

29th January 2021

QUARTERLY REPORT – 31 December 2020

Key Highlights

> **Needles Gold Project, Nevada**

- Company located and negotiated an agreement for the acquisition of a valuable historic dataset to augment existing Astro exploration strategy - transfer of the data to Astro was completed in January 2021
- Exploration program and contracts for seismic and electrical DC/IP surveys put in place for commencement of work in January 2021
- Rock chip and dump sampling associated with recent geological mapping generated a number of highly anomalous gold and silver assays up to 5.5g/t Au and 406g/t Ag, notably around the “Tomahawk” target area
- The mapping also confirmed that a major northeast trending structure that appears to control the distribution of mineralisation extends through the property towards the Tomahawk workings, which are within the main target area for the Company’s current exploration

> **Governor Broome Project, WA**

- First stage of bulk testwork provides positive results at Governor Broome Project
- Testwork results will allow Astro to complete an updated Scoping Study for the Project
- Scoping Study work to commence next quarter

> **Corporate**

- Repayment of loan to Gun Capital Management (**GCM**) - Astro is now debt free
- Completion of \$2.7 million capital raising plus a further \$2.3 million used to repay GCM
- Appointment of Gregory Jones as a non-executive director, a highly experienced geologist

Astro Resources NL (ASX:ARO) (“**ARO**”, “**Astro**” or “the **Company**”) is pleased to release its quarterly report and appendix 5B for the period ending 31 December 2020.

Astro Chairman, Jacob Khouri said,

“Overall, I am delighted with the progress that the Company has been able to make in such a short space of time since raising the capital to undertake the work programs across our portfolio of projects.

I would like to reiterate the Boards confidence in the Astro Team and that we firmly believe the Company is now in the best shape its ever been in. We are poised for a very exciting 2021.

“The coming quarter looks promising with the commencement of the DC/IP and seismic work at the Needles Project in Nevada. This work, coupled with the historical dataset acquisition, will be integral in optimising and fast-tracking our exploration at Needles.

“We are also pleased with the positive results from sample metallurgical testwork at the Governor Broome Project and look forward to receiving final metallurgical testwork results early in 2021. These results will be incorporated into an updated Scoping Study planned for 2021.”

Needles Gold Project, Nevada, USA

Second phase exploration program planned and commenced (post quarter)

As announced on 11 January 2021, the second phase exploration program has now commenced at the Needles Property. The program consists of:

- *DC/IP electric* and shallow seismic surveys over the western prospective area. The electrical DC/IP survey, consisting of 11 lines for a total of 27.3-line kilometres - refer to figure 1. The program is designed to test for gold mineralisation, similar to that of the nearby Round Mountain Deposit; and
- *Seismic* - Five lines of shallow seismic over the same area for a total of 10.7-line kilometres (refer to Figure 2).

The results from both the DC/IP and seismic are anticipated in mid-late Q1.

