

**Andromeda Metals Limited**

ABN: 75 061 503 375

**Corporate Details**

ASX Code:

ADN (ordinary shares)

ADNOB (listed options)

Cash (30 July 2021):

\$47.13 million

Issued Capital (30 July 2021):

2,460,727,046 ordinary shares

86,320,000 unlisted options

19,750,000 perform. rights

**Directors****Rhod Grivas**

Non-executive Chairman

**James Marsh**

Managing Director

**Nick Harding**

Executive Director and

Company Secretary

**Joe Ranford**

Operations Director

**Andrew Shearer**

Non-executive Director

**Contact Details**69 King William Road,  
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# Quarterly Report

Period ending 30 June 2021

**Summary of Company activities for the June quarter:****Great White Kaolin JV (ADN 75% interest)**

- Legally binding offtake agreement signed with large Chinese commodity trading house for 70,000tpa +/- 10% of refined ultra-bright high-purity kaolin material for the coatings and polymers market for an initial term of 5 years at a price significantly higher than the A\$700 per tonne for ceramic grade material used in the PFS.
- The agreement comprises a substantial proportion of the 116,000tpa of refined halloysite-kaolin product to be manufactured on site in the first 2 years of operations and underpins the early years for the Great White Project.
- The introduction of a second product stream to be manufactured on site provides diversification and management of offtake market risk.
- The manufacture of both ceramics and coatings and polymer applications on site in an expanded Definitive Feasibility Study has required additional work to be undertaken with the planned DFS release now scheduled for Q4 2021.
- Evaluation continues of the option for an initial 250,000tpa start-up wet-processing plant on site on commencement of operations and increasing to 500,000tpa capacity in Year 2 as an alternative to a Direct Shipping Ore (DSO) phase moving to processing on site from Year 2.
- A formal response is being prepared to matters raised following the public consultation process as required under the Mining Lease application.

**Other Kaolin Opportunities**

- Concrete application testing for halloysite-kaolin is continuing to deliver improved results with strength and rheological benefits which outperform existing commercial solutions. A large sample is now being tested by a major concrete supplier across a range of mix designs.
- MOU signed with AEM Technologies to explore a HPA licencing transaction that includes testing ADN kaolin feed, process feasibility studies and potential licencing and marketing arrangements.

**Natural Nanotech Joint Venture (ADN 50% interest)**

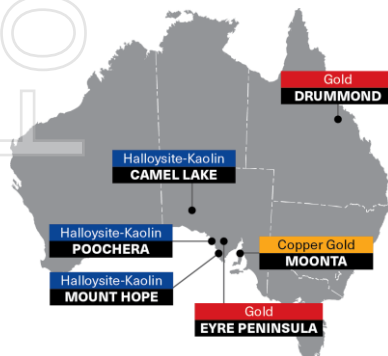
- Commitment to a \$4 million research project over 5 years with GICAN to fund research into carbon dioxide capture through the use of halloysite nanotubes.

**Eyre Peninsula Gold Joint Venture**

- Extensive geochemical program at a number of prospects currently in progress by joint venture operator Cobra Resources.

**Corporate**

- A share placement to institutional and professional and sophisticated investors raising \$30 million was completed at the end of the quarter.
- Announcement of a Share Purchase Plan for a further \$15 million on the same terms as the Placement closed oversubscribed subsequent to quarter end.
- Appointment of experienced Chief Financial Officer adding to the skill set of the executive team being assembled to move the Great White Project forward towards production.

James Marsh  
30 July 2021

The Board and management of Andromeda Metals Limited (ASX: ADN, Andromeda, the Company) is pleased to provide a summary of the Company's activities for the quarter ended 30 June 2021.

## Great White Kaolin Project

The Great White Kaolin Project covers two main geographic areas of interest, both situated in the western province of South Australia (Figure 1). The current main area of focus for the Project is on the Eyre Peninsula which comprises four tenements and is located approximately 635 kms west by road from Adelaide and 130 kms south-east from Ceduna (Figure 2). The Project is a joint venture between Andromeda Metals and Minotaur Exploration Limited (ASX: MEP) in which ADN holds a 75% equity interest.

