

28th April 2023

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31st MARCH 2023

Australian-based gold & base metal exploration and mining company Polymetals Resources Ltd (ASX: **POL**, **Polymetals** or the Company) is pleased to provide its Quarterly Activities Report for the quarter ended 31st March 2023 (Quarter).

KEY HIGHLIGHTS

Endeavor Project

- Polymetals acquires the Endeavor Ag-Zn-Pb Mine (Endeavor) located in NSW¹.
- RC drilling programme at Endeavor commenced on 1st February with first assays for 8 holes received to date with significant mineralised intercepts as follows:

North Lode²

Met_1LS_1 (DD): 81m @ 19.5% ZnEq³

- 81m @ 1.15g/t Au, 473g/t Ag, 7.4% Zn, 5.5% Pb and 0.11% Cu from 77m to the end of the hole at 158m and finishing in mineralisation.
 - *including 8m @ 2.21 g/t Au, 931g/t Ag, 6.2% Zn, 12.2% Pb and 0.18% Cu from 77m*

PNL001(RC): 52m @ 14.6% ZnEq

- 52m @ 0.65 g/t Au, 343 g/t Ag, 5.7% Zn, 4.6% Pb and 0.12% Cu from 84m to the end of the hole at 136m.
 - *including 2m @ 0.64g/t Au, 2020g/t Ag, 1.1% Zn, 6.3% Pb and 0.13% Cu from 84m*

¹ Refer Polymetals ASX announcement dated 28th March 2023

² Refer Polymetals ASX announcement dated 17th April 2023

³ For zinc equivalent calculations refer Appendix 1 of 17th April ASX announcement.

PNL002 (RC): 40m @ 11.1% ZnEq

- 40m @ 0.91 g/t Au, 226g/t Ag, 5.1% Zn, 2.9% Pb and 0.10% Cu from 95m to the end of the hole at 135m and finishing in mineralisation.

PNL003 (RC): 22m @ 11.7% ZnEq

- 22m @ 0.49 g/t Au, 228g/t Ag, 6.3% Zn, 3.1% Pb and 0.10% Cu from 117m to 139m
- and 3m @ 0.51 g/t Au, 576g/t Ag, 5.4% Zn, 2.8% Pb and 0.08% Cu from 142m to 145m
- and 9m @ 0.82 g/t Au, 757g/t Ag, 7.6% Zn, 3.1% Pb and 0.07% Cu from 147m to the end of the hole at 156m and finishing in mineralisation.

PNL004 (RC): 36m @ 15.5% ZnEq

- 36m @ 0.43 g/t Au, 341g/t Ag, 7.3% Zn, 4.6% Pb and 0.18% Cu from 120m to the end of the hole at 156m and finishing in mineralisation.

PNL016 (RC): 34m @ 10.7% ZnEq

- 34m @ 2.87g/t Au, 131g/t Ag, 3.2% Zn, 4.3% Pb and 0.07% Cu from 52m to the end of the hole at 86m and finishing in mineralisation.
- including 4m @ 13.92 g/t Au, 62g/t Ag, 0.50% Zn, 1.8% Pb and 0.02% Cu from 64m

South Lode⁴

PSL020(RC): 71m @ 11.02% ZnEq

- 71m @ 0.43 g/t Au, 272 g/t Ag, 3.6% Zn, 4.2% Pb and 0.13% Cu from 107m to 178m
- **including** 34m @ 0.76g/t Au, 492g/t Ag, 7.3% Zn, 4.8% Pb and 0.14% Cu from 144m
- **including** 8m @ 0.89g/t Au, 914g/t Ag, 8.9% Zn, 5.3% Pb and 0.16% Cu from 154m

Guinea Project

- **Phase 4 drilling programme fully planned and continued portable X-ray Fluorescence (pXRF) testing of drill hole samples to assist with target generation.**
- **Exploration licence renewals awaited with further drilling on hold until grant.**

⁴ Refer Polymetals ASX announcement dated 26th April 2023

ENDEAVOR MINE ACQUISITION

In keeping with the Company's business development strategy, Polymetals initiated due diligence over the Endeavor Mine in April 2022 with first indications of this focus announced on 17th August 2022 – "Market Update".

Acquisition of the Endeavor Project was announced on 28th March with Completion of the transaction subject to shareholder approval at a now scheduled shareholder meeting to be held at 11:00am on 12th May 2023⁵.

