



ASX: AR3

28 October 2022

Quarterly Activities Report

For the three months ended 30 September 2022

Highly successful quarter positions AR3 to capitalise on significant forecast growth for rare earths¹

Substantial Resource growth, strong metallurgical results and the negotiation of a joint development agreement underpin further progress at AR3's Koppamurra project

Highlights

- JORC Mineral Resource Estimate (MRE) for the Koppamurra clay-hosted rare earths project, located on the South Australian-Victorian border, increased by 104% to 81.4Mt at 785ppm TREO (total rare earth oxide).
 - Expanded Mineral Resource inventory includes more than 50% in the Indicated Resource category. This includes an initial Indicated Resource of 45Mt at 835ppm TREO.
- Metallurgical test results indicated viable processing pathway for Koppamurra:
 - Excellent results from leach optimisation test work undertaken by ANSTO on drill composite samples taken from the Koppamurra prospect.
 - Results demonstrated a 50% reduction in acid consumption while maintaining average recoveries of 65% and up to 77% for the four key magnet Rare Earth Elements (REE), being Neodymium (Nd), Praseodymium (Pr), Terbium (Tb) and Dysprosium (Dy), providing potential for both an environmentally sound and commercially attractive process pathway.
 - High recoveries of the valuable magnet REE have increased confidence of consistent metallurgical response over spatially diverse locations within the project area.
- 850kg of material extracted from the Trial Pit completed at Koppamurra in mid 2022 is currently being processed by ANSTO for rare earth recovery and product specification analysis.

Subsequent to end of Quarter:

- AR3 signed an MOU for offtake and technical collaboration with global rare earths processor, Neo Performance Materials Inc.(Neo). MOU provides for good faith negotiation of:
 - a joint development agreement between AR3 and Neo, setting out the key deliverables that will accelerate the development of Koppamurra through to production of a mixed rare earth carbonate product ("MREC")
 - good faith negotiation of an offtake agreement under which Neo may purchase 50% of Koppamurra's MREC capacity from the initial production module, with a right of first refusal to secure up to 50% of production from a subsequent module.

¹ Adamas Intelligence – Rare Earth Magnet Market Outlook to 2035

Australian Rare Earths Limited ([ASX: AR3](#)) is pleased to report on a highly successful quarter during which the Company made strong progress on several key fronts at its Koppamurra rare earths project in South Australia (**Koppamurra** or the **Project**).

AR3 Acting Managing Director Rick Pobjoy said: “We have made outstanding progress towards our goal of becoming a significant rare earths producer.”

“Substantial growth has been demonstrated in the Koppamurra Resource. A clear processing pathway with some excellent metallurgical results has been identified and we signed a pivotal MOU which considers a joint development agreement with leading global rare earths processor, Neo Performance Materials.”

“As a result of these major achievements, Koppamurra is very well placed to capitalise on the sizeable forecast growth in demand for rare earths.”

“By continuing to advance the key technical and commercial aspects of Koppamurra, we aim to create additional value for AR3 shareholders and in the process, strengthen our ability to capitalise on the increasing demand for our products.”

The updated Mineral Resource Estimate is set out in the table below, together with the Exploration Target for the extensional areas, (refer ASX announcement dated 4 July 2022):

Koppamurra Mineral Resource Estimate – July 2022										
JORC Category	Tonnes Mt	TREO ppm	Magnet Rare Earths							
			Pr ₆ O ₁₁		Nd ₂ O ₃		Tb ₄ O ₇		Dy ₂ O ₃	
			ppm	% TREO	ppm	% TREO	ppm	% TREO	ppm	% TREO
Indicated	45	835	37	4.4	142	17	4	0.5	22	2.6
Inferred	36	721	32	4.4	122	17	3	0.5	19	2.6
Total	81	785	34	4.4	133	17	4	0.5	21	2.6
Exploration Target¹	90-220	629- 849	29- 41	4.6- 4.8	110- 150	17-18	3-4	0.5- 0.5	16- 22	2.5- 2.6
April 2021 Initial Resource ²										
Inferred	39.9	725	32	4.4	124.6	17.2	3.5	0.5	19.2	2.6

Mineral Resources reported at a cut-off grade of 325 ppm TREO-CeO₂, consistent with the previous MRE.

1 - The potential quantity and grade of the Exploration Target is conceptual in nature. Further exploration is required to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

2 - Australian Rare Earths Prospectus dated 7 May 2021

Koppamurra Drilling and Resource

Shortly after the end of the Quarter (refer ASX announcement dated 4 July 2022), Australian Rare Earths advised that its strategy to establish a globally significant, long-life rare earths business at its 100%-owned Koppamurra Project had taken a pivotal step forward with a substantial increase in the Mineral Resource Estimate.