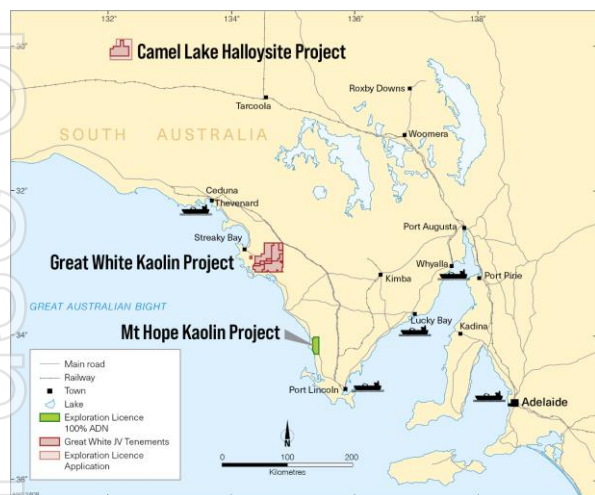


Figure 1 - Project Location Plan

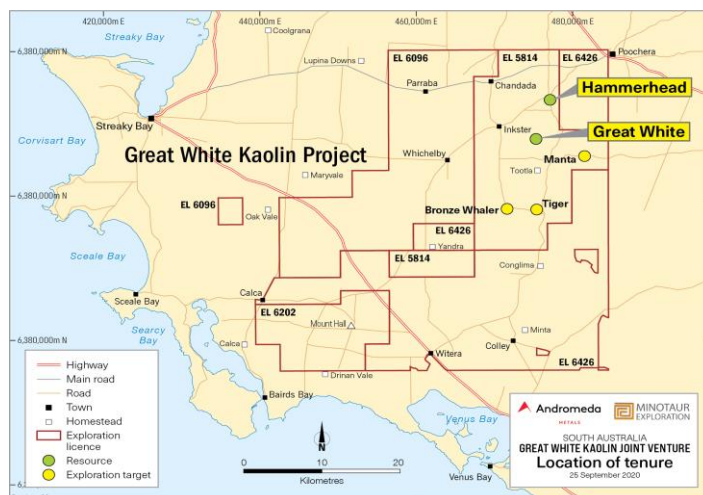


Figure 2 - Great White Joint Venture tenements

High quality halloysite-kaolin occurrences exist extensively across the Great White Project area making this a region of global significance for the mineral and capable of supporting a considerable long-life mining operation, should final feasibility studies determine the project to be commercially positive.

Andromeda also holds a 100% interest in the Mount Hope Kaolin Project which is located approximately 160 kms southeast of the Great White Kaolin Project.

## Marketing

In June the Company signed a substantial binding offtake agreement with large Chinese commodity trading house Jiangsu Mineral Sources International Trading Co. Ltd (MSI) for 70,000tpa +/- 10% of refined ultra-bright high-purity kaolin material for the coatings and polymers market for an initial term of 5 years (*refer ADN ASX announcement dated 10 June 2021 titled "Significant Binding Offtake Agreement Signed for Great White Kaolin Project"*). The contract price for the first 3 years of the agreement is fixed at an amount that is significantly higher than what was used in the Pre-Feasibility Study (PFS), which was A\$700 per tonne for ceramic grade material. This ultra-bright high-purity kaolin will be given the brand name Great White PRM and will be separate to the Great White CRM product to be produced to meet the requirements of high-end ceramic manufacturers. The introduction of this second product stream to be manufactured on site at a higher price has the added benefit of providing product diversification and therefore assisting to manage offtake market risk.

Signing of the binding offtake agreement with MSI follows on from the first legally binding offtake agreement signed in March with highly respected Japanese porcelain manufacturer Plantan Yamada for 5,000tpa of Great White CRM at a price of A\$700 per tonne. These agreements underpin the early years of the Great White Project as they represent a substantial proportion of the planned 116,000tpa of refined halloysite-kaolin product to be manufactured from a smaller 250,000tpa feed rate capacity plant that is to be built on site on the commencement of operations.

