

JUNE 2022 QUARTERLY REPORT

FRIDAY, 29 July 2022

MARONAN METALS QUARTERLY ACTIVITIES REPORT for the period ending 30 June 2022

QUARTERLY HIGHLIGHTS

- **Successful IPO fundraising and listing on the Australian Securities Exchange (ASX: MMA)**
- **Review of historic technical data initiated.**
- **Initial drill holes designed.**
- **Recruitment of key technical and corporate personnel finalised.**
- **Core processing facility established in Cloncurry.**
- **Drill contract executed with DDH1 Pty Ltd.**
- **Drill program on schedule for start in early August.**

Maronan Metals Limited (ASX: MMA) successfully raised \$15 million through the Company's Initial Public Offering and commenced trading on the Australian Securities Exchange on 29 April 2022.

Since listing the Company has efficiently put shareholders' funds to work employing crucial technical and corporate personnel, reviewing the extensive historic technical data and designing the initial drill holes. On site logistic support and safety systems have been set-up and key contracts awarded head of drilling.

The Company's maiden drill program targeting extensions to high-grade copper-gold and lead-silver intervals is on schedule to start early August 2022.

More details on the Company's progress during its first quarter as a listed company are outlined below.

MARONAN PROJECT: SILVER-LEAD & COPPER-GOLD

Personnel and Infrastructure

A program of recruitment, reviewing historical data and establishing a Cloncurry base for the Maronan Metals team commenced shortly after listing.

Andrew Barker, recently the Superintendent – Discovery with Evolution Mining at the Lake Cowal operation, accepted the role of leading the Maronan exploration program. Andrew and his family will relocate to Cloncurry and he will start with Maronan Metals in late August.

Townsville based Gnostic Exploration Services Pty Ltd were engaged to provide specialist field team members and two Senior Geologists and a Senior Field Technician have been employed.

A large shed with grounds used to receive, process and store drill core was secured in Cloncurry through a lease agreement and an automated core cutter and range of equipment has been ordered to facilitate the pending program.

In parallel with establishing the core processing facility, drill core from historical drill programs is being relocated from Red Metal's storage yard. A priority list of holes has been developed for re-logging and where necessary re-sampling.

With Red Metal's introduction, Maronan Metals has maintained good working relationships with the Landowner and Native Title party.

Practical health and safety procedures are being set in place.

Re-Logging Program

Maronan Metals has commenced a program of relogging and infill sampling of existing core from the early 2000's through to the last drill program completed by Red Metal in 2014.

The objectives of this program is to unify existing geology logging and to identify areas that require additional infill sampling.

Maronan Metals has secured the services of Dr Clemens Augustine, an expert in broader scale geological and structural interpretation and modelling to assist in target identification and deposit modelling. This work program will commence late in the September quarter.

Initial Drill Program

During the quarter, a drill rig was secured with reputable drilling contractor DDH1 Pty Ltd. The drill, which is working less than 10km from Maronan, is currently expected to be on site early August.

An initial two drill holes have been designed to test shallower extensions to the copper-gold mineralisation with a third hole designed to test the continuity of thick, high-grade intervals of lead-silver mineralisation centred on the northern fold structure. Details about the program will be discussed upon commencement of drilling.

CORPORATE

Maronan Metals Limited commenced trading on the Australian Securities Exchange on 29 April (ASX: MMA), following the successful completion of the oversubscribed \$15.0 million Initial Public Offer. Refer to the Maronan Metals ASX release dated 29 April 2022 for details.

A Sydney based CFO, Company Secretary and accounting service were also engaged this quarter.

Maronan Metals is sharing the Sydney office and related administrative services with Red Metal.

Cash Held

As at 30 June 2022, Maronan held **\$13.037 million** in cash.

Additional ASX Information

- ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter ending 30 June 2022 was \$209,000.
- ASX Listing Rule 5.3.2: There were no substantive Mining Production and Development activities conducted during the quarter.
- ASX Listing Rule 5.3.3: Use of funds since listing compared with Prospectus lodged with ASX on 27 April 2022. Variance to date is due to the current early stage of the exploration programme.

	Use of Funds in Prospectus \$000	Use of Funds since Listing \$000
Exploration	11,000	209
Expenditure reimbursement	500	500
Expenses of the offer	880	798
Administration costs	1,500	145
Working capital	1,120	311
	15,000	1,963

- ASX Listing Rule 5.3.5: During the quarter ending 30 June 2022, the Company paid \$25,000 to related parties representing Directors' salaries, fees and superannuation.

Please refer to ASX Appendix 5B for further information regarding movements in cash during the quarter.

Table 1 - Granted exploration tenements held at the end of the Quarter are as follows:

Project	Tenement Reference	Company Interest (%)	Comments
Maronan	EPM 13368	100	

Table 2 - Exploration tenements acquired or disposed of during the quarter are as follows:

Project	Tenement Reference	Status	Comments
Nil			

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Robert Rutherford, who is a member of the Australian Institute of Geoscientists (AIG). Mr Rutherford is the Non-Executive Technical Director of the Company. Mr Rutherford has sufficient experience which is 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 Rutherford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

INVESTOR INFORMATION

The information in this Quarterly Report that relates to estimates of Mineral Resources for the Maronan Project was previously reported by the Company in compliance with JORC 2012 in the prospectus dated 21 February 2022, which was released to the ASX on 27 April 2022.

The Company confirms that it is not aware of any new information or data that materially affects the information included in those earlier market announcements and, in the case of the estimate of Mineral Resources all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Further information, previous Maronan Metals announcements and exploration updates are available at the Investors tab on the Company’s website – www.maronanmetals.com.au.

This announcement was authorised by the Board of Maronan Metals Limited. For more information, please contact: richard.carlton@maronanmetals.com.au

A handwritten signature in black ink, appearing to read 'R.A. Carlton', with a long horizontal flourish extending to the right.

Richard Carlton,
Managing Director

ASX: MMA

For enquiries on your shareholding or change of address please contact:

Automic Group on 1300 288 364; or
www.investor.automic.com.au.

Appendix 5B

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

Name of entity

Maronan Metals Limited

ABN

17 156 269 993

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	(209)	(209)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(145)	(145)
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		
1.7	Government grants and tax incentives		
1.8	Other (Net GST)	(88)	(88)
1.9	Net cash from / (used in) operating activities	(441)	(441)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets	(17)	(17)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	(17)	(17)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	15,000	15,000
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	(798)	(798)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(707)	(707)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other		
3.10	Net cash from / (used in) financing activities	13,495	13,495

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	0	0
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(441)	(441)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(17)	(17)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,495	13,495

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	13,037	13,037

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	13,037	0
5.2	Call deposits		
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)	13,037	0

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	(25)
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>		

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

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 (please specify)		
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)	(441)
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)	(441)
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,037
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	13,037
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	29.6
<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?	
NA	
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?	
NA	
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?	
NA	
<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.

29 July 2022

Date:

The Board of Directors

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.