

# ASX ANNOUNCEMENT

ANDROMEDA METALS LTD (Andromeda, ASX: ADN)



31 January 2023

## Quarterly Activities Report – December 2022

### Andromeda Metals Limited

ABN: 75 061 503 375

#### Corporate details:

ASX Code: ADN

Cash (31 Dec 2022): \$23.9m

Issued Capital:

3,110,008,432 ordinary shares

26,160,000 unlisted options

20,844,575 performance rights

#### Directors:

**Mick Wilkes**

Non-Executive Chair

**James Marsh**

Managing Director

**Melissa Holzberger**

Non-Executive Director

**Austen Perrin**

Non-Executive Director

#### Company Secretaries:

**Sarah Clarke**

**Andrea Betti**

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**Commenting on the quarter, Andromeda's Managing Director, James Marsh, said:** "We continued towards fulfilling our aim of becoming a halloysite-kaolin producer by progressing our flagship Great White Project.

*The Project represents a significant, long-term opportunity for Andromeda, and we are further de-risking the Project as we move closer towards a final investment decision."*

### Highlights

#### Great White Project (GWP) – steady progress of the Project

- Binding offtake agreement signed with IMCD for the exclusive sale of the Great White HRM™ concrete and Great White SRM™ suspension aid additives for Australia and New Zealand

#### Research and Development

- Research and development activities to produce 'critical mineral' HPA progressed based on an innovative process flowsheet

#### Exploration

- Exploration Target of High Bright White kaolin (brightness above 80 ISO B) delineated at the Chairlift prospect
- Extensive high-halloysite (>20%) identified at Halfpipe prospect

#### Metal Projects

- Rush Resources Ltd progressed in meeting the conditions precedent related to the agreement for the purchase of the Drummond Epithermal Gold Project

#### Corporate

- Andromeda has appointed new Managing Director/CEO, Robert (Bob) Katsioularis anticipated to commence in role in April
- 31% decrease in cash outgoings compared to the prior quarter, to \$3.65 million
- A private ruling from the Australian Taxation Office confirms an immediate tax deduction of \$117 million relating to Andromeda's acquisition of Minotaur Exploration Ltd.

Andromeda Metals Limited (**ASX: ADN**) (**Andromeda, the Company**), a near-term producer of the halloysite-kaolin industrial mineral, reports steady progress of its flagship Great White Project (GWP) and advancements made in its other projects and new product opportunities during the quarter ended 31 December 2022.

## **Great White Project**

### **Marketing**

During the quarter, an additional binding offtake agreement was signed for halloysite-kaolin products, bringing the number of signed offtake agreements now underpinning the GWP to five.

The agreement with IMCD, a global leader in the distribution of specialty chemicals and additives, is for the exclusive sale in Australia and New Zealand of the Great White HRM™ concrete product and Great White SCM™ suspension aid product from GWP. The agreement is for a combined total of 22,500 tonnes of Great White HRM™ and SRM™ over an initial term of three years, with a maximum of 30,000 and a minimum of 15,000 tonnes and is subject to standard conditions precedent. IMCD also has the option to expand distribution across the Asia/Pacific region.

Great White HRM™ is a new product developed by Andromeda with a provisional patent application filed which has received certification for use by Australian concrete standards. It has the potential to enable the decarbonisation of the concrete industry and additionally reduce costs for customers while providing performance benefits.

Gaining customer approvals and offtake agreements for industrial minerals products, such as halloysite-kaolin, involves a significant investment of resources and testing by potential customers. The Great White HRM™ has undergone extensive testing in concrete applications (see Figures 1 & 2) along with the Great White SRM™ in associated chemical applications. Their performance has provided sufficient confidence for IMCD to sign a binding offtake agreement which includes industry standard conditions precedent.

The growth profile of existing signed agreements and ongoing negotiations with several other potential customers provide confidence that further offtake agreements may be signed, with sales volumes planned to quickly grow in line with the planned production profile as the Great White brand develops in the kaolin market.

To support global product marketing efforts, Andromeda has commissioned a detailed concrete decarbonisation study to quantify the potential carbon footprint reductions offered by using Great White HRM™. The study is being conducted by an independent concrete additives expert and will also quantify the operational, structural and cost improvements that Great White HRM™ can deliver for end-user customers. The analysis is anticipated to be completed during March 2023.





