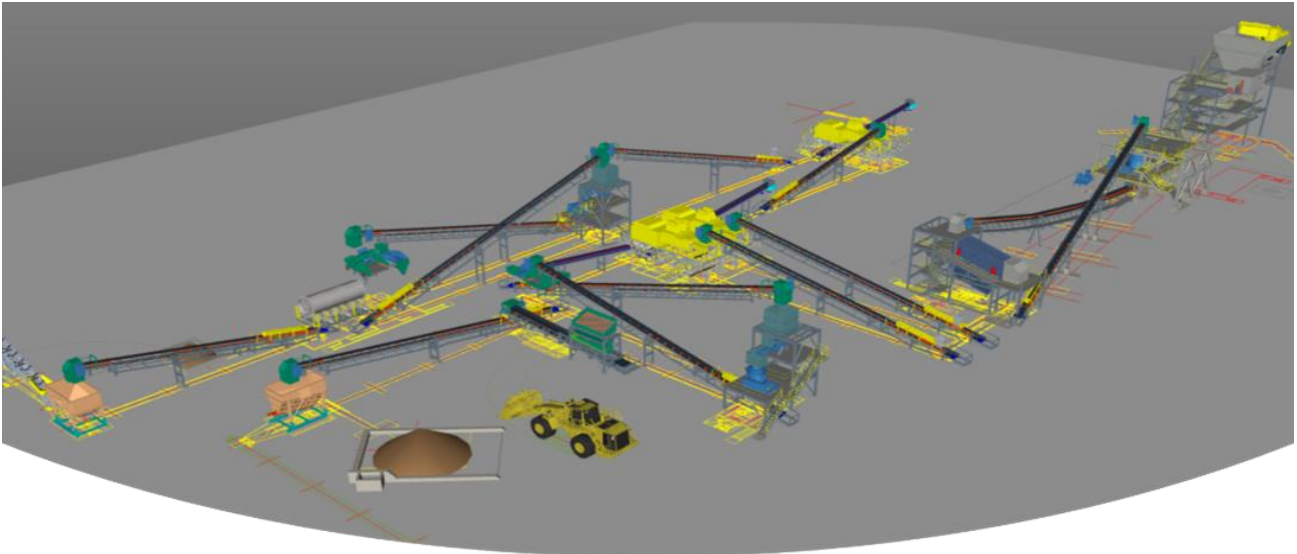
Metallurgical samples will be used in further ore sorting, and flotation test work, as well as generating flotation tailings for waste characterisation. Geotechnical samples will verify the proposed mine designs and provide additional waste rock characterisation material. Anax remains well placed to deliver its **Definitive Feasibility Study in Q3 CY2022**, despite the recent challenges experienced at laboratories and consultancies, primarily due to Covid-19 and its flow-on impacts.<sup>2</sup>

Over the last quarter, significant progress has been made with **geotechnical and engineering studies** concluded in June 2022. The designs of the crushing and sorting circuit by Nexus Bonum (Figure 2), and the modular concentrator by Gekko Systems (Figure 3) are in their final stages, for which Anax will report key outcomes shortly.<sup>2</sup>

Metallurgical testing is also well advanced, with **column leach tests** progressing well and providing encouraging initial results. **Flotation** optimisation of Mons Cupri and Whim Creek is nearing completion, with flotation test work on ore from Evelyn and Salt Creek commenced in June. Anax will provide a comprehensive update on the progress of metallurgical test work to the market shortly.<sup>2</sup>

Mining optimisation, design and scheduling is progressing well. Numerous mining contractors have been approached to provide cost estimates, and Anax anticipates that it will receive indicative pricing by July 2022, after which the mining schedule will be finalised.

