

# AUSTRALIAN SILICA QUARTZ GROUP LIMITED

## DECEMBER 2021 QUARTERLY REPORT



### HIGHLIGHTS

#### SILICA PROJECTS

##### Albany White Hill Silica Sand Project

- Scoping Study for exports of 0.5 - 1.0 million tonnes per annum is progressing with assessment of metallurgy, infrastructure requirements, approvals timing, and product market conditions.
- JORC Inferred Resource 11.6Mt with >99.9% SiO<sub>2</sub> and <50 ppm Fe<sub>2</sub>O<sub>3</sub>.
- Current efforts focus on establishing the feasibility of slurry pumping the sand from the deposit to the South Coast Highway for road haulage to Albany Port.
- The Silica Sand resource is within a tree farm on private freehold land with an exploration and mining access agreement in place and no clearing of native vegetation required for mining.

##### Other Silica Projects

- Silica sand offtake enquiries remain strong, indications are current high international sea freight rates will soften in 2022.
- Hardrock quartz projects in Western Australia and Queensland advancing with rockchip samples up to 99.99% SiO<sub>2</sub>
- R&D testwork continues with the aim of achieving a High Purity Silica product (>99.99% SiO<sub>2</sub>).

#### JULIMAR ASQ DEVEX 50/50 JV NICKEL COPPER PGE's

- Joint Venture partner DevEx have defined an extensive differentiated mafic-ultramafic intrusion by air-core (AC) drilling, extending over a strike length of 12km located on ASQ's E70/3405, between Chalice Mining Ltd's (ASX: CHN) Julimar discovery to the south and Caspin Resources Ltd's (ASX: CPN) Yarawindah Brook Project to the north.
- An extensive ground-based electromagnetic (EM) survey underway to test for massive sulphide nickel-copper-PGE (Ni-Cu-PGE) mineralization.
- Three stratigraphic diamond drill holes completed during the quarter demonstrate a thick and extensive sequence of differentiated mafic-ultramafic intrusive rocks which, together with confirmation of Fe-Ni-Cu sulphide mineralisation, supports the potential for the 12-kilometre intrusion to host significant concentrations of Ni-Cu-PGE mineralisation
- Assays of the diamond drill cores have confirmed several zones of low-grade disseminated Ni and Cu sulphide mineralisation within gabbro-norite and pyroxenite rocks

#### SOUTH STIRLING NICKEL COPPER PROJECT

- ASQ believes the South Stirling Nickel/Copper Project has the potential for Ni/Cu magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks.
- Land access negotiations are underway and a Program of Works approval has been received for initial aircore drilling. The Company is looking to complete this work during the current summer field season.

#### FINANCIAL

- Cash at bank at 31 December 2021 was \$5.2m. The Company has no debt and additional assets including two unencumbered rural properties in the Bindoon area of Western Australia recently valued at \$2.26m.

28 January 2022

**ASX Code: ASQ**  
**AUSTRALIAN SILICA QUARTZ**  
**GROUP LTD**  
**ABN: 72 119 699 982**

#### DIRECTORS:

**Robert Nash**  
Non Executive Chairman  
**Luke Atkins**  
Non Executive Director  
**Neil Lithgow**  
Non Executive Director  
**Pengfei Zhao**  
Non Executive Director

#### CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY:

Sam Middlemas

#### Head Office:

Suite 10, 295 Rokeby Road  
Subiaco WA 6008

#### Mail:

Suite 10, 295 Rokeby Road  
Subiaco WA 6008  
T: +61 8 9200 8200  
F: +61 9 9200 8299  
E: [admin@asq.com.au](mailto:admin@asq.com.au)  
W: [www.asq.com.au](http://www.asq.com.au)

#### Share Registry:

Automic Group  
GPO Box 5193  
Sydney NSW 2001  
T: 1300 288 664 (within Australia)  
T: +61 2 9698 5414 (international)  
[www.automicgroup.com.au](http://www.automicgroup.com.au)



