

Quarterly Report

Demetallica Limited is a new Australian focussed minerals explorer with a copper dominant high-grade base metals portfolio (**Figure 1**). Demetallica commenced trading on the Australian Stock Exchange (ASX) on 26 May 2022 under market code DRM. The company easily raised its initial public offer (IPO) target of \$15 million.

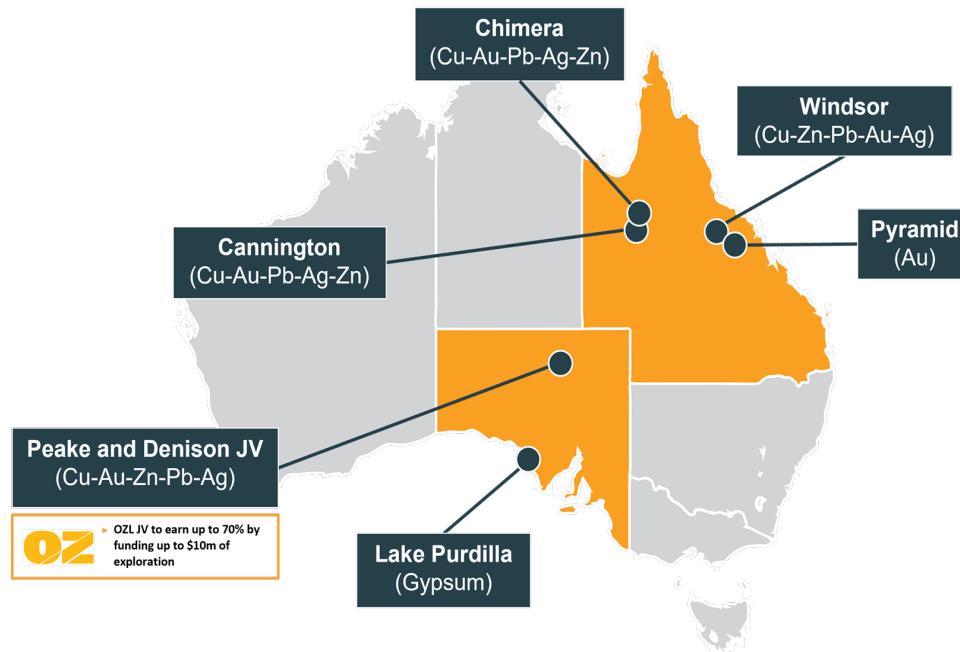


Figure 1: Project Locations

Arising from its IPO Demetallica has 102 million shares on issue and a healthy share register with 3,700 members where the Top 5 hold 29% and include Sandfire Resources Ltd (ASX: SFR) and OZ Minerals Ltd (ASX: OZL), (**Figure 2**), both successful mid-tier copper miners.

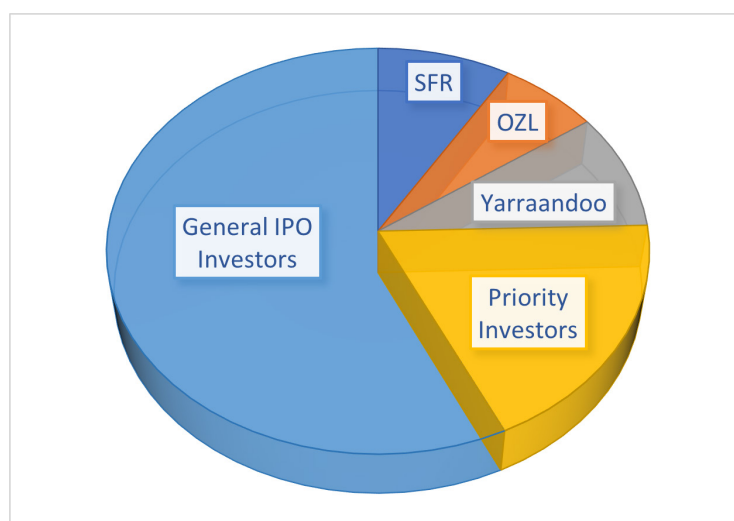


Figure 2: Shareholder Distribution

The company is in a strong financial and portfolio position, owning 100% interest in a suite of quality copper, gold and base metal assets ranging from greenfields to advanced exploration stage to several resource quantified deposits.