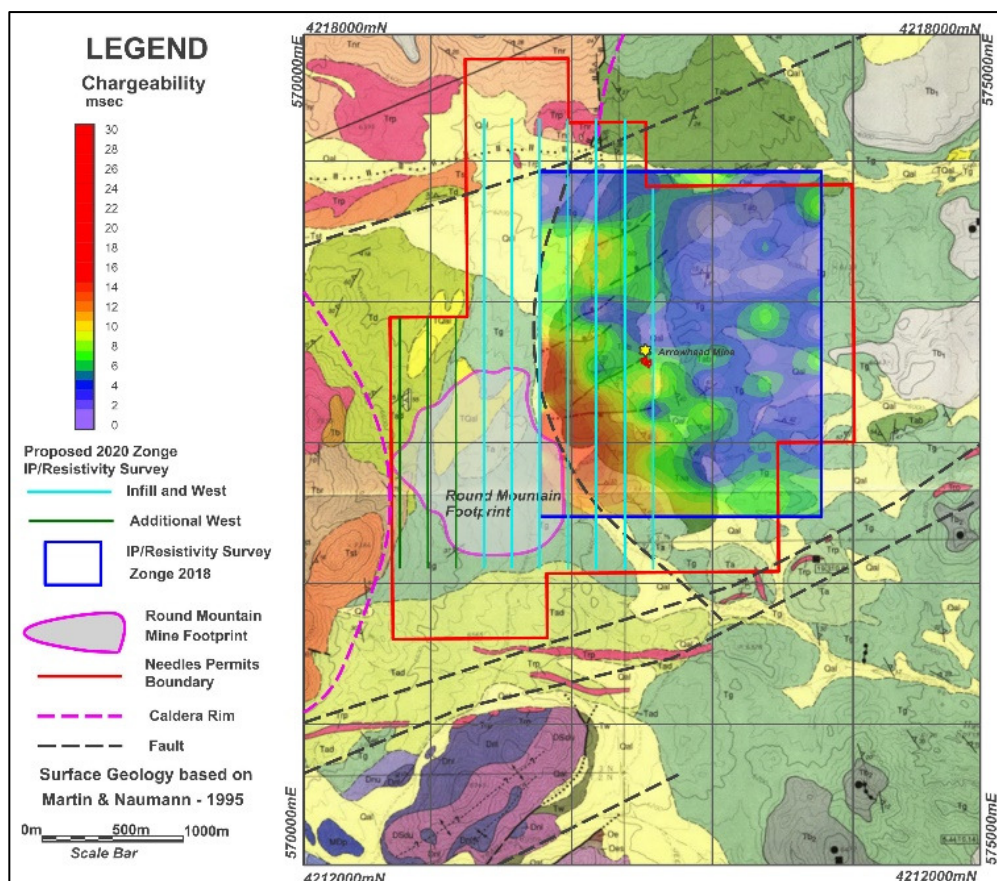
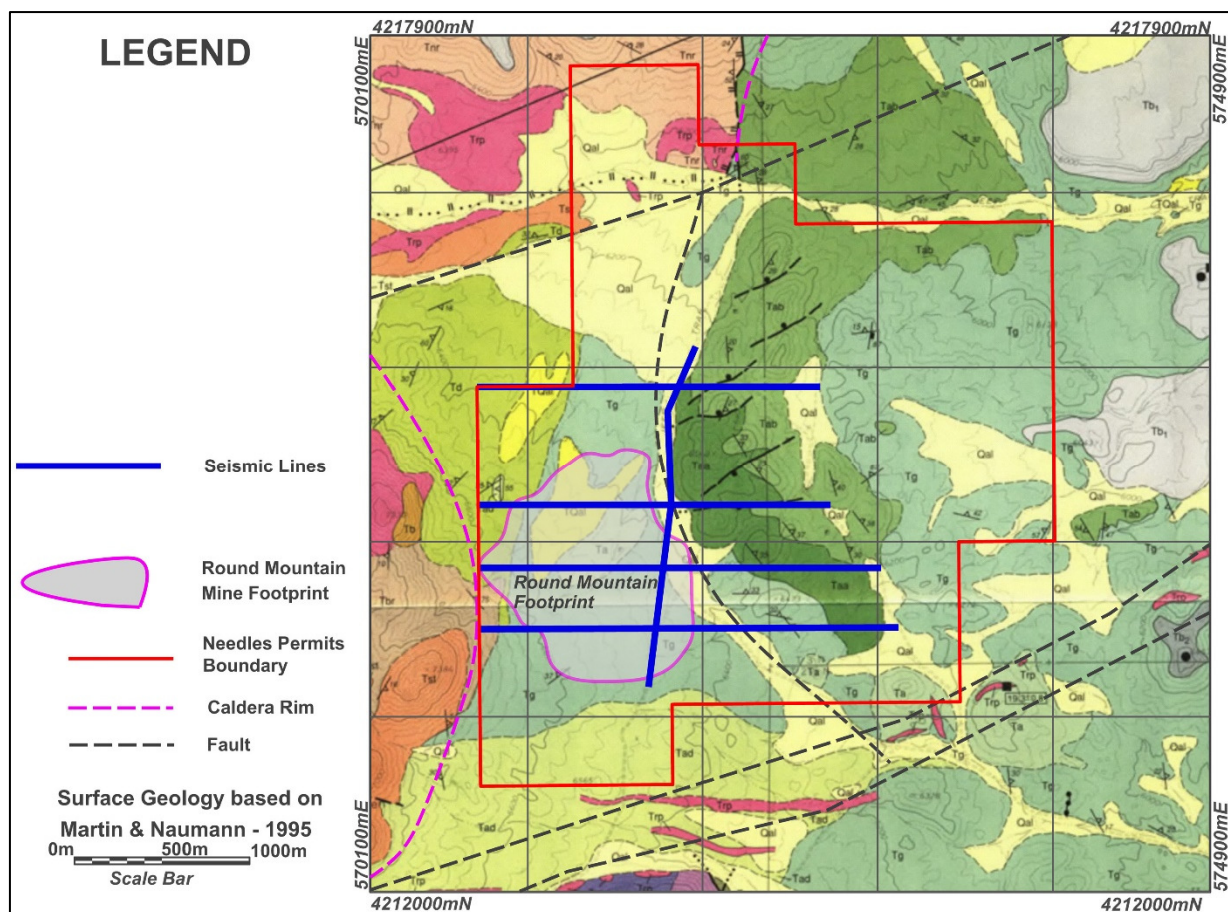