**Figure 1** – Great White HRM™ concrete application testing



**Figure 2** – Great White HRM™ concrete sample, showing enhanced form retention

### **PEPR approval process**

The PEPR lodged by Andromeda for GWP continues to be assessed by the South Australian Department for Energy and Mining (DEM). During the quarter, a limited number of queries were raised through DEM, which were subsequently responded to by Andromeda. The PEPR, which DEM must approve before mining operations may commence, is the second step in the Government's two-stage assessment and approval process. Andromeda is awaiting the result of DEM's process.

### **Project engineering and delivery**

In addition to enhancing the existing operations at the Streaky Bay pilot plant (SBPP), Andromeda has continued progressing with its staged, scalable approach to developing the GWP. The capital costs for the initial Starter Plant and Project infrastructure, which more closely match the production volumes under signed offtake agreements, were determined at between \$50-\$60 million<sup>1</sup>.

The SBPP continued to produce samples for marketing purposes. The recently installed pilot-scale drum washer, hydro-cyclones, thickener and filter press, means the pilot plant now replicates the Starter Plant flow sheet. It is refining products to match the designed specification, which has enabled confirmation of product quality and production of samples to be sent to prospective offtake customers.

During the period, a number of equipment and safety improvements were made at the SBPP. Importantly, plant design and operational testing activities were conducted, aimed at refining plans and readiness for the construction and operations of the Starter Plant.

The procurement process for long lead items for the planned Starter Plant continued to progress. Tender documents were prepared, responses evaluated, and one order was placed. Progress continues on Front End Engineering Design (FEED) providing construction plans for the Starter Plant. This includes process, civil, mechanical, electrical and instrumentation engineering and modelling design. The work undertaken during FEED will also refine the Project's budget, schedule and technical details ahead of an anticipated final investment decision (FID).

<sup>1</sup> Refer ADN ASX Announcement dated 10 November 2022 titled "James Marsh to present today at Noosa Mining Conference"

## **Research and Development**

During the quarter, Andromeda continued to apply its structured Business Development Framework for the assessment and staged progression of targeted new product opportunities, including the critical mineral, HPA, and GWP halloysite-based nanomaterials.

Andromeda continued to progress its research and development activities to produce HPA based on its innovative process flowsheet to produce both HPA and Smelter Grade Alumina.

## **Other industrial mineral projects**

Andromeda continues to actively explore for kaolin with properties that complement those of the Great White Deposit.

### **Eyre Kaolin Project**

***(Andromeda is currently farming in under Stage 1 to earn a 51% interest by expending \$750,000 by November 2024)***

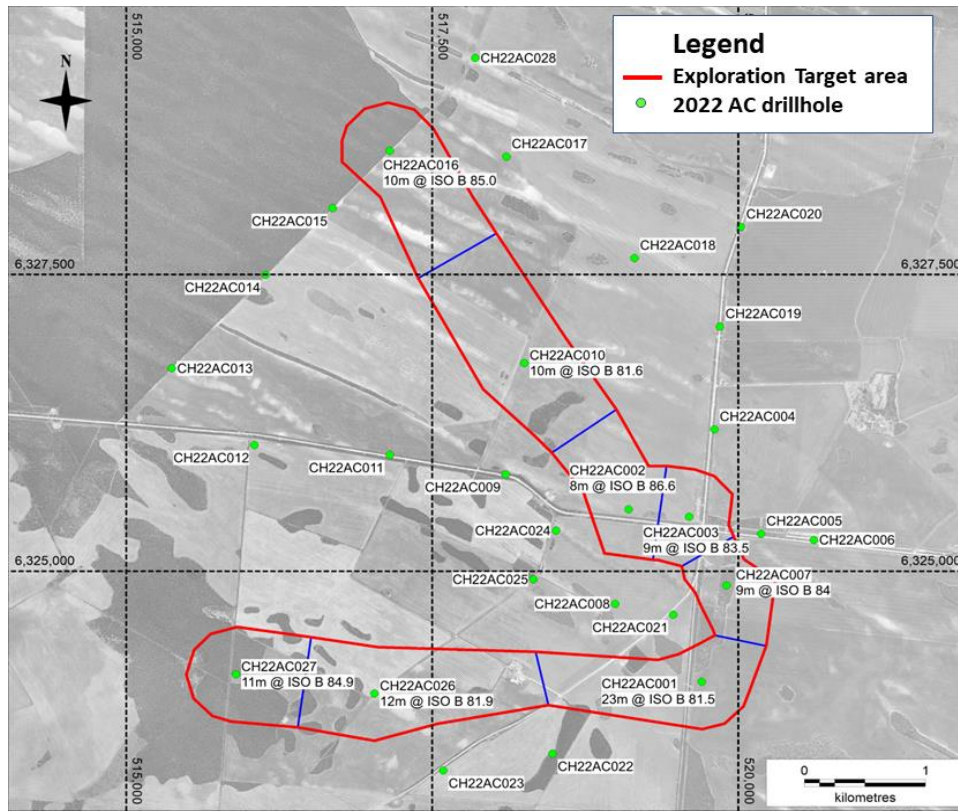
Preliminary results from drill testing conducted during April-May 2022 at two kaolin prospects on the Eyre Kaolin Joint Venture (EKJV) tenements, Chairlift and Halfpipe, were assessed in the December Quarter.

