

# QUARTERLY ACTIVITIES REPORT

## PERIOD ENDED 30 JUNE 2022

Australian-based gold exploration company Polymetals Resources Ltd (**ASX: POL, Polymetals** or the **Company**) is pleased to provide its Quarterly Activities Report for the quarter ended 30<sup>th</sup> June 2022 (**Quarter**).

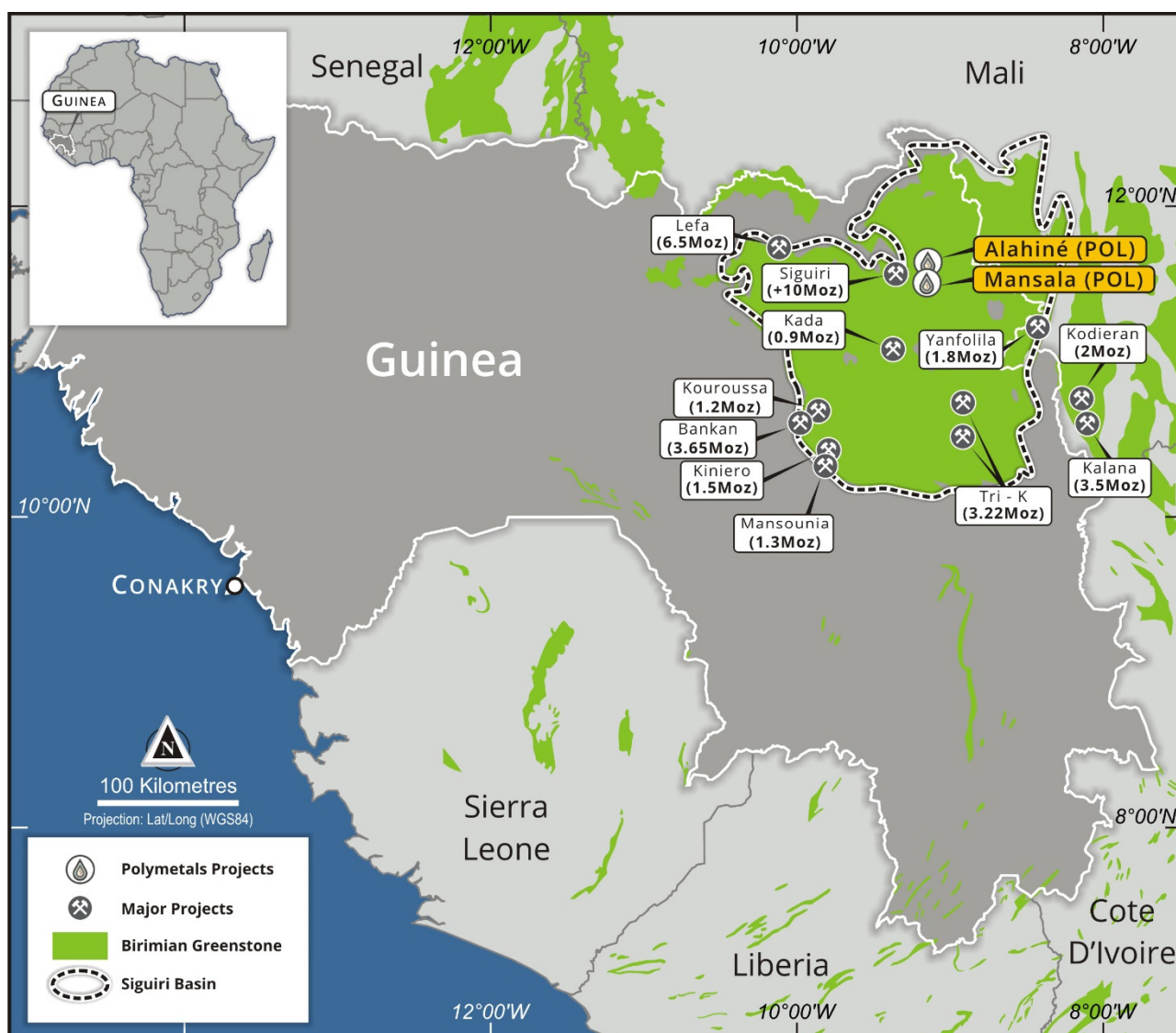
### KEY HIGHLIGHTS

- Reverse Circulation (RC) drilling program comprising 64 holes for 6,100m commences at the Alahiné Gold Project in the Siguiri Basin, Guinea. The programme will test priority targets over 4km of interpreted strike.
- Alahiné program planned to confirm strike continuity of NE quadrant and test extent of high grade mineralisation open at depth.
- Results of geological mapping and artisanal pit sampling program illustrate the prospectivity of the Mansala licence.
- Quartz stockwork identified within artisanal workings at Mansala with results including 16.70 g/t Au, 8.35g/t Au, 5.74 g/t Au and 5.48 g/t Au over 600m strike length.
- Mansala shallow auger program comprising 799 holes totalling 6,123m was completed.
- Mansala best auger drill results include 3m @ 4.57 g/t Au, 3m @ 3.26 g/t Au and 1m @ 2.50 g/t Au.
- Multiple mineralised trends identified within NE quadrant of Mansala licence.
- High-resolution airborne magnetic survey undertaken covering the Alahiné and Mansala gold projects

### GUINEA EXPLORATION

Polymetals is focussed on exploring two licences within Guinea's Siguiri Basin which hosts several large active gold mining operations and is notable for its significant and widespread gold anomalism.

The Exploration Licences, known as Alahiné (64.2km<sup>2</sup>) and Mansala (48.2km<sup>2</sup>), host prolific historic and current small scale gold production conducted by artisanal miners confirming the extensive gold endowment of the area.