Figure 1. DC/IP Survey results from 2018 and planned 2021 work

The program has been designed to test for buried, flat-lying gold mineralisation akin to that found at the nearby Round Mountain Deposit, considered one of the world's largest epithermal, low-sulphidation gold deposits. Astro plans to commence a drill program mid-year, subject to the results from the geophysical programme and drill rig availability.

The DC/IP survey is designed to infill the 2018 survey to 200m line-spacings and extend it to the west, to close off the southwest chargeability anomaly discovered in the 2018 survey. The results of this work will provide higher resolution of the chargeability anomaly and allow the creation of a robust inversion model, providing a better understanding of the distribution of sulphides at depth, which may be associated with a Round Mountain style deposit of gold mineralisation. This modelling will be used to constrain the location of drill holes in the upcoming drilling programs.

The seismic survey is designed to test the central and western parts of the property that the Company considers to be the most prospective. The survey results will provide a depth profile of the shallow dipping volcanics and their relative compactions, which affects porosity, a critical component of the Round Mountain gold deposit model that Astro is using for Needles. The survey will also help locate sub-vertical faults that may have disrupted the volcanic sequence, including hidden faults with no surface expression, which may host epithermal, bonanza-style gold mineralisation. The results of the survey will be used in the planning of the 2021 drilling programs.



Detailed historical drilling and surface exploration dataset acquired

As announced on 12 January 2021, Astro has obtained detailed historical drilling and surface exploration dataset (**Dataset**) for the Needles Gold Project, Nevada. The Dataset was found after extensive investigations and reviewing prior technical reports, with summaries of the reports being publicly available. The Company entered into conditional contracts during the quarter and the acquisition was finalised, including the transfer of the data in January 2021.

The Dataset is of historical drilling and surface exploration undertaken by previous owners, Taranis Resources Inc (TSX.V: TRO), from 2002 to 2006, in addition to subsequent exploration undertaken in 2008 on behalf of another Canadian listed entity. The Dataset was summarised in various public, Independent Technical Reports prepared to Canadian National Instrument 43-101, assessing the technical and economic potential of the Needles Property, which have been used by Astro to assist in the ongoing exploration program at Needles.