At the Chairlift Prospect, located on tenement EL 6664, an Exploration Target of 80-120Mt of High Bright White kaolin (ISO B in the range of 80 to 84) has been defined<sup>2</sup>. This is based on the brightness (ISO B) analyses from 8 of the 28 aircore drillholes completed for 896 metres (see Figure 1). The potential quantity and grade of the Chairlift Exploration Target is conceptual in nature as there has been insufficient drilling results to estimate a Mineral Resource, and it is uncertain if further exploration drilling will result in the estimation of a Mineral Resource.

The Chairlift and Halfpipe halloysite results are the first reported results using a proprietary analysis method developed by Andromeda for halloysite determination. The method has been calibrated and validated by both CSIRO x-ray diffraction (XRD) and artificial intelligence (AI) analysis of scanning electron microscope (SEM) images.

Andromeda developed the method for halloysite determination as a cost-effective and timely method for grade control to support operational planning at the Great White deposit.



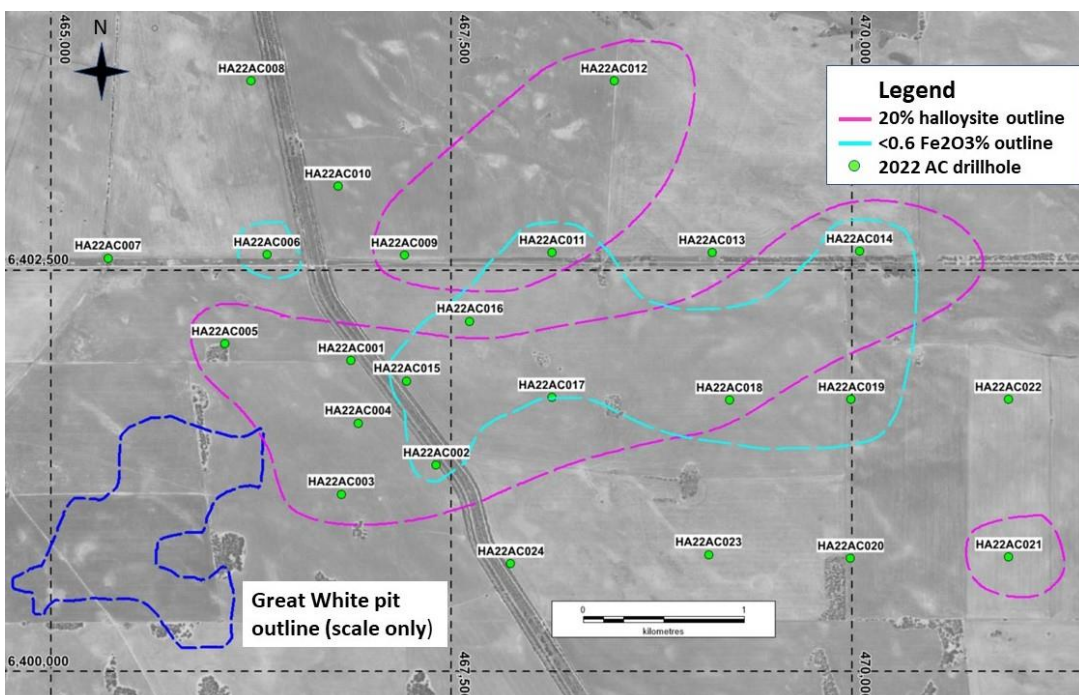


**Figure 3** – Recent drilling showing defined High Bright White kaolin target area (MGA 94 Zone 53)

At the Halfpipe Prospect located on EL 6665, 24 aircore holes for 1,173m were drilled (see Figure 4). Most analyses have now been received, except for the brightness test results. The analyses identified a minimum of 20% halloysite in twelve drillholes.