**Figure 1:** Regional West African gold deposits relative to the Company's Exploration Licences

## ALAHINÉ PHASE 3 DRILLING PROGRAM COMMENCES

### Work program

During the quarter, Polymetals advised that it has commenced its planned 6,100m Phase 3 Reverse Circulation (RC) drilling program at the Company's wholly owned Alahiné Gold Project in Guinea, West Africa.

The Phase 3 Reverse Circulation (RC) drilling program is focussed on numerous targets generated during previous drilling programs. Also, infill drilling will continue to define the 4km of interpreted strike within the NE quadrant of the Alahiné licence.

The program aims to test broad areas of Siguiri style mineralisation akin to the AngloGold Ashanti (ASX:AGG, NYSE:AU) +10Moz Siguiri Gold Mine, located 37km west of the Alahiné licence.

### **Confirm Strike Continuity**

The objective of the Phase 3 program is to test the strike continuity of the delineated mineralised zone. Thirty-Five (35) holes totalling 3,170m are planned to test the strike extent of broad zones of mineralisation identified within previous drilling through step out traverses located 200m north and south of the Company's 2021 Phase 2 traverses.

A further thirteen (13) holes totalling 1,510m will test the updip and downdip extent of mineralised zones intersected during previous drilling programs.

The significant Siguiri-style mineralised sections<sup>1 2</sup> from previous drilling include:

- AH21ARC066
  - **14m @ 1.14 g/t Au;**
- AH21ARC074
  - **10m @ 1.32g/t Au;**
  - **15m @ 0.92 g/t Au;** and
  - **7m @ 1.63g/t Au**
- AH21ARC103
  - **19m @ 0.99g/t Au**

In addition, Phase 3 drilling will also target previous<sup>12</sup> high-grade end-of-hole intersections examples of which include **1m @ 21.40 g/t Au, 1m @ 7.12 g/t Au** and **1m @ 11.56 g/t Au.**

Optimal drilling direction is yet to be settled in this terrain. To address this, ten (10) holes for 1000m will be drilled on an azimuth of 310° Grid and the results compared with the same mineralised zones intersected during the Company's previous drilling programs on a drill azimuth of 270° Grid.

### **Testing New Targets**

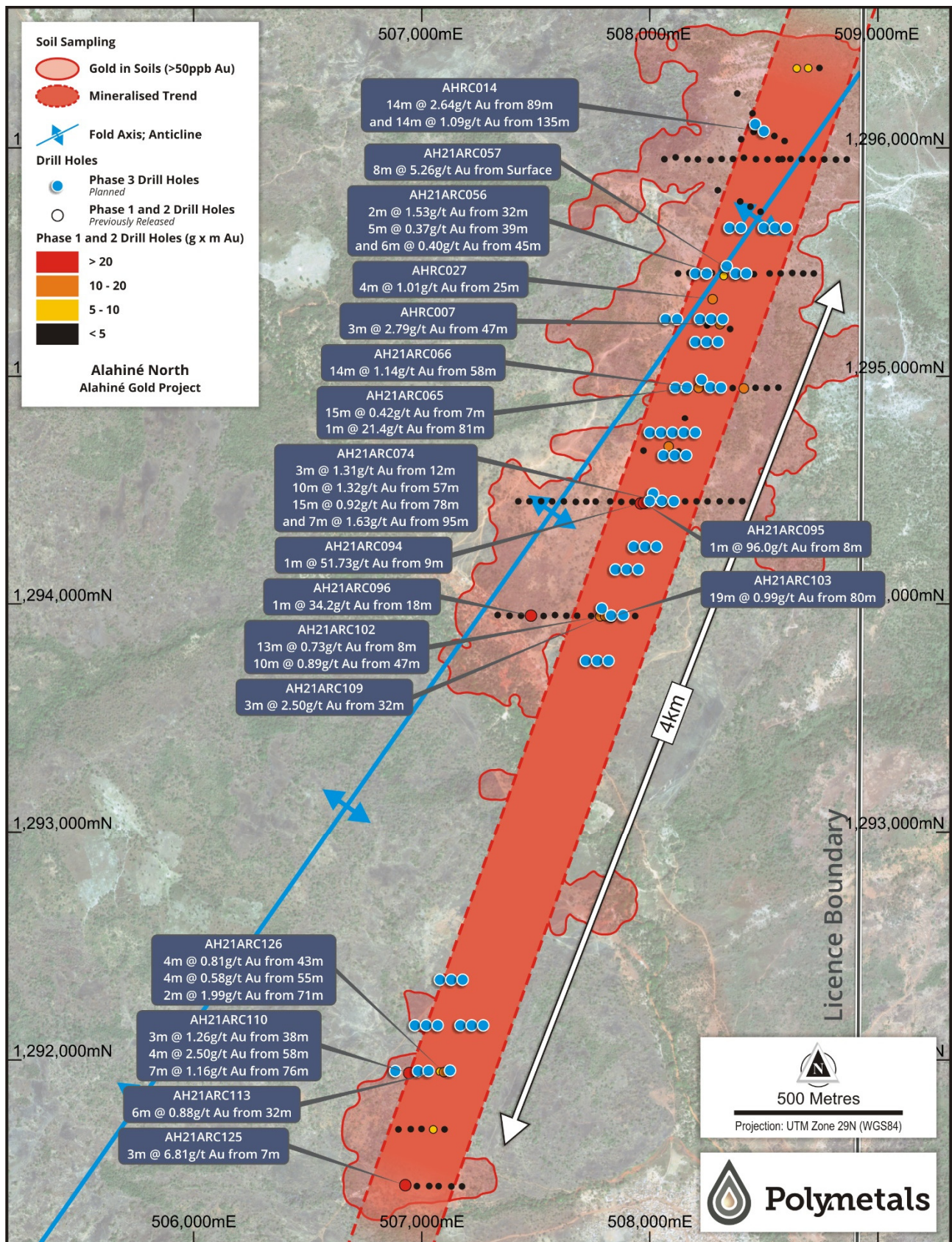
The program will also test the western limb of a newly identified anticlinal structure (see Figure 2) at 090° Grid azimuth with 6 holes comprising 420m.