MSI are supported in the offtake agreement by Jiangsu Holly International Technical Engineering Co. Ltd (Holly), an engineering and industrial enterprise with extensive business relationships throughout China and has an annual import and export turnover of approximately A\$400 million, as financier to the transaction.

MSI are well positioned within both the coatings and polymers and ceramic industries to sell and deliver Great White refined kaolin products to end users throughout China. MSI has indicated that they have longer-term demand for additional quantities of both Great White PRM and CRM material and the agreement signed with them includes a non-binding clause for delivery of an aspirational quantity of 150,000tpa two years following first production, which will align with the planned expansion of the plant to 500,000tpa feed rate full capacity.

Conrad Partners, the Project's Asian focused marketing agent who were instrumental in delivering the offtake agreement with MSI, is continuing to engage with high end ceramic users in China with the objective to secure further binding offtake agreements for Great White refined product. Some of these potential customers have previously signed Letters of Intent (LOI's) for Great White product during earlier visits to China by Andromeda representatives and it is Conrad's objective to convert a number of these to binding offtake agreements.

The Company is also in advanced discussions with potential customers located in Europe, the Middle East and other parts of Asia for Great White refined halloysite-kaolin product, with samples provided to many of them for testing to ascertain product suitability for their individual requirements. A strategy which incorporates the development of global customer markets for dual product applications further de-risks the Project with respect to product and geographic risk.

### **Definitive Feasibility Study**

Prior to the MSI offtake agreement, the focus of the Definitive Feasibility Study (DFS) had been directed towards the production of Great White CRM only and was well advanced for completion by the end of the June Quarter. However, securing the binding offtake agreement with MSI for the valuable coatings and polymer PRM product requires further work to be incorporated into the DFS including:

- An updated mining schedule to include early mine extraction from the Dorsal Fin area of the Great White Deposit, from where the high-purity ultra bright material suitable for PRM will be sourced;
- Adjustments to be made to the existing plant design, which to date has been engineered to allow manufacture of a purely ceramic focused CRM product onsite only;
- Inclusion of a milling and bagging process facility to allow for the delivery of Great White PRM in 25kg bags, which will be in addition to Great White CRM product to be shipped as noodles in bulka bags; and
- Updated shipping and transportation logistics planning in order to take into account delivery of bagged Great White PRM in containers as separate to Great White CRM shipped as break bulk cargo.

As a result of this additional work that is required to be undertaken to incorporate the benefits of an additional product stream, release of the DFS is now forecast to occur early Q4 2021, although an earlier release date will be pursued if possible.

As described in the marketing section above, the Company is evaluating the option under the DFS for the construction of an initial 250,000tpa feed rate wet-processing plant on site to be commissioned approximately six months following commencement of construction. Expansion to full capacity under this scenario is likely to occur at the start of Year 3. This expansion is expected to result in full capacity in the order of a 500,000tpa feed rate and in line with the PFS, but final decisions on size, incorporation of DSO/Toll Treating, and product makeup have not been finalised at this stage.

The expected benefit of the adjusted DFS approach is that high value product will be manufactured at site approximately six months following commencement of construction, providing anticipated improved financial outcomes predominantly through substantially lower shipping and transport costs compared to shipping less refined material, as modelled in the PFS, in addition to enabling Project management to directly control product manufacture to meet customer quality specifications.

The earlier construction of the wet-processing plant on site will require bringing forward capital expenditure for construction of the plant compared to the scenario considered by the PFS. Primero Engineering, who have been completing detailed design and costing for the initial 250,000tpa feed rate capacity wet-processing plant, have provided preliminary capital costings which the Company has been evaluating for consideration in the DFS. Additional capital will now be required to facilitate the manufacture of Great White PRM by the processing plant, which is currently being costed by Primero.