Demetallica will be highly active through the remainder of calendar 2022, as indicated by the planning timeline (Figure 3), as its work fronts expand across several projects.

PROJECT	ACTIVITY	Q2 2022	Q3 2022	Q4 2022
Chimera	Jericho Resource Infill Drilling	9,500m RC		
	Jericho Resource Extension Drilling	4,500m DD		
	Assay Results			
	Resource Upgrade			
Cannington	Database interrogation & New target generation			
	Geophysics Program			
Pyramid	Exploration Drilling			
	Assay Results			
Windsor	Ground Electro-magnetic Surveys			
	Exploration Drilling			
	Assay Results			
Peake & Denison	Proof of Concept Drilling	1,000m DD		
	Results compilation/JV planning			

Figure 3: Activity Timeline 2022

Resource Upgrade Drilling at Jericho

Demetallica's primary asset is the Chimera Polymetal Project, NW Queensland (Figure 4) of which Jericho is the most advanced exploration-stage asset.

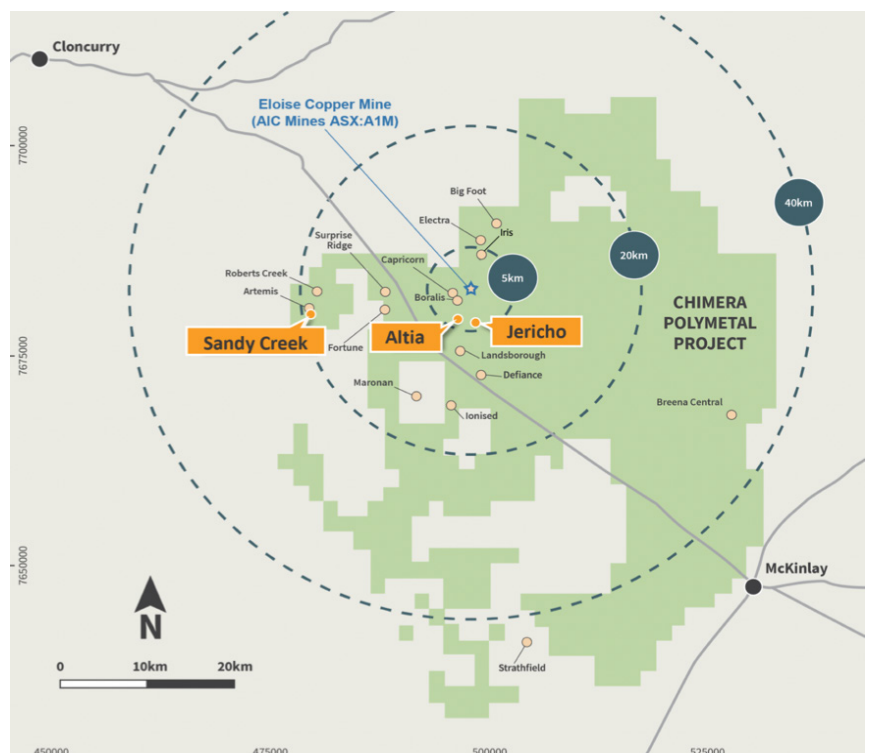


Figure 4: Chimera Polymetal Project

The company inaugurated a 2-year IPO work program in April at its Jericho copper-gold project (**Figure 4**). Jericho comprises two parallel mineralised lodes, J1 and J2 (**Figure 5**), enclosing a JORC mineral resource estimate (MRE) of 9.1Mt @ 1.4% Cu and 0.3g/t Au.