The Endeavor Mine acquisition will provide Polymetals with:

- 1,100km² of largely under-explored and highly prospective Exploration Licences within the Cobar Basin;
- 16.3 million tonne Ag, Zn and Pb JORC Code (2012) compliant resources within the Endeavor Project Mining Leases;
- access to a regionally significant, fully permitted mine, 1.2Mtpa mineral processing plant and supporting infrastructure; and
- jurisdictional and commodity diversification (and associated risk-reduction benefits) for the Company and its shareholders.



⁵ Refer ASX announcement dated 12th April 2023 – Notice of General Meeting / Proxy Form

Figure 1: The Endeavor Mine – Surface Infrastructure (2019)

The Endeavor Project is situated in the Cobar structural zone and is located approximately 30km north of the CSA Copper Mine and 40km north-west of Cobar in central-NSW. The Endeavor Project is one of three significant mines in the district.

The Endeavor deposit was first discovered in 1974 with mining and processing operations commencing in 1982. A total of 32.2 million tonnes of ore grading 89.2g/t Silver, 8.01% Zinc and 5.04% Lead had been mined and processed to December 2019⁶ when the project was placed on Care and Maintenance (**C&M**).

Significant elements of the Endeavor Project Assets include:

- 5 Mining Leases (41km²), 3 Exploration Licences (1,100km²) and a Western Lands Pastoral Lease (2,549Ha).
- 10km decline from surface, headframe, 380m haulage shaft, crushing station, power, air and water services, dewatering system, refuge chambers, seismic monitoring, ancillary equipment, and extensive mining development.
- 1.2Mtpa treatment plant including two-stage crushing, 5MW grinding capacity (1 SAG, 2 Ball mills), lead - zinc flotation, thickeners, chemical mixing, critical parts, concentrate filtration, storage and rail load out facilities.
- Sealed access road, freight rail line, 15MW / 132kV grid power and diesel back-up power and secure water supply.
- Offices, workshops, laboratory, large inventory of stores and spares.
- Light vehicles, heavy machinery, and mobile equipment.
- 42 houses, 4 blocks of units and 6 vacant allotments in Cobar.
- All necessary statutory operational approvals are in place, including increased tailings storage capacity.

⁶ *Summation of Life of Mine historic annual mine production tonnages and grades (Source – Life of Mine Production Records).*