The option to undertake DSO in the initial phase of operations will not be considered by the DFS, but ongoing evaluation to consider the technical capabilities of identified refineries and the undertaking of further cost benefit analysis will continue to assess whether DSO presents an attractive option for the Project.

### **Mining Lease Application**

The mining lease application for the Great White Kaolin Project was lodged with the South Australian Department for Energy and Mining (DEM) on 25 February 2021 (*refer ADN ASX announcement dated 1 March 2021 titled "Mining Lease Application Submitted for Great White Kaolin Project"*). The application outlines the proposed development of a shallow open pit mine, wet-processing plant and supporting infrastructure at the Great White Deposit which was in line with the PFS completed in the first half of 2020 (*refer ADN ASX announcement dated 1 June 2020 titled "Pre-Feasibility Study Further Improves Poochera Halloysite-Kaolin Project Economics"*).

A request for clarification on matters in the Great White mining proposal was received from DEM on the 10 June 2021 after a prolonged public consultation period to cover public holidays and the Easter period. There were no new matters raised from the public or from other government departments that were not addressed in the submission. The Company has provided a formal response to each of the matters raised in early July.

Forecast timelines for the receipt of the mining lease approval are expected to allow commencement of construction on the Great White Project mid-year 2022 in line with the DFS and subsequent Bankable Feasibility Study (BFS) completion.

### **Concrete Applications**

Work is continuing on the potential use of halloysite-kaolin as a rheology modifier product for the concrete industry with a patent successfully lodged by Andromeda for this application. Current testing is delivering further improved results with strength testing and rheological benefits which outperform existing commercial solutions. Final results will be reported on completion of the test work. These benefits allow many potential options to reduce concrete costs, lower carbon footprint and improve performance. A large sample is now being tested by a major concrete supplier across a range of mix designs.

### **High Purity Alumina**

In May, Andromeda signed a Memorandum of Understanding (MoU) with AEM Technologies Inc, part of the Advanced Energy Minerals group (AEM), and entered an initial 90-day exclusivity period to explore a HPA licencing transaction that includes testing ADN kaolin feed, process feasibility studies and potential licensing and marketing arrangements (*refer ADN ASX announcement dated 28 May 2021 titled "Andromeda Signs High Purity Alumina MoU with AEM Technologies Inc"*).

AEM's Cap Chat HPA Process Plant, located in Quebec Canada, uses its patented process to make 99.99% ("4N") and 99.999% ("5N") pure high purity alumina. With proven technology and extensive patents, Cap Chat is recognised as environmentally friendly with its focus on reducing reagent consumption and transitioning to a near "zero carbon emission" energy consumption plant. The facility is the only one globally that is capable of producing 4/5N HPA from a kaolin feed. Having commissioned the plant in 2020, AEM is now in offtake discussions with potential customers around the world.

The MoU signed with AEM will see kaolin samples evaluated using the AEM proven process to determine its suitability for HPA manufacture, and potentially lead to the construction by Andromeda of a HPA plant under a licencing agreement with AEM, which could also include the marketing of HPA manufactured product by ADN through AEM's global distribution network.

### **Halloysite Research and Development**

Natural Nanotech Pty Ltd (NNT) is a research and commercialisation venture, jointly owned (50:50) by Andromeda and Minotaur, established to investigate new technology applications for halloysite-kaolin nanoparticles. NNT is working with the University of Newcastle's Global Innovative Center for Advanced Nanomaterials (GICAN) on high-tech applications for halloysite, natural clay nanotubes, from the Great White Kaolin Joint Venture's high-grade halloysite-

kaolin deposits. Significant advances are being made by GICAN in developing solutions for a range of environmental issues using nano-porous materials synthesised from natural halloysite-kaolin mixtures.