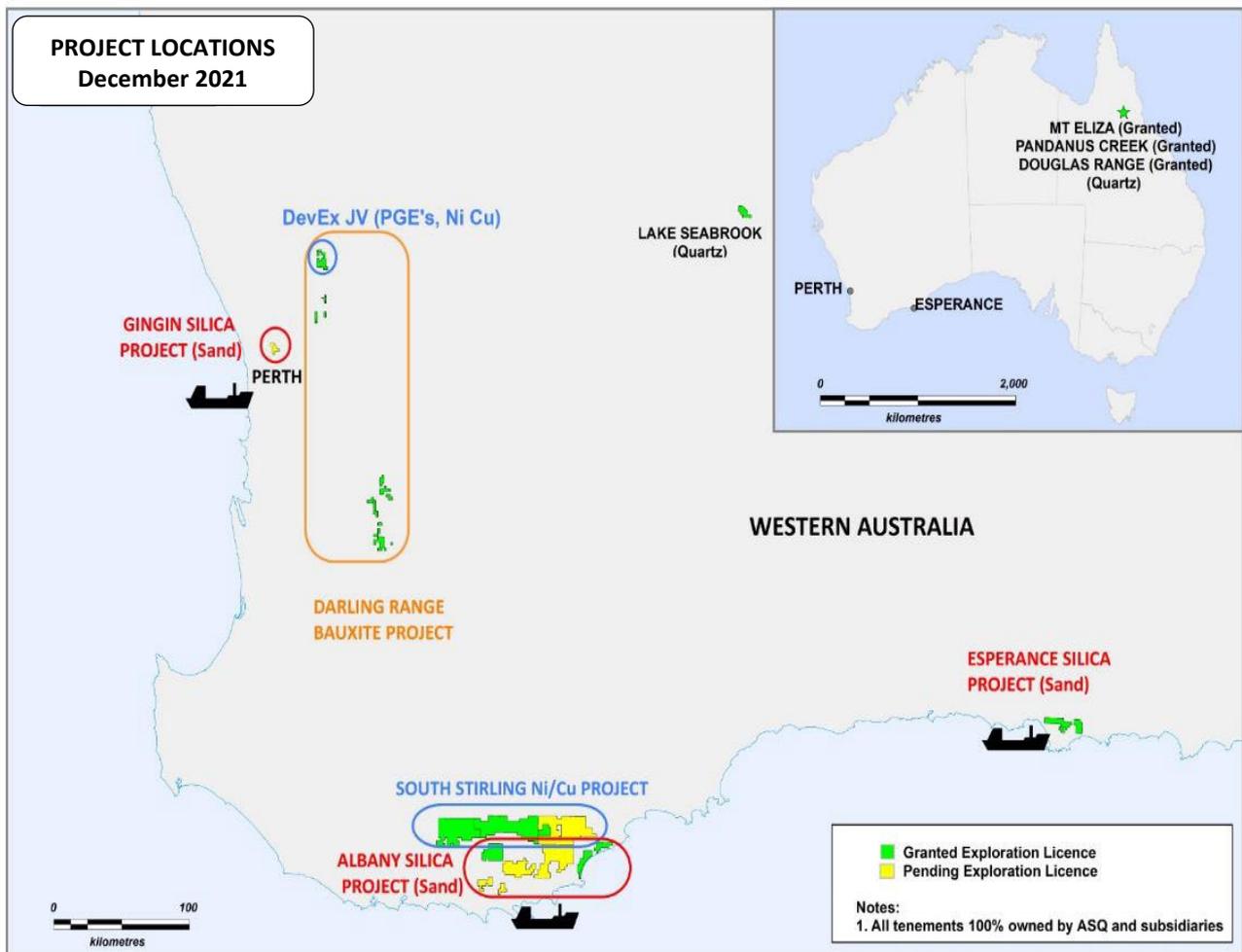


Figure 1: ASQ Project Locations

## SILICA SAND PROJECTS – GINGIN, ALBANY AND ESPERANCE

The Gingin Silica Sand Project consists of one application exploration licence located 20km north of Perth, the Albany Silica Sand Project consists of three granted exploration licences and four application exploration licences within 10-80 km of the Port of Albany, the East Esperance Silica Sand Project consists of two granted exploration licences 15-50 km East of the Port of Esperance.

### Albany White Hill Silica Sand Project

The Company has entered into an Exploration and Mining Access agreement (“Access Agreement”) on a private freehold property located 70km east of Albany (See Figure 2). This property was selected following extensive desktop assessment and roadside reconnaissance over +18 months.

The Access Agreement covers an area of 189 Ha located on ASQ’s 100% owned exploration licence E70/5262 and covers access for both exploration and also for mining should the project progress to development. The project area is currently used for tree farming and has been previously cleared of native vegetation.

The Company has completed a Mineral Resource Estimate totalling 11.6 Mt with >99.9% SiO<sub>2</sub> and <50 ppm Fe<sub>2</sub>O<sub>3</sub> and extends over a strike length of 1,650m and has a maximum width of 1,565m (ASQ (2021). *Maiden High Grade, Low Iron, Silica Sand Resource. ASX Release 28 January 2021*).

Table 1: Albany White Sand Hill Silica Sand Deposit January 2021 Inferred Mineral Resource Estimate

| Size Fract | Tonnes Mt | Yield (%) | Fe <sub>2</sub> O <sub>3</sub> ppm | Al <sub>2</sub> O <sub>3</sub> ppm | TiO <sub>2</sub> ppm | CaO ppm | K <sub>2</sub> O ppm | Na <sub>2</sub> O ppm | MgO ppm | ΣOx. % | SiO <sub>2</sub> +LOI % |
|------------|-----------|-----------|------------------------------------|------------------------------------|----------------------|---------|----------------------|-----------------------|---------|--------|-------------------------|
| Fine       | 8.2       | 70.6      | 46                                 | 145                                | 410                  | 12      | 16                   | 19                    | 10      | 0.07   | 99.93                   |
| Coarse     | 3.4       | 29.1      | 43                                 | 137                                | 668                  | 6       | 12                   | 19                    | 3       | 0.09   | 99.91                   |

Metallurgical testwork results indicate the silica sand is readily processed by conventional washing and gravity separation to produce a very high grade silica sand product that has potential for industries such as general and specialty glass making including solar panel cover glass and optical glass. Other potential applications include foundry and filter sands, electronics component manufacturing and engineered stone manufacturing. The sand is expected to be high yielding with little waste produced (ASQ (2021). Maiden High Grade, Low Iron, Silica Sand Resource. ASX Release 28 January 2021).

A Scoping Study looking at the suitability of the deposit for development into a 0.5 – 1.0 Mtpa export operation is progressing. Preliminary assessment of metallurgy and process plant design, environmental assessment, water supply, the sand market and port access has given the Company confidence that these aspects of the project are achievable within the expected economic and regulatory constraints.

The transport of the sand 15-20km from the deposit to the South Coast Highway for road haulage into the Albany Port requires ongoing further investigation. The Company has completed a desktop scoping study looking at the options for trucking or slurry pumping the sand away from the mining operation. Slurry pumping is currently the preferred option and several routes have been identified. Discussions with the relevant landholders is underway. It is expected that preliminary engineering design on the slurry pumping operation will be completed prior to finalising the Scoping Study outcomes.