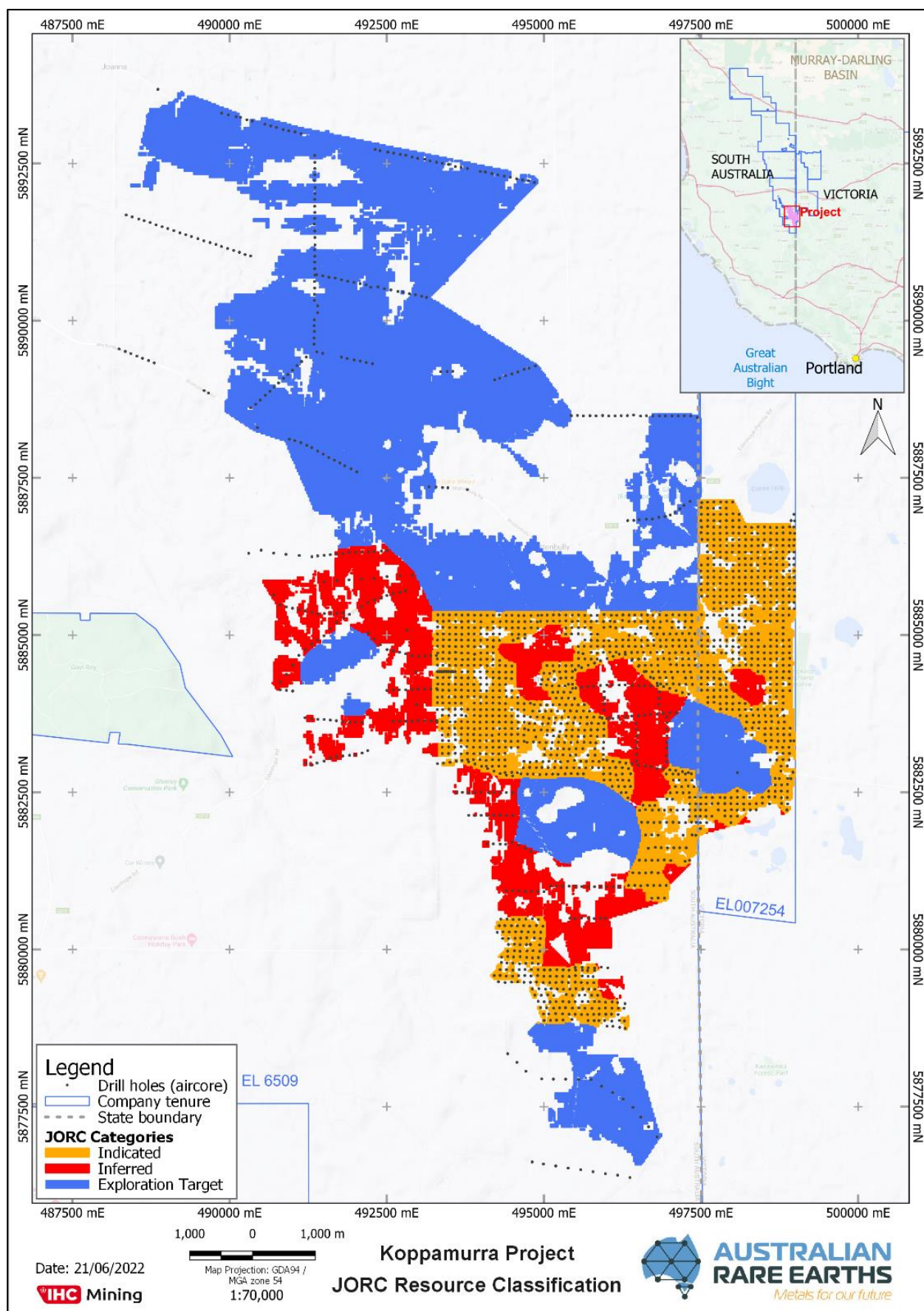
The outstanding result opens the door for the Company to commence strategic discussions with end-users and government representatives on potential development, downstream processing, funding, and off-take arrangements.

The Company has completed two significant drilling programs since October 2021, establishing the potential for the Koppamurra deposit as a shallow, low cost, long-life resource. The consistent nature of the deposit enables expedient drilling and rapid Resource growth as well as the ability to undertake progressive rehabilitation, all of which continues to distinguish Koppamurra as a unique rare earth business opportunity.