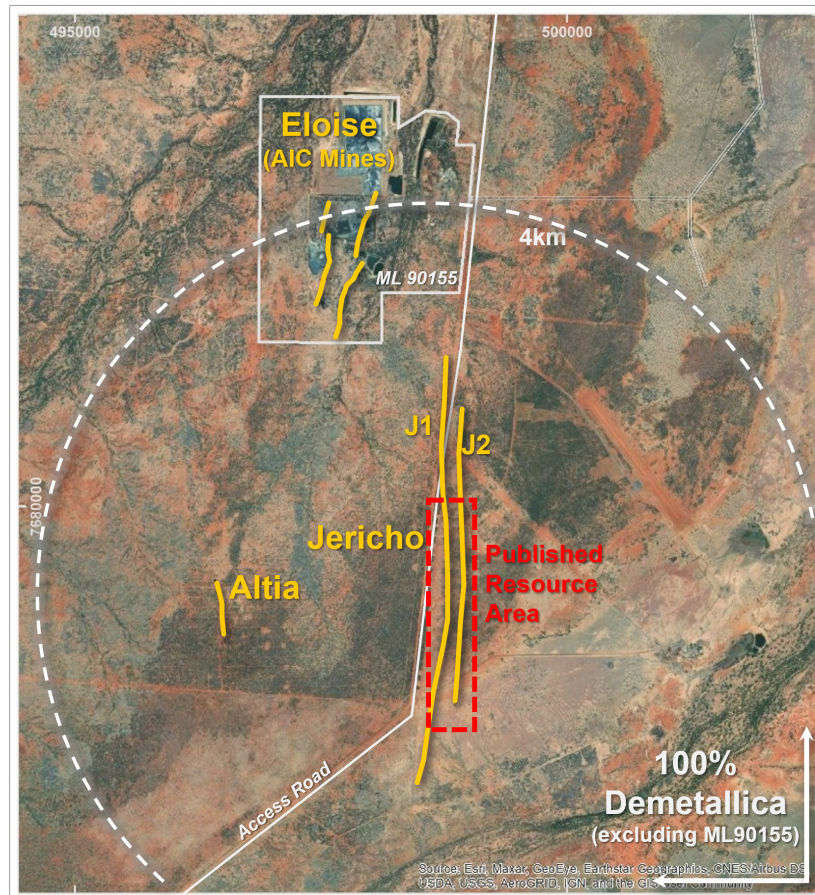


Figure 5: Proximal relationship between Jericho copper resource and Altia polymetallic deposit

The Company's vital mission at Jericho is twofold: improve confidence in the distribution and continuity of copper-gold mineralisation within the existing resource envelope and extend the boundaries of the resource through down plunge drilling, thereby lifting the contained tonnes of copper. Success in these objectives will lead to an updated and expanded resource estimate in October 2022. Consistency of assay results to date provide firm encouragement that the objectives are technically achievable.

Two Rig Program 70% Complete

Demetallica has two drill rigs operating at Jericho - a Reverse Circulation (RC) rig on day shift operations conducting infill resource drilling and a diamond rig on day/night shift drilling exploration extension holes down-plunge of the existing resource. Drilling is 75% through with 45 holes completed, primarily on J1 Lode (**Figure 6**).