During the quarter NNT signed a \$4 million research partnership over 5 years with GICAN to fund research into carbon dioxide capture through the use of halloysite nanotubes. Outstanding results have been reported by GICAN for the ability of halloysite nanomaterials to selectively capture CO<sub>2</sub> using Great White refined halloysite-kaolin which has demonstrated significantly superior results compared to current commercial products such as activated carbon, and other materials including mesoporous carbon, carbon nitride and multi-walled carbon nanotubes. The GICAN team is now actively seeking to reach an adsorbed amount of 2 tonnes of CO<sub>2</sub> per tonne of the adsorbent whilst also maximising recyclability of materials. Optimizing the adsorption and recyclability potential are considered critical to commercialisation of this technology.

In June NNT announced a research project on nutrient delivery to cropping soils utilising halloysite nanoclays. The 3 year \$2.4M Project, the bulk of which will be funded by a successful research grant application through the Cooperative Research Centre for High Performance Soils (Soil CRC), will design and evaluate specifically engineered nanocomposite materials for enhanced nutrient delivery to the subsoil, particularly P and Zn, and quantify improved crop productivity. The Soil CRC has extensive research facilities under controlled and field environments together with pre-eminent agronomic research experience.

### **Drummond Epithermal Gold Project**

With all data on the Project now received from Evolution following its withdrawal for the joint venture in January 2021, a full review of the data is to be performed before determining the best option as to how to progress the Drummond Gold Project.

### **Eyre Peninsula Gold Joint Venture**

During the quarter, joint venture partner Cobra Resources PLC (Cobra) commenced an extensive geochemical program across a number of the prospects including Barns, White Tank, Baggy Green and Benaud. A total of 1,071 RAB holes are planned under the program which was in progress at the end of the quarter. Results of the program are targeted to confirm the primary orientation and mineralisation of these and other prospects identified across the Project tenement area.

### **Moonta Copper ISR Joint Venture**

During the quarter further progress on stakeholder engagement was undertaken by joint venture partner Environmental Metals Recovery (EMR) with meetings held with both the Copper Coast and Barunga West councils to provide information on the project, which was well received.

Preparation for the hydrogeologic drilling program is being finalised with several landowners being contacted regarding road access. Modelling of the Alford West project has commenced with the coupled hydrothermal flow model for the Bruce deposit now complete, and the Larwood and Wombat portions expected to be completed during the September quarter.

### **Exploration Tenements**

There were no changes to the tenements held by the Company during the quarter.

The tenement schedule as at 30 June 2021 is attached to this Quarterly Activities Report.

### **Finance and Corporate**

Andromeda's cash position at the 30 June 2021 stood at \$4.994 million.

Cash Exploration and Evaluation expenditure of \$1,157,000 was incurred for the June 2021 Quarter, the majority of which was in progressing the DFS for the Great White Project. There was no substantive mining production and development activities during the quarter.

A total of \$264,000 was paid during the quarter to directors or their related parties in relation to Executive Director salaries and consulting fees and Non-Executive Director fees.

On 30 June 2021 the Company announced that it had conducted a Placement of 200,000,000 shares to institutional and professional and sophisticated investors at a price of \$0.15 per share raising \$30 million before costs. The allotment of the shares occurred post quarter end on 7 July 2021.

The Company announced at the same time as the Placement that it was to undertake a Share Purchase Plan (SPP) at the same price of \$0.15 per share capped to a maximum of \$15 million to eligible shareholders who were registered on the share register at the Record Date of 29 June 2021. The SPP opened on 6 July and closed oversubscribed on 20 July 2021. A total of 99,999,219 shares relating to the SPP were issued on 27 July 2021.

As of the date of this report, Andromeda Metals currently has on issue 2,460,727,046 ordinary shares, 86,320,000 unlisted options and 19,750,000 performance rights.

### **Management Changes**

In June the Company appointed Mr Michael Zannes to the new role of Chief Financial Officer. Michael is a qualified accountant with over 20 years experience in the mining industry and possesses an extensive background and knowledge gained from managing operational and corporate finance functions within resource companies both in Australia and internationally. The experience Michael brings to Andromeda will prove to be invaluable as the Company moves towards establishing mining operations at the Great White Kaolin Project early next year.