The contiguous nature of the deposit supports on-going drilling to unlock further exploration upside to establish the Koppamurra deposit as a shallow, low cost, long-life resource with potential for what could become a generational-sized deposit.

The Company also announced during the Quarter the commencement of a substantial additional drilling program at Koppamurra (refer ASX announcement dated 30 September 2022). A +10,000m air-core drill program is presently underway and is targeting immediate extensions of the MRE within the Exploration Target and Inferred resource areas which are expected to increase confidence in the resource footprint and its classification, and form part of the economic feasibility assessment of the Project.

Drilling will continue into early 2023, with a short break over the Christmas and New Year period. Approximately 1,000 samples will be generated each week and submitted to the Company's laboratory, Bureau Veritas in Adelaide.



Plan view showing the Mineral Resource boundaries and the Exploration Target areas as at June 2022



Air-core drilling rig operating at the Koppamurra Rare Earths Project.

Metallurgical Testwork

AR3 announced highly encouraging interim results from metallurgical test work for Koppamurra (refer ASX announcement dated 19 September 2022).

Leach optimisation test work was undertaken by the world-renowned test work facility at ANSTO in Sydney and the results demonstrated the ability to extract all four key high-value magnet rare earth elements (REE) with a significant reduction in acid consumption and impurity dissolution. These results indicate a more efficient and environmentally sound process pathway while maintaining the commercially attractive recovery levels.

Two samples, taken from the Koppamurra prospect, were assessed for rare earth recovery characteristics at varying pH and leach durations; KM0234_3 (1,241 ppm TREO) and KM0241_4 (2,125 ppm TREO). Leaching in the pH range 1.5 to 2.0 showed that recoveries of the four valuable magnet REEs (Nd, Pr, Tb & Dy) were maintained, with average recoveries of 65% and up to 77%, while acid consumption from the dissolution of iron and aluminium dropped significantly.

Acid consumption is a key economic driver in the leach process, and the reduction in consumption at higher pH has the potential to decrease costs at a commercial scale. Reduction in iron and aluminium dissolution reduces the risk of these deleterious components in the final product on a commercial scale. Leach test work at increased solids density on a representative composite is underway to confirm the REE extraction response and acid consumption.

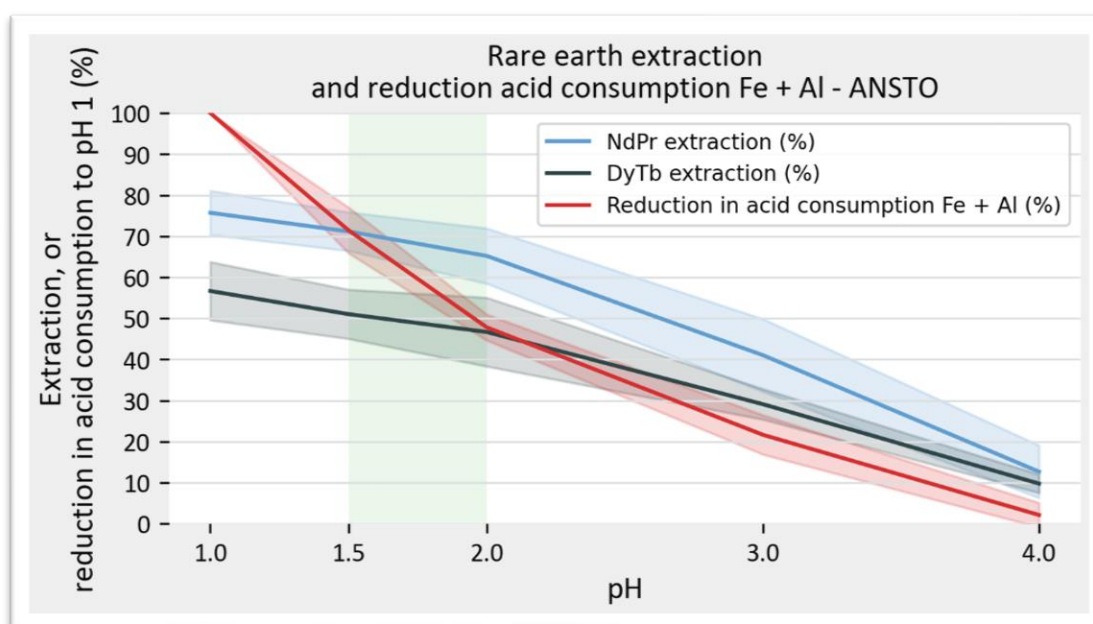


Chart - Rare earth extraction, and impurity dissolution, at varying pH at 6 hours leach time for samples KM0-241_4, KM0-234_3

Diagnostic leach recoveries for ten composite samples collected across the length and breadth of the recently updated clay hosted rare earth Mineral Resource at Koppamurra have shown strong alignment despite the geographic spread.