During the quarter, Anax's tailings consultants completed a site visit and confirmed the suitability of the oxide pits at Mons Cupri for tailings disposal. Utilising the existing pits as a tailings disposal area will provide significant environmental benefits and cost savings in terms of construction, operation and rehabilitation.<sup>2</sup>

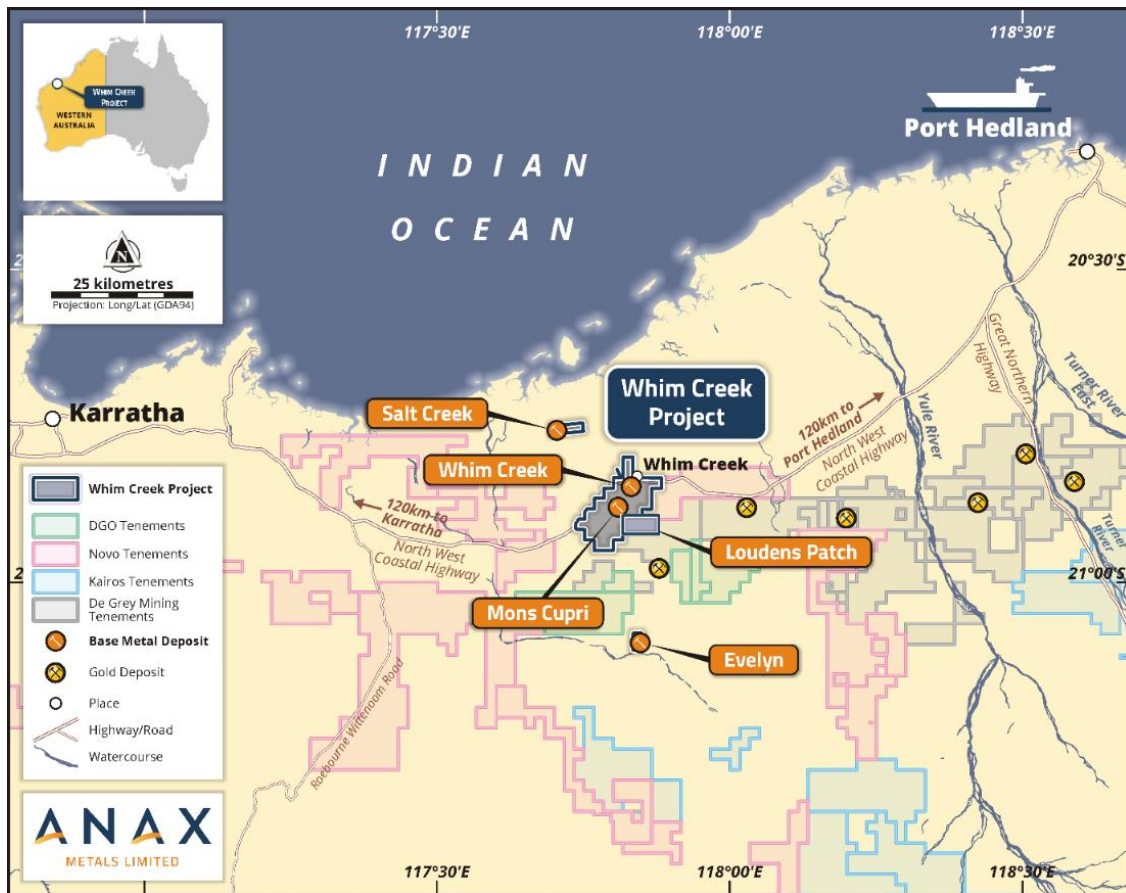


*Figure 2: Proposed Crushing and Ore Sorting Circuit - Whim Creek<sup>2</sup>*



*Figure 3: Modular Concentrator - Whim Creek Project<sup>2</sup>*

Project approvals are progressing and the Anax team continues to work closely with both Department of Mines Industry Regulation and Safety (DMIRS) and Department of Water and Environmental Regulation (DWER).