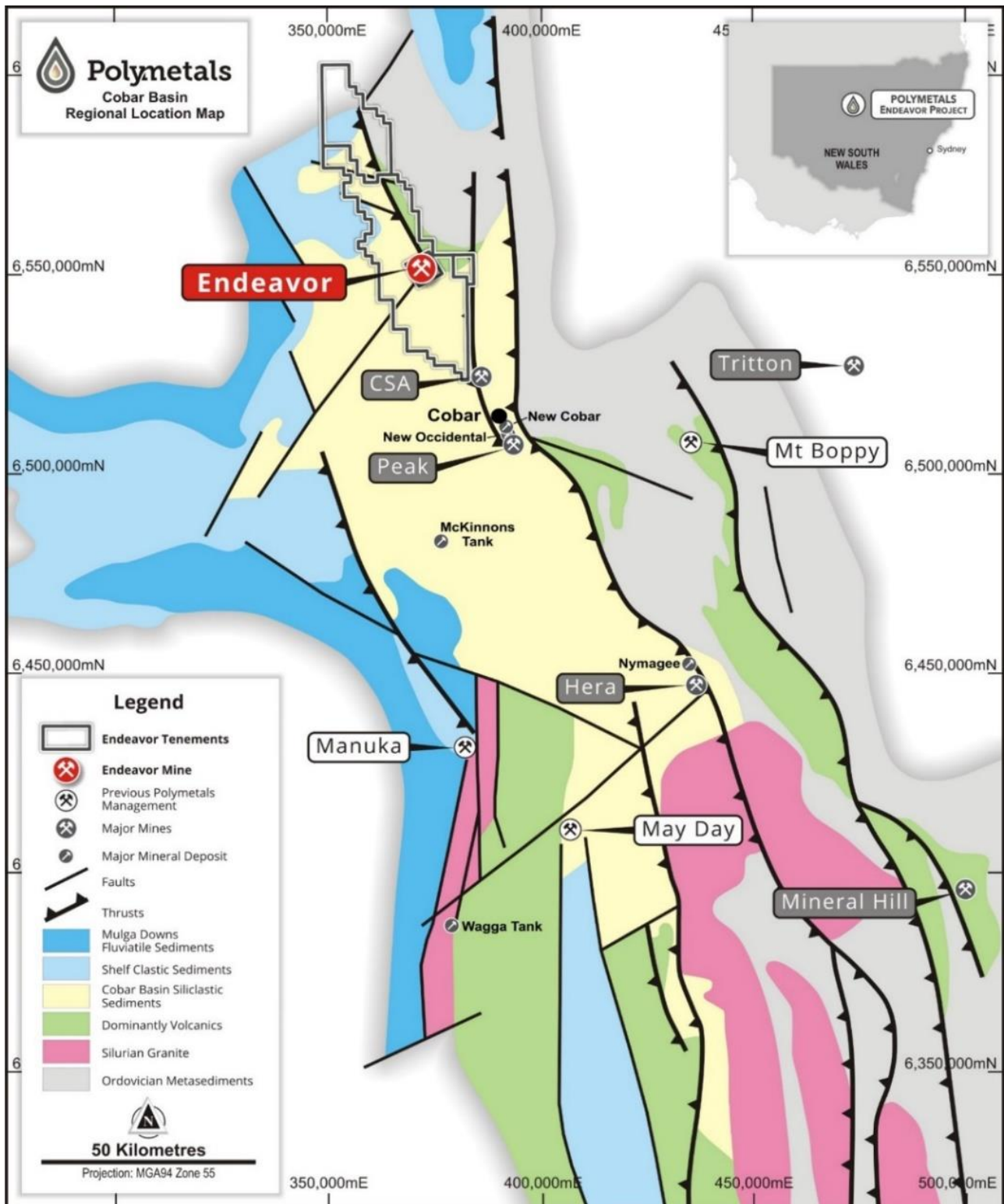


Figure 2: Location Map, regional Geology, Mines and Deposits within the Cobar Basin

Work Streams

Polymetals is focussed on recommencing operations following successful progression of the following areas:

- exploration to test immediate in-mine, near-mine and regional exploration targets within the Cobar Basin tenement package generated by a number of explorers over the past 50 years;
- extend the mine life by re-estimating Mineral Resources and generating Ore Reserves; and
- potential application of hydrometallurgical and other metal recovery techniques on existing resources.

Table 1 summarises the specific focus of the above areas with planned work to include a currently assumed 8,500m RC, 6,500m auger and 4,000m diamond drilling programme. 2,868m of RC drilling was completed over the Endeavor North and South Lodes on 5th March with the first batch of assays from six North Lode holes announced 17th April 2023 (refer ASX announcement – Polymetals intercepts 81 m at 19.5% zinc equivalent). Further results for two holes drilled over the South Lode were announced 26th April 2023 (refer ASX announcement - Remaining South Lode Confirmed up to 1,535 g/t silver). The results provide management with much confidence that potential Ore Reserves will likely be generated in the near term over the North and South Lodes.

Regarding the planned work summarised by Table 1, it is important to note that results and outcomes from each element will influence priorities and likely drive variance to funding needs and allocation thereof, as the Company moves the Endeavor Project forward.