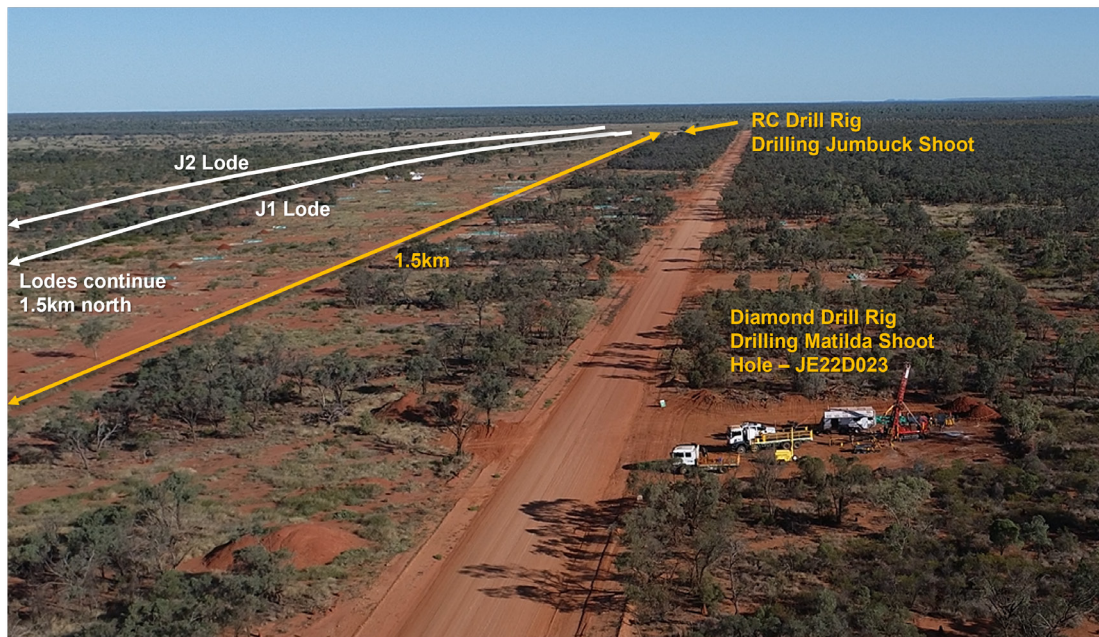


Figure 6: Jericho drill sites 22 June 2022 – view looking southeast

Drilling Progress

Infill drilling of the Matilda shoot within J1 is nearing conclusion with 25 of 28 planned holes complete (**Figure 7**). Matilda shoot infill holes provide nominal 50m drill spacing covering 450m of strike and 150-200m depth extent. Assays are yet to be received for 9 of the completed holes.

11 of 22 planned infill holes within the Jumbuck shoot at the southern end of J1 lode (**Figure 7**) are complete for which assays are awaited. These holes provide nominal 50m drill spacing covering most of an area 300m long and 200m depth extent.

Resource extension drilling at J1 Lode is also progressing strongly with 9 holes now complete comprising 3 holes within Jumbuck shoot and 6 holes within Matilda shoot (**Figure 7**). Copper sulphide was intersected in all holes at the predicted lode position confirming mineralisation extends below the base of the current resource within both shoots. Intercepts from the Jumbuck shoot¹ demonstrate lode continuity down plunge 100-150m along 200m of strike and remains open. 400m below surface. Drilling on Matilda extends mineralisation down plunge for around 100m along 750m of strike and remains open.

¹ Demetallica report to ASX 13 July 2022 *Jericho continues to deliver strong infill & Extension Copper intercepts*

Initial Assay Highlights

Demetallica reported initial J1 Lode assay results on 4 and 13 July 2022¹. Massive and semi-massive copper sulphides were intersected in 14 infill RC holes and 2 diamond cored holes. Drilling continues to encounter similar tenor copper mineralisation within the shoot target positions (**Figure 7 and Table 1**).

Hole ID	Intercept (m)	From	To	Cu%	Au g/t	Shoot	Type
JE22D001	8	91	99	1.79	0.44	Matilda	Infill
JE22D002	9	143	152	2.48	0.33	Matilda	Infill
JE22D003	8	208	216	1.33	0.23	Matilda	Infill
and	2	225	227	2.19	0.7	Matilda	Infill
JE22D004	9	88	97	1.81	0.34	Matilda	Infill
JE22D005	19	197	216	1.28	0.19	Matilda	Infill
including	8	197	205	1.85	0.27	Matilda	Infill
JE22D006	5.55	360.45	366	2.31	0.42	Jumbuck	Extension
JE22D007	7.2	412.8	420	2.01	0.36	Jumbuck	Extension
JE22D010	16	166	182	1.37	0.22	Matilda	Infill
including	7	166	173	2.68	0.42	Matilda	Infill
JE22D011	13	100	113	2.95	0.26	Matilda	Infill
JE22D012	6	194	200	1.86	0.41	Matilda	Infill
and	4	218	222	3.08	0.62	Matilda	Infill
JE22D013	9	160	169	1.72	0.64	Matilda	Infill
JE22D014	9	188	197	1.07	0.18	Matilda	Infill
JE22D015	16	163	179	1.94	0.43	Matilda	Infill
including	6	163	169	2.95	0.63	Matilda	Infill
and	4	175	179	3.00	0.69	Matilda	Infill
JE22D016	8	99	107	1.54	0.32	Matilda	Infill
JE22D018	15	178	193	1.73	0.32	Matilda	Infill
including	6	179	185	3.45	0.59	Matilda	Infill
JE22D019	2	270	272	1.49	0.16	Matilda	Infill
and	4	285	289	0.8	0.19	Matilda	Infill