The ten composites, CP001 to CP010, were compiled from drill sample residues across a broad area of the clay hosted rare earth Mineral Resource area. The combined samples taken from several drillholes in each composite area generated between 30 and 60kg of material each, with grades averaging from 852 ppm TREO to 1,874 ppm TREO. Diagnostic tests at pH 1.0 and pH 4.0 over test durations of 2, 4, and 6 hours, produced similar results for similar conditions on the spatially diverse CP composite samples. Slurry leach tests are progressing on a 10kg composite, comprised of CP003, CP004, CP006, CP009 and CP010 composites, which are subsamples from the area currently proposed for the application for a Mining Lease. Diagnostic and increased solids density tests have generally demonstrated good alignment in the comparative tests for the Koppamurra Project samples to date.

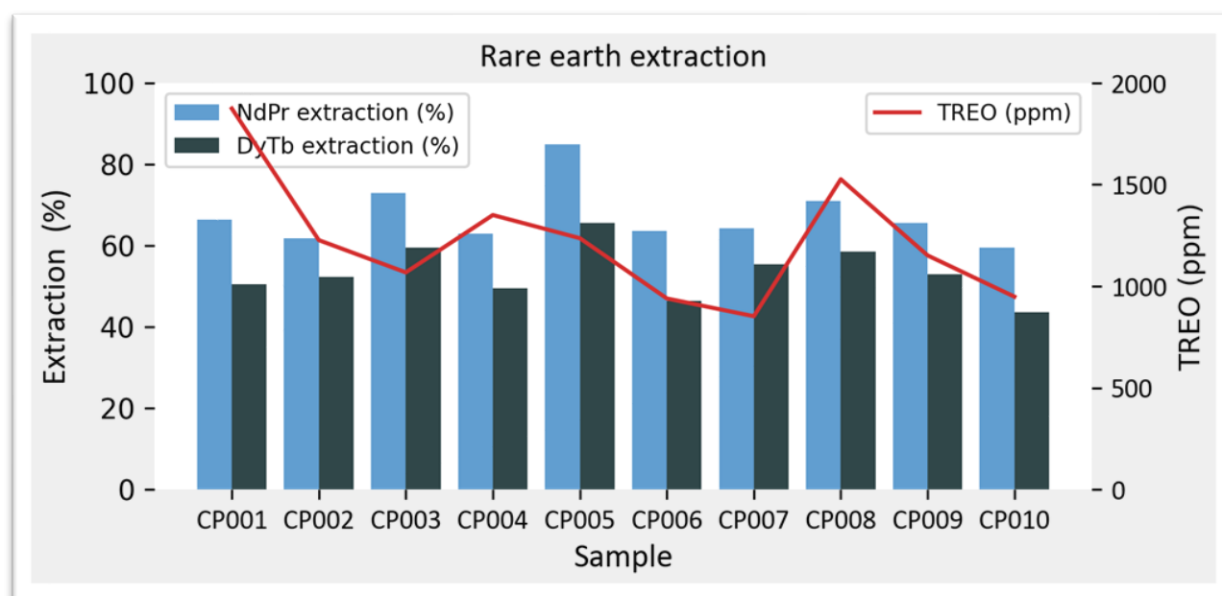


Chart - Valuable rare earth extraction for the Koppamurra Mineral Resource area composite samples CP001 to CP010 at pH 1, 6 hours

Australian Rare Earths Acting Managing Director Rick Pobjoy said: *“These results are pivotal because they show that all four of the key magnet rare earth elements contained in the Koppamurra resource can be extracted at high recoveries.”*

“These results paint an extremely favourable outlook for the project from a technical, financial and environmental perspective.”

“We now look forward to replicating the results on a larger scale as part of our strategy to continue de-risking the project.”

A larger scale test work program to produce a rare earth product from 850kg of Trial Pit material is underway, spearheading flowsheet development and pilot design.