Element	General	Geotechnical	Sampling	Testwork	
				Flotation	Hydrometallurgical
Level 1 - 2 Sulphides (North Lode)	JORC Resource Study + pit optimisations + underground extraction	Existing core testwork for assumed design slopes / U/G extraction of Level 1 supergene from existing development	Drilling - 3,000m (20 holes at 150m) RC + assays for Pb, Zn, Cu, Ag, Au.	Pb/Zn/Ag recovery, concentrate grade, grind and reagents. Check previous recovery assumptions.	Cyanide leach of float tail - lime and cyanide demand, retention time and overall Ag and Au recovery. Flowsheet development.
Regional Exploration	50 years exploration data which includes Pb, Zn, Cu, Ag and Au targets	No initial requirement	Validation of existing anomalies and further Auger, RC, limited DD	Possible sighter tests	Possible sighter tests
U/G Gold Resources	0.5g/t Au background in all ore mined with increased grade pockets throughout the mine in need of testing	Desktop study of possible ore quantum and some diamond drilling	U/G Diamond Drilling 1,000m Phase 1 - start with twinning NP0565 historic intercept of 30m @ 3.5g/t Au	Determine host mineral and assess flotation to possibly enhance Au grade	Whole of ore leach and diagnostic leach of concentrate - if applicable. Cyanide detox testing
Tailings Retreatment	All Sectors but Starting with Sector 1 / JORC Resource Study	Familiarisation with design and approved TSF lift	Air core drilling (80 holes at 8m) and preparation of composite. Despatch for metallurgical testwork.	Zinc recovery, concentrate grade, grind and reagents	Cyanide leach of float tail - lime and cyanide demand, retention time and overall Ag and Au recovery. Flowsheet development.
6 - 6 Stope	Estimated 350,000t ROM ore recovery	Geotechnical risk assessment	Not required	Assume historical ROM metal recoveries and concentrate grades	Possible leach of float tail if leach circuit justified
Deep Zinc Lodes	Discovered in 2016. Unmined and open to the north, south and at depth.	Assume ROM conditions	Assay for Au	Assume testwork completed by CBH on drill core	Clean sphalerite ore with potential to recover further Ag (and Au if present)
Stope Optimisation	Mining methods and output capacity in focus	Desktop study and full inventory study of ore quantum and some drilling	Not required	Assume historical ROM metal recoveries and concentrate grades	Possible leach of float tail if leach circuit justified

Table 1: Endeavor Project Workstream Detail

Endeavor Mineral Resources

Independent consultants, Groundwork Plus Pty Ltd (**Groundwork**) were engaged to complete an independent JORC Code (2012) compliant Mineral Resource Estimate for the Endeavor Project. The study was completed during February 2023 and is attached to this announcement.

The Groundwork report entitled “*Endeavor Mine (Elura Pb-Zn-Ag Deposit) Resource Estimate Report - February 2023*” draws on a total of 2,459 holes totalling 389,697m of drilling. The estimate applies a Net Smelter Return (NSR) Cut-Off value of \$190/t for mineralisation above 10,080mRL, and an NSR Cut-Off value of \$150/t for mineralisation below 10,080mRL to arrive at a Mineral Resource Estimate summarised in Table 2.

Table 2 – Endeavor Mine Mineral Resource February 2023¹

Category	Mt	NSR (\$/t)	Zinc (%)	Lead (%)	Silver (g/t)
Measured	4.2	302	8.4	5.2	77
Indicated	8.9	279	8.0	4.6	80
Inferred	3.1	251	7.7	3.7	78
Total²	16.3	279	8.0	4.6	79

1. Reported using NSR cut-off values of \$190/t for mineralisation above 10,080mRL, and \$150/t for mineralisation below 10,080mRL

2. Discrepancies may occur due to rounding

Massive sulphide mineralisation at the Endeavor Mine is hosted by a fine grained turbidite sequence of the Cobar Basin and comprises multiple sub-vertical elliptical shaped pipe-like pods that occur within the axial plane of an anticline. Around 150m below the base of the main mineralised pods/lodes, mineralisation is hosted within the western limb of a folded limestone unit, occurring in veins and fractures (Deep Zinc Lode).

Grade domains for constraining Resource estimation were interpreted and modelled based on the geological logging, assay results and underground mapping, resulting in five grade domains and five lode domains. Combinations of these domains were used for constraining estimations.

The resource model is based on statistical and geostatistical investigations generated using 1m (Deep Zinc Lode) and 2m (Upper Lodes) composited sample intervals. High-grade cutting (high grade cuts) for the input datasets to be used for resource estimation was applied only to Ag composites in some domains.

Rotated, sub-celled block models were constructed using parent block dimensions of 5m East by 5m North by 10mRL in the upper siltstone-hosted model and 5m East by 10m North by 5mRL in the limestone-hosted model, with sub-blocking for the purpose of providing appropriate definition of the grade domain boundaries.

Resource estimation was carried out for lead, zinc and silver on the basis of analytical results available up to October 2019. Ordinary Kriging (OK) was selected as an appropriate estimation method based on the quantity and spacing of available data and style of deposit under review. A three-pass strategy was employed to generate the grade estimates with restrictions of the maximum number of samples per drillhole. The search axes were aligned with the average orientation of the mineralised domains while search distances were derived from variographic analyses of the data sets.