**Figure 4: Whim Creek Project Location in the Pilbara Region of Western Australia**

## Exploration

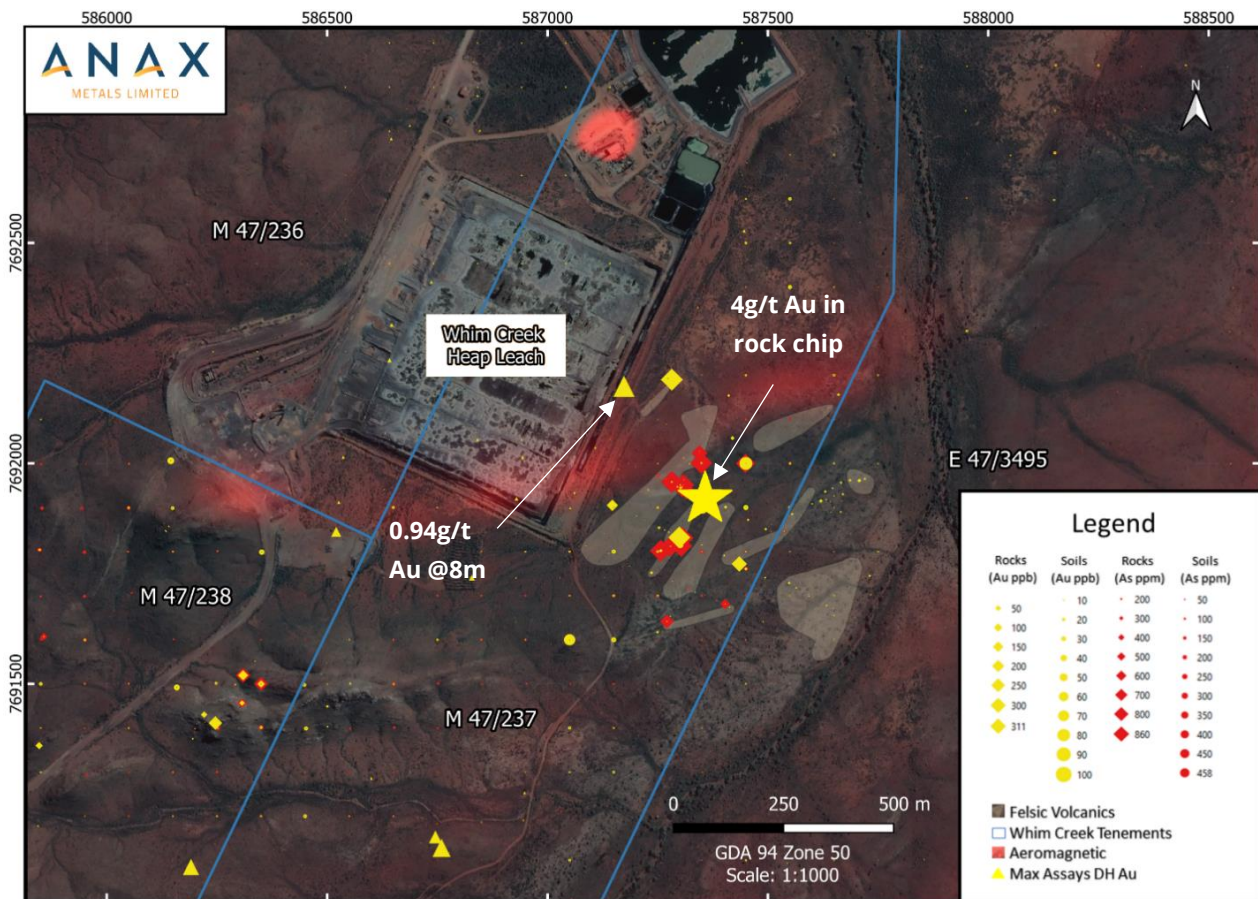


**Figure 5: Exploration RC Drilling Underway at HLF Gold Prospect**

Post 30 June Anax commenced RC drilling, to follow up high-grade gold in rock chips (up to **4g/t Au**) at HLF Prospect.<sup>1</sup> This was followed with RC drilling of near-mine extensions to the Project Resources.