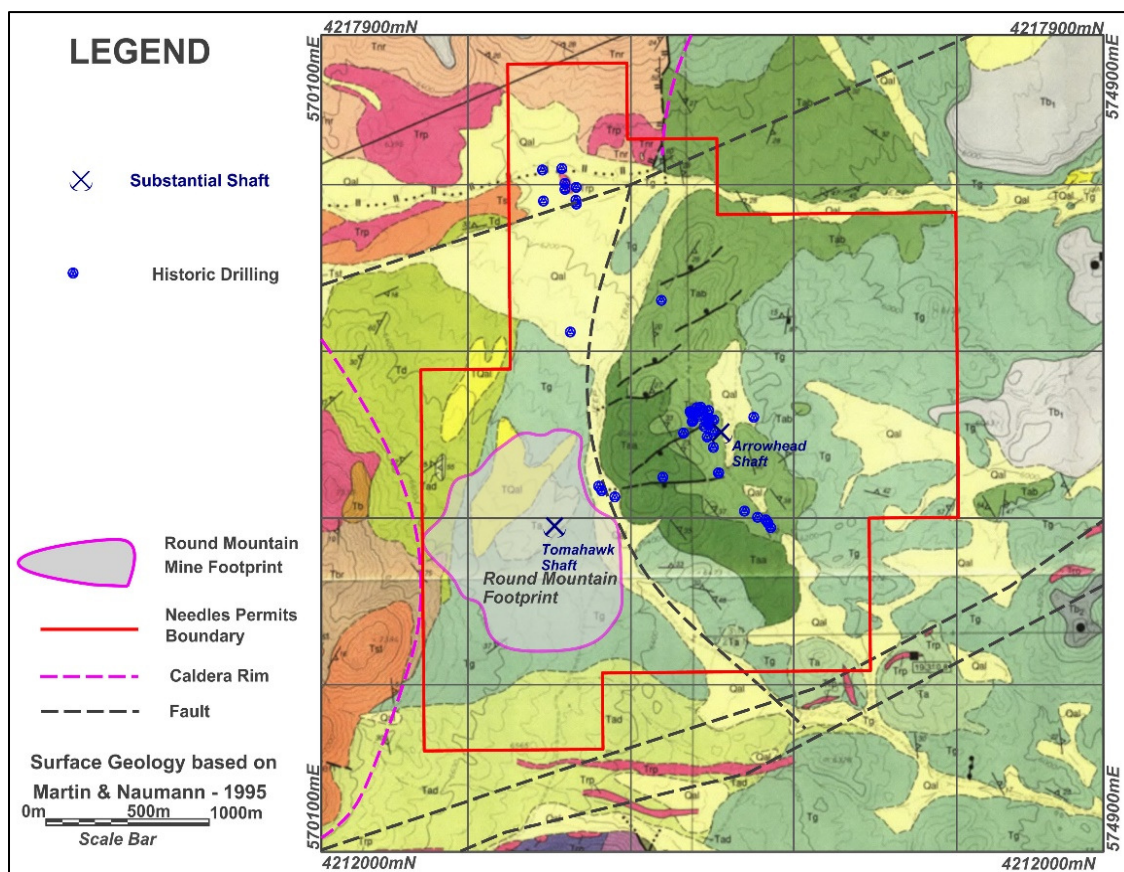


Figure 3. Needles Project showing historical drill holes covered by the dataset (refer to the blue dots)

One of the critical parts of the Dataset is the drill hole information around the historic Arrowhead Mine and along the mineralised northwest trend that the mine lies within (Figure 3). Prior to the acquisition of the Dataset, Astro's independent geologists briefly reviewed it and confirmed it to be comprehensive. The Dataset will be examined and evaluated in detail over January and February by the Astro team, particularly the drilling logs, assays and surveys of individual drill holes to enhance the ongoing exploration program Astro is currently conducting at Needles.

The Astro Board considers that the acquisition of this Dataset and the information contained therein may potentially enable the Company to fast track its exploration 2021 work program, saving considerable time and cost associated with redrilling areas covered by previous drill-holes. However, the final determination will only be arrived at once the Dataset has been thoroughly examined and validated.

Mapping results confirm viability of gold exploration project

During the quarter, the Company undertook a geological mapping and surface rock chip and dump sampling of Needles. The results of the mapping and sampling and examination of 199 historical precious-metal workings have confirmed Needles as a high-quality exploration gold project.

As announced to the ASX on 1 December 2020, significant gold and silver assays up to 5.5g/t Au and 406g/t Ag were returned from the sampling and strong alteration and volcanic lithologies observed

across the property consistent with the “Round Mountain” gold deposit exploration model used by the Company.

Of the 97 rock chip samples collected, fourteen were anomalous in gold and/or silver (greater than 0.15g/t Au or 8 g/t Ag) with the highest assays (5.5g/t Au and 406g/t Ag) returned near the Tomahawk area (Figure 4), which is within the main target area for the Company’s proposed exploration. Overall, the anomalous samples appear to “line up” in a regional northeast direction consistent with the results from mapping, which indicated numerous steeply dipping north-east oriented mineralized structures around old mine workings and in outcrop. A northwest trend is also present, although its importance is not yet fully understood. Most of these samples were collected from dumps associated with historical workings, with the remainder taken from outcrops.