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<sup>1</sup> Refer to ASX release dated 15 September 2021 "Further Positive Results from Phase 2 Drilling Program"

<sup>2</sup> Refer to ASX release dated 20 October 2021 "Additional Positive Results from Phase 2 Drilling Program"





**Figure 2:** Plan view of Alahiné Phase 3 RC program (planned holes shown in blue, and prominent mineralised trend shown in red).



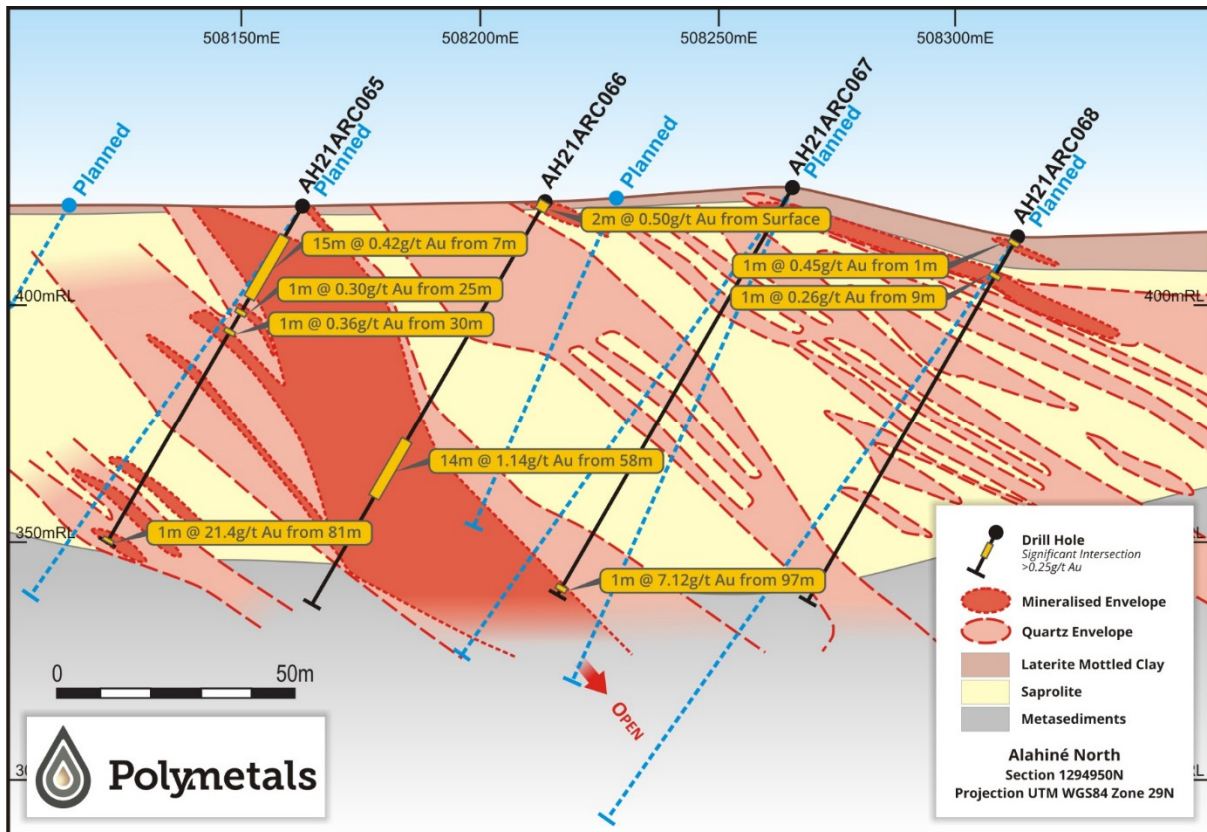


Figure 3: Section 1294950N showing planned Phase 3 RC drill holes as pecked blue lines.