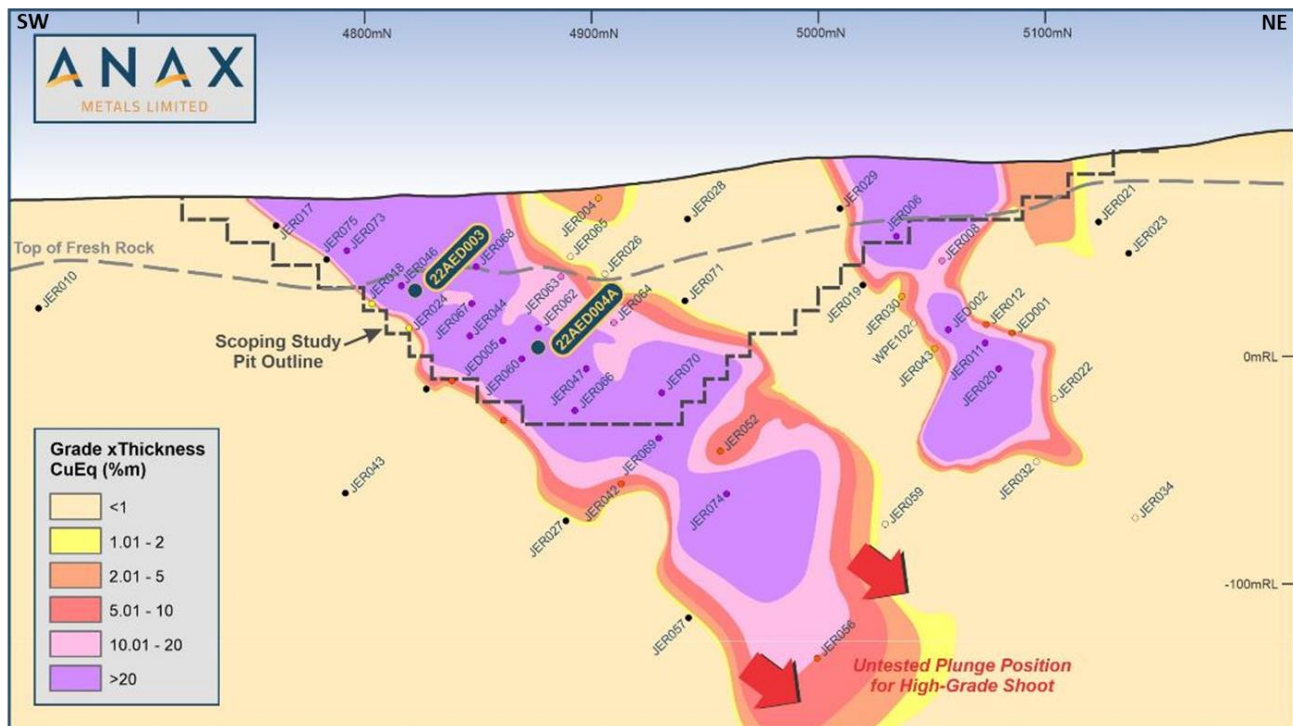
The exploration drilling, is summarised as follows:

- ▲ **HLF Gold Prospect** -1,500m RC drilling in 10 holes.  
UltraFine+™ soil sampling defined a gold-arsenic anomaly near an historical drill intercept of 0.94g/t Au. Rock chip sampling confirmed the surface gold anomaly was associated with felsic volcanics, similar to De Grey's Hemi deposit, with results up to 4g/t Au. See Figures 5 and 6<sup>1</sup>