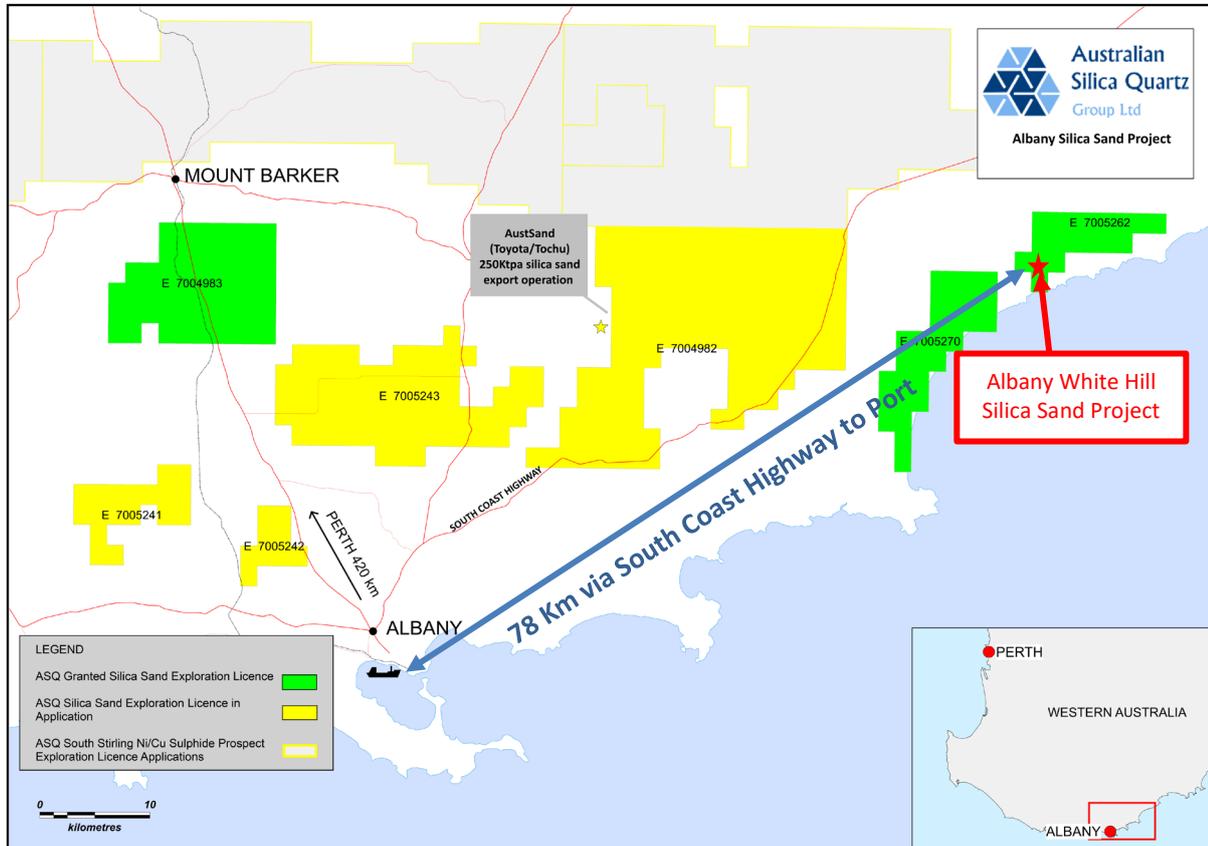


Figure 2: Location of the Albany White Hill Silica Sand Project on E70/5262 east of Albany. ASQ South Stirling Ni-Cu Sulphide tenements shown for context. Other holder tenements not shown.

## ASQ/URBAN RESOURCES BUSINESS VENTURE - SILICA SAND PROJECT

ASQ continues to market the two high grade silica sand products developed from the 10.7 million tonnes @ 99.8% SiO<sub>2</sub> JORC 2012 Inferred Mineral Resource it delineated at the Bullsbrook tenement M70/326<sup>(1)</sup> (ASQ (2020). Marella Road Silica Sand Deposit Maiden Resource. ASX release 23 April 2019 & Silica Sand Testwork. ASX Release 29 January 2020). ASQ entered into a binding Heads of Agreement with Urban Resources Pty Ltd on 19 January 2019 (“HOA”) to jointly exploit Urban’s silica sand deposit.

The HOA continues to be subject to a number of conditions precedent including binding offtake sales, which when satisfied will lead to a formal agreement between the parties.

The Company continues to receive a high level of enquiry for the Marella Road silica sand. The potential end users report that the sand is suitable for their operations and the ASQ pricing structure is fair, however unusually high international bulk freight rates (associated with increased global shipping demand and Covid-19 related costs) have persisted throughout 2021 and is a challenge for end users based in Asia looking to import bulk sand from Australia. It is expected that these high freight rates will ease through 2022 and put the Company in a favourable position to secure bulk export offtake commitments from customers. Sales of low volumes of washed silica sand in containers continues and provides valuable feedback and information on the silica sand market.

## JULIMAR ASQ/DEVEX JOINT VENTURE - NICKEL COPPER PGE’S

ASQ and DevEx Resources Limited (“DevEx”, ASX: DEV), are engaged in a joint venture, (JV) on the portion of the Sovereign magnetic complex located on ASQ’s E70/3405 with DevEx earning-in to the non-bauxite rights of the tenement by an initial spend of \$3m to earn a 50%. Once DevEx has earned its initial 50% interest, ASQ may elect to contribute to further exploration to maintain its 50% interest, or opt to allow DevEx to spend an additional \$3m to earn a further 20% interest with ASQ diluting (ASQ (2020). *ASQ Reaches Agreement for Exploration Funding of its Tenement in Julimar Region, WA.* ASX Release 1 June 2020).

E70/3405 and the Sovereign magnetic complex is located along strike from the globally significant **Chalice Mining Ltd (ASX: CHN)** nickel-copper-platinum group elements (Ni-Cu-PGE) Julimar discovery to the south and the **Caspin Resources Ltd (ASX:CPN)** Yarawindah Brook Ni-Cu-PGE project to the north (see Figure 3).

The sovereign intrusion has been outlined by aircore drilling and has a near surface strike of at least 12km in length with elevated palladium + platinum (PGE), multi-element geochemistry and petrology all consistent with the upper portions of a differentiated mafic-ultramafic intrusion, ranging from leucogabbro to mela-norite, gabbro-norite and olivine pyroxenite (metamorphic equivalent).