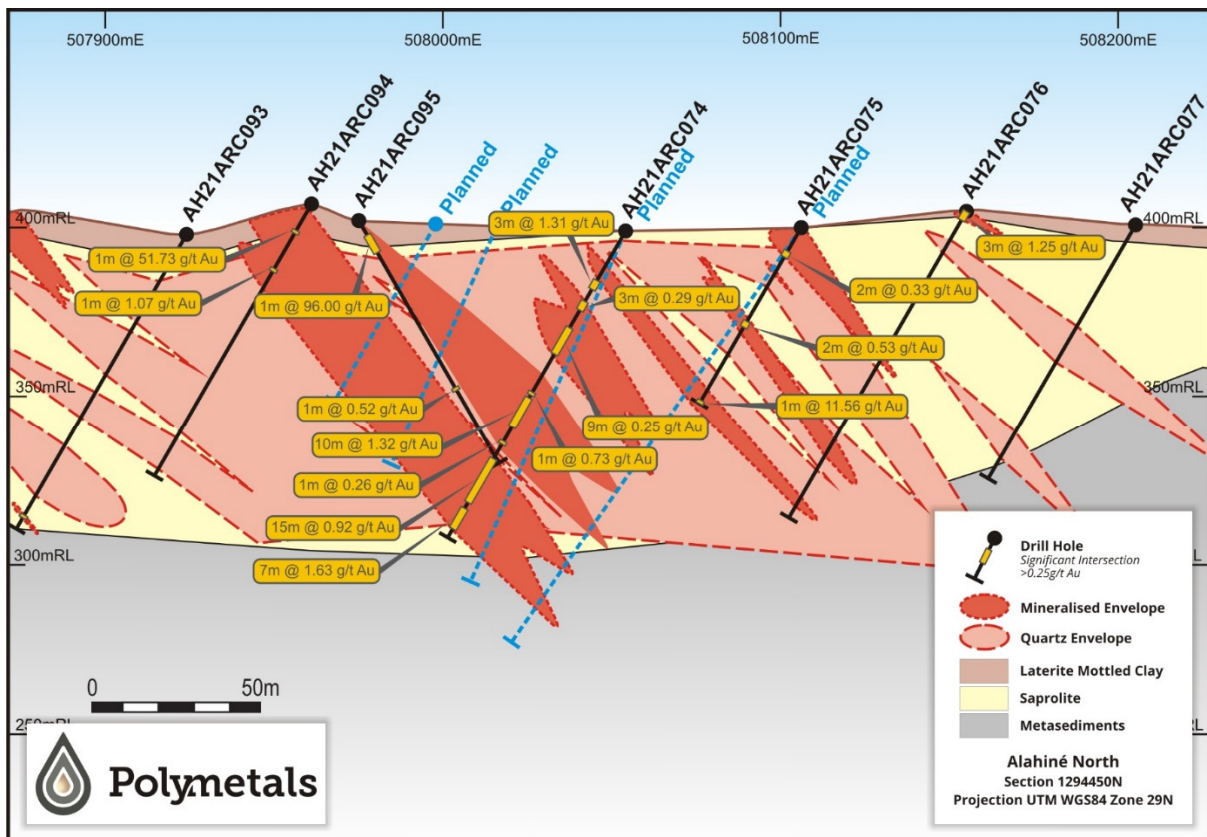


Figure 4: Section 1294450N showing planned Phase 3 RC drill holes as pecked blue lines.

## **NEXT STEPS AT ALAHINÉ**

### **Phase 3 RC Program**

Polymetals expects to publish initial assay results from the RC program during July 2022.

### **Airborne Magnetic Survey results**

Polymetals has completed the aeromagnetic survey at the Alahiné Gold Project and expects to publish the results in Q3 2022 with any immediate follow up targets to be included within the Alahiné Phase 3 RC program.

### **Further analysis of Auger drill samples**

Trace element abundances including pathfinder elements such as As, Ag, Sb, Mo, Cr, Te and W will be measured by pXRF for all bottom-of-hole samples collected during the recent Auger drilling program conducted on the Alahiné licence. Anomalous abundances of some or all of these elements, may signal the presence of mineralisation at depth, in which case, further follow-up will be undertaken.