**Figure 6: HLF Gold Prospect aeromagnetic and geochemical anomalies**

- ▲ **Whim Creek Prospect** - 700m RC drilling in 5 holes, investigated near-mine and extensional copper-zinc targets, east and west of the existing open pit. UltraFine+™ soil sampling defined base metals anomalism at Manhattan Prospect, west of Whim Creek pit, and 3D modelling highlighted gaps in drilling to the east of Whim Creek pit.<sup>1</sup>
- ▲ **Mons Cupri West and Northwest** - 900m RC drilling in 4 holes. Mons Cupri Northwest presents resource extension potential. 3D modelling illustrated structural disruption of mineralised zones and gaps in historical drilling at Mons Cupri West.
- ▲ **Evelyn** - 250m RC drilling in 1 holes, located 25km southeast of Whim Creek, where diamond drilling and newly defined JORC 2012 Resources confirmed potential for extensions at depth. See Figures 1 and 7.<sup>1,2</sup>



**Figure 7: Evelyn Long Section (local grid) showing CuEq grade x thickness contours and current drilling pierce points. View direction is to the northwest<sup>2</sup>**

Geochemical analysis of the RC drill chips will be carried out at LabWest and results reported in due course.

The Company's Managing Director, Geoff Laing, commented: "*Exploration drilling at Whim Creek Project marks a milestone for Anax. The company has defined a new gold prospect at HLF, as well as extensions to the known resources, pinpointed using the innovative UltraFine+™ soil sampling technique and 3D structural modelling.*

*Other new prospects defined with the UltraFine+™ method, including Rushalls and Airstrip PGM Prospects, will be drilled following the completion of heritage clearance surveys, currently being scheduled."*

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

New gold and lithium prospects were defined from UltraFine+™ soil sampling 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 of 0.27g/t Au**, which warrants further exploration. The UltraFine+™ soil sampling and rock chip sampling will now be extended across the tenement with auger drilling to follow.<sup>3</sup>

The **Mount Short** tenement (E74/651) is considered 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 to follow the wheat harvesting in late 2022. Anax continues to consider potential JV partnerships to develop this project further.<sup>3</sup>

## Advanced Project Procurement Plan

The Company has identified prospective additions to its project portfolio and continues its review of the assets amenable to the integration of smart ore sorting technology. Anax continues to forge strategic partnerships to enable future acquisitions.

## Compliance

For the purpose of Listing Rule 5.3.1, during the quarter, the Company spent \$1,391k on its exploration, site upgrade and feasibility activities, of which \$1,348k related to the Whim Creek project. The total spend comprised \$74k site upgrade and remediation work; \$944k feasibility studies and permitting; \$150k site maintenance and other site related costs, and \$216k 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>3</sup>	ACTUAL FOR 21 MONTH PERIOD to June 2022 Quarter	Variance Under/(Over)
Feasibility studies	1,500,000	3,638,803	(2,138,803)
Environmental and site improvements	2,218,000	4,114,722	(1,896,722)
Exploration, heritage and tenure	548,000	955,938	(407,938)
Site management	955,000	2,361,558	(1,406,558)
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	3,053,243	(1,365,566)
Estimated expenses of the Offers	290,879	139,905	150,974
<b>TOTAL</b>	<b>7,749,556</b>	<b>14,264,169</b>	<b>(6,514,613)</b>

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

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

<sup>3</sup> As per the re-compliance Prospectus dated 18 September 2020.

For the purpose of Listing Rule 5.3.5, the company confirms that \$133,500 in directors' fees was paid in the quarter (inclusive of \$12,000 statutory superannuation and \$1,500 GST). Payments to related parties of the Company and their associates during the quarter totalled \$314,822 (including \$28,620 GST) – this included \$9,900 (including \$900 GST) paid to Holihox Pty Ltd (a related party of Mr Phillip Jackson) for corporate consulting; \$270,850 (including \$24,623 GST) paid to Nexus Bonum Pty Ltd (a related party of Geoff Laing) for technical consulting fees; and \$34,073 (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

### Share Capital

During the quarter, 5,200,000 performance rights were exercised. On 30 June 2022, Anax had a total of 405,628,160 fully paid ordinary shares on issue.

