

Pacific Nickel Mines Limited (*Pacific Nickel or the Company*) (ASX: PNM) is pleased to provide an update on its activities for the September 2021 Quarter. The Company's focus for the reporting period was the advancement of its Kolosori and Jejevo Nickel Projects, both located in the Solomon Islands.

ASX Code: PNM

ABN: 86 075 613 268

Issued Shares: 215,023,839

Options:

Exp 17/6/24 @ \$0.09  
71,632,284

Exp 30/9/23 @ \$0.06  
11,500,000

#### Directors

Terry Cuthbertson  
James Dean  
Geoff Hiller  
Rob Thomson

#### Top Shareholders

James Dean  
Terry Cuthbertson  
Michael John McCahill <ATF  
MJ McCahill TA/C>  
Sean McCahill Properties Ltd

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#### HIGHLIGHTS FOR THE SEPTEMBER 2021 QUARTER

**Combined JORC Mineral Resource estimate for the Kolosori and Jejevo projects totals:**

- **13.7 million tonnes at 1.5% at a 1.2% Ni Cut-off; and**
- **21.7 million tonnes at 1.35% Ni at a 1.0% Ni Cut off.**

#### Kolosori Nickel Project

- Initial development drilling program completed with 83 holes drilled.<sup>1</sup>
- Stage 2 infill drilling commenced with 151 holes planned as part of the pre-development activities, 90 holes drilled to date.<sup>2</sup>
- Environmental and Social Impact assessment has been lodged with the Solomon Islands Government Ministry of Environment.
- Mining Lease application has been submitted to the Solomon Islands Ministry of Mines, Energy and Rural Electrification.<sup>3</sup>
- Consultants Resindo have been appointed to carry out the FEED (Front End Engineering Design) for the project.
- Definitive Feasibility Study in progress.
- Early works development program is being refined with quotes received from local contractors to carry out initial road construction together with preparation for a wharf, camp site and DSO stockpile.

#### Jejevo Nickel Project

- Initial JORC mineral resource estimate at Jejevo is 7.82 million tonnes at 1.46 % Ni at a 1.2% Ni cut off.<sup>4</sup>
- Prospecting License PL 01/18 was renewed by the Solomon Islands Minister of Mines, Energy and Rural Electrification for a period of two years.
- Conceptual resource extension targets at Jejevo of a further 3.0 million to 5.0 million tonnes at 1.2% to 1.6% Ni.

#### Corporate

- The Company appointed Blackbird Partners as its financial advisors to assist with arranging financing for the Kolosori Nickel Project.
- The Company appointed Mr. Graham Frank as Chief Financial Officer to enhance the Company's financial capabilities.<sup>5</sup>

<sup>1</sup> ASX Announcement 26 July 2021 - KOLOSORI NICKEL PROJECT – DRILLING UPDATE

<sup>2</sup> ASX Announcement 13 October 2021 - STAGE 2 DRILLING AND PROJECT DEVELOPMENT UPDATE KOLOSORI NICKEL PROJECT

<sup>3</sup> ASX Announcement 31 August 2021 - KOLOSORI NICKEL PROJECT – LODGEMENT OF MINING LEASE APPLICATION

<sup>4</sup> ASX Announcement 7 October 2021 - INITIAL JORC (2012) RESOURCE ESTIMATE AT JEJEVO

<sup>5</sup> ASX Announcement 10 September 2021 - APPOINTMENT OF CHIEF FINANCIAL OFFICER AND FINANCIAL ADVISOR

## Kolosori Nickel Project

The Kolosori Nickel Project is an advanced stage direct shipping ore (DSO) nickel laterite project with excellent potential for development, located on Isabel Island in the Solomon Islands.

### Development Drilling

The initial development drilling program was completed during the quarter with 83 holes drilled. 11 of the 83 holes drilled were for metallurgical test work and were distributed across the proposed first mining area to ensure a representative sample.<sup>6</sup> Technical information such as moisture content will be estimated from core samples and used for designing the materials handling systems from mining to stockpiling and exporting of ore via barges and ships. The remaining 72 holes drilled formed the first stage of infill holes designed to increase the confidence level of the current Mineral Resource in preparation for the development of the project. Samples are currently awaiting assaying at ALS Brisbane.

