

# QUARTERLY ACTIVITIES REPORT

## DECEMBER 2022

*"Anax is rapidly progressing towards copper production from the strategically located Whim Creek Project in the Pilbara. We are establishing a Pilbara hub for processing battery metals and a platform to consolidate Pilbara base metal assets. Innovation is the way forward." Geoff Laing, Managing Director, Anax Metals Limited*

### Quarter Highlights

- ▲ Evelyn and Salt Creek high-grade resource extensions warrant underground mining studies at DFS level <sup>2,5,6</sup>
- ▲ Unsecured Loan Note Agreement provides additional working capital to fund ongoing DFS <sup>1</sup>
- ▲ Whim Creek Permitting approvals received <sup>2</sup>

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

Anax Metals Limited (ASX: **ANX**, Anax, or the **Company**) flagship Whim Creek Copper Project (the **Project**) is located in the vibrant, mineral rich Pilbara region of Western Australia.

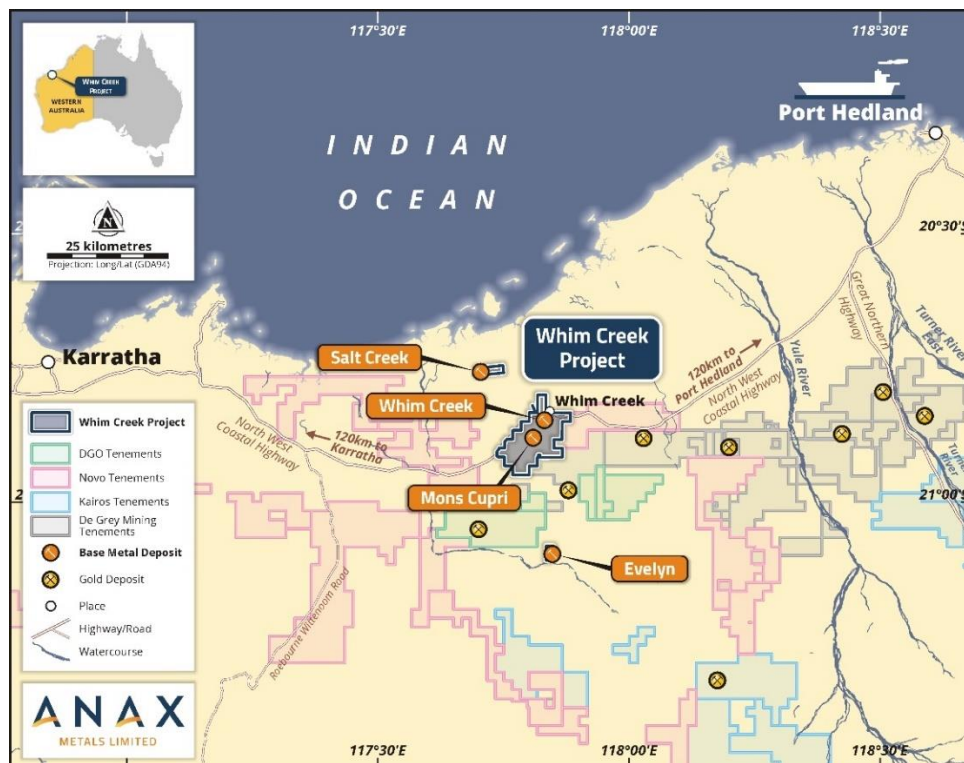
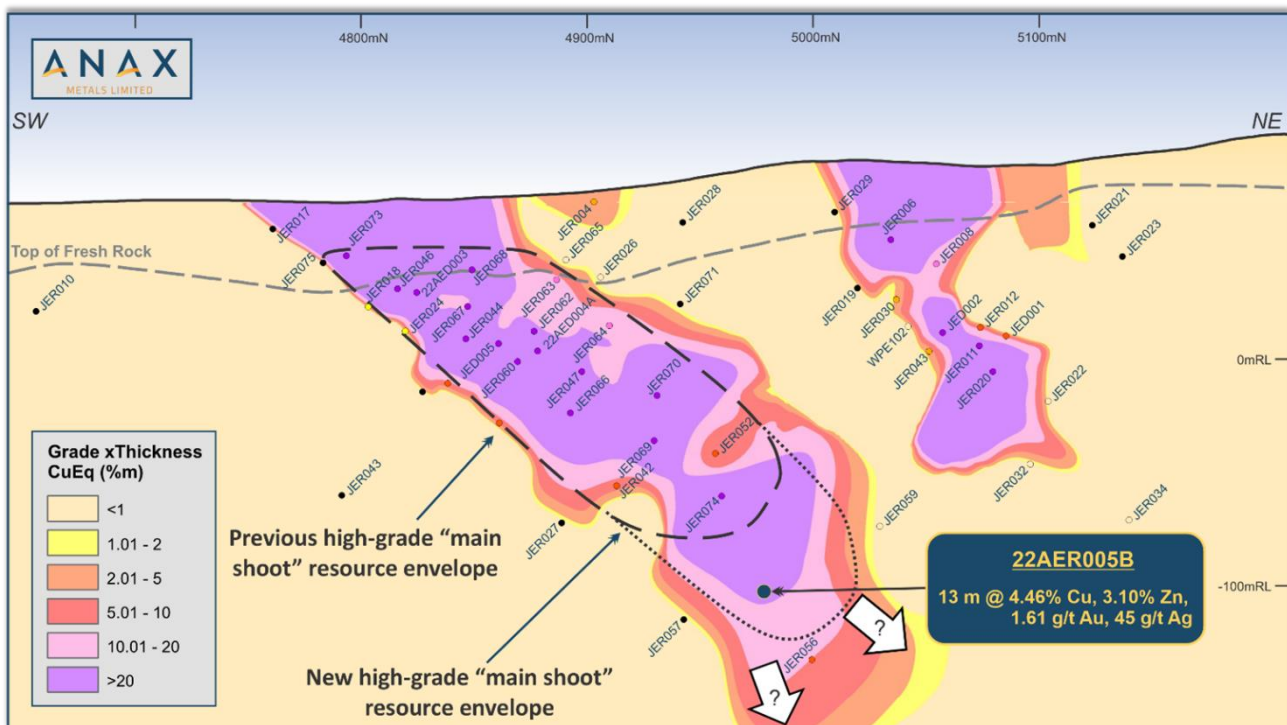