## **EXPLORATION ACCELERATES AT MANSALA GOLD PROJECT**

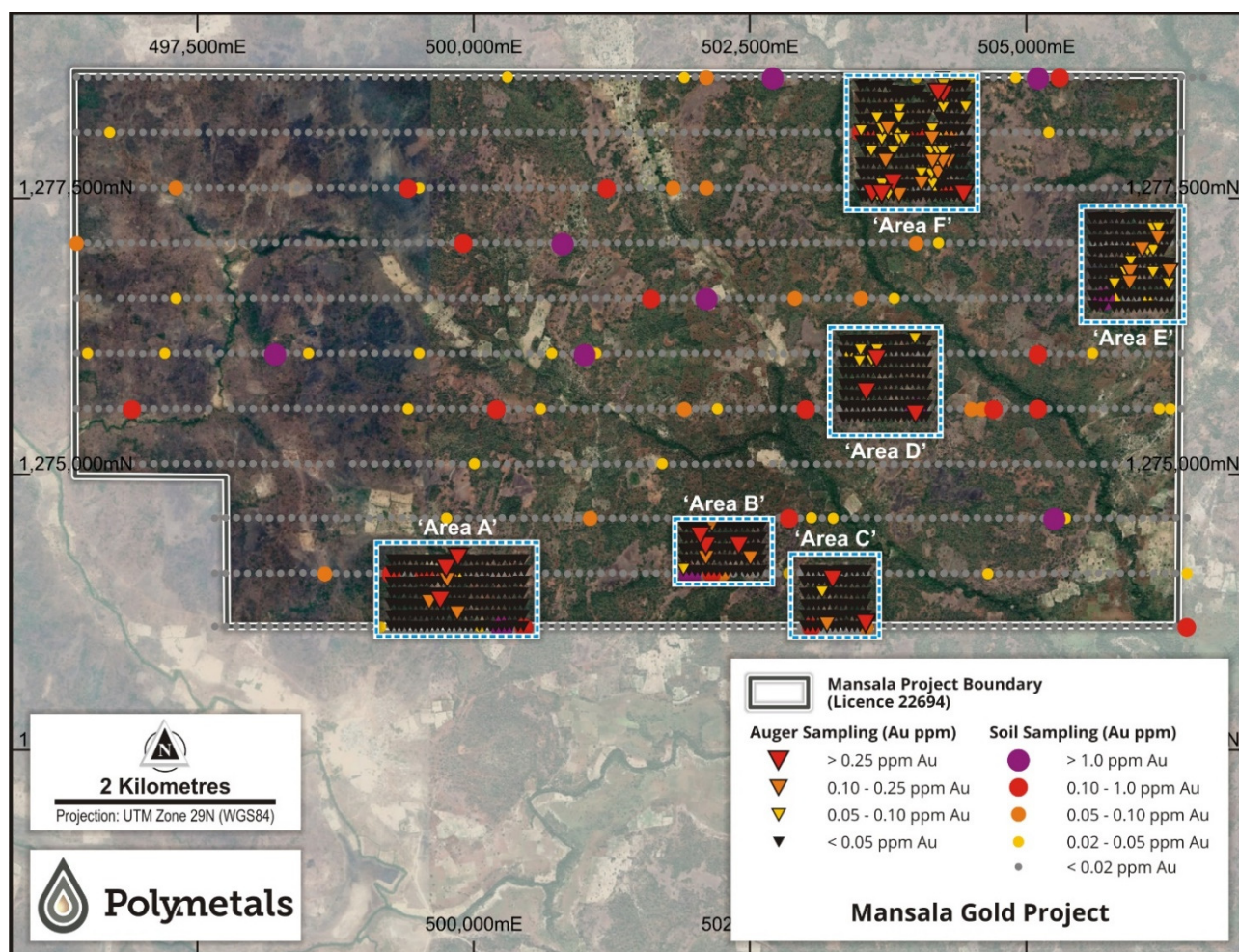
### **Mansala Auger Program**

Since the commencement of the Mansala auger program on 22 February 2022, a total of 6,123m has been drilled comprising 799 holes at an average depth of 7m. The program was completed on a 100m x 50m drill pattern over six delineated Areas, as illustrated by Figure 5 below.

The objective of the auger program was to test gold in soil anomalies supported by coincident pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te). Strong gold anomalies (>1000ppb) without supporting pathfinder elements will be investigated further before drill-testing.

Polymetals' auger drilling program was carried out by Sahara Natural Resources with all assays completed by the SGS laboratory in Bamako, Mali.





**Figure 5:** Mansala auger gold results overlaid on thematically mapped gold in soil values and satellite imagery.

### Area F Summary

Best auger drill intervals within Area F include 3m @ 3.26 g/t Au, 3m @ 1.60 g/t Au, 3m @ 1.01 g/t Au typically found within the intermediate mottled clay zone likely indicative of nearby bedrock mineralisation. End of hole saprolite samples were taken within Area F. Significant results include 1m @ 1.09 g/t Au and 1m @ 0.34 g/t Au.

Interpretation of auger assays received suggest that Area F is very prospective and likely to have multiple mineralised trends. The auger assays are likely to extend a previously identified quartz stockwork artisanal trend by >250m to the south, see Figure 6. In addition, auger assays revealed a >300m long eastern mineralised trend, near-parallel to the quartz stockwork structure.

### Area A Summary

All single station Au anomalies identified are important and warrant further investigation. Auger results defined a NE mineralised trend (length >300m) which is coincident with low level

artisanal activities. Mapping and sampling of priority areas will confirm the identified trend within Area A.

### Area E Summary

All single station anomalies identified by the auger program are important and warrant further investigation. Mapping and sampling of priority targets within each of the defined areas will confirm the appropriate follow-up method.

**Table 1:** Mansala Gold Project auger program significant mineralised intercepts.

Hole ID	From (m)	To (m)	Significant Gold Intersections (Interval (m) @ g/t gold)
MN22AU096	8	9	1 m @ 2.50 g/t Au
MN22AU207	3	6	3 m @ 4.57 g/t Au
MN22AU344	6	7	1 m @ 0.68 g/t Au
MN22AU412	11	12	1 m @ 0.94 g/t Au
MN22AU449	2	3	1 m @ 0.34 g/t Au
MN22AU473	0	3	3 m @ 1.60 g/t Au
MN22AU487	0	3	3 m @ 0.69 g/t Au
MN22AU501	3	6	3 m @ 0.72 g/t Au
	6	8	2 m @ 0.53 g/t Au
	8	10	2 m @ 0.53 g/t Au
	10	11	1 m @ 0.34 g/t Au
MN22AU527	3	6	3 m @ 0.26 g/t Au
MN22AU534	0	3	3 m @ 3.26 g/t Au
MN22AU571	8	10	2 m @ 0.26 g/t Au
MN22AU620	0	3	3 m @ 1.01 g/t Au
MN22AU621	8	9	1 m @ 1.09 g/t Au
MN22AU634	10	11	1 m @ 0.76 g/t Au

Note: Intercept cut-off grade is 0.25 g/t gold.