The Measured, Indicated and Inferred Mineral Resources include the siltstone-hosted mineralisation of the upper mine and the deeper limestone-hosted mineralisation (DZL), and is depleted for mining voids.

The Endeavor Mine is a polymetallic deposit, and consequently the value of one tonne of material is the function of more than one metal grade. It would be sub-optimal to report the Mineral Resource Estimate using cut-off grades of only one metal, as this ignores the input of the other metals in the total value of a parcel of material. Therefore, the Mineral Resource has been reported using a Net Smelter Return (NSR) value, which is determined from mining, processing, and overhead costs per tonne of material milled. The key inputs for the NSR calculation of each tonne of material are shown in **Table 3**. Two sets of flotation recovery values have been used to account for a change in mineralogy above 10,080mRL.

Table 3 – Key NSR Calculation Assumptions

Metal	Metal Price	Exchange Rate	Flotation Recovery		Smelting Recovery	Smelting and Freight costs per tonne	Tonnes ore / Tonnes concentrate	
			Below 10080mRL	Above 10080mRL			Below 10080mRL	Above 10080mRL
Pb	US\$2,050/t	AU\$1= US\$0.69	74%	62%	95%	\$523	5.15	5.36
Zn	US\$3,000/t		83%	75%	85%			
Ag	US\$22.50/oz		51%	66%	95%			

The Endeavor Mine Mineral Resource Estimate has been reported at an NSR cut-off value of \$150/t for material below 10,080mRL and \$190/t for material above 10,080mRL. The NSR cut-off value for material below 10,080mRL is based on a 25% increase in mining, processing and general overhead costs since the cessation of mining in 2019. The NSR cut-off value for material above 10,080mRL is based on higher processing costs to achieve acceptable recoveries and higher underground mining costs to account for increased ground support required for softer material.