Mining One redesigned the second stage drill program of 151 holes for the Kolosori Nickel Project (Figure 1). These holes are part of the 2021 pre-development activities and are based on the mine planning and scheduling work carried out by Mining One and the Company. The second stage 151-hole drilling program is designed to provide greater confidence in respect of the existing Mineral Resource of 5.89Mt at 1.55% Ni.<sup>7</sup>

To date, 90 infill holes have been drilled as part of the second stage 151-hole drill program. The current drilling program is expected to be completed in November 2021. Exploration outside of the proposed mining areas will be undertaken after this current phase of drilling to test for potential resource extensions.

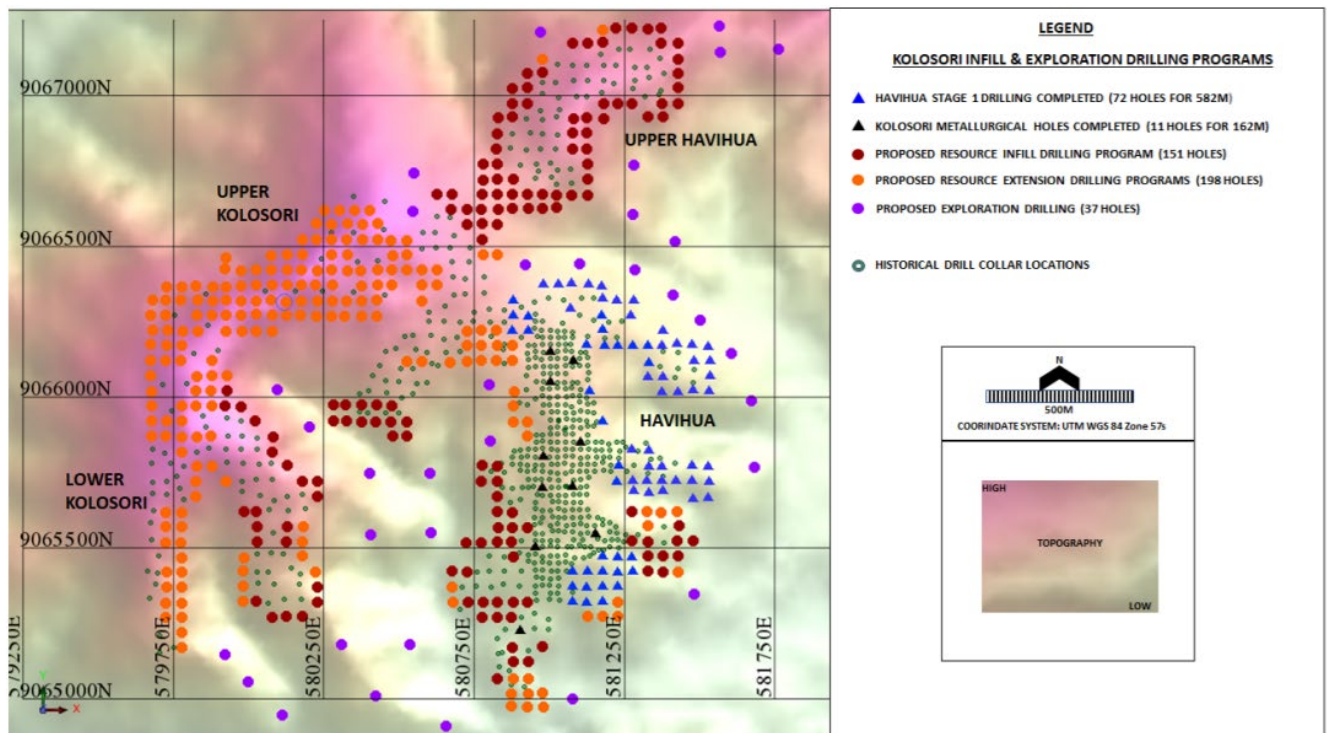


Figure 1 – Initial Development drill program at Kolosori Nickel Project

Approximately 40% of the resource is in the Measured and Indicated category. The aim of the current infill drilling is to raise Inferred Resources into the Measured and Indicated Resources categories. This work will

<sup>6</sup> ASX Announcement 26 July 2021 - KOLOSORI NICKEL PROJECT – DRILLING UPDATE

<sup>7</sup> ASX Announcement 2 September 2021 - STAGE 2 INFILL DRILLING COMMENCES AT THE KOLOSORI NICKEL PROJECT

support the completion of a definitive feasibility study (DFS) which is currently expected to be completed by year-end, subject to assays from the first and second stage drilling programs being received.