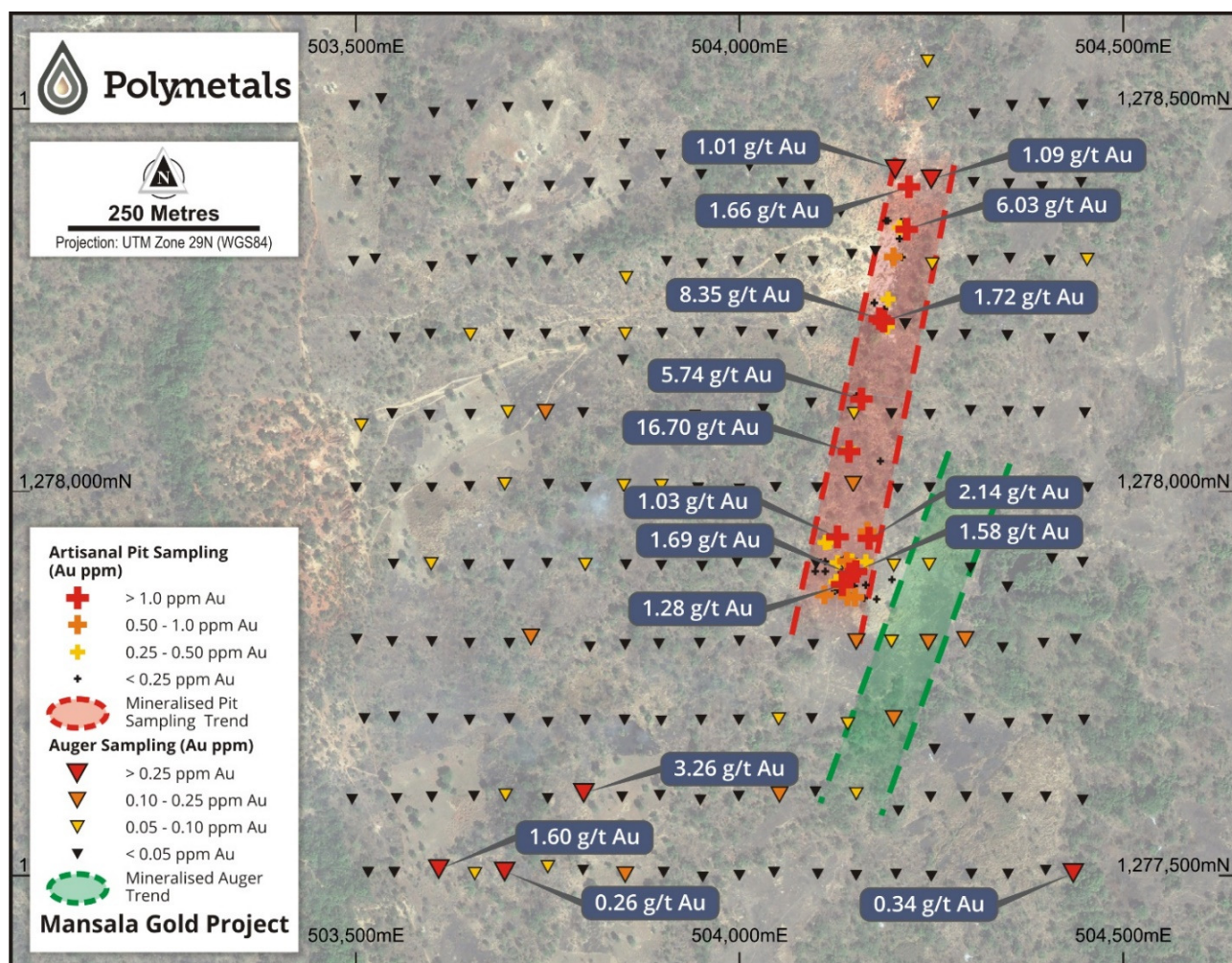
### Mansala Pit Sampling

The Mansala licence is predominantly covered by laterite, which varies in thickness from 3 - 10m. As a result, geological mapping and rock chip sampling are limited to rare saprolite outcrops and artisanal workings, where weathered bedrock has been exposed.

A pit sampling program was designed to confirm the nature and gold content of the material being extracted by artisanal miners. A total of 103 rock chip samples were collected from the walls of abandoned 1m x 1m artisanal mining shafts and directly from active artisanal workings. The average depth of the artisanal shafts sampled was 7m.

Rock chip sampling returned a number of high-grade assays including 16.70 g/t Au, 8.35g/t Au, 5.74 g/t Au and 5.48 g/t Au. The strike extent of the mineralised zone is approximately 600m and is open to the north and south. Details of the significant rock chip assay results are provided in Table 2.





**Figure 6:** Mansala Area F auger drilling illustrating best intervals intersected, including pit sampling. Satellite imagery displays artisanal workings at the north end of the mineralised zone.

This weathered mineralisation comprises predominantly quartz veins and quartz stockworks with minor ankerite alteration halos. Predominant strike of mineralised veins is NE and dipping moderately to the SE. Host rocks comprise highly weathered saprolite after fine-grained metasediments. The mineralisation occurs in an NNE trending zone containing extensive artisanal workings excavated within lateritic cover.

Results suggest that the area sampled within this program is highly prospective. Follow up RC drilling will be undertaken to investigate the source at depth of this observed near-surface supergene gold mineralisation.

**Table 2:** Mansala Gold Project pit sampling

Point ID	Northing (UTM)	Easting (UTM)	Significant Gold Intersections (Au ppm)
18	1278057	504143	0.28
21	1278055	504143	16.30

Point ID	Northing (UTM)	Easting (UTM)	Significant Gold Intersections (Au ppm)
25	1278123	504159	5.74
26	1278228	504183	8.35
27	1278226	504183	0.51
29	1278225	504188	1.72
30	1278217	504193	0.34
31	1278226	504189	0.36
36	1278253	504194	0.28
38	1278308	504201	0.99
42	1278346	504209	0.44
46	1278345	504218	6.06
49	1278400	504221	1.66
51	1277866	504111	0.60
54	1277864	504141	0.61
56	1277863	504151	0.55
59	1277880	504134	1.66
62	1277883	504126	0.28
68	1277894	504144	1.34
69	1277897	504152	1.95
70	1277909	504165	0.32
72	1277910	504147	0.45
73	1277908	504128	0.31
77	1277934	504112	0.30
78	1277935	504117	0.44
79	1277942	504128	1.03
81	1277940	504169	2.14
82	1277949	504167	0.89
85	1277910	504140	0.74
93	1276047	506691	0.66
97	1275926	506697	0.32
101	1278398	504221	0.34
106	1280241	504254	1.07

Note: Intercept cut-off grade is 0.25 g/t gold.