A total of 850kg of material collected from the Trial Pit at Koppamurra is currently being processed by ANSTO for rare earth recovery and product specification analysis. This is a step change in the scale of rare earth recovery test work that has been conducted to date and will inform design and operational criteria for even larger scale testing and piloting. The rapid technical development of the flowsheet and the project to pilot scale will be supported by ongoing leach optimisation work and process technology selection at ANSTO.

Koppamurra Mining Trial

The trial, supported by the State regulator and the landowner, and implemented by local earth moving firm, Henschke Industries, was located over a portion of the Indicated Koppamurra Resource.

The trial achieved the following:

- Improved the understanding of the geological, mineralogical and structural nature of the clays, including the contact with the underlying limestone layer;
- The collection of information for mine planning, specifically with respect to fleet selection and selective removal methods of the clay layer to minimise dilution from the underlying limestone or other low concentrations of rare earth minerals;
- Enabled the collection of a 500 tonne bulk sample of rare earth oxide rich clay for future metallurgical pilot plant tests; and
- Provided a test site for the detailed analysis of the rehabilitation of disturbed areas, and for potential soil improvements.

The Trial Pit also provided an opportunity for landowners, regulators, and community members to see firsthand what a rare earth rich clay looks like and to learn about its potential mining and extraction at Koppamurra.

Immediately following the conclusion of the trial mining, rehabilitation of the area commenced. This has been undertaken with the support of soil scientists and agronomists and aims to demonstrate the potential for continuous reclamation and soil improvements for enhanced crop productivity post mining.

Activities during the Quarter also targeted detailed analysis of the progress of rehabilitation of the site and included ongoing consultation with the land owner, local agronomy specialists and soil scientists, compaction testing at a range of depths across a number of locations, and soil sampling across a range of locations, including control locations, for detailed soils analysis (*Soil Phosphorus Availability by DGT, Extractable N-P-K-S, Exchangeable cations, Trace Elements, Salinity and Physical characteristics*).

Results from this recent testing, and from continued assessments of the rehabilitation of the site will inform the next steps in demonstrating the potential for sustainable mining practices and continuous reclamation at Koppamurra.



Trial mine at maximum excavation extents – 17 May 2022



Rehabilitation in progress, extensive vegetation coverage established – 15 September 2022

Mining Lease Application and Koppamurra Landholder Reference Group

Following the Company's recent successful exploration program and resource upgrade which established Koppamurra as a globally significant critical rare earths deposit, the Company is now moving towards applying to the State Government for a Mining Lease.

As part of this process, Australian Rare Earths has established the Koppamurra Landholder Reference Group (KLRG) to share information and seek feedback on the Project.

Koppamurra landowners, local councils, the Landscape Board, the Wrattontully Wine Growers Association and OneFortyOne Plantations were invited to take part in the first of the KLRG's quarterly meetings which took place in September 2022.

Australian Rare Earths Acting Managing Director Rick Pobjoy said

"The Company is committed to having a continuing and open conversation with key stakeholders as it undertakes a range of environmental, economic and technical studies.

"This is the next step in a comprehensive and robust process towards establishing a mining lease in the Koppamurra area".

"We are committed to the local communities in which we operate. Establishing this reference group is about further strengthening the relationships we have built through continued collaboration with landowners."

"Australian Rare Earths sees this as an opportunity for the Koppamurra Project's closest stakeholders to hear updates directly from us and discuss any issues and concerns they have at any point in the process."

"Koppamurra is an exciting development for South Australia with the potential for a new industry to be built in the state's southeast that will create long term job opportunities and economic growth."

"These critical minerals are vital in the production of electric vehicles and wind turbines, and it is very important Australia has sovereign capability when it comes to supplying the renewables sector as we move towards carbon net-zero."

The studies required to support the development of a Mining Lease Application for submission to the South Australian Department for Energy and Mining will include, but will not be limited to:

- Impacts to groundwater and any identified Groundwater Dependent Ecosystems
- Heritage assessment and risk review
- Ecological desktop studies, field surveys and impact assessment
- Impacts to residential receptors for noise, vibration and air quality
- Impacts to traffic and the road network
- Impacts to surrounding visual amenity
- Socio-economic impacts

Minutes from Koppamurra Landholder Reference Group meetings are publicly available via the Company's website. Members of the community can submit any matters for discussion for future KLRG quarterly meeting via the AR3 website.

Members of the public are always welcome to contact Jacqui Owen, Manager – Community and Land, who is based in AR3's regional office in Naracoorte.



The first of the KLRG's quarterly meetings being held in September 2022

Greenfield Exploration - Queensland Tenements

AR3's wholly owned Massie Creek Prospect in far north Queensland is a chemical analogue for the Chinese style clay hosted rare earth deposits, and utilising our in-house expertise, its rapid assessment has commenced.

