



ASX: AR3

31 January 2023

Quarterly Activities Report

For the three months ended 31 December 2022

Resource update imminent following another successful drilling program at Koppamurra rare earths project

Strong progress in delivering the Company's strategy to grow inventory, optimise processing route and advance economic studies

Highlights

- Assays from infill and extensional drilling continued to support increased confidence levels for continuous clay-hosted rare earth mineralisation at AR3's Koppamurra project in South Australia.
- The results are integral to underpinning Resource growth and applying greater JORC confidence to the mineralisation already identified; Resource update is expected during the March quarter, 2023.
- Koppamurra JORC Resource presently stands at 81.4Mt at 785ppm TREO (total rare earth oxide); This includes an Indicated Resource of 45Mt at 835ppm TREO (see ASX release dated 4 July 2022).
- During the Quarter, AR3 signed an MOU for offtake and technical collaboration with North American based global rare earths processor, Neo Performance Materials Inc (Neo).
- The MOU provides for:
 - Good faith negotiation of a joint development agreement between AR3 and Neo aimed at accelerating the development of Koppamurra through to production of a mixed rare earth carbonate product ("MREC"). Good faith negotiation of an offtake agreement pursuant to which Neo may purchase 50% of Koppamurra's MREC capacity from the initial module, with a right of first refusal to secure up to 50% of production from a subsequent module. Collaboration 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.
- During the Quarter, metallurgical tests were progressed significantly, with an 800kg bulk sample being processed at ANSTO to generate a mixed rare earth carbonate product for product specification and samples for potential offtake assessments.
- Earlier test results have indicated a viable processing pathway for Koppamurra; Leach optimisation test work has resulted in excellent recoveries of the four key magnet rare earth elements (REE) while reducing acid consumption and impurity dissolution.



- **The assays received in the Quarter include:**
 - KM2539, 2m @ 2,314 ppm TREO from 2m, with 23.4% combined Neodymium/ Praseodymium (Nd/Pr) and 1.95% Dysprosium (Dy)
 - KM2548, 3m @ 1,391 ppm TREO from 2m, with 22.0% combined Nd/Pr and 2.87% Dy
 - KM2549, 4m @ 1,486 ppm TREO from 5m, with 21.9% combined Nd/Pr and 2.42% Dy
 - KM2563, 3m @ 1,051 ppm TREO from 4m, with 23.0% combined Nd/Pr and 2.82% Dy
 - KM2599, 2m @ 1,606 ppm TREO from 2m, with 24.9% combined Nd/Pr and 1.91% Dy
 - KM2612, 3m @ 1,273 ppm TREO from 1m, with 21.1% combined Nd/Pr and 2.49% Dy
 - KM2728, 3m @ 2,105 ppm TREO from 1m, with 23.1% combined Nd/Pr and 2.29% Dy
 - KM2767, 6m @ 804 ppm TREO from 4m, with 20.9% combined Nd/Pr and 2.55% Dy

Australian Rare Earths Limited (ASX: AR3) is pleased to report on the strong progress it made during the Quarter ended 31 December 2022 towards its goal of capitalising on the growing demand for rare earths sourced from tier-one locations.

AR3 Acting Managing Director Rick Pobjoy said: “It was a highly successful quarter, culminating in a host of strong assay results which have paved the way for our imminent resource update.

“The results are consistent with our strategy of growing the Koppamurra inventory to enable the Company to participate in future independent rare earth permanent magnet supply chains.

As part of this strategy we have secured a pivotal joint development agreement with leading rare earths processor Neo Performance Materials and continued to progress critical metallurgical testwork.

These are all key pillars of our strategy to capitalise on the strong outlook for rare earths, particularly those sources from tier-one locations.

In addition to our highly favourable location, we have a key competitive advantage in that Koppamurra has all four of the rare earth elements required to make high-strength permanent magnets needed to meet the growing demand for EV motors, wind turbines and domestic appliances.

We look forward to completing the resource update and advancing our testwork and economic studies in the March 2023 quarter.”

Koppamurra Drilling and Resource

The Company concluded a substantial additional drilling program at Koppamurra during the Quarter. Over 13,000m of air-core drilling was completed consisting of 1,239 drillholes targeting infill drilling and immediate extensions of the updated Mineral Resource Estimate (MRE), currently standing at 81.4Mt at 785ppm TREO (refer ASX announcement dated 4 July 2022). This work occurred within the Exploration Target and Inferred Resource areas of the existing MRE.

Figure 1 illustrates the extensive nature of additional drilling coverage applied to the existing resource and extensions of it.