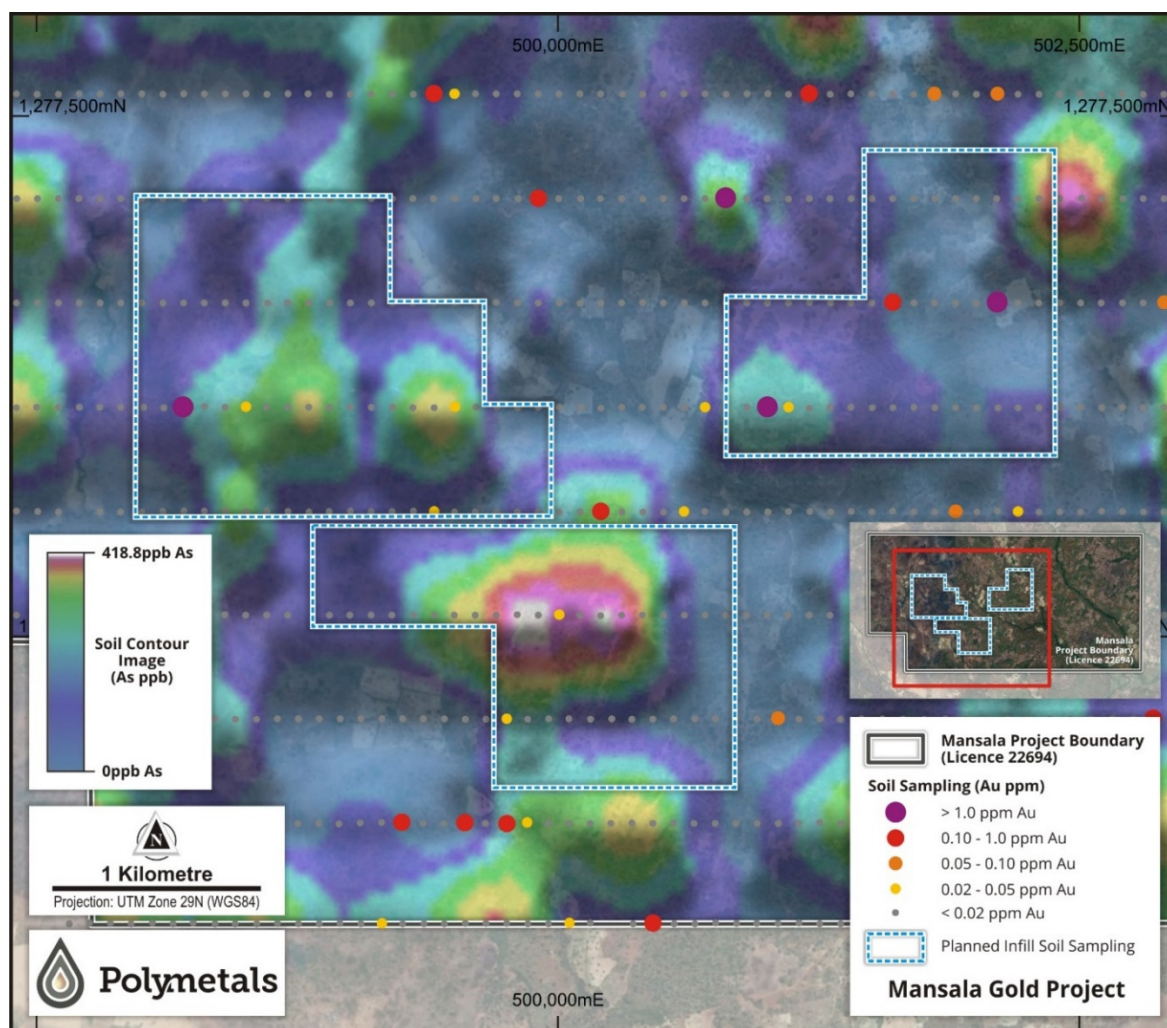
## Mansala Infill Soil Sampling

A soil sampling program for XRF analyses commenced within the western portion of the Mansala licence. The objective of the infill soil sampling programme is to delineate orogenic gold pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te) within the western corridor of the Mansala property. Samples that return with anomalous pathfinder elements will be assayed for Au.

All soil samples will be collected from depths of 300 – 500mm beneath the ground surface on a 100m X 25m grid system. The samples will be analysed using portable XRF to test pathfinder elements (As, Ag, Bi, Mo, Sb, W and Te) identified in the district. Results will be used to identify further follow up targets within the Mansala Gold Project.

The previous works conducted in December 2020 and subsequent results of the Mansala soil sampling campaign were reported within the Company's Initial Public Offering Prospectus, dated 21 April 2021.





**Figure 7:** Mansala infill soil sampling program. Imaged soil arsenic values and thematically mapped gold in soils.

## NEXT STEPS AT MANSALA

### Auger drill sample XRF analysis

XRF analysis for several pathfinder elements will be conducted on all bottom-of-hole intervals to complement geochemical data obtained from the previous soil sampling campaign.

### Airborne Magnetic Survey results

Polymetals has completed an aeromagnetic survey over the Mansala Gold Project and expects to publish the results in Q3 with any follow-up targets to be included within the upcoming Mansala drilling program.

### Mansala Drilling Program

An initial Aircore (AC) / Reverse Circulation (RC) drill program will be planned for the Mansala licence. Priority areas defined from the auger program and targets identified from the airborne magnetic survey will be tested.



## AIRBORNE MAGNETIC SURVEY

As mentioned above, Polymetals advised that it completed an airborne magnetic survey at the Alahiné and Mansala Gold Projects during May. The survey was conducted by AeroPhysX, a leader in UAV exploration systems, having extensive experience operating throughout Africa and internationally.

The surveys were completed at 100m line spacings and an average sensor height of 30m. The total areas of both the Alahiné and Mansala licences were surveyed.

It is expected the surveys will provide detailed data to determine the structural controls on mineralisation and information on the nature and disposition of host rocks currently obscured by lateritic cover.

Following interpretation of the results, the survey will be used to identify future drilling targets and further assist in design of ongoing exploration campaigns over both project areas during 2022. The Company expects to publish results from the airborne magnetic survey in Q3 2022.

## BUSINESS DEVELOPMENT

The Company is currently reviewing and investigating various new business opportunities within the Siguiri Basin in addition to advanced project opportunities in Australia.

## CORPORATE

### Cash

At 30 June 2022 Polymetals had cash at bank of \$1,503,427.