Figure 1: Whim Creek Project Location in the Pilbara Region of Western Australia

## Updated JORC 2012 Mineral Resources

The Project encompasses four advanced JORC-2012 compliant copper and zinc mineral resource estimates, namely Mons Cupri, Whim Creek, Salt Creek and Evelyn (see Figure 1, above, and Tables 5 and 6, below).

During the Quarter, the Company reported an updated JORC 2012 Mineral Resource estimate for **Evelyn resulting in a 24% increase in contained copper** (14,900t). Contained **zinc increased by 19%** (22,800t), **gold increased by 30%** (18,500 oz) and **silver by 26%** (779,000 oz). The addition of down-dip resources has increased the potential for underground mining and warranted further feasibility studies at Evelyn and **Salt Creek, where Indicated Resource tonnes increased by over 80%** in Q3, 2022. Both Salt Creek and Evelyn add significant value to the Whim Creek Project and remain open at depth.<sup>2,3,5,6</sup>



**Figure 2: Section showing Evelyn Mineral Resource Extension** <sup>4,5</sup>

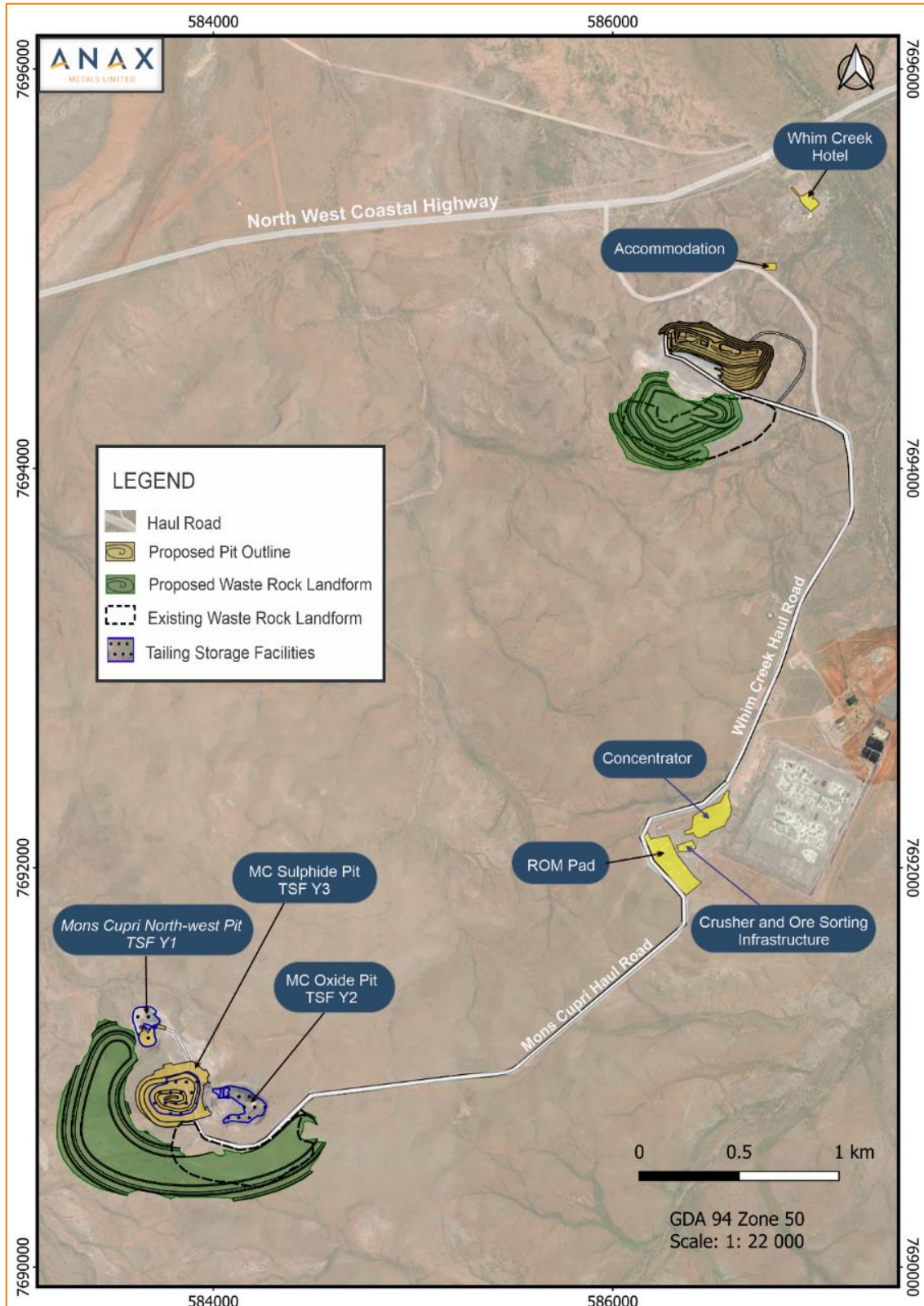
## Definitive Feasibility Study

The Project is subject to an ongoing Definitive Feasibility Study (DFS), with multiple studies having been completed, including open pit mine designs, infrastructure refurbishment and extension, metallurgical test work, process plant and in-pit tailings storage designs.<sup>2</sup>