This drilling, for which many assays have been received and for which the remainder are now flowing in, is expected to increase confidence in the resource footprint and its classification, and provide a strong basis for the economic feasibility assessment of the Project.

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. This contiguous and consistent nature of the deposit enables expeditious 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 opportunity for South Australia.

Following a short break over the Christmas and the holiday period, drilling has recommenced in January 2023. Approximately 1,000 samples are expected to be generated each week during the 2023 drilling program, which will be submitted to the Company's laboratory, Bureau Veritas, in Adelaide for analysis. Much of this additional drilling will continue to be targeted at extensions of the existing resource. Regional drilling on Victorian portions of the Koppamurra Project area, and follow up drilling in the Frances, South Australian area of the Koppamurra Project will also be undertaken.

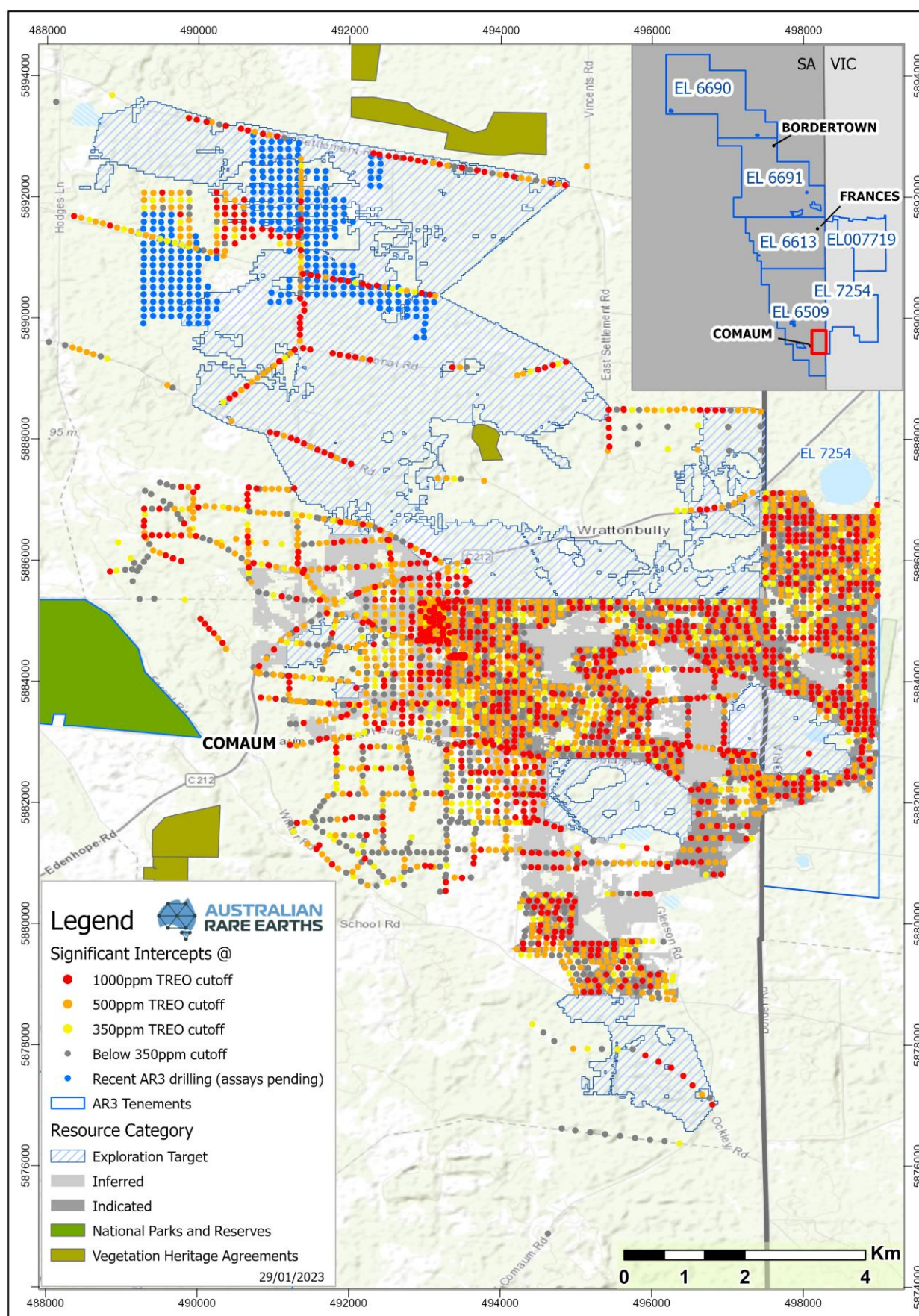


Figure 1: Plan view of current drill hole locations with significant intercepts at a range of TREO cut-offs

Metallurgical Testwork

Processing by ANSTO of ~800kg of material collected from the Trial Pit at Koppamurra for rare earth recovery and product specification analysis was largely concluded during the Quarter. This work has been a step change in the scale of rare earth recovery test work that has been conducted to date. The information gathered during this test work will further inform the design and operational criteria for even larger scale technology selection testing.