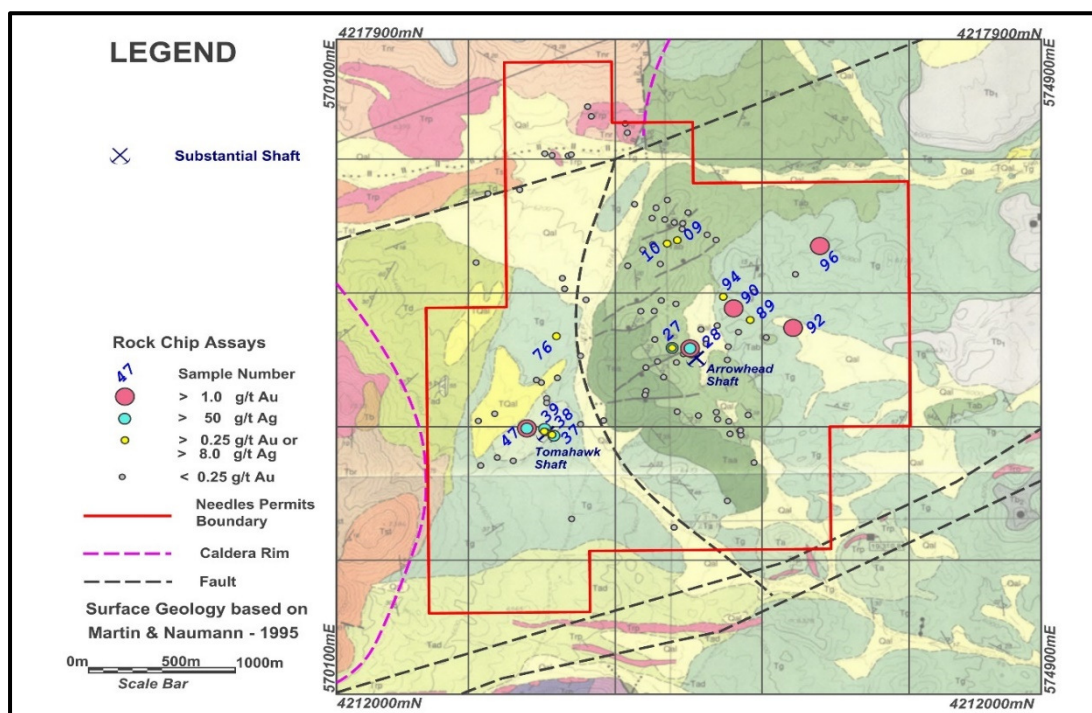


Figure 4. Location of Rock Chip Samples



Figure 5. Sample 47 (5.54g/t Au and 406g/t Ag) - from dump 120m west of Tomahawk Shaft

Full details of the mapping results, including JORC Table 1 and the locations of anomalous rock-chip samples are detailed in the ASX release dated 1 December 2020.

Governor Broome Heavy Minerals Project, WA

First Stage of Bulk Testwork Provides Positive Results at Governor Broome Project

As announced on 23 December 2020, Astro commenced 2.6-tonne bulk sample test-work for the Governor Broome Heavy Minerals Project, in the South West of Western Australia. The test-work program is designed to enable Astro to complete an updated Scoping Study at Governor Broome as soon as possible. The updated Scoping Study (from Astro's previous 2018 and 2019 Scoping Study assessments) is required due to the Project's Indicated Resources in the North Deposit increasing from 30Mt @ 4.9% HM to 52 Mt @ 4.6% HM. At this stage, it is anticipated that the Scoping Study will commence in Q1 2021.

The Governor Broome testwork commenced with processing the 2.6t sample through a pilot scale trommel and desliming circuit at Allied Mineral Laboratories (Perth) (**AML**). Significantly, the entire sample was processed through the feed preparation circuit with no indication of potential issues with fine clay friction (slimes) associated with the mineralisation. Preliminary results demonstrated that the material was readily processed using the pilot scale conventional mineral sands processing equipment as a proxy for a full-scale feed preparation plant.

The sand fraction (-2mm +0.045mm), which contains the valuable heavy minerals, will be further processed to investigate separation performance over a gravity concentration circuit and subsequent production of final mineral products in a dry mineral separation circuit.