The completed DFS is expected to be published in Q1, 2023. The DFS will include underground mining studies for the high-grade satellite ore deposits at Salt Creek and Evelyn.

Despite ongoing inflationary pressures and supply chain constraints the project continues to demonstrate robust financial metrics. The proposed underground mines at Salt Creek and Evelyn provide further upside to the projected metrics and both assets are open for immediate growth.<sup>2</sup> Anax continues to pursue development options that provide ESG upside, benefitting the local community, as well as generating cost savings for construction, operation and rehabilitation.<sup>3,4</sup>

During the Quarter, column leach test work continued, advancing to an expanded test work programme due to encouraging results. Further details on the progress of metallurgical test work will be announced in due course.<sup>2</sup>



**Figure 3: Whim Creek Site Layout showing Proposed Open Pits, Tailings Storage, Waste Rock Landforms and Upgraded Infrastructure**

## Regulatory Approvals

During the Quarter, Anax was pleased to report the Department of Mines, Industry Regulation and Safety (DMIRS) approval of the Mons Cupri Mining Proposal, following rigorous assessment.<sup>2</sup> This milestone comprises Stage-One of the Mining Proposal and the Stage-Two application has been submitted to DMIRS, including Whim Creek open pit mining, concentrator plant, in-pit tailings storage.