The bulk composite was treated in three batches by creating a slurry of the material at solids densities of 25 and 30 wt% solids and conducting desorption and leaching of the sample at ambient temperatures and pressures.

The processing of this material has included large scale impurity removal and rare earth carbonate precipitation steps so as to confirm precipitation conditions and expected product purity from the bulk composite liquors.

The trial has produced samples of rare earth carbonate for demonstration and marketing purposes and the assays supporting the reporting of results which follow the currently proposed flowsheet are expected to be available during the March 2023 quarter.



Image 1: Tank based, clay slurry desorption and leaching at ambient temperatures and pressures, for rare earth carbonate production testing from Koppamurra samples at ANSTO under Dr. Bob Ring's supervision.

Mining Lease Application

Following the Company's recent successful exploration program and resource upgrade which established Koppamurra as a globally significant critical rare earths deposit, the Company has commenced the preparation of an application to the South Australian State Government for a Mining Lease.

Koppamurra Landholder Reference Group

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

The second meeting of the Koppamurra Landowner Reference Group was held on Tuesday 6 December 2022.

Attendees included landowners, representatives from the Wrattenbully Wine Growers Association, One Forty One Forestry and the Naracoorte Lucindale Council. Panel guests included representatives of the South Australian Department of Energy and Mines (DEM) and the Landowners Information Service.

The objectives of the session were to continue to enhance participants' understanding of the Project by hearing from both Project representatives and external parties (Department of Energy and Mining and Rural Business Support) as well as to provide a forum for the Company to provide additional information to landowners on their areas of interest.

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

A number of studies will be undertaken by the Company to support its Mining Lease Application for submission to the South Australian Department for Energy and Mining, including:

- 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

The minutes from the second Koppamurra Landholder Reference Group meeting, held on 6 December 2022 are publicly available via the Company's website. Members of the community can submit any matters for discussion for future KLRG quarterly meetings 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, should they have any questions.

Non-binding MOU with Neo

Australian Rare Earths announced during the Quarter (refer ASX announcement dated 17 October 2022) 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.

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.

During the September 2022 quarter a total of 17 locations on the prospect 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 during the Quarter for the samples collected during the field reconnaissance, a single sample reported >400ppm TREO while 14 additional samples reported between 250 – 400ppm TREO. The remainder reported <250ppm TREO. Image 2 below shows the distribution of these samples.

A selection of those samples was sent to ANSTO for diagnostic leach assessments and have returned results indicating varying proportions of the rare earth content within the samples which can be recovered with simple leaching at ambient temperatures and pressures. In particular samples from the main geological unit within the tenure, a rhyolitic ignimbrite, have returned recoveries of between 33% and 67% for the magnet rare earths, Neodymium (Nd), Praseodymium (Pr), Terbium (Tb) and Dysprosium (Dy), at a pH of 1 at ambient temperatures and pressures.

These early results and the extensive nature of the felsic intrusive rocks, illustrated below in the Total Magnetic Intensity (TMI) image of regional scale airborne geophysical magnetic survey (refer Image 3), are encouraging and provide the basis for targeted follow up and additional sampling of the prospect during the March 2023 quarter.

A summary of the diagnostic leach assessments is shown below in Table 1.

| Sample ID | ARE-629313 | | ARE-629315 | |
|--------------|--------------------|-----|------------|-----|
| TRE+Y (ppm) | 338 | 338 | 367 | 367 |
| TRE-Ce (ppm) | 240 | 240 | 276 | 276 |
| Test pH | 4 | 1 | 4 | 1 |
| Duration (h) | 0.5 | 2.0 | 0.5 | 2.0 |
| | REE Extraction (%) | | | |
| Pr | 22 | 63 | 19 | 52 |
| Nd | 24 | 67 | 21 | 55 |
| Tb | 16 | 48 | 13 | 40 |
| Dy | 19 | 39 | 19 | 33 |

Table 1: Diagnostic leach results for magnet rare earths from the Company's Massie Creek prospect in Queensland.