### Options

There were no movements in Anax Options during the quarter.

**Table 3: Unlisted options on issue at 30 June 2022**

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>					

### Performance rights

During the quarter, 3,000,000 Class A performance rights and 2,200,000 Class B performance rights were exercised. Anax issued a further 10,000,000 performance rights to employees and 3,000,000 performance rights to director, G Laing.

Table 4: Performance Rights on issue at 30 June 2022

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>	3,000,000	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>	2,600,000	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>ANXPERF3</b>	10,000,000	Individual milestones set for each employee in accordance with terms of the Employee share plan approved by shareholders on x date	31 Dec 2024	No	
<b>ANXPRA</b>	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of \$0.14 prior to the Expiry Date	18 May 2024	No	
<b>ANXPRB</b>	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of \$0.18 prior to the Expiry Date	18 May 2024	No	
<b>ANXPRC</b>	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of \$0.23 prior to the Expiry Date	18 May 2024	No	
<b>TOTAL</b>	<b>23,100,000</b>				

\*The remaining Class A and Class B Performance Rights are held in escrow.

At 30 June 2022, Anax held \$8.6 million in liquid investments, being \$7,319,066 in available cash and a further \$1,287,700 in listed investments as summarised below.

**Table 5: Anax Metals Group Investments as at 30 June 2022**

Investment	Code	Type	Number	Unit Value	Total value
<b>Predictive Discovery Limited</b>	PDI	Shares - Listed	700,664	\$0.20	\$ 140,133
<b>Xantippe Resources Limited</b>	XTC	Shares - Listed	163,295,270	\$0.007	\$1,143,067
<b>Desert Metals Limited</b>	DM1	Shares - Listed	25,000	\$0.18	\$ 4,500
<b>TOTAL</b>					<b>\$1,287,700</b>

This Quarterly Report is authorised for release by the Board.

### For Enquiries

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### References

The information provided in this report was summarised from the following Anax Announcements to the ASX:

1. *High Grade Gold in Rock Chips Exploration Drilling Commences, 11 July 2022*
2. *Outstanding Assays Confirm Massive Sulphide in Intersections, 2 June 2022*
3. *Loudens Patch and Mount Short Exploration Update, 17 May 2022*
4. *Spectacular Massive Sulphides Intersected at Whim Creek, 12 April 2022*
5. *Quarterly Activities/Appendix 5B Cash Flow Report, 26 April 2022*
6. *Near Mine Exploration Drilling at Whim Creek, 7 April 2022*
7. *Anax Metals Presentation, 22 February 2022*

## Competent Persons' Statement

*The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Wendy Beets. Ms Beets is a full-time employee and shareholder of Anax Metals Ltd and member of the Australian Institute of Geoscientists. Ms Beets has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Beets consents to the inclusion in this report of the matters based on information in the form and context in which they appear.*

*The information in this report that relates to Mineral Resources for the Whim Creek Deposit is based on and fairly represents information compiled by Mr Andrew McDonald (an employee and shareholder of Anax Metals Ltd) and Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd). Mr McDonald is a member of the Australian Institute of Geoscientists and Mr Barnes is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr McDonald and Mr Barnes have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr McDonald is the Competent Person for the database (including all drilling information and mined depletion), the geological and mineralisation models plus completed the site visits. Mr Barnes is the Competent Person for the geological and mineralisation models, construction of the 3-D resource models plus the estimation. Mr McDonald and Mr Barnes consent to the inclusion in this report of the matters based on information in the form and context in which they appear.*

## JORC 2012 Resources

*The Mineral Resource estimates for Mons Cupri and Salt Creek were first announced by Develop Global Ltd (formerly Venturex Resources Ltd) in accordance with ASX Listing Rule 5.8 in its announcement of 23 March 2018 and reported by Anax in its recompliance prospectus released on 18 September 2020. The Mineral Resource estimate for Whim Creek was first reported by Anax in accordance with ASX Listing Rule 5.8 in its announcement of 25 May 2021. The Mineral Resource estimate for Evelyn was first reported by Anax in accordance with ASX Listing Rule 5.8 in its announcement of 17 January 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the previous announcement continue to apply and have not materially changed.*