A heli-assisted field reconnaissance to the Massie Creek Project (EPM27952) was completed during the Quarter. The region is identified as having the potential to contain regolith hosted or ion adsorption REE mineralisation.

Over a three-day period, a helicopter was used to access various localities in the southern half of EPM27952. A total of 17 landing sites were accessed with 49 samples collected. In many cases the samples collected were thin clay-rich skeletal soils weathering from sub cropping or outcropping rock units. Other samples included possible highly weathered basement saprolitic clay exposures found in creek or riverbeds.

Assay results were received subsequent to the end of the Quarter for the samples collected during the field reconnaissance, and those results are currently being interpreted to identify potential next steps in the exploration of this prospect.

A single sample reported >400ppm TREO while 14 additional samples reported between 250 – 400ppm TREO. The remainder reported <250ppm TREO. The figure below shows the distribution of these samples.

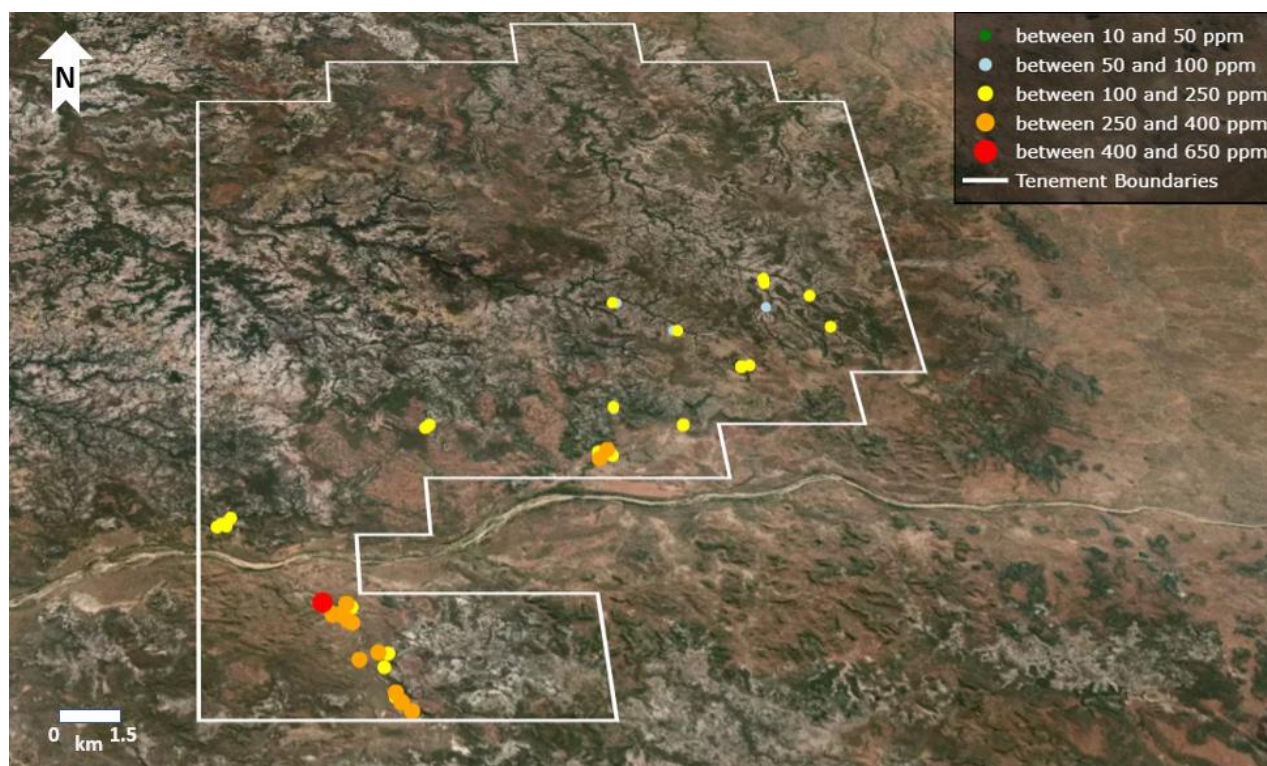


Image with Sample Locations Coloured on TREO (ppm) with Massie Creek tenure boundary EPM27952 (Oblique View)

Listing Rule 5.23 disclosure

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results and/or the estimates of Mineral Resources in this release, and in respect of the estimates of Mineral Resources reported, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