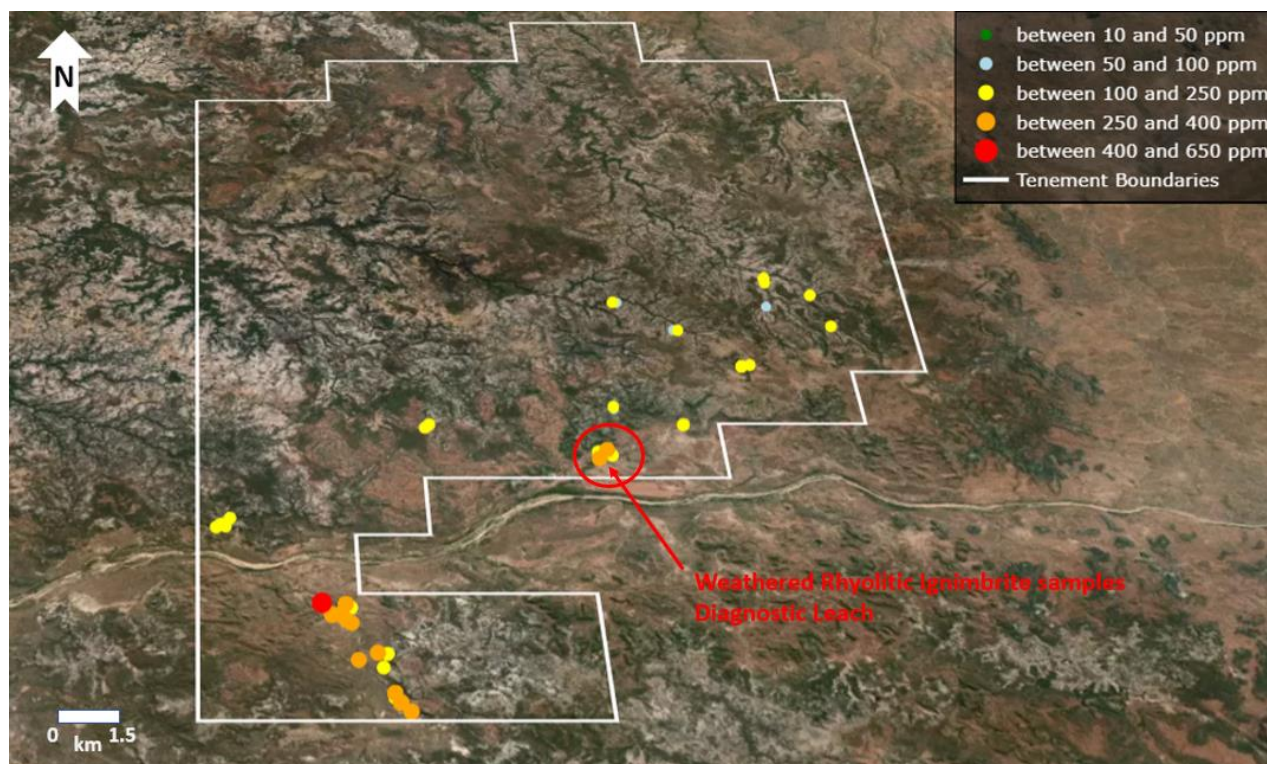


Image 2: S sample locations coloured on TREO (ppm), and diagnostic leach samples with Massie Creek tenure boundary EPM27952 (Oblique View)