The planned testwork procedure consists of three stages:

- process development testwork on the West Deposit bulk sample
- sighter testwork on the second bulk sample taken from the East Deposit
- mineralogical characterization of twenty separate Heavy Mineral (**HM**) concentrates obtained from the drilling of the West, East, and South Deposits

The initial processing produced three products: Oversize (+2mm), Sand (-2 +0.045mm), and Slimes (- 0.045mm).

The sand fraction will be subject to further testwork to enable the development of an optimised process flowsheet for a full-scale wet concentrator plant. The slimes fraction will be subject to slimes characterisation test-work.

The heavy mineral concentrate recovered from the sand fraction will undergo further process testwork to enable development of an optimised process flowsheet and provide an indication of overall mineral recoveries and potential quality of the final products.

Astro expects to receive the final results from the testwork during February 2021. Samples of the three fractions separated from the bulk sample are shown in Figures 2 to 4. The proportions of the fractions were: Oversize 2%, Sand 86%, and Slimes 12%. The Heavy Mineral content of a <0.6mm split of the sand fraction was 5.6%.

The Company is delighted that the slimes fraction showed excellent initial settling characteristics, demonstrated clearly in Figure 6 which was photographed only an hour after a sample of the slimes was placed in a measuring cylinder.

The bulk sample was sourced from the full depth of the modelled HM mineralisation in all the air-core holes drilled by Astro into the West Deposit during early 2020 and, as such, is representative of its HM mineralisation. Full details of the drilling program including hole locations and HM intersections were reported to the ASX on 24th April 2020. Details of the West Deposit Indicated Resources were given in the same announcement.

Details of the exploration program and the bulk testwork are given in the Appendices (including JORC Table 1) to the 23 December 2020 ASX announcement.

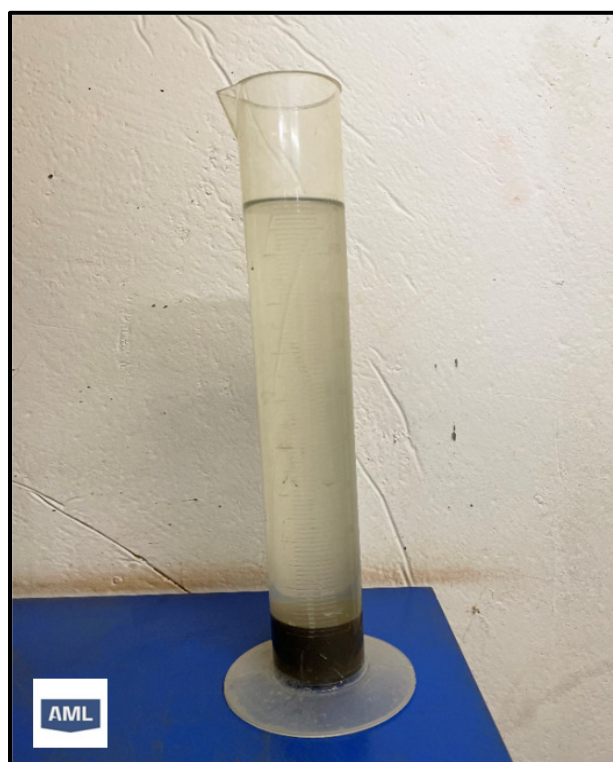


Figure 6. Results from slimes test

Jack Track – 20% owned

No work was undertaken during the quarter on the Jack Track project.

East Kimberly Diamonds

No activity was undertaken during the quarter on the East Kimberly Diamond Project during the reporting period.

Corporate Matters

Repayment of loan to Gun Capital Management

During the quarter, the Company repaid its loan to Gun Capital Management Pty Ltd (**GCM**), a company associated with Jacob Khouri, leaving the Company debt-free.

The loan was partially repaid from:

- the proceeds from convertible notes (see below); and
- the remaining amount of approximately \$731,000 was paid by the issue of ARO fully paid ordinary shares, following shareholder approval on 30 October 2020 and 27 November 2020. Please note that included in the amount of was \$731,000 was:
 - a minor discrepancy to GCM of approximately \$55,000, (refer to ASX announcement dated 19 October 2020); and
 - interest and fees a related entity to GMM Mining Investments Limited (**MIL**) of \$27,000.

Capital raising

During the quarter, the Company completed the following capital raisings:

- a placement of 