**Table 6: Whim Creek Project Global Copper Dominant Mineral Resource**

Deposit	Classification	Kt	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b> (0.40% Cu Cut-off)	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	3,130	0.84	0.47	0.20	16	0.09
	Inferred	400	0.60	0.22	0.10	10	0.03
<b>Salt Creek</b> (0.40% Cu Cut-off)	Measured	-	-	-	-	-	-
	Indicated	850	1.40	1.12	0.24	8	0.11
	Inferred	460	1.15	2.41	0.60	27	0.16
<b>Whim Creek</b> (0.40% Cu Cut-off)	Measured	-	-	-	-	-	-
	Indicated	1,750	1.10	0.63	0.16	6	0.04
	Inferred	660	0.56	0.17	0.08	2	0.02
<b>Evelyn</b> (No Cut-off)	Measured	-	-	-	-	-	-
	Indicated	440	2.40	3.89	0.30	40	0.95
	Inferred	110	1.31	1.80	0.14	15	0.19
<b>COMBINED</b>	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	6,170	1.10	0.85	0.20	14	0.14
	Inferred	1,630	0.78	0.93	0.24	12	0.07
<b>TOTAL Cu Resources</b>	<b>Combined</b>	<b>8,790</b>	<b>1.10</b>	<b>0.93</b>	<b>0.25</b>	<b>16</b>	<b>0.14</b>

*Note: Appropriate rounding applied.*

**Table 7: Whim Creek Project Global Zinc Dominant Mineral Resource ( $\geq 2.0\%$  Zn;  $< 0.40\%$  Cu)**

Deposit	Classification	Kt	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b>	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	340	0.09	3.56	1.01	38	0.07
	Inferred	150	0.08	4.84	1.96	27	0.04
<b>Salt Creek</b>	Measured	-	-	-	-	-	-
	Indicated	170	0.18	14.15	4.23	85	0.53
	Inferred	380	0.12	8.75	2.57	62	0.25
<b>Whim Creek</b>	Measured	-	-	-	-	-	-
	Indicated	120	0.12	3.22	0.44	12	0.08
	Inferred	45	0.13	2.46	0.40	9	0.04
<b>COMBINED</b>	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	630	0.12	6.34	1.77	46	0.19
	Inferred	575	0.11	7.22	2.23	48	0.18
<b>TOTAL Zn Resources</b>	<b>Combined</b>	<b>1,275</b>	<b>0.12</b>	<b>6.63</b>	<b>1.98</b>	<b>47</b>	<b>0.19</b>

*Note: Appropriate rounding applied.*

### **COPPER EQUIVALENT CALCULATIONS**

The copper equivalent (CuEq) calculation adjusts individual grades for all metals included in the metal equivalent calculation applying the following modifying factors: metallurgical recoveries, payability and metal prices. The factors are used to generate a CuEq value for zinc, lead, silver and gold and are calculated based on the following formula:

$$\text{CuEq\%} = (\text{Cu grade} \times \text{Cu price} \times \text{Sorting Recovery} \times \text{Concentrator Recovery} \times \text{Cu Payability} \\ + \text{Zn grade} \times \text{Zn price} \times \text{Sorting Recovery} \times \text{Concentrator Recovery} \times \text{Zn Payability} \\ + \text{Pb grade} \times \text{Pb price} \times \text{Sorting Recovery} \times \text{Concentrator Recovery} \times \text{Pb Payability})$$

- + Ag grade x Ag price x Sorting Recovery x Concentrator Recovery x Ag Payability
- + Au grade x Au price x Sorting Recovery x Concentrator Recovery x Au Payability)
- ÷ Cu price.