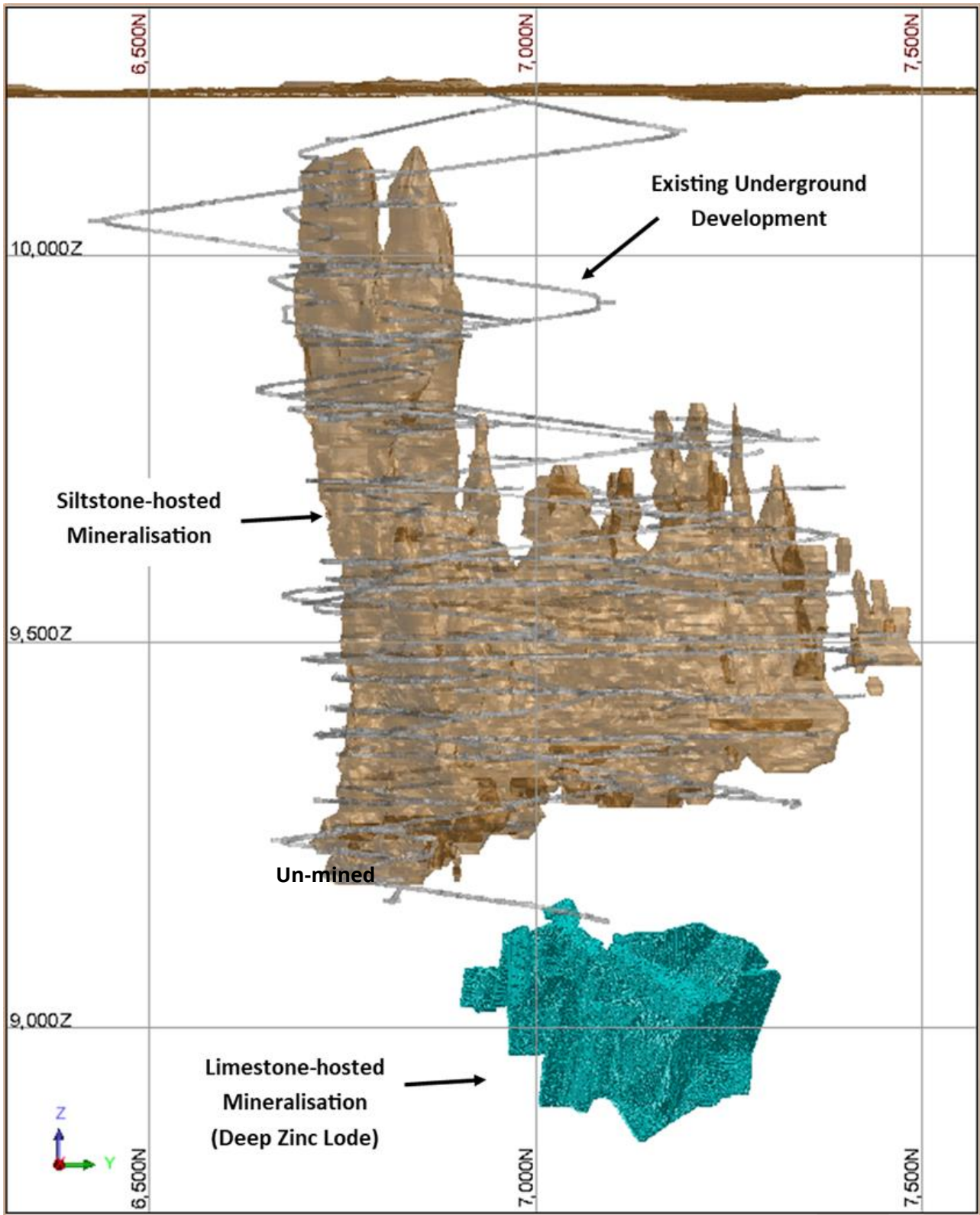


Figure 3: Long section of the mineralised zones of the Endeavor Deposit

GUINEA EXPLORATION

Polymetals continues to explore its Alahiné (64.2km²) and Mansala (48.2km²), licences within Guinea's Siguiri Basin. However, due to tenement title uncertainty and the impact of the wet season from July, management has currently assumed that there will be no drilling completed by the Company at its Guinea project during 2023.

Approximately \$1.5 million of budgeted Guinea expenditure has been re-allocated to Endeavor Project Workstreams. Should the Guinea Exploration Licence renewals be granted in the near future, the Company will make provision to complete its planned Stage 4 Guinea RC drilling programme.