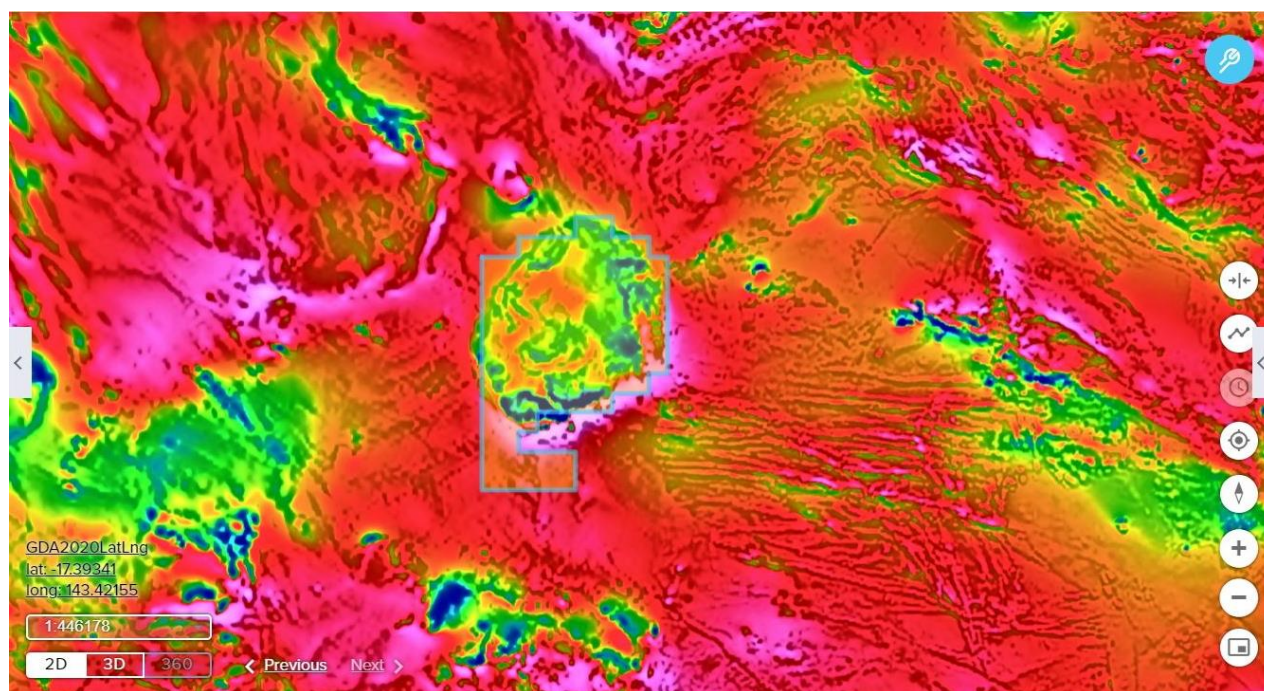


Image 3: Massie Creek tenure boundary EPM27952 with Total Magnetic Intensity (TMI) image of regional scale airborne geophysical magnetic survey. Illustrating extents of the (circular shaped) felsic and volcanic high level intrusive rocks of the Kennedy Province within EPM27952.

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 | 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 |
| EPM28169 ² | Stones Creek | Rare Earths | Dalrymple | QLD |

1 – All tenements are 100% held by AR3

2 –Tenement granted during the Quarter

Finance Update

The Company’s cash balance at the end of the Quarter was A\$9,006,000.

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
- 1,750,000 exercisable at \$0.50 and expiring on 2 December 2025
- 1,550,000 exercisable at \$0.50 and expiring on 2 December 2026

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. \$1,130,000 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 31 December 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 | (3,257) | 743 |
| Regional Exploration | 2,000 | (1,560) | 440 |
| Metallurgical Testwork and Studies | 3,000 | (1,520) | 1,480 |
| Working Capital | 2,685 | (4,038) | (1,353) |
| Total Funds Applied | 12,732 | (11,422) | 1,310 |
| Additional funds raised (net of costs) | | 7,629 | |
| R&D tax concession receipt | | 67 | |
| Cash as at 31 December 2022 | | 9,006 | |

Activities for the March 2023 quarter

- Completion of assays and geological interpretation to support an updated Mineral Resource Estimate, intended for completion late Q1 2023.
- Completion of the analysis and reporting of testwork and processing of ~800kg 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.
- Initiation of further exploration and resource definition drilling to continue to expand the clay hosted rare earth resources at Koppamurra.

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

For further Information please contact:

Australian Rare Earths Limited

Mr Rick Pobjoy
Acting Managing Director
Tel: 1300 646 100
E: hello@ar3.com.au

Media Enquiries

Nicholas Read / Paul Armstrong
Read Corporate
T: 08 9388 1474

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 highly 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")

31 December 2022

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | (19) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs - <i>net of allocations to capitalised exploration assets</i> | (268) | (825) |
| | (e) administration and corporate costs | (448) | (763) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 23 | 36 |
| 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 |
| 1.9 | Net cash from / (used in) operating activities | (693) | (1,509) |

| | | | |
|-----------|---|---------|---------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (7) | (10) |
| | (d) exploration & evaluation | (1,130) | (2,190) |

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 (6 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 | (1,137) | (2,200) |

| | | | |
|-------------|---|----------|----------|
| 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 | 10,836 | 12,715 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (693) | (1,509) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,137) | (2,200) |

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 (6 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 | 9,006 | 9,006 |

| 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 | 8,906 | 10,736 |
| 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) | 9,006 | 10,836 |

| 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 fees and salaries paid to all Directors (including Executive Director) during the quarter.</i> | 143 |
| 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.</i> <i>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 <div style="border: 1px solid black; height: 20px; width: 100%;"></div> | | |
| 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) | (693) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (1,130) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,823) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 9,006 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 9,006 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) <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> | <div style="border: 1px solid black; padding: 5px;">4.94 quarters</div> |
| 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;">Answer: n/a</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;">Answer: n/a</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;">Answer: n/a</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:31 January 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.