With the creation of this new CFO role, Mr Nick Harding continues as Executive Director and Company Secretary for the Company but with his focus now directed towards the areas of corporate governance, shareholder relations and business development, which are functions demanding increased attention as Andromeda continues to expand and evolve.

### **Share Trading Activities**

The Company has been the subject of increased short selling activity since it became part of the ASX All Ordinaries Index. While there has been considerable debate in recent times as to the merits of short selling especially as it is sometimes associated with alleged misinformation being put out into the market by those seeking to profit from short selling, 'covered' short selling is presently permitted. The Board notes there was significant short selling activity in the Company's shares during the quarter and in the lead up and during the recent capital raising activities which regrettably may have had a negative effect on the Company's share price. The Board worked with its advisors to execute a capital raising despite these challenging circumstances and confirms that no member of the Board or advisors participated in any short selling activities. In view of the high level of shorting undertaken in the lead up to the recent capital raising, the Board has analysed and continues to monitor the trading and register movements to determine if there has been any non-compliance with the law and intends to refer any identified suspect transactions to ASIC and ASX for further investigation.

### **Competent Persons Statements**

*Information in this announcement has been compiled by Mr James Marsh a member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Marsh is an employee of Andromeda Metals Limited who holds shares and options in the company and has sufficient experience, which is relevant to the style of mineralisation, type of deposits and their ore recovery under consideration and to the activity being undertaking to qualify as Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). This includes Mr Marsh attaining over 30 years of experience in kaolin processing and applications. Mr Marsh consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

*Information in this announcement that relates to the Exploration Results for the Great White Kaolin Project and Mt Hope Halloysite-Kaolin Project is based on information evaluated by Mr Eric Whittaker who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Whittaker is the Chief Geologist of Andromeda Metals Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Whittaker consents to inclusion in this document of the information in the form and context in which it appears.*

## SCHEDULE OF TENEMENTS AS AT 30 JUNE 2021

Project	Tenement	Tenement Name	Area km <sup>2</sup>	Registered Holder or Applicant	Nature of Company's Interest %
<b>South Australia</b>					
<i>Wudinna Gold Joint Venture</i>	EL 6317	Pinkawillinie	156	Peninsula Resources Ltd <sup>1</sup>	100%
	EL 6131	Corrobinnie	1303	Peninsula Resources Ltd	100%
	EL 6489	Wudinna Hill	42	Peninsula Resources Ltd	100%
	EL 5953	Minnipa	184	Peninsula Resources Ltd	100%
	EL 6001	Waddikee Rocks	147	Peninsula Resources Ltd	100%
	EL 6262	Acraman	96	Peninsula Resources Ltd	100%
<i>Moonta Copper Gold Project<sup>2</sup></i>	EL 5984	Moonta-Wallaroo	713	Peninsula Resources Ltd	100%
	EL 5984	Moonta Porphyry JV	106	Peninsula Resources Ltd	90% - option to acquire 100% from Minotaur Exploration Ltd
<i>Great White Kaolin Project</i>	EL 6588	Tootla	372	Great Southern Kaolin Pty Ltd <sup>3</sup> and Andromeda Industrial Minerals Pty Ltd <sup>4</sup>	AIM 75% GSK 25%
	EL 6096	Whichelby	447	Great Southern Kaolin Pty Ltd and Andromeda Industrial Minerals Pty Ltd	AIM 75% GSK 25%
	EL 6202	Mt Hall	147	Great Southern Kaolin Pty Ltd and Andromeda Industrial Minerals Pty Ltd	AIM 75% GSK 25%
	EL 6426	Mt Cooper	648	Great Southern Kaolin Pty Ltd and Andromeda Industrial Minerals Pty Ltd	AIM 75% GSK 25%
<i>Camel Lake Halloysite Project</i>	EL 6128	Camel Lake	455	Great Southern Kaolin Pty Ltd and Andromeda Industrial Minerals Pty Ltd	AIM 75% MOP 25%
	ELA 2019/73	Dromedary	481	Minotaur Operations Pty Ltd <sup>5</sup>	AIM 75% MOP 25%
<i>Mt Hope Kaolin Project</i>	EL 6286	Mt Hope	227	Andromeda Industrial Minerals Pty Ltd	100%
<b>Queensland</b>					
<i>Drummond Gold Project</i>	EPM 18090	Glenroy	196	Adelaide Exploration Pty Ltd <sup>6</sup>	100%
	EPM 25660	Gunthorpe	74	Adelaide Exploration Pty Ltd	100%
	EPM 26154	Sandalwood Creek	109	Adelaide Exploration Pty Ltd	100%
	EPM 26155	Mount Wyatt	144	Adelaide Exploration Pty Ltd	100%
	EPM 27501	Packhorse Creek	16	Adelaide Exploration Pty Ltd	100%
<b>Western Australia</b>					
<i>Dundas Project</i>	E 63/2089 (Application)	Circle Valley	29	Mylo Gold Pty Ltd <sup>7</sup>	100%