These rocks are likely analogous to the western margin of Chalice Mining Limited’s Gonville Intrusion (located 40km to the south), where gabbro-norite and pyroxenite rocks form the upper differentiated layer with the lower, more-Ni-Cu-PGE rich serpentinite (harzburgite) lying beneath and forming the lower layer.

DevEx completed the drilling of three stratigraphic diamond drill holes for 1,507.3m during the quarter which demonstrate a thick and extensive sequence of differentiated mafic-ultramafic intrusive rocks and with confirmation of low grade disseminated Ni-Cu sulphide mineralisation within gabbro-norite and pyroxenite rocks, supports the potential for the 12-kilometre intrusion to host significant concentrations of Ni-Cu-PGE mineralisation (ASQ (2021). *Disseminated Ni-Cu sulphides in drilling - Sovereign Project.* ASX Release 10 November 2021, and *Drilling Results Confirm Prospective Intrusion at Sovereign.* ASX Release 23 December 2021).

1. Mining lease M70/326 is held by Stefanelli Developments Pty Ltd. An agreement between Urban and Stefanelli grants Urban the exclusive right to conduct mining on M70/326 subject to an owner royalty and options up to 30 June 2022. Negotiations are continuing to extend the agreement for an additional 5 years to 30 June 2027.

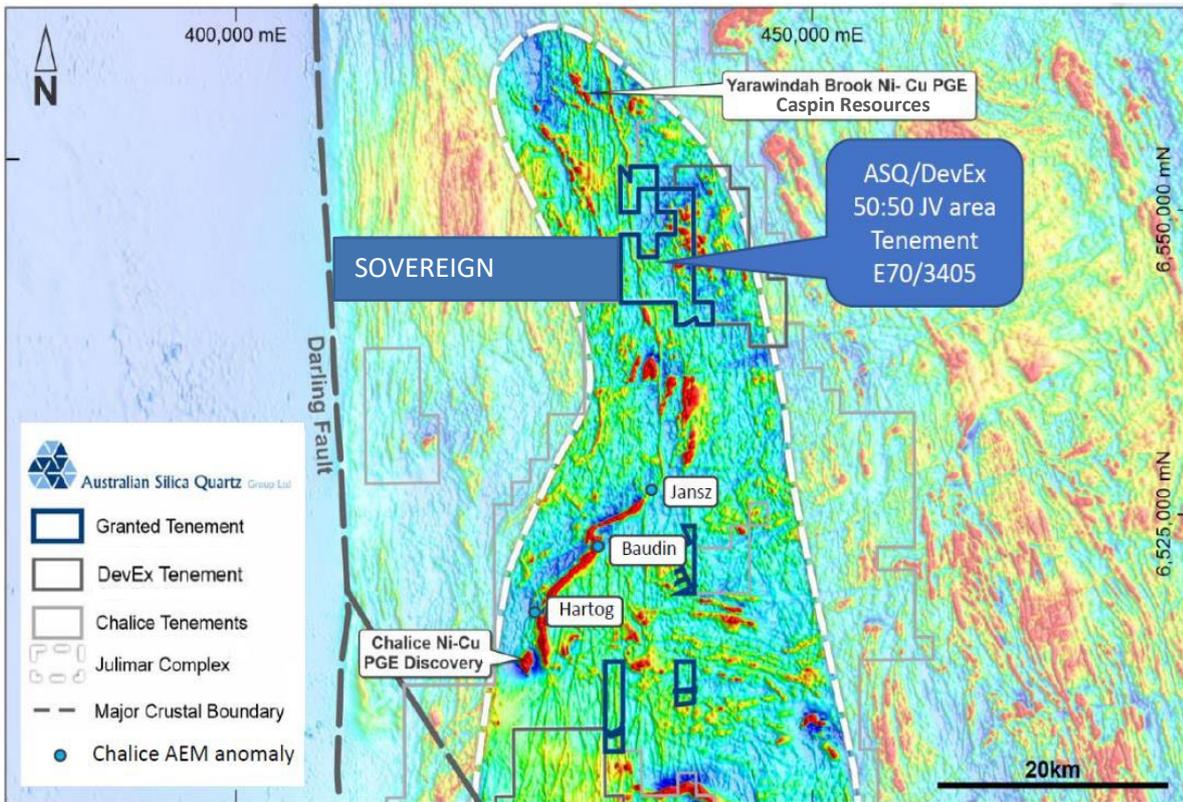


Figure 3: Location of Julimar Complex Sovereign Project with existing Ni-Cu-PGE discoveries on Aeromagnetic RTP image