*Figure 2 – Kolosori exploration camp on project site*



*Figure 3 – Drilling at Kolosori Nickel Project*



### *Kolosori Project Approvals*

During the period, Pacific Nickel submitted a Mining Lease Application for the Kolosori Nickel Project to the Solomon Islands Ministry of Mines, Energy and Rural Electrification.<sup>8</sup> Two of the key documents attached to the application were prepared for the Company by independent technical consultants:

1. the Commercial Discovery report by Mining One; and
2. the Engineering Study by Resindo.

The study prepared by Resindo included a technical and financial assessment of the Project based on a resource and mine schedule prepared by Mining One.

Resindo has completed financial and technical studies for the Kolosori Project that cover engineering, full project life-of mine layout and construction planning. Resindo is highly experienced and has undertaken engineering studies and mining developments for thirteen similar tropical nickel laterite operations in Indonesia.

This engineering work and study prepared by Resindo were the basis for the Kolosori Project Mining Lease Application.

Resindo has confirmed that at a proposed production rate of 1.3 million tonnes per year, the Kolosori Project is similar in production rate, operating costs, capital costs and development requirements to comparable low capital nickel DSO operations in Indonesia.

Capital cost estimates provided by Resindo are in the range US\$18 to 20 million including preliminary estimates for a port loading facility. Site operating costs covering mining, power, and mine site administration for the operation are in the range US\$15 to US\$17/tonne which is comparable to similar Indonesian operations. Transshipment costs, from the port to a suitably sized vessel moored a short distance offshore, are estimated by Resindo to be in the range US\$4.50 to US\$5.50/tonne. The operating margins for the Project are expected to be greater than US\$20/tonne.

Pacific Nickel has also commenced enquiries with Solomon Islands and external contractors in preparation for the completion of a definitive feasibility study expected by the end of the year. These enquiries include:

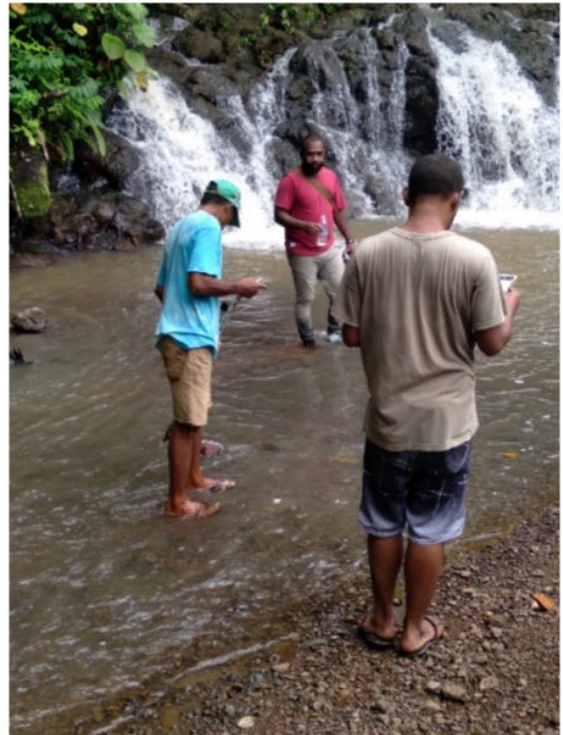
- Mining contractors based in the Solomon Islands to provide cost estimates for personnel, equipment, and materials for a 6-year mining operation to move in total 6-7 million tonnes of nickel DSO with a total material movement of around 20 million tonnes including waste and low-grade stockpiles.
- Port construction contractors capable of building a wharf to accommodate loading barges with DSO capacity of 1.3 mtpa.
- Transshipping contractors providing loading barges to transport ore to a 50,000 to 60,000 tonne bulk carrier anchored approximately 1 km from the Kolosori port area.
- Building contractors in the Solomon Islands to undertake camp and infrastructure requirements to support the operations.