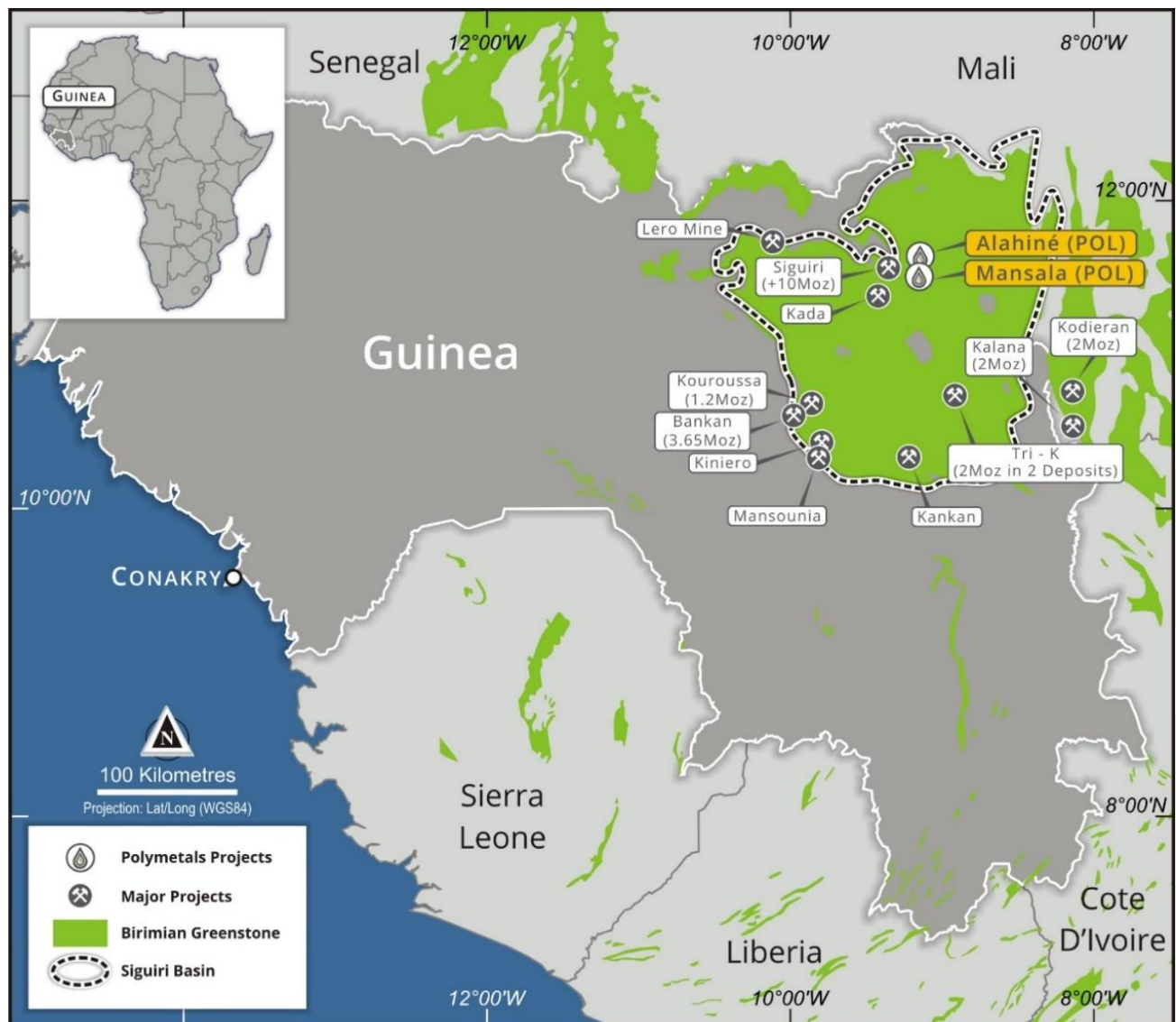


Figure 4: Regional West African gold deposits relative to the Company's Exploration Licences

Current Guinea programme of work

The project geological team continued with detailed geological mapping of all workings and tenement geology during the quarter to better understand the structures and intrusive cupolas identified from the previously completed airborne magnetics survey. pXRF analyses also continued to focus on pathfinder elements to assist ongoing exploration activities.

A Stage 4 drilling programme, which includes diamond drilling to determine geological controls of mineralisation and associated structures has been planned. Based on the results of the diamond drilling, closer spaced and better targeted RC drilling will be planned to delineate potential economic mineable zones.

The Alahiné permit has also been interpreted to contain several high level intrusives that lie within a structural corridor defined by two major parallel faults trending NNW to NW. These targets are considered to be highly prospective and are planned to be tested via the Stage 4 drilling programme.

CORPORATE

In the lead up to the 28th March 2023 announcement of the Endeavor Mine acquisition, the Board and Management carried out a rigorous due diligence. The legal documentation for the transaction was completed by the Company's lawyers and management.

Locating additional staff and contractors has also been a focus during the quarter to bolster management and assessment capability as the Company grows.

Subsequent to the March Quarter, the Notice of Meeting and accompanying documents were released for the 12 May General Meeting to consider the Endeavor acquisition. These documents include an Independent Expert Report (IER) which concluded that the Endeavor Acquisition was considered "Fair and Reasonable". This provides the Board with confidence that the shareholders of Polymetals will vote in favour of the acquisition transaction. Independent valuations of the project plant and equipment assets (\$140 million on an ongoing basis) and Cobar housing assets (\$11.4 million) have provided an aggregate valuation of approximately \$151 million (which does not include any assumed valuation of the JORC resources or the Project's exploration potential).

The Company is currently evaluating options in relation to the non-renewal of its Guinea Exploration Licences.

Unsecured loan facility

On the 31st October 2022, the Company announced that it had received a letter of support from an entity controlled by its Chairman and major shareholder, Mr David Sproule. The loan facility will provide up to \$1.0 million of credit to the Company and will assist the Company in meeting its business objectives. The loan is unsecured, can be drawn down at any time by the Company and is granted on the following material terms:

- repayment date – the earlier of the next capital raising or 18 months from the first drawdown date; and
- interest rate – 5% per annum, compounded monthly until the end of the loan.

The Company has subsequently entered into a loan agreement formalising the above terms.

\$500,000 of this unsecured loan was drawn down by the Company on 30th March 2023.

Cash

At 31st March 2023 Polymetals had cash at bank of \$337,902.