The next phase of drilling, planned to be carried out in 2023, will focus on selected areas of the Chairlift Exploration Target with a view to estimating a Mineral Resource, which will be grown incrementally through subsequent drill campaigns.

The tenement schedule as at 31 December 2022 is provided at this Report's conclusion.



**Figure 4** – Recent drilling showing drillhole locations (MGA 94 Zone 53)

## **Metal Projects**

Andromeda's strategic focus remains on developing our portfolio of halloysite-kaolin projects. Accordingly, the Company continues to seek opportunities to realise maximum shareholder value for our gold and copper assets while minimising the cost and management time incurred.

### **Moonta Copper Gold Project (Andromeda partial farm-out 100%)**

Andromeda is reviewing the Moonta Copper Gold Project, utilising existing drilling results to assess the in-situ recovery potential of 100% Andromeda-held copper prospects.

### **Wudinna Gold Project (Andromeda farm-out 35%)**

Heads of Agreement partner Cobra Resources PLC (Cobra) received assay results from drilling undertaken in June 2022 and progressed the re-analysis of historic drill holes for rare earth elements.

Subsequent to the quarter, Cobra announced the results from a Reverse Circulation drilling program and a maiden Rare Earth Elements Mineral Resource Estimate of 20.9 Mt at 658 ppm Total Rare Earth Oxides near a defined 94,000oz gold resource at the Baggy Green and Clarke prospects.

Cobra continues to investigate the potential for economic extraction of both commodities. Following the completion of this assessment, Andromeda will assess the results.

## **Corporate**

### **Shares Issued**

No shares were issued during the quarter.

During the quarter, the following changes occurred:

- On 11 November, 1,001,250 Performance Rights were cancelled upon cessation of employment;
- On 7 December, 43,320,000 options expired without exercise or conversion; and,
- On 19 December, 487,500 Performance Rights lapsed due to conditions not being, or have become incapable of being satisfied.

### **Finance Update**

The Company continued to prudently manage costs during the period. Cash and cash equivalents at the end of the quarter were \$23,912k, a decrease of \$3,649k from the previous quarter's closing balance of \$27,561k, representing a 31 per cent reduction in cash outgoings compared to the prior quarter.

During the quarter, net funds used in operating activities were \$1,912k. Net funds used in investing activities were \$1,690k. Net funds used in financing activities were \$47k.

Exploration and Evaluation Expenditure during the quarter was \$1,484k. Full details of exploration activity during the Quarter are set out in this report.

There were no substantive mining production and development activities during the quarter.

Payments to related parties of the Company and their associates during the quarter were \$242k, consisting of executive director salaries and non-executive director fees.

### **Drummond Epithermal Gold Project (Andromeda 100%)**

To realise maximum shareholder value for the Drummond Epithermal Gold Project (Drummond), the Company has entered into an agreement for the sale of Drummond to Rush Resources Limited (Rush) for approximately \$250,000 worth of fully paid ordinary shares in Rush.



The agreement is subject to the following remaining conditions precedent:

- completion of due financial, legal and technical due diligence by Rush,
- Rush undertaking a capital raising and receiving valid applications for at least \$4,000,000 worth of shares, and
- The ASX provides in-principle conditional approval for Rush's admission to the official list of the ASX and the quotation of its shares.

Rush has made the following progress in meeting these conditions:

- confirmed completion of its financial, legal and technical due diligence, and
- received in-principle conditional approval for Rush's admission to the official list of the ASX for the quotation of its shares.

Rush is making progress toward meeting the final condition and is currently planning for the release of the prospectus and IPO capital raising.

Completion of the transaction is expected to occur five business days after the date on which all the above conditions are either satisfied or waived.

### **ATO Tax Ruling**

During the quarter, a private ruling with respect to the ability for Andromeda to claim an upfront instant asset write-off deduction related to the acquisition of Minotaur Exploration Ltd was received from the Australian Taxation Office.