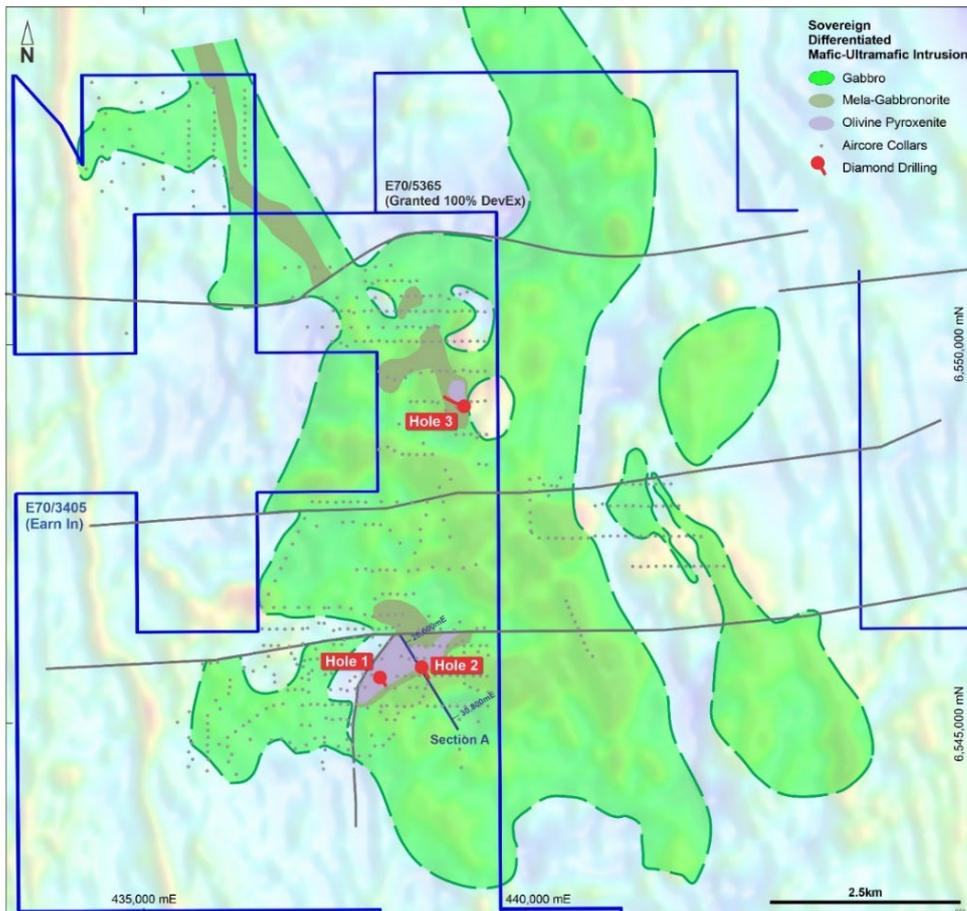


Figure 4: Location of three diamond drill holes 21SVDD01 (Hole 1) - 21SVDD03 (Hole 3). Local grid provided for context to Figure

The Earlier AEM survey is now considered to have been depth-restrictive and therefore unlikely to have tested the full vertical extent of the prospective intrusion, including the more prospective ultramafic which may underly the gabbroic rocks.

As a result, an extensive programme of ground-based EM is underway. This ground EM survey is designed to test for massive sulphide Ni-Cu-PGE mineralisation with priority given to several windows where the lower ultramafic and mela-gabbroites have been exposed near-surface.

## SOUTH STIRLING NICKEL COPPER PROJECT – ALBANY FRASER BELT, WESTERN AUSTRALIA

ASQ has secured a strategic landholding position in the Biranup Zone of the Albany-Fraser Orogeny located in the south-west of Western Australia in the shires of Plantagenet and the City of Albany (see Figure 5 & 6) following the identification of an anomalous drill hole with elevated Ni, Cu and Cr (ASQ (2020). *Exploration Update. ASX Release 23 September 2020*). Iluka drill hole W00324 was logged as ending in dark orange-brown saprolite at a depth of 28.5 – 30 m. The Company considers the copper, nickel, and chromium results to be highly anomalous. Key element assay results for the W00324 end of hole sample are given in Table 2.

The Company considers the project area has the potential for Nickel-Copper magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks.

ASQ is planning to undertake initial drilling aimed to validate the Iluka result and complete close spaced step out holes during the current summer field season.

Table 2: EOH assay results for Iluka air-core drill hole W00324

| Eastings | Northing | From   | To     | Cu  | Ni   | Co  | Cr   | Zn  |
|----------|----------|--------|--------|-----|------|-----|------|-----|
| mGDA94   | mGDA94   | metres | metres | ppm | %    | ppm | %    | ppm |
| 602024   | 6172779  | 28.5   | 30     | 974 | 0.79 | 832 | 0.52 | 523 |

The Company is continuing to develop an exploration strategy for the greater application area.