List of Tenements

Tenement ¹	Location	Commodity	Project	Jurisdiction
EL6509	Naracoorte	Rare Earths	Koppamurra	SA
EL6613	Frances	Rare Earths	Koppamurra	SA
EL7254	Apsley	Rare Earths	Koppamurra	VIC
EL7719 ²	Minimay	Rare Earths	Koppamurra	VIC
EL6690	Keith	Rare Earths	Koppamurra	SA
EL6691	Bordertown	Rare Earths	Koppamurra	SA
EPM27952	Massie Creek	Rare Earths	Massie Creek	QLD

1 – All tenements are 100% held by AR3

2 – Tenement granted during the Quarter

Change in Managing Director Arrangements

During the quarter the Company announced that Mr Don Hyma's employment as Managing Director of the Company ceased on 19 August 2022 (refer ASX announcement dated 19 August 2022).

The Company's Technical Director and executive Board member, Mr Rick Pobjoy, was appointed as Acting Managing Director and is managing the day-to-day operations of the Company and, in conjunction with the Board, continues to progress the development of the Company's Koppamurra Project.

Mr Pobjoy previously acted as AR3's Managing Director from its listing in July 2021 until 4 October 2021. It is expected that Mr Pobjoy will undertake the role of Acting Managing Director for the remainder of the current financial year during which time he will lead the Company's focus on increasing the Project's indicated resource and developing all aspects of the Koppamurra Project.

Subsequent to the end of the Quarter – Non-binding MOU with Neo

Australian Rare Earths announced that it had entered into a non-binding Memorandum of Understanding with Neo Performance Materials Inc. (“Neo”), providing for the good faith negotiation of a joint development agreement to accelerate Koppamurra towards first production.

Koppamurra’s MREC production is an important first step towards realising AR3’s ambitions to build a strategically significant, global rare earths business.

Neo is a world-leading producer of Neodymium iron boron (“NdFeB”) rare earth permanent magnets (“REPM”) and other rare earth products. Neo has been a shareholder in AR3 since its listing in 2021 and has identified Koppamurra as a potential key future source of Neodymium (“Nd”), Praseodymium (“Pr”), Terbium (“Tb”) and Dysprosium (“Dy”), which are all vital to REPMs.

Neo operates several rare earth production facilities around the world, including separation plants in Estonia and China that source MREC from third-party producers. Neo’s experience in providing input to MREC supply will be invaluable to AR3, as demonstrated by Neo’s ongoing success in securing light and heavy rare earth raw materials from the United States and elsewhere.

Neo will assist AR3 pursuant to a joint development agreement (“JDA”) to be entered into that will include provision by Neo of technical consulting services to AR3, such as testing of samples from Koppamurra and collaborating to optimise the Koppamurra flowsheet to reduce impurities in the MREC to a level acceptable for feed into separation plants.

The JDA will also outline the general terms under which Neo and AR3 will collaborate to identify and develop future clay-hosted rare earth projects in Australia and New Zealand, with AR3 to receive a first right of refusal to participate in such projects, and Neo to receive a first right of refusal on any offtake from developed projects.

The MOU outlines the general terms on which Neo will, subject to final negotiations and customary conditions, enter into a binding offtake agreement to purchase 50% of the MREC produced by AR3’s first module of operation at Koppamurra.

The MOU also contemplates a right of first refusal for Neo to purchase 50% of the output of AR3’s second module on similar terms.

The precise pricing mechanisms underpinning the offtake agreement, which will be based on standard terms and conditions for such supply, remain subject to negotiation to be finalised closer to first production.

Unlisted options

In consideration for Neo’s services, and to further align Neo’s interests with the success of Koppamurra, upon execution of the JDA, AR3 will issue Neo (or its nominee) 3,500,667 unquoted options exercisable at a price of A\$0.48, expiring three years from the date of issue (the “Options”).

Neo may exercise some or all of the Options at any time prior to the expiry date, each entitling Neo to one ordinary share in AR3.

Finance Update

The Company's cash balance at the end of the Quarter was A\$10,836,000.

Capital Structure

Shares on issue: 129,498,220 fully paid ordinary shares.