Table 1: Copper-gold assays reported as at 13 July 2022. Intersection widths stated are down-hole widths

¹ Demetallica report to ASX 4 July 2022 *Initial Jericho Drilling Results Infill holes return impressive copper intercepts*
Demetallica report to ASX 13 July 2022 *Jericho continues to deliver strong Infill & Extension Copper intercepts*

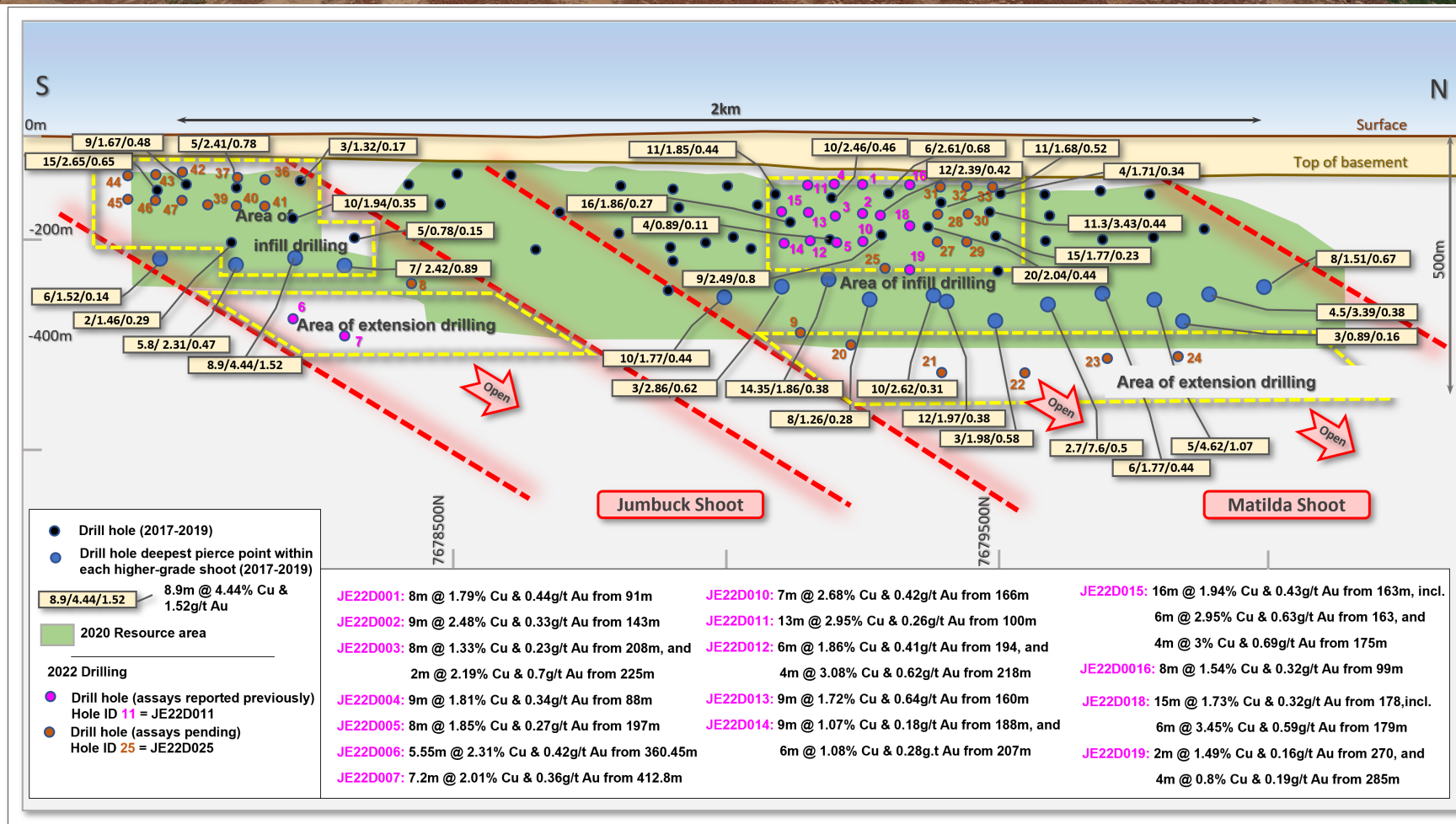


Figure 7: Jericho J1 Lode long section, viewed west, showing drilling pierce points, drill intercept assays and resource outline.

Further Assays Imminent

Assay data for individual sample batches will be received progressively during July-August. Visual observation of drill chips and core for holes with assays outstanding are consistent with expectations, with intercept width and copper sulphide content variability, as expected.

Outlook for Q1 FY2023

The abundance of chalcopyrite, the copper sulphide mineral within a pyrrhotite matrix, demonstrates the robust mineralisation setting of the Jericho lodes, particularly the Matilda and Jumbuck shoots within the J1 Lode. The initial two sample sets of 14 infill holes provide firm encouragement that Demetallica's first objective, to upgrade the resource model internal continuity in order to reclassify a portion of the MRE as JORC Indicated category, is technically achievable. Ongoing sample results will build towards that goal.

Extension diamond drilling is also encouraging with all 9 holes completed to date demonstrating that mineralisation extends below the base of the current resource. Assays are received for 2 of those holes and are reported in Table 1. This supports Demetallica's second objective of growing the resource to be achievable.

June 2022 Quarter ASX Announcements

The following significant announcements were lodged with ASX during or since the June Quarter:

- Copper intercepts at Jericho Copper Deposit, 30 May 2022
- Jericho Drilling Update, 9 June 2022
- Sale of Unmarketable Parcels, 30 June 2022
- First Jericho Drill Results, 4 July 2022
- ATO Class Ruling, 6 July 2022
- 2nd Jericho Copper Results, 13 July 2022

COMPETENT PERSON'S STATEMENT

Information in this report that relates to Exploration Results and the Exploration Target is based on information compiled by Mr. Glen Little who is a Member of the Australian Institute of Geoscientists. Mr. Little holds shares in and is a full-time employee of Demetallica and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Little consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears. Information in this report that relates to Mineral Resources for Jericho is extracted from the report entitled Maiden Jericho Resource and Cloncurry exploration update lodged with the ASX and dated 16 July 2020.