The private ruling enables Andromeda to claim an upfront deduction of approximately \$117 million in its 2022 tax return for the acquisition of Minotaur Exploration Ltd.

### **Results of Annual General Meeting**

Andromeda held its Annual General Meeting (AGM) on 21 November 2022. The resolutions on remuneration and the election of Directors were passed by a poll vote of shareholders. The Company would like to thank shareholders for their continued support.

### **Board and Key Management Changes**

In October, Joseph (Joe) Ranford was appointed Chief Operating Officer (COO). In doing so, Mr Ranford transitioned from a part-time consultant to a full-time employee and, given the COO role's importance and additional focus on progressing the GWP, resigned as a director in November.

Subsequent to the quarter's end, the Company strengthened executive management capacity and capabilities by announcing that James Marsh, currently Managing Director, will transition to Executive Director, Sales and Marketing and that Robert (Bob) Katsioularis has been appointed as Managing Director and Chief Executive Officer (CEO), with both changes anticipated to occur in April this year. Bob has significant operational and commercial experience in the international minerals and base metals industry, across a 25 year career based in Canada, United States and Europe.

Additionally, the appointment of Sarah Clarke as General Counsel & Company Secretary was announced on 16 January 2023, with the incumbent Company Secretary, Andrea Betti, remaining as joint company secretary until 31 January 2023 to ensure an orderly transition to the role.

During the quarter, Andromeda's Managing Director, James Marsh, presented at the Noosa Mining Conference. The presentation can be viewed at [www.andromet.com.au/assets/Investor-Presentation-Noosa-Mining-Conference.pdf](http://www.andromet.com.au/assets/Investor-Presentation-Noosa-Mining-Conference.pdf)

*This ASX announcement has been approved for release by the Board of Directors of Andromeda Metals Limited.*

**For more information about the Company and its projects, please visit our website [www.andromet.com.au](http://www.andromet.com.au) or contact:**

**Manager, Investor Relations & Corporate Affairs**

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**Forward Looking Statements**

This document contains or may contain certain "forward-looking statements" and comments about future events, that are based on Andromeda management's beliefs, assumptions and expectations and on information currently available to management as at the date of this document. Often, but not always, forward-looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook", and "guidance", or similar expressions, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and production potential, estimates of future Mineral Resources and Ore Reserves.

Where Andromeda expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis.

Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Such risks and factors include, but are not limited to: changes in exchange rate assumptions; changes in product pricing assumptions; major changes in mine plans and/or resources; changes in equipment life or capability; emergence of previously underestimated technical challenges; increased costs and demand for production inputs; and environmental or social factors which may affect a licence to operate, including political risk.

**Competent Persons Statement**

Information in this announcement has been assessed 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, options and performance rights in the company and is entitled to participate in Andromeda's employee incentive plan (details of which are included in Andromeda's Annual Remuneration Report) 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 Person 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.

The data that relates to exploration results and Mineral Resource Estimates are based on information compiled and 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 has 30 years of experience in the mining industry. Mr. Whittaker consents to the information in the form and context in which it appears.



## SUMMARY SCHEDULE OF TENEMENTS AS AT 31 DECEMBER 2022

Project	Tenement	Tenement Name	Area km <sup>2</sup>	Registered Holder or Applicant	Nature of the Company's Interest %
<b>South Australia</b>					
<i>Great White Kaolin Project<sup>3</sup></i>	ML 6532	Great White	319 ha	Andromeda Industrial Minerals Pty Ltd <sup>1</sup> and Great Southern Kaolin Pty Ltd <sup>2</sup>	AIM 75% GSK 25%
	MPL 163	Water Pipeline MPL	78 ha	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	MPL 164	Access Road MPL	13 ha	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	EL 6588	Tootla	372	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	EL 6202	Mt Hall	147	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	EL 6426	Mt Cooper	648	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
<i>Wudinna Gold Joint Venture<sup>5</sup></i>	EL 6317	Pinkawillinie	156	Peninsula Resources Ltd <sup>4</sup>	PRL 35% LAM 65%
	EL 6131	Corrobinnie	1303	Peninsula Resources Ltd	PRL 35% LAM 65%
	EL 6489	Wudinna Hill	42	Peninsula Resources Ltd	PRL 35% LAM 65%
	EL 5953	Minnipa	184	Peninsula Resources Ltd	PRL 35% LAM 65%
	EL 6001	Waddikee Rocks	147	Peninsula Resources Ltd	PRL 35% LAM 65%
<i>Moonta Copper Gold Project</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 Demetallica Ltd
<i>Camel Lake Halloysite Project</i>	EL 6128	Camel Lake	455	Andromeda Industrial Minerals Pty Ltd and Great Southern Kaolin Pty Ltd	AIM 75% GSK 25%
	ELA 2019/73	Dromedary	481	Demetallica Operations Pty Ltd <sup>6</sup>	AIM 75% GSK 25%
<i>Eyre Kaolin Project</i>	EL 6663	Aspen	976	Peninsula Exploration Pty Ltd <sup>7</sup>	Peninsula 100%
	EL 6664	Whistler	452	Peninsula Exploration Pty Ltd	Peninsula 100%
	EL 6665	Hotham	875	Peninsula Exploration Pty Ltd	Peninsula 100%
	EL 6666	Thredbo	496	Peninsula Exploration Pty Ltd	Peninsula 100%
<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>8</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	Circle Valley	29	Mylo Gold Pty Ltd <sup>9</sup>	100%