Options on issue: 26,934,306 unlisted options, comprising:

- 6,000,000 exercisable at \$0.30 and expiring 25 January 2025
- 6,597,200 exercisable at \$0.45 and expiring 29 June 2024
- 2,000,000 exercisable at \$0.60 and expiring 29 July 2025
- 1,600,000 exercisable at \$1.44 and expiring 1 December 2024
- 9,237,106 exercisable at \$0.57 and expiring 13 December 2023
- 1,000,000 exercisable at \$1.02 and expiring 9 May 2025
- 500,000 exercisable at \$0.57 and expiring 4 July 2025

Appendix 5B Disclosures

AR3's accompanying Appendix 5B (quarterly Cashflow Report) includes an amount in item 6.1 which constitutes executive and non-executive director fees paid as salaries and wages for the Quarter.

During the period, the Company spent approx. \$1,060,000 on exploration activities, including direct costs associated with the Koppamurra exploration and development programs, which included, drilling, geochemical assays, metallurgical test work. This figure also includes allocation of wages directly attributed to specific exploration and development activities.

Use of Funds

AR3 provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure as of 30 September 2022 versus listing on 29 June 2021 and the "use of funds" statement in the Prospectus dated 7 May 2021.

Funds (A\$)	Prospectus (\$k)	Actual (\$k)	Balance Remaining (\$k)
Pre-offer Cash as at 31 March 2021	732	732	-
Funds Raised Under the Offer	12,000	12,000	-
Total Funds Available	12,732	12,732	-
Offer Expenses	1,047	(1,047)	-
Resource Definition Drilling	4,000	(2,542)	1,458
Regional Exploration	2,000	(1,542)	458
Metallurgical Testwork and Studies	3,000	(1,196)	1,804
Working Capital	2,685	(3,265)	(580)
Total Funds Applied	12,732	(9,592)	3,140
Additional funds raised (net of costs)		7,629	
R&D tax concession receipt		67	
Cash as at 30 September 2022		10,836	

Activities for the next Quarter

- The Annual General Meeting of Shareholders of Australian Rare Earths Limited will be held at the offices of Chartered Accountants Australia and New Zealand, Westpac House, Level 29, 91 King William Street, Adelaide, South Australia on Thursday, 24 November 2022 at 2.00 pm (Adelaide time).
- Completion of the exploration and resource definition drilling which will provide samples for assay and geological interpretation to support an updated Mineral Resource Estimate, intended for completion late Q1 2023.
- Completion of the testwork and processing of 850kg of material collected from the Trial Pit at Koppamurra by ANSTO for rare earth recovery and product specification analysis.
- Ongoing studies required to support the development of a Mining Lease Application for submission to the Department for Energy and Mining.

The Board of AR3 authorised this announcement to be released to the ASX.

For further Information please contact:

Mr Rick Pobjoy
Acting Managing Director
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E: hello@ar3.com.au

Mr Damien Connor
Company Secretary/Chief Financial Officer
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About Australian Rare Earths Limited

Australian Rare Earths (AR3) is committed to the timely exploration and development of its 100% owned, flagship Koppamurra Project, located in South Australia and Victoria. Koppamurra is a prospective ionic clay hosted rare earth element (REE) deposit; uniquely rich in all the REE's required in the manufacture of rare earth permanent magnets which are essential components in energy efficient motors. The Company is focused on executing a growth strategy that will ensure AR3 is positioned to become an independent and sustainable source of REE's, playing a pivotal role in the global transition to a green economy.

Appendix 5B

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

Name of entity

Australian Rare Earths Limited

ABN

73 632 645 302

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(19)	(19)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs - <i>net of allocations to capitalised exploration assets</i>	(557)	(557)
	(e) administration and corporate costs	(315)	(315)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives – R&D Tax incentive	-	-
1.8	Other (provide details if material)		
	- <i>refund received in relation to exploration licence applications paid and expensed in the prior year</i>	62	62
1.9	Net cash from / (used in) operating activities	(816)	(816)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	(1,060)	(1,060)

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 (3 months) \$A'000
	(e) investments	-	-
	(f) other non-current	-	-
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	(1,063)	(1,063)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,715	12,715
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(816)	(816)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,063)	(1,063)

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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,836	10,836

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	10,736	12,615
5.2	Call deposits	100	100
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)	10,836	12,715

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 * <i>The payments disclosed here relate to:</i> <i>a) fees and salaries paid to all Directors (including Executive Directors) during the quarter; and</i> <i>b) annual short term incentive (STI) payments to Executive Directors for their respective STI achievement for the year ended 30 June 2022.</i> <i>c) termination payments to the former Managing Director, following the Company's termination of his Executive Services Agreement during the quarter; and</i>	584
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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)	(816)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,063)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,879)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,836
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,836
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.76 quarters
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

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

Date:28 October 2022.....

Authorised by:By the Board.....
(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.