INTERESTS IN MINING TENEMENTS AS AT 30 JUNE 2022



Tenement ID	Tenement Reference	Holder	% Interest beginning of quarter	% Interest end of quarter	Location	Status
Cannington Project						
EPM 19542	Wilgunya	Levuka Resources	100	100	QLD	Ongoing
EPM 25782	Blackrock	Levuka Resources	100	100	QLD	Ongoing
EPM 25854	Cannington	Levuka Resources	100	100	QLD	Ongoing
EPM 26361	Pegmont East	Levuka Resources	100	100	QLD	Ongoing
EPM 26456	Anitra	Levuka Resources	100	100	QLD	Ongoing
EPM 26537	Glenholme	Levuka Resources	100	100	QLD	Ongoing
EPM 26698	White Tank	Levuka Resources	100	100	QLD	Ongoing
EPM 27056	Spell Paddock	Levuka Resources	100	100	QLD	Ongoing
Chimera Polymetal Project						
MDL 431*~	MDL A	Levuka Resources	20	100	QLD	Ongoing
MDL 432	MDL B	Levuka Resources	100	100	QLD	Ongoing
EPM 17838*~	Levuka	Levuka Resources	20	100	QLD	Ongoing
EPM 18624	Oorindi Park	Demetallica Operations	30	100	QLD	Ongoing
EPM 25389*~	Fullarton	Demetallica Operations	20	100	QLD	Ongoing
EPM 25897	Breena Plains West	Levuka Resources	100	100	QLD	Ongoing
EPM 25920	Kevin Downs Amalgamated	Levuka Resources	100	100	QLD	Ongoing
EPM 25921	Breena Plains North Amalgamated	Levuka Resources	100	100	QLD	Ongoing
EPM 25922	Breena Plains South Amalgamated	Levuka Resources	100	100	QLD	Ongoing
EPM 25950	Altia South 2	Levuka Resources	100	100	QLD	Ongoing
EPM 26184	Bluff Creek	Levuka Resources	100	100	QLD	Ongoing
EPM 26233*~	Route 66	Demetallica Operations	20	100	QLD	Ongoing
EPM 26447	Garnet Creek	Levuka Resources	100	100	QLD	Ongoing
EPM 26508	Maronan South	Levuka Resources	100	100	QLD	Ongoing
EPM 26521	Sybellah	Demetallica Operations	30	100	QLD	Ongoing
EPM 26572	Taltal	Levuka Resources	100	100	QLD	Ongoing
EPM 26684	Pink Hut	Demetallica Operations	30	100	QLD	Ongoing
EPM 26703	Holy Joe	Demetallica Operations	30	100	QLD	Ongoing
EPM 27052	Matilda	Demetallica Operations	30	100	QLD	Ongoing
EPM 27279	Swagman	Levuka Resources	30	100	QLD	Ongoing
Pyramid Project						
EPM 12887	Pyramid	Demetallica Gold Mines	100	100	QLD	Ongoing
EPM 19554	Pyramid 3	Demetallica Gold Mines	100	100	QLD	Ongoing
EPM 25154	MGT North	Demetallica Gold Mines	100	100	QLD	Ongoing
Windsor Project						
EPM 25134	Liontown 4	Demetallica Operations	100	100	QLD	Ongoing
EPM 25135	Liontown 3	Demetallica Operations	100	100	QLD	Ongoing
EPM 25148	Liontown 5	Demetallica Operations	100	100	QLD	Ongoing
EPM 25270	Liontown 6	Demetallica Operations	100	100	QLD	Ongoing
EPM 25271	Liontown 7	Demetallica Operations	100	100	QLD	Ongoing
EPM 25437	Liontown 8	Demetallica Operations	100	100	QLD	Ongoing
EPM 25680	Liontown 9	Demetallica Operations	100	100	QLD	Ongoing
EPM 27426	Crooked Creek	Demetallica Operations	100	100	QLD	Ongoing