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<sup>8</sup> ASX Announcement 13 October 2021 - STAGE 2 DRILLING AND PROJECT DEVELOPMENT UPDATE KOLOSORI NICKEL PROJECT

- Marketing consultants to access consumers for DSO of 1.4% to 1.7% Nickel with Fe levels below 20%. The majority of nickel ore shipped is expected to grade between 1.5% and 1.6% Ni.

Pacific Nickel has also finalised the Environmental and Social Impact Assessment (ESIA) for the project and has submitted it to the Solomon Islands Ministry of Environment. The Company engaged local environmental consultants to carry out the main part of the ESIA, which included water sampling, ecology and cultural heritage reviews (Figure 4).



*Figures 4 & 5 – Company owned banana boat and water sampling at Kolosori*

#### *Kolosori Development Update*

After the end of the reporting period, the Company began focussing on an early works program at the site prior to the proposed start of the mine development in April next year. This early works program includes clearing and creating pads for the main three areas: the wharf, camp, and DSO stockpile. As part of this assessment the Company will carry out a geotechnical review of the wharf area and assess potential quarry sites for the material required for the wharf construction. The Company has received quotes from local contractors to carry out the early works program.

One of the critical components of the development of the project is the wharf construction. Pacific Nickel has recently appointed Resindo to carry out the FEED (Front End Engineering Design) for the project, with a particular focus on the wharf construction. This FEED will coincide with the definitive feasibility study which is also being carried out by Resindo. The definitive feasibility study will be an integral component of the documentation required by potential financiers to finance the project.

The Company has commenced initial discussions with off-take partners and financiers as part of the financing of the project. This process is being coordinated by Blackbird Partners in association with the Company.

## Jejevo Nickel Project

The Jejevo Nickel Project is an advanced stage direct shipping ore nickel laterite project with excellent potential for development, located on Isabel Island in the Solomon Islands.

### Jejevo Mineral Resource Estimate

During the period, the Company completed an initial JORC (2012) Mineral Resource estimate for the Jejevo Nickel Project. The total JORC mineral resource estimate at Jejevo is 7.82 million tonnes at 1.46 % Ni at a 1.2% Ni cut off, with the results provided in Table 1, Table 2 and Table 3.<sup>9</sup> In addition there is a conceptual resource extension target at Jejevo of a further 3.0 million to 5.0 million tonnes at 1.2% to 1.6% Ni.<sup>10</sup>

JEJEVO JORC MINERAL RESOURCES > 1.2% Ni				
LITHOLOGY	RESOURCE CATEGORY	Kt ('000)	Ni %	Co %
LIMONITE	MEASURED	-	-	-
	INDICATED	249	1.27	0.13
	INFERRED	62	1.27	0.13
	<b>SUB TOTAL</b>	<b>311</b>	<b>1.27</b>	<b>0.13</b>
TRANSITIONAL	MEASURED	-	-	-
	INDICATED	969	1.54	0.07
	INFERRED	911	1.43	0.08
	<b>SUB TOTAL</b>	<b>1,880</b>	<b>1.49</b>	<b>0.07</b>
SAPROLITE	MEASURED	-	-	-
	INDICATED	3,430	1.49	0.02
	INFERRED	2,200	1.40	0.02
	<b>SUB TOTAL</b>	<b>5,630</b>	<b>1.45</b>	<b>0.02</b>
<b>TOTAL (M+I+I)</b>		<b>7,822</b>	<b>1.46</b>	<b>0.04</b>

Table 1 – Jejevo JORC (2012) Resource Estimate (1.2% Ni Cut-Off)

JEJEVO JORC MINERAL RESOURCES > 1.0 % Ni				
LITHOLOGY	RESOURCE CATEGORY	Kt ('000)	Ni %	Co %
LIMONITE	MEASURED	-	-	-
	INDICATED	1,410	1.12	0.14
	INFERRED	2,070	1.07	0.15
	<b>SUB TOTAL</b>	<b>3,480</b>	<b>1.09</b>	<b>0.15</b>
TRANSITIONAL	MEASURED	-	-	-
	INDICATED	1,051	1.51	0.07
	INFERRED	1,263	1.35	0.08
	<b>SUB TOTAL</b>	<b>2,313</b>	<b>1.42</b>	<b>0.08</b>
SAPROLITE	MEASURED	-	-	-
	INDICATED	4,482	1.40	0.02
	INFERRED	4,147	1.25	0.02
	<b>SUB TOTAL</b>	<b>8,630</b>	<b>1.33</b>	<b>0.02</b>
<b>TOTAL (M+I+I)</b>		<b>14,424</b>	<b>1.29</b>	<b>0.06</b>