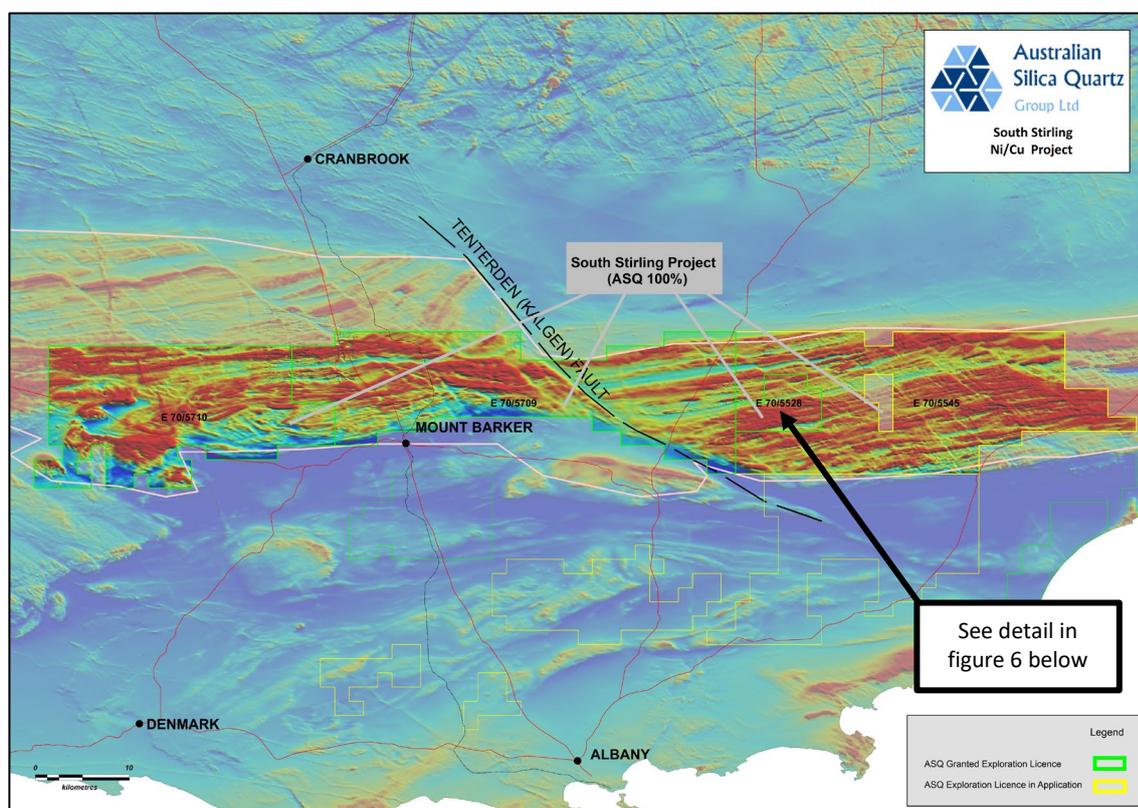


Figure 5: ASQ tenements overlying airborne magnetics with the outline of the Biranup Zone of the Albany-Fraser Mobile Belt. ASQ Albany Silica Sand Project tenements shown for context. Other holder tenements not shown. Albany Fraser Mobile Belt – Biranup Zone from the GSWA 1:500,000 Interpreted Bedrock Geology

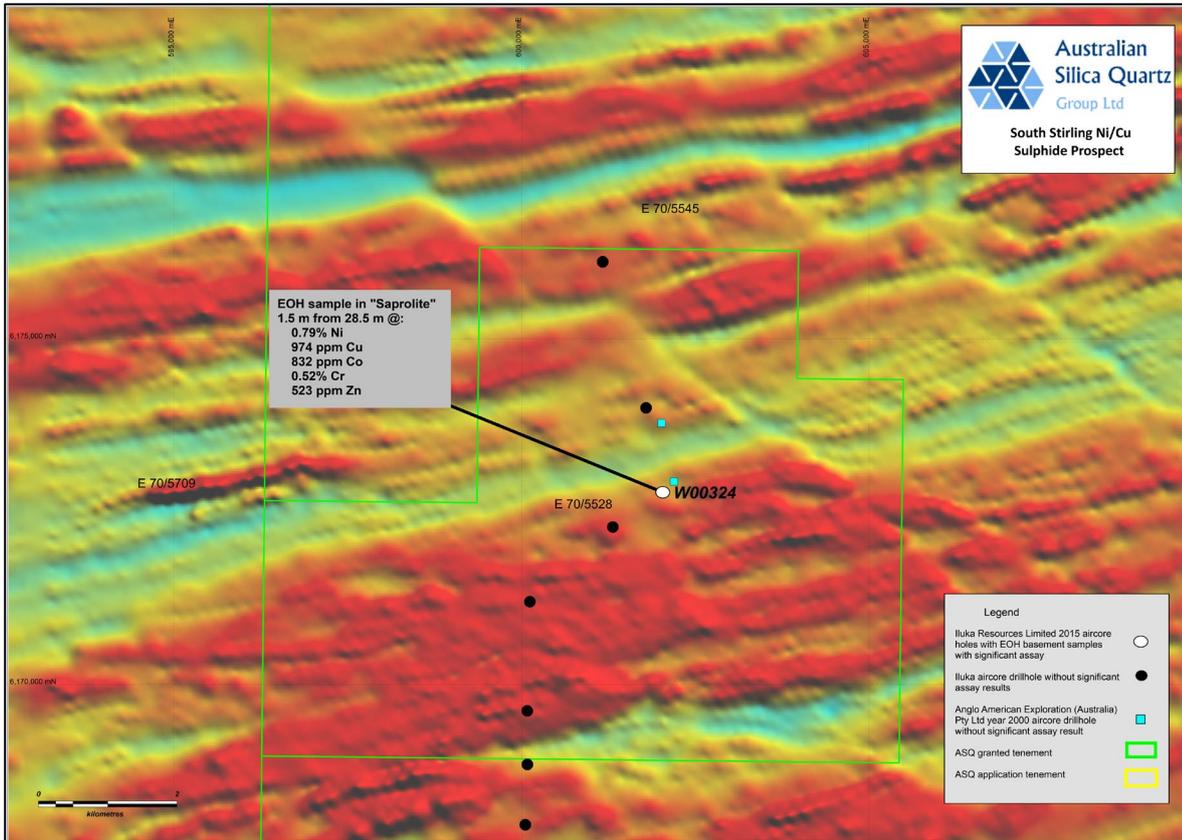


Figure 6: Iluka and Anglo American Exploration (Australia) Pty Ltd broad spaced drilling overlaying airborne magnetics within ASQ exploration Licence applications E70/5528 (central), E70/5545 (east) & E70/5546 (west)

## HARDROCK SILICA QUARTZ PROJECTS – WESTERN AUSTRALIA AND QUEENSLAND

The Company has one granted exploration licences in Western Australia and three granted exploration permits in Far North Queensland covering 286km<sup>2</sup> in total. The leases cover known quartz occurrences with the potential to contain high purity silica.

Testwork of rock chip samples from the Western Australian Lake Seabrook Project has returned grades of 99.98% SiO<sub>2</sub> and ASQ Far North Queensland rock chip sampling on granted tenements has returned results up to 99.99% SiO<sub>2</sub> after acid washing (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised. ASX Release 15 December 2021*).

A Research and Development program is underway utilising samples collected from the Company's tenement package. The program is comparing innovative processing techniques with conventional methods with the aim of producing a high purity product ("HPQ") from ASQ's existing prospects. Testwork to date indicates the innovative processing flowsheet developed by ASQ's HPQ R&D program compares favourably to conventional processing methodology (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised. ASX Release 15 December 2021*).