1 Andromeda Industrial Minerals Pty Ltd ("AIM") (incorporated 9 August 2018) is a wholly owned subsidiary of Andromeda Metals Ltd.

2 Great Southern Kaolin Pty Ltd ("GSK") is a wholly owned subsidiary of Andromeda Metals Ltd.

3 Following a prospectivity review of EL 6096, Andromeda chose not to renew the EL and allowed it to expire on 17 September 2022.

4 Peninsula Resources Ltd ("PRL"), (incorporated 18 May 2007) is a wholly owned subsidiary of Andromeda Metals Ltd. PRL has a farm-out agreement with Lady Alice Mines Pty Ltd ("LAM"), a wholly owned subsidiary of Cobra Resources PLC.

5 Andromeda Metals Ltd has a farm-out agreement with Environmental Metals Recovery Pty Ltd ("EMR") to form the Moonta ISR Joint Venture.

6 Demetallica Operations Pty Ltd is a wholly owned subsidiary of Demetallica Ltd. Registered interest is to be transferred to AIM (75%) and GSK (25%) upon grant.

7 Andromeda Industrial Minerals Pty Ltd has a farm-in agreement with Peninsula Exploration Pty Ltd ("Peninsula") over the Eyre Kaolin Project.

8 Adelaide Exploration Pty Ltd (incorporated 13 July 2001) is a wholly owned subsidiary of Andromeda Metals Ltd.

9 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

<b>ANDROMEDA METALS LIMITED</b>
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ABN

<b>75 061 503 375</b>
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Quarter ended ("current quarter")

31 December 2022
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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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(316)	(580)
(e) administration, corporate and R&D costs	(1,682)	(4,085)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	92	107
1.5 Interest and other costs of finance paid	(6)	(13)
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>(1,912)</b>	<b>(4,571)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(206)	(219)
	(d) exploration & evaluation (capitalised)	(1,484)	(4,090)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	33
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other		
	- Government grants, subsidies and tax incentives	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,690)</b>	<b>(4,276)</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	-	-
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 (Lease repayments)	(47)	(94)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(47)</b>	<b>(94)</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash</b>		
4.1	Cash and cash equivalents at beginning of period	27,561	32,853
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,912)	(4,571)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,690)	(4,276)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(47)	(94)
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>23,912</b>	<b>23,912</b>

<b>5 Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	8,895	7,561
5.2	Call deposits	15,017	20,000
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>23,912</b>	<b>27,561</b>

<b>6 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	(140)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(102)

*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, non-executive director fees and consulting 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

<b>7</b>	<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	9
7.4	<b>Total financing facilities</b>	<b>90</b>	<b>9</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>81</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.		
<p>The Company has a credit card 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 fee is charged for this facility at market rates. There are no set amounts payable under this facility, other than the annual fee, unless the consolidated entity does not adhere to the terms of the agreements.</p>			

<b>8</b>	<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)	(1,912)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,484)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,396)
8.4	Cash and cash equivalents at quarter end (item 4.6)	23,912
8.5	Unused finance facilities available at quarter end (item 7.5)	81
8.6	Total available funding (item 8.4 + item 8.5)	23,993
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>7.07</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	
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	
<i>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.</i>		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

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.