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 during the quarter was \$118,000. All of this expenditure was for wages, fuel and costs for people onsite, security and storage, including geologists' wages at the Company's Mansala and Alahiné projects in Guinea.
2. **ASX Listing Rule 5.3.2:**
The Company confirms that there were no mine production activities for the quarter. The development expenditure (rounded to '000) incurred by the Company in relation to the Endeavor Project is as follows:

Table 4: Breakdown of the development expenditure incurred on the Endeavor Project

Nature of expenses	Amount (\$)
Care and maintenance	442,000
Drilling	113,000
Geological consulting	53,000
JORC and other reports	103,000
Wages	76,000
GST refund from previous quarter	(11,000)
TOTAL EXPENDITURE	776,000

3. **ASX Listing Rule 5.3.5:** Payment to related parties of the Company and their associates during the quarter was \$76,000 (GST exclusive) in cash.

The Company advises that this relates to remuneration of Directors only. Please see the Remuneration Report in the Company's Annual Report 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 (\$)
David Sproule	Ongoing Director fees including fees accrued but not paid in previous quarters	68,000
Alistair Barton	Ongoing Director fees	8,000
Christopher Schroor	Ongoing Director fees	0
Total		76,000

4. Tenements

In accordance with Listing Rule 5.3.3, Polymetals provides the following Information concerning its mining tenements:

- (a) no applications were made during the quarter by the Company to acquire new or surrender its existing licences; and
- (b) the following table lists the Company's mining tenements held at the end of the quarter, and their location:

Table 6: Polymetals Guinea and Endeavor Exploration and Mining Licences

Project	Licence	Location	Expiry	Ownership
Guinea				
Alahiné	EL22123	Republic of Guinea	Awaiting renewal	100%
Mansala	EL22694	Republic of Guinea	Awaiting renewal	100%
Endeavor¹				
	EL 5785	NSW	5/10/2027	100%
	EL 8583	NSW	2/6/2023	100%
	EL 8752	NSW	27/6/2024	100%
	ML 158	NSW	20/5/2028	100%
	ML 159	NSW	12/3/2028	100%
	ML 160	NSW	12/3/2028	100%
	ML 161	NSW	12/3/2028	100%
	ML 930	NSW	20/5/2028	100%

¹ Ownership subject to shareholder approval of Endeavor Project Acquisition at Shareholder meeting to be held 12th May at 11:00am. Refer ASX announcement dated 12th April 2023 – Notice of General Meeting / Proxy Form

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

For further information, please contact:

Dave Sproule

Executive Chairman

dave.sproule@polymetals.com

John Haley

Chief Financial Officer / Company Secretary

john.haley@polymetals.com



COMPETENT PERSON STATEMENT-ENDEAVOR PROJECT

The information supplied in this release regarding the Endeavor Project (excluding the Mineral Resources estimates) is based on information compiled by a team led by Mr Alistair Barton, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Barton 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". Mr Barton consents to the inclusion of matters based on information in the form and context in which it appears.

COMPETENT PERSONS STATEMENT-GUINEA

The information in this ASX Announcement regarding the Guinea Projects that relates to Exploration Results is based on information compiled by Mr William Pountney, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pountney is a Project Manager 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". Mr Pountney 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.

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(44)	(258)
(e) administration and corporate costs	(179)	(313)
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)	-	-
1.9 Net cash from / (used in) operating activities	(223)	(571)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(118)	(1,317)
(e) investments	-	-
(f) project development-Endeavor	(776)	(776)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(894)	(2,093)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,000
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	-	(6)
3.5	Proceeds from borrowings	500	500
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	500	1,494

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	954	1,503
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(223)	(568)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(894)	(2,093)

ASX Listing Rules Appendix 5B (01/12/19)

+ See chapter 19 of the ASX Listing Rules for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	1,494
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	337	337

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	337	954
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)	337	954

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)	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

**Current quarter
\$A'000**

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.

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 current quarter end \$A'000	Amount drawn amount at previous quarter \$A'000
7.1	Loan facilities	1,000,000
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	1,000,000
7.5	Unused financing facilities available at quarter end	500,000
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(223)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(894)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,117)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	337
8.5 Unused finance facilities available at quarter end (Item 7.5)	500
8.6 Total available funding (Item 8.4 + Item 8.5)	837
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.75
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
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: Yes	
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: Yes, the company has access to undrawn facilities of \$500,000, and is approved for a NSW Critical Minerals Grant of \$500,000 with \$250,000 minimum expected to be received in the next quarter. The Company is also expecting to raise funds by way of a share placement.	
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, see 2 above.	

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: 28th April 2023

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.