Table 2 – Jejevo JORC (2012) Resource Estimate (1.0% Ni Cut-Off)

<sup>9</sup> ASX Announcement 7 October - INITIAL JORC (2012) RESOURCE ESTIMATE AT JEJEVO

<sup>10</sup> The potential quantity and grade of an Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

JEJEVO JORC MINERAL RESOURCES > 0.5 % Ni				
LITHOLOGY	RESOURCE CATEGORY	Kt ('000)	Ni %	Co %
LIMONITE	MEASURED	-	-	-
	INDICATED	2,079	1.06	0.14
	INFERRED	3,421	1.00	0.15
	<b>SUB TOTAL</b>	<b>5,500</b>	<b>1.02</b>	<b>0.15</b>
TRANSITIONAL	MEASURED	-	-	-
	INDICATED	1,063	1.50	0.07
	INFERRED	1,320	1.33	0.08
	<b>SUB TOTAL</b>	<b>2,383</b>	<b>1.41</b>	<b>0.08</b>
SAPROLITE	MEASURED	-	-	-
	INDICATED	5,085	1.34	0.02
	INFERRED	5,093	1.19	0.02
	<b>SUB TOTAL</b>	<b>10,178</b>	<b>1.26</b>	<b>0.02</b>
<b>TOTAL (M+I+T)</b>		<b>18,060</b>	<b>1.21</b>	<b>0.07</b>

*Table 3 – Jejevo JORC (2012) RESOURCE ESTIMATE (0.5% Ni Cut-Off)*

The Mineral Resource estimate will form the basis of a feasibility study at Jejevo. An infill drilling program is being designed by Mining One to increase the confidence and test for extensions of the resource estimate. The program will utilise a number of infill holes at a closer spacing to increase the measured and indicated resource estimates in these categories. Infill drilling is expected to commence as soon as practicable next year.

The Company intends to commence the environmental impact statement which includes water sampling, and ecology and social studies. This will be carried out by local contractors as soon as practicable and will follow the same procedures as previously carried out for the Kolosori project EIS.

## Corporate

- The Company appointed Blackbird Partners as its financial advisors to assist with arranging financing for the Kolosori Nickel Project. A major part of their mandate includes discussions and potential financing arrangements with offtake partners.
- The Company appointed Mr. Graham Frank as Chief Financial Officer to enhance the Company's financial capabilities and to assist with capital raisings, reporting, budgets, and other compliance obligations.
- Pacific Nickel currently has on issue:
  - 215,023,839 fully paid ordinary shares.
  - 11,500,000 options with expiry 30/9/2023 @ \$0.06.
  - 71,503,481 options with expiry 17/6/2024 @ \$0.09.
- Payments to related parties of the Company and their associates for the Executive and Non-Executive fees totalled approximately \$137,000.

### December Quarter Planned Activities

- Assay results from the initial Stage 1 drilling program at Kolosori Nickel Project;
- Second Stage drilling completed at the Kolosori Nickel Project;
- Continuing with definitive feasibility work for Kolosori; and
- Commencing Kolosori project pre-development work scheduled in preparation for project development next year.

### EXPENDITURE SUMMARY

A summary of the exploration and project evaluation expenditures for the quarter is provided as follows:

Activity	Expenditure (\$A000's)
Tenement Fees/Licence	33.5
Community/Landowner	185.5
Development Study	300.9
Exploration	365.7
<b>Total</b>	<b>885.6</b>

### 2021 SEPTEMBER QUARTER – ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“2012 JORC Code”). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

26-July-21	Kolosori Nickel Project - Update
31-August-21	Kolosori Nickel Project – Lodgement Mining Lease Application
2-September-21	Stage 2 Infill Drilling Commences at Kolosori Nickel Project
10-September-21	Appointment of Chief Financial Officer and Financial Advisor
7-October-21	Initial JORC Resource Estimate at Jejevo
13-October-21	Stage 2 Drilling and Development – Kolosori Nickel Project
19-October-21	Investor Presentation – Fast Tracking Nickel DSO Project

These announcements are available for viewing on the Company’s website under the News & Media tab. Pacific Nickel confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.