## BAUXITE EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

In 2010 the Company entered into a JV with HD Mining & Investment Pty Ltd (HD Mining) a wholly-owned subsidiary of the Shandong Bureau No1 Institute for Prospecting of Geology & Minerals (Shandong) to explore for bauxite. The JV provides for HD Mining to fund 100% of exploration and feasibility costs for HD Mining to earn:

- (a) a 40% interest in any defined area of exploration on the making a binding commitment by HD Mining to undertake a detailed feasibility study for the commercial mining of the defined area; and
- (b) a further 20% interest in a defined area upon completion of the feasibility study and the making by the JV committee of a decision to commence mining.

The current JV resource stands at 94.7Mt and consists of 93.2Mt Inferred Mineral Resource and 1.5Mt Indicated Mineral Resource (refer full detail in the 23 April 2018 Announcement – *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA*).

ASQ and HD Mining continue to evaluate the potential for economic development of the Dionysus and the combined Ceres/Athena resource areas (Athena: 36.2Mt, 32.8% available alumina, 2.8% reactive silica, see ASX announcement 15/07/14, Dionysus: 20.3Mt, 32.6% available alumina, 3.4% reactive silica, see ASX announcement 24/03/14, Ceres 21.9Mt, 31.4% available alumina, 3.2% reactive silica (ASQ (2020). *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA. ASX Release 23 April 2018*).

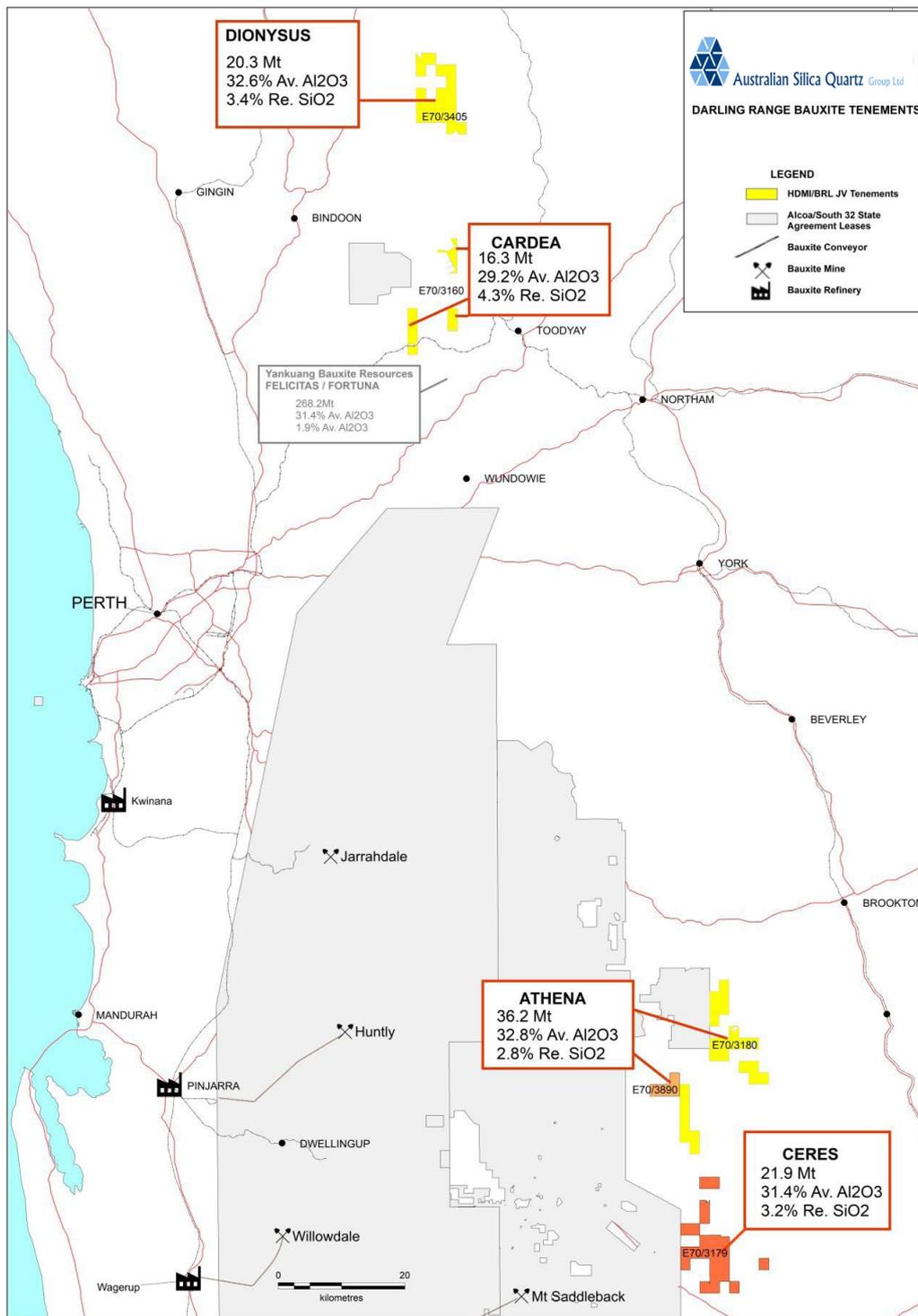


Figure 7: ASQ/HD JV Mining Darling Range bauxite tenement holding and resource locations

## CORPORATE

### Summary of Expenditures for the Quarter

During the quarter the Company incurred a total net expenditure from operating activities of \$301k. This was made up of \$157k expended on exploration and evaluation activities, \$210k on administrative and corporate costs, offset by receipts from customers and creditors of \$61k with the balance minor items.

Included in these costs were payments made to Directors of the entity and their associates. These payments were Directors Salaries and Superannuation payments of \$51k, Consulting fees of \$50k, and rental of the Company office of \$12k for the quarter. All payments were made on an arms length basis.

Further details on Quarterly expenditures are included in the Appendix 5B – Quarterly Cashflow Report attached to this Quarterly Report.