### ASX Additional Information

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. **ASX Listing Rule 5.3.1:** Exploration and Evaluation Expenditure spend during the quarter was \$749,847.

Full details of exploration activity during the June 2022 quarter are set out in this report. Below is the breakdown of the expenditure incurred:

**Table 3:** Breakdown of the expenditure incurred

Property	Nature of expenses	Amount (\$)
<b>Mansala</b>	Wages for people onsite, security and storage	24,196
<b>Mansala</b>	Drilling	32,246
<b>Mansala</b>	Geology and Geophysics	36,213
<b>Alahiné</b>	Wages, security and storage	136,281
<b>Alahiné</b>	Drilling	318,228
<b>Alahiné</b>	Geology and Geophysics	202,683
<b>Total Exploration costs</b>		<b>749,847</b>

2. **ASX Listing Rule 5.3.2:**

The Company confirms that there was no mine production and development activities for the quarter.

3. **ASX Listing Rule 5.3.4:**

The Company provides the following update between its actual expenditure incurred during the quarter to that of the Use of Funds (refer to ASX release dated 25 June 2021 "Updated Use of Funds Table").

**Table 4:** Updated Use of Funds Table

Use of Funds	Estimate of the first 2 years after ASX admission (\$)	Actual to June 2022 Quarter (\$)	Balance Remaining (\$)
Expenditure at Alahiné and Mansala	2,350,000	2,540,476	(190,476)
Environmental surveys and consultants	150,000	-	150,000
Guinea operations and logistics	500,000	130,745	369,255
Expenses of the Offer	637,000	488,159	148,841
Administrative Costs	1,845,815	847,235	998,580
<b>Total</b>	<b>5,491,815</b>	<b>4,006,615</b>	<b>1,485,200</b>

#### Notes to Table 4

<sup>1</sup> Polymetals Use of Funds – ASX Prospectus 25 June 2021 Item 5.6 ‘Proposed Exploration Program and Expenditure’

<sup>2</sup> The variance between the Company’s cash balance contained within its quarterly Appendix 5B compared to the ‘Balance Remaining’ in Table 3 above, reflects the Company’s bank balance prior to its listing on the Australian Securities Exchange (ASX).

4. **ASX Listing Rule 5.3.5:** Payment to related parties of the Company and their associates during the quarter was \$26,000 (GST exclusive) in cash.

The Company advises that this relates to remuneration of Directors only. Please see the Remuneration Report in the Company’s Prospectus for further details on Directors’ Remuneration. Set out below is the following additional information in relation to the cash flow statement:

**Table 5:** Director’s remuneration

Name of Director	Nature of Payment	Amount (\$)
<b>David Sproule</b>	Ongoing Director fees	-
<b>Christopher Johnston</b>	Ongoing Director fees	26,000
<b>Christopher Schroor</b>	Ongoing Director fees	-
<b>Total</b>		<b>26,000</b>

## Tenements

In accordance with Listing Rule 5.3.3, Polymetals provides the following Information concerning its mining tenements. No applications were made during the quarter by the Company to acquire or surrender its existing licences.

The following table lists the Company’s mining tenements held at the end of the quarter, and their location:

**Table 6:** Polymetals exploration licences

Project	Exploration Licence	Location	Status	Ownership
Alahiné	EL22123	Republic of Guinea	Granted	100%
Mansala	EL22694	Republic of Guinea	Granted	100%



**COMPETENT PERSONS STATEMENTS**

The information in this ASX Announcement that relates to Exploration Results is based on information compiled by Dr Christopher Johnston, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Johnston is a Director of Polymetals Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Dr Johnston consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

**FORWARD LOOKING STATEMENT**

Certain statements in this document are or maybe "forward-looking statements" and represent Polymetals' intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Polymetals, and which may cause Polymetals' actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Polymetals does not make any representation or warranty as to the accuracy of such statements or assumptions.

**Authorisation by the Board**

**This announcement was authorised for release by the Polymetals Resources Ltd.**

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

POLYMETALS RESOURCES LTD

**ABN**

73 644 736 247

**Quarter ended ("current quarter")**

June 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1.</b>	<b>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	(76)	(404)
	(e) administration and corporate costs	(47)	(312)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(123)</b>	<b>(716)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(7)	(130)
	(d) exploration & evaluation	(749)	(2,317)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(756)</b>	<b>(2,447)</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	(1)	(98)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(250)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1)</b>	<b>(348)</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	2,384	5,015
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(123)	(716)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(756)	(2,447)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	(348)
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>1,504</b>	<b>1,504</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	504	784
5.2	Call deposits	1,000	1,600
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>1,504</b>	<b>2,384</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 (Director Fees)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
26
-

**Note :** The above payments to directors reflect fees for services rendered during the current quarter. More information concerning the breakdown of the relevant director payments can be found within the accompanying Quarterly Announcement.

<b>7. Financing facilities</b> <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at current quarter end</b> <b>\$A’000</b>	<b>Amount drawn amount at previous quarter</b> <b>\$A’000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</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.		
Not applicable.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(123)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(749)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(872)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,504
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,504
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.72

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

- 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:** The Company expects to have a similar amount of net operating cash flows for the September 2022 quarter (Quarter 1), due to the costs associated with the commencement of the Phase 3 drilling program at the Company's Alahiné Gold Project.

Subsequent to the September 2022 quarter, the Company expects that its net operating cash flows will reduce.

- 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 Company continuously monitors its exploration activities closely and is considering a capital raising in the short term to ensure that it can continue to meet its objectives.

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, for the reasons mentioned in 8.8(2) above, the Company continues to monitor its operating and exploration expenditure and is considering to raise capital within the short term. Such actions will ensure that the Company can continue to meet its objectives.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2022

Authorised by: By the Board

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.