Commodity prices used: Cu = US\$8,550/t, Zn = US\$2,750/t, Pb = US\$2,100/t, Au = US\$1,750/oz and Ag = US\$25/oz (FX Rate: A\$0.73 : US\$1) as reported in Scoping Study (see ASX Announcement 17 Jan 2022).

The following concentrator recoveries were applied for the Evelyn Deposit CuEq calculation: Cu = 90%, Zn = 75%, Pb = 75%, Au = 55% and Ag = 55%.

It is Anax's opinion that all the elements included in the metal equivalents calculation set out above have a reasonable potential to be recovered and sold, however the commercial recovery and sale of any products from the Company's project are subject to a number of risks and uncertainties.

## Appendix 1

*In accordance with Listing Rule 5.3.3. Anax provides the following information in relation to its mining tenements.*

### 1. Tenements held at the end of the Quarter and their location:

<i>Project</i>	<i>Tenement Number</i>	<i>Status</i>	<i>Location</i>	<i>Beneficial Percentage Interest</i>
<i>Mount Short</i>	<i>E74/651</i>	<i>Live</i>	<i>Phillips River Mineral Field</i>	<i>100%</i>
<i>Loudens Patch</i>	<i>E47/4281</i>	<i>Live</i>	<i>Pilbara</i>	<i>100%</i>
<i>Whim Creek</i>	<i>L47/0036</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/236</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/237</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/238</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/323</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/324</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>M 47/443</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Whim Creek</i>	<i>E 47/3495</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>
<i>Liberty Indee</i>	<i>M 47/1455</i>	<i>Live</i>	<i>Pilbara</i>	<i>80%</i>

### 2. Tenements acquired during the Quarter and their location: None

### 3. Tenements disposed of during the Quarter and their location: N/A

## Appendix 5B

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

Name of entity

ANAX METALS LIMITED

ABN

46 106 304 787

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(79)	(133)
(b) development	-	-
(c) production	-	-
(d) staff costs	(263)	(956)
(e) administration and corporate costs	(121)	(643)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(256)	(71)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(719)</b>	<b>(1,830)</b>

1.8 includes net GST received per quarter and \$342k receipt of R&D refund in Jan 22, reallocated to offset capitalised exploration in 2.1(d) in June 22.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(96)
(d) exploration & evaluation	(969)	(6,502)
(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	12	5,315
	(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) <sup>2</sup>	-	(135) <sup>1</sup>
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(957)</b>	<b>(1,418)</b>

<sup>1</sup>Success fee paid in July 2021 on sale of royalty in prior year.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	122
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(261)
3.5	Proceeds from borrowings	(41)	57
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>2</sup>	(41)	(55)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(82)</b>	<b>3,863</b>

<sup>2</sup>Premises Lease payments

<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	9,077	6,701
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(719)	(1,830)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(957)	(1,418)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(82)	3,863

## 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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	3
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,319</b>	<b>7,319</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	6,194	7,952
5.2	Call deposits	1,125	1,125
5.3	Bank overdrafts	-	-
5.4	Other (Credit card and Office lease bond)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,319</b>	<b>9,077</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	202
6.2	Aggregate amount of payments to related parties and their associates included in item 2	246

*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 includes \$120,000 directors' fees, \$12,000 statutory superannuation (net of GST) and a further \$39,975 (net of GST) in consulting fees to related entities. Total GST on these amounts amounted to \$27,720. Item 6.2 includes \$246,227 in engineering consulting fees to related entities. A further \$77,540 plus GST is included in Trade creditors at 30 June 2022 for this related party engineering consulting.

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(719)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(957)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	<b>(1,676)</b>
8.4 Cash and cash equivalents at quarter end (item 4.6)	<b>7,319</b>
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	<b>7,319</b>
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.4
<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.

29 July 2022

Date: .....

The Board

Authorised by: .....  
(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.