### Cash Position and Shareholder Information

Australian Silica Quartz Group is in a strong financial position with significant cash reserves and no debt. At 31 December 2021, the Company held AU\$5.18 million in cash.

At 31 December 2021, the Company had 1,305 shareholders and 276,660,377 fully paid ordinary shares on issue with the top 20 shareholders holding 61% of the total issued capital.

The Company has 17,333,333 Performance Rights on issue at 30 December 2021, following shareholder approval in December 2020. During the quarter, 8,666,665 Performance Rights were converted into 8,666,665 new fully paid ordinary shares following the required hurdle being achieved. The remaining 2 tranches of Performance Rights will convert into 17,333,335 fully paid ordinary shares over the next two years if the performance hurdles are achieved.

### Future Operations

The Board will continue to focus on its Silica and Bauxite Projects, the Julimar ASQ/Devex Joint Venture and seek to enhance the value of these through exploration and development activities.

The Board will continue to manage the Company in the best manner in which to maximise returns to shareholders.



**Sam Middlemas, CEO, Australian Silica Quartz Group Ltd**

**28 January 2022**

### Competent persons statement

The information in this document that relates to exploration results and mineral resources is based on data collected under the supervision of Mr Nick Algie, in his capacity as Exploration Manager for Australian Silica Quartz Group Limited. Mr Algie is a registered member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the type of deposit and style of mineralisation under consideration to qualify as a competent person under the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Algie consents to the inclusion of the data in the form and context in which it appears.

### SCHEDULE OF MINING TENEMENTS HELD AS AT 31 December 2021 (all 100% owned)

| Tenement     | Location/ Tenement Name         | Status      |
|--------------|---------------------------------|-------------|
| E70/3160 (a) | Toodyay – Darling Range         | Granted     |
| E70/3405 (a) | Victoria Plains – Darling Range | Granted     |
| E70/3179 (a) | Congelin – Darling Range        | Granted     |
| E70/3180 (a) | Dattening – Darling Range       | Granted     |
| E70/3890 (a) | Wandering – Darling Range       | Granted     |
| E63/1853     | Merivale                        | Granted     |
| E63/1962     | Merivale East                   | Granted     |
| E70/5241     | Redmond West                    | Granted     |
| E70/5242     | Redmond East                    | Granted     |
| E70/5243     | Redmond South                   | Granted     |
| E70/5262     | Cheyne                          | Granted     |
| E70/5270     | Ridgetop                        | Granted     |
| E70/5528     | South Stirling                  | Granted     |
| E70/5647     | Kojarena                        | Granted     |
| E70/5709     | Tenterden                       | Granted     |
| E70/5710     | Kwornicup                       | Granted     |
| E77/2684     | Lake Seabrook                   | Granted     |
| EPM 26702    | Mt Eliza                        | Granted     |
| EPM 26727    | Pandanus Creek                  | Granted     |
| EPM 26741    | Douglas Range                   | Granted     |
| E70/4982     | Green Range                     | Application |
| E70/5144     | Warbrook                        | Application |
| E70/5545     | South Stirling - East           | Application |

- a) These tenements form the HD Mining & Investments Joint Venture. Under the terms of the Joint Venture, HD Mining is required to fund 100% of all exploration and feasibility costs to earn up to 60% of the bauxite rights. HD Mining is currently working towards obtaining a 40% interest in the bauxite rights on the tenements. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and ASQ make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. ASQ maintains 100% interest in other minerals with DevEx currently earning a 50% interest in the other minerals of E70/3405. At the date of this report ASQ still has 100% interest in bauxite on these tenements.

## Appendix 5B

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

Name of entity

Australian Silica Quartz Group Ltd

ABN

72 119 699 982

Quarter ended ("current quarter")

31 December 2021

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 61                                 | 120  |
| 1.2 Payments for  |                                    |  |
| (a) exploration & evaluation                              | (157)                              | (341)  |
| (b) development   | -                                  | -  |
| (c) production  | -                                  | -  |
| (d) staff costs   | -                                  | -  |
| (e) administration and corporate costs                    | (210)                              | (437)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 5                                  | 10   |
| 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)                   | -                                  | -  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(301)</b>                       | <b>(648)</b>                                   |

|  |   |   |
|--|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire or for:                |   |   |
| (a) entities                                   | - | - |
| (b) tenements                                  | - | - |
| (c) property, plant and equipment              | - | - |
| (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<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:  |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (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>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   | -                          | -                                     |
| 3.4                                  | Transaction costs related to issues of equity securities or convertible debt securities | (7)                        | (7)                                   |
| 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 (provide details if material)   | -                          | -                                     |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>                                   | <b>(7)</b>                 | <b>(7)</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  | 5,489                      | 5,836                                 |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)                         | (301)                      | (648)                                 |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)                         | -                          | -                                     |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)                        | (7)                        | (7)                                   |

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

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 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>5,181</b>               | <b>5,181</b>                          |

| 5. Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts |  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|--|----------------------------|-----------------------------|
| 5.1   | Bank balances  | 281                        | 289                         |
| 5.2   | Call deposits  | 4,900                      | 5,200                       |
| 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>5,181</b>               | <b>5,489</b>                |

| 6. Payments to related parties of the entity and their associates |   | Current quarter<br>\$A'000 |
|---|---|----------------------------|
| 6.1   | Aggregate amount of payments to related parties and their associates included in item 1 | 114                        |
| 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 includes amounts paid to directors as follows:

|                                     |       |
|-------------------------------------|-------|
| Salary & Super                      | 51.4k |
| Consulting fee                      | 50.0k |
| Rent of premises paid to associates | 12.2k |

## 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<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>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>-</b>  | <b>-</b>                                       |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | <b>-</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)   | (301)          |
| 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)  | (301)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 5,181          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 5,181          |
| <b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | <b>17.2</b>    |
| <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: 28 January 2022

Authorised by:   
By the Board

### 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.