<sup>1</sup> Peninsula Resources Ltd (incorporated 18 May 2007) is a wholly owned subsidiary of Andromeda Metals Ltd

<sup>2</sup> Andromeda Metals Ltd has partnered with Environmental Metals Recovery Pty Ltd ("EMR") to form the Moonta ISR Joint Venture

<sup>3</sup> Great Southern Kaolin Pty Ltd ("GSK") is a wholly owned subsidiary of Minotaur Exploration Ltd

<sup>4</sup> Andromeda Industrial Minerals Pty Ltd ("AIM"; incorporated 9 August 2018) is a wholly owned subsidiary of Andromeda Metals Ltd

<sup>5</sup> Minotaur Operations Pty Ltd ("MOP") is a wholly owned subsidiary of Minotaur Exploration Ltd

<sup>6</sup> Adelaide Exploration Pty Ltd (incorporated 13 July 2001) is a wholly owned subsidiary of Andromeda Metals Ltd.

<sup>7</sup> Mylo Gold Pty Ltd (acquired 21 December 2017) is a wholly owned subsidiary of Andromeda Metals Ltd

## Appendix 5B

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

Name of entity

ANDROMEDA METALS LIMITED

ABN

75 061 503 375

Quarter ended ("current quarter")

30 JUNE 2021

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 (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(187)	(623)
(e) administration and corporate costs	(558)	(1,443)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants, subsidies and tax incentives	-	344
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(744)</b>	<b>(1,720)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(37)	(101)
(d) exploration & evaluation (capitalised)*	(1,157)	(4,432)
(e) investments	-	-
(f) other non-current assets	-	-
* net of joint venture contributions received		



## 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	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,194)</b>	<b>(4,533)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	230	230
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	8,018
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>230</b>	<b>8,248</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	6,702	2,999
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(744)	(1,720)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,194)	(4,533)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	230	8,248

## 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	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,994</b>	<b>4,994</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	904	2,700
5.2	Call deposits	4,000	4,002
5.3	Bank overdrafts	-	-
5.4	Other (cash on deposit to secure credit card facility)	90	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,994</b>	<b>6,702</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	143

**Current quarter  
\$A'000**

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

The amount at items 6.1 and 6.2 comprises executive director salaries and non-executive director fees paid to directors or related corporations of directors of the Company during the quarter.

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

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (credit card facility)	90	16
7.4 <b>Total financing facilities</b>	90	16

7.5 **Unused financing facilities available at quarter end** 74

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.

The Company has a bond, credit card and procurement management facility financed through Westpac with a limit of \$90,000. This facility is denominated in Australian dollars and is secured against cash deposits of the same amount shown as restricted cash in Item 5.4 of this report. An annual performance bond fee is charged at market rates. No amounts are payable under these facilities, other than the annual fee, unless the consolidated entity does not adhere to the terms of the agreements.

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(744)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,157)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,901)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,994
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,994
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.63

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

### 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.

30 July 2021

Date: .....

By 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.