## TENEMENTS

Project	Tenement Number
SOLOMON ISLANDS – <i>Kolosori (80%)</i>	PL 05/19
SOLOMON ISLANDS – <i>Jejevo (80%)</i>	PL 01/18
QUEENSLAND – <i>EPM (100%)</i>	EPM 18908

No Exploration/Mining Tenements were Acquired/Disposed of during the Quarter.

No Beneficial Interest in Farm-In or Farm-Out were Acquired/Disposed of during the Quarter.

## JORC COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results at the Jejevo project is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Hutchin a Member of the Australian Institute of Geoscientists.

The information in this report that relates to the Kolosori mineral resource estimate were originally reported in an announcement to the ASX on 19 November 2020 entitled “Initial JORC Resource Estimate At Kolosori”.

The information in this report that relates to the Jejevo mineral resource estimate were originally reported in an announcement to the ASX on 7 October 2021 entitled “Initial JORC Resource Estimate At Jejevo”.

These announcements can be found on the Company’s website at:  
<https://pacificnickel.com/investors/asxannouncements/>

The Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcement. In addition, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the abovementioned announcement continue to apply and have not materially changed.

The Company also confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

Mr Hutchin is a full-time employee of Mining One Consultants and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which they are 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”. Mr Hutchin consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## Further Information

For further information, please contact the Company on +61 (0) 403 940 518 or by email at [info@pacificnickel.com](mailto:info@pacificnickel.com) or visit the Company’s website at [www.pacificnickel.com](http://www.pacificnickel.com)

- END -

This report is dated 27 October 2021 and has been authorised by the Board.

For further information please contact:

Mr. Geoff Hiller  
Executive Director & CEO

Mr. Andrew J. Cooke  
Company Secretary  
Email: [acooke@pacificnickel.com](mailto:acooke@pacificnickel.com)



## Pacific Nickel Mines Limited

Level 4, 283 George St Sydney NSW 2000  
www.pacificnickel.com

Rule 5.5

### Appendix 5B

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

Name of entity

**Pacific Nickel Mines Limited**

ABN

**86 075 613 268**

Quarter ended ("current quarter")

**30-Sep-21**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration and evaluation	(886)	(886)
(b) development		
(c) production		
(d) staff costs	(1)	(1)
(e) administration and corporate costs	(232)	(232)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid (received)		
1.7 Government grants and tax incentives		
1.8 Other		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,118)</b>	<b>(1,118)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(90)	(90)
(d) exploration & evaluation		
(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		
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 Net cash from / (used in) investing activities</b>	<b>(90)</b>	<b>(90)</b>

ASX Listing Rules Appendix 5B (17/07/20)

+See chapter 19 of the ASX Listing Rules for defined terms.

Mining exploration entity or oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months \$A'000
<b>3. 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	(95)	(95)
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 Net cash from / (used in) financing activities</b>	<b>(95)</b>	<b>(95)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,807	1,807
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,118)	(1,118)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(90)	(90)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(95)	(95)
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>504</b>	<b>504</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	504	1,807
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>504</b>	<b>1,807</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  
6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
137
0

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

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**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangement available to the entity  
Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities  
7.2 Credit standby arrangements  
7.3 Other (please specify)  
7.4 Total financing facilities

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

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

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- 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.

Facility description	Lender	Interest rate (pa)	Maturity Date

Mining exploration entity or oil and gas exploration entity quarterly report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,118)
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)	(1,118)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	504
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	504
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.5</b>

*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.*

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

8.8.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Yes. However the exploration and development activity amount is variable.

8.8.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

The Board is reviewing capital raising options and anticipates that a capital raising to fund ongoing operations will be completed within the short to medium term. The Board believes that it is likely to be successful implementing a capital raising based on preliminary enquiries to date.

8.8.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the entity expects to be able to continue its operations and to meet its business objectives on the basis that the Company anticipates raising additional funds for its exploration activities.

*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: 27-Oct-21

Authorised by: By the Audit Committee  
(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.