INTERESTS IN MINING TENEMENTS AS AT 30 JUNE 2022



Tenement ID	Tenement Reference	Holder	% Interest beginning of quarter	% Interest end of quarter	Location	Status
Lake Purdilla Project						
EL 6285	Sceales	Demetallica Operations	100	100	SA	Ongoing
EL 6682	Yanerie	Demetallica Operations	100	100	SA	Ongoing
Peake & Denison Project						
EL 6221	Big Perry	Demetallica Operations	100	100	SA	Ongoing
EL 6222	Teemurrina	Demetallica Operations	100	100	SA	Ongoing
EL 6223	Wood Duck	Demetallica Operations	100	100	SA	Ongoing
EL 6270	Davenport	Demetallica Operations	100	100	SA	Ongoing
Other interests						
ML 4386	Third Plain	Perilya	10	10	SA	Ongoing
EL 5117 (ELA 2017/186)	Ediacara	Perilya	10	10	SA	Ongoing
EL 6465	Blinman	Perilya	10	10	SA	Ongoing
EL 6504	Wilkawillina	Perilya	10	10	SA	Ongoing
EL 5984	Moonta	Peninsula Resources	10	10	SA	Ongoing
EPM 16197	Blockade	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
EPM 17914	Blockade East	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
EPM 17947	Blockade East Extension	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
EPM 17638	Phillips Hill	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
EPM 18492	Mt Remarkable Extension	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
EPM 19733	Mt Remarkable Consolidated	TAS Exploration	1% NSR	1% NSR	QLD	Ongoing
M15 395	West Kambalda	Maximus Resources	1.5% NSR	1.5% NSR	WA	Ongoing
M15 703	West Kambalda	Maximus Resources	1.5% NSR	1.5% NSR	WA	Ongoing
L15 128	West Kambalda	Maximus Resources	1.5% NSR	1.5% NSR	WA	Ongoing
L15 255	West Kambalda	Maximus Resources	1.5% NSR	1.5% NSR	WA	Ongoing
E15 1688	West Kambalda	Marnier Mining	1.5% NSR	1.5% NSR	WA	Ongoing
E15 1689	West Kambalda	Spargoville Minerals	1.5% NSR	1.5% NSR	WA	Ongoing

* OZ Minerals 80% in portion of tenement

~ OZ Minerals 70% in portion of tenement

1.5% NSR = 1.5% NSR all minerals other than Nickel

1% NSR = 1% NSR all minerals

Use of Funds Statement

In accordance with ASX Listing Rule 5.3.4, the following comparison table is submitted with respect to the actual expenditure to the end of the period, against the use of funds statement as outlined in the Prospectus dated 8 April 2022:

Allocation of funds	Per Prospectus	Actual expenditure to 30 June 2022
	\$	\$
Exploration expenditure:		
- Chimera	6,320,749	1,691,668
- Cannington	435,711	13,427
- Pyramid	474,205	372
- Windsor	385,245	28,369
- Peake & Denison	1,400,000	620,564
- Peake & Denison JV Funding	(1,400,000)	(930,000)
- Lake Purdilla	78,450	450
- Other	-	5,844
- TOTAL	7,694,360	1,430,694
Payment to Oz Minerals	6,125,000	6,125,000
Expenses of the Offer	1,302,656	1,311,136
Working capital	2,110,344	150,417
TOTAL	17,232,360	9,017,247

Compliance Statement

Payments made under a commercial lease agreement to a related entity of Dr Antonio Belperio, a Director of the Company, are reported in Appendix 5B, Section 6.1.

Appendix 5B

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

Name of entity

DEMETALLICA LIMITED

ABN

16 061 595 051

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(210)	(276)
	(e) administration and corporate costs	(387)	(516)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	99	99
1.8	Other (JV contributions received)	965	965
1.9	Net cash from / (used in) operating activities	472	277
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	(6,125)	(6,600)
	(c) property, plant and equipment		
	(d) exploration & evaluation	(755)	(923)
	(e) investments		
	(f) other non-current assets		

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 (provide details if material)		
2.6	Net cash from / (used in) investing activities	(6,880)	(7,523)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	16,582	16,582
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	(1,099)	(1,099)
3.5	Proceeds from borrowings		513
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Proceeds from demerger)		1,847
3.10	Net cash from / (used in) financing activities	15,483	17,843

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,532	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	472	277
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,880)	(7,523)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	15,483	17,843

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	Cash and cash equivalents at end of period	10,607	10,607

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	10,323	1,248
5.2	Call deposits	284	284
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,607	1,532

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	12
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (provide details)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	472
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(755)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(283)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,607
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	10,607
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	37.48
<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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A - Item 8.7 is greater than 2 quarters </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A - Item 8.7 is greater than 2 quarters </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;"> Answer: N/A - Item 8.7 is greater than 2 quarters </div>	
<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 Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 JULY 2022

Authorised by: VARIS LIDUMS
COMPANY SECRETARY

(Name of body or officer authorising release – see note 4)

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

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.