In addition to receiving approval for the Mons Cupri Mining Proposal, the Department of Water and Environmental Regulation (DWER) has granted Works Approval under the Environmental Protection Act 1986, to enable crushing, sorting, agglomeration and heap leach and SXEW infrastructure refurbishment.<sup>2</sup> As a result of the granted Works Approval, it is anticipated that DWER will revoke the Environmental Protection Notice (EPN) for Whim Creek in due course, as Anax has satisfied all conditions of the EPN.<sup>2</sup>

## Exploration and RC Drilling

Geochemical analysis of exploration RC drill chips continued during the Quarter. In addition, XRF scanning results defined further mineralised intervals for infill geochemical analysis<sup>3</sup>. Geochemical results remained incomplete at the time of compiling this report, due to extremely high demand for laboratory services. As results become available from the lab, they are compiled into the Anax drilling database for use in interpretation, mapping and section drawing and geochemical results will be reported as soon as they are complete.

## Anax's 100%-Owned Exploration Tenure

During the Quarter, UltraFine+™ analytical results from soil sampling and rock chip sampling at the **Loudens Patch** Project were compiled into the database for interpretation and results are under interpretation ahead of anticipated reporting in early CY2023.

Anax continued discussions with landholders at the **Mount Short** tenement (E74/651) to enable access for the auger drill rig before wheat planting commences in April 2023. Anax continues to seek potential JV partnerships to develop this project further.<sup>3</sup>

## Research and Development

Anax continues to participate in collaborative research and development projects which enable it to lead innovation initiatives and seek beneficial outcomes for its projects.<sup>4</sup>

**CSIRO UltraFine+™ Research and Development Project** which uses machine learning to enhance the value of data generated from the UltraFine+™ process. Anax awaits the R&D Project report on machine learning outcomes for its extensive Whim Creek UltraFine+ soil sampling programme. These results, which will remain confidential until published by CSIRO, will contribute to a Pilbara-wide machine learning dataset.

Anax has joined the **Future Battery Industries Cooperative Research Centre (FBICRC)**, alongside other members including BHP, IGO, Lynas Corporation and Lithium Australia. The FBICRC's Process Legacy Project has generated early results from the Company's one tonne heap

leach bulk sample, enabling Anax to see the potential of further test work to enable the repurposing of the heap tailings. This work remains confidential to the FBICRC Project.

Anax continues to collaborate with the **International Copper Association of Australia (ICAA)**, which published the Materials Movement Report during the Quarter, providing pathways for innovation and efficiency in all aspects of materials movement. The Company plans to participate in discussions relating to the creation of a Digital Knowledge Platform and investigations into pathways for improvements to Minerals Processing in H1, 2023.

### **Advanced Project Procurement Plan**

Anax continues to pursue prospective projects that are potentially amenable to the integration of smart ore sorting technology for which project review and due diligence are ongoing. The Company continues to actively progress strategic partnerships to facilitate future acquisitions.

### **Compliance**

For the purpose of Listing Rule 5.3.1, during the Quarter, the Company spent \$1,592k on its exploration, site upgrade and feasibility activities, of which \$1,547k related to the Whim Creek project. The total spend comprised \$376k expenditure on site maintenance and consumables; \$102k expenditure on environmental monitoring; \$896k expenditure on feasibility studies and permitting; and \$173k expenditure 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.

For the purpose of Listing Rule 5.3.5, the company confirms that \$213,320 in directors' fees was paid in the Quarter (inclusive of \$20,128 statutory superannuation and \$1,500 GST). Payments to related parties of the Company and their associates during the Quarter totalled \$173,166 (including \$15,742 GST), including \$9,900 (including \$900 GST) paid to Holihox Pty Ltd (a related party of Mr Phillip Jackson) for corporate consulting; \$127,512 (including \$11,592 GST) paid to Nexus Bonum Pty Ltd (a related party of Geoff Laing) for technical consulting fees; and \$35,754 (including \$3,250 GST) 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 attached Appendix 5B.

### **Corporate**

#### **Payments pursuant to the acquisition of 80% interest in the Whim Creek Project**

On 27 October 2022, Anax paid \$1 million (plus GST) to Develop Global Limited, being Payment 1 of the Deferred Consideration as per the terms of the Whim Creek Project Joint Venture Agreement<sup>14</sup>.

The stamp duty payable by Anax on the transaction<sup>14</sup> was assessed by Revenue WA as \$398,968 and paid during the Quarter on 2 December 2022. The Company is currently progressing the

transfer of Anax's 80% participating interest in the tenements and freehold title with Landgate and DMIRS.

### Loan Note Agreement

During the Quarter, the Company was pleased to announce that it had entered into an unsecured loan note agreement (**Loan Note Agreement**) with major shareholder, Jetosea Pty Ltd (**Jetosea** or the Subscriber), pursuant to which Jetosea agreed to lend the Company a total of \$2.5M. All proceeds from the Loan Note Agreement will be used to fund the ongoing Whim Creek DFS and for general working capital purposes.<sup>1</sup>

Pursuant to the Loan Note Agreement the Company agreed to issue Jetosea a total of 30M New Options in the Company, comprising of:

- (i) 15M New Options exercisable at \$0.08 on or before the date that is two (2) years from the date of issue; and
- (ii) 15M New Options exercisable at \$0.12 on or before the date that is three (3) years from the date of issue.

### Share Capital

On 31 December 2022, Anax had a total of 409,394,827 fully paid ordinary shares on issue.

During the Quarter there were the following movements in issued capital:

- On 9 November 2022, 766,667 shares were issued upon the conversion of 766,667 unlisted options with an exercise price of \$0.045<sup>9</sup>. The total amount received was \$34,500.
- On 12 December 2022, 3,000,000 shares were issued upon the conversion of 3,000,000 performance rights<sup>12</sup>. The market value per right on the issue date was \$0.055.

### Options

During the Quarter there were the following movements:

- On 10 November 2022, 766,667 unlisted options with an exercise price of \$0.045 and expiry date of 28 October 2023 were converted into ordinary shares<sup>9</sup>.
- On 10 December 2022 2,700,000 unlisted options with a strike price of \$0.069 expired without exercise.
- On 13 December 2022, 30,000,000 unlisted options were issued pursuant to the Loan Note Agreement<sup>10,13</sup>, comprising:
  - (i) 15M New Options exercisable at \$0.08 on or before the date that is two (2) years from the date of issue; and
  - (ii) 15M New Options exercisable at \$0.12 on or before the date that is three (3) years from the date of issue.

**Table 2: Unlisted options on issue on 31 December 2022**

Code	Number	Strike price	Expiry date	No holders	Vested (Yes/No)	Vesting date
3	28,483,333	\$0.045	28 Oct 2023	20	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
9	15,000,000	\$0.080	13 Dec 2024	1	Yes	Immediately
10	15,000,000	\$0.120	13 Dec 2025	1	Yes	Immediately
<b>TOTAL</b>	<b>67,483,000</b>					

### Performance rights

During the Quarter, 3,000,000 fully vested Class A Anax performance rights were converted into ordinary shares<sup>12</sup>. The market value of each right upon conversion was \$0.055.

**Table 3: Performance Rights on issue at 31 December 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 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	Vesting condition met 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>ANXPER F3</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	

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>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>ANXPB</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>20,100,000</b>				

\* held in escrow.

On 31 December 2022, Anax held **\$4,598,502 in liquid investments**, being **\$4,369,821 in available cash** and a further **\$228,681 in ASX-listed investments** as summarised below.

**Table 4: Anax Metals Group Investments at 31 December 2022**

Investment	Code	Type	Number	Unit Value	Total value
<b>Xantippe Resources Limited</b>	XTC	Shares - Listed	45,736,141	\$0.005	\$228,681
<b>TOTAL</b>					<b>\$228,681</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. *Loan Agreement, 7 December 2022*
2. *Whim Creek Copper Project – Permitting and DFS Update, 24 November 2022*
3. *September 2022 Quarterly Activities Report, 24 October 2022*
4. *Company Presentation, 10 October 2022*
5. *Evelyn Extended with Excellent Cu, Zn and Au Intersection, 4 October 2022*
6. *Significant Increase for Salt Creek Resource, 12 September 2022*
7. *Massive Sulphides Intersected at Evelyn as Whim Creek Drilling Programme Concludes, 6 September 2022*
8. *High Grade Gold in Rock Chips, Exploration Drilling Commences, 11 July 2022*
9. *Application for quotation of securities, 9 November 2022*
10. *Proposed issue of securities – ANX, 7 December 2022*
11. *Notification of cessation of securities, 12 December 2022*
12. *Change of Directors Interest Notice, 12 December 2022*
13. *Notification regarding unquoted securities, 13 December 2022*
14. *Acquisition of up to 80% of Whim Creek Copper-Zinc Project, 21 July 2020*

## 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 Project 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 and completed site visits. Mr Barnes is the Competent Person for the geological and mineralisation models, construction of the 3-D resource models and 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 and subsequently updated in the Company's announcement dated 4 October 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 5: Whim Creek Project Global Copper Dominant Mineral Resource Estimates**

Deposit	Classification	k Tonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b> (Cu ≥ 0.4%)	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> (Cu ≥ 0.8% & Zn < 2.5%)	Measured	-	-	-	-	-	-
	Indicated	1,070	2.03	0.23	0.03	4	0.08
	Inferred	650	1.25	0.28	0.04	4	0.05
<b>Whim Creek</b> (Cu ≥ 0.4%)	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	6,420	1.23	0.73	0.17	13	0.14
	Inferred	1,830	0.96	0.44	0.08	7	0.09
<b>TOTAL Cu Resources</b>		<b>9,240</b>	<b>1.22</b>	<b>0.75</b>	<b>0.20</b>	<b>15</b>	<b>0.15</b>
<b>Contained T/Oz</b>			<b>Cu T</b>	<b>Zn T</b>	<b>Pb T</b>	<b>Ag oz</b>	<b>Au oz</b>
			112,000	69,000	18,000	4,330,000	43,700

Note: Appropriate rounding applied.

**Table 6: Whim Creek Project Global Zinc Dominant Mineral Resource Estimates (various cut-offs used)**

Deposit	Classification	k Tonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
<b>Mons Cupri</b> (Zn ≥ 2.0% & Cu < 0.4%)	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> (Zn ≥ 2.5%)	Measured	-	-	-	-	-	-
	Indicated	770	0.58	9.91	2.97	73.16	0.39
	Inferred	255	0.53	5.70	1.88	31.43	0.14
<b>Whim Creek</b> (Zn ≥ 2.0% & Cu < 0.4%)	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	1,230	0.40	7.55	2.20	58	0.27
	Inferred	450	0.34	5.07	1.75	27	0.10
<b>TOTAL Zn Resources</b>		<b>1,750</b>	<b>0.37</b>	<b>6.75</b>	<b>2.05</b>	<b>50</b>	<b>0.22</b>
<b>Contained T/Oz</b>			<b>Cu T</b>	<b>Zn T</b>	<b>Pb T</b>	<b>Ag oz</b>	<b>Au oz</b>
			7,000	118,000	36,000	2,790,000	12,600

Note: Appropriate rounding applied.

## 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:

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

### 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")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(45)	(63)
(b) development	-	-
(c) production	-	-
(d) staff costs	(415)	(614)
(e) administration and corporate costs	(264)	(459)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) <sup>1</sup>	(35)	(118)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(759)</b>	<b>(1,254)</b>

<sup>1</sup> Net GST received

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(1,398)	(1,398)
(c) property, plant and equipment	-	(26)
(d) exploration & evaluation	(1,547)	(3,798)
(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	-	-
	(c) property, plant and equipment	-	-
	(d) investments	775	1,140
	(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>	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,170)</b>	<b>(4,082)</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	35	35
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(5)
3.5	Proceeds from borrowings	2,500	2,500
3.6	Repayment of borrowings	(31)	(61)
3.7	Transaction costs related to loans and borrowings	(40)	(40)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>2</sup>	(6)	(42)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,457</b>	<b>2,387</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	4,842	7,319
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759)	(1,254)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,170)	(4,082)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,457	2,387

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,370</b>	<b>4,370</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,244	3,717
5.2	Call deposits	1,126	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>4,370</b>	<b>4,842</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	271
6.2	Aggregate amount of payments to related parties and their associates included in item 2	116

*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 \$191,692 directors' fees, \$20,128 statutory superannuation (net of GST) and a further \$41,504 (net of GST) in consulting fees to related entities. Item 6.1 also includes GST of \$17,242 on related party transactions. Item 6.2 includes \$115,920 in engineering consulting fees to related entities. There is \$20,250 for related parties still outstanding for payment at 31 December 2022.

## 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. 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)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 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)	(759)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,170)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	<b>(2,929)</b>
8.4 Cash and cash equivalents at quarter end (item 4.6)	<b>4,370</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>4,370</b>
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.49
<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:	
Yes	
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:	
The company has a portfolio of listed ASX shares valued at \$225,000 on 31 December 2022, and access to additional capital raising capacity, both of which can be used to secure additional funding.	



## 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:

Yes, through prudent use of current cash resources; liquidating financial assets to provide additional liquidity and tapping into existing capital markets using additional capital raising capacity if required.

*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: ....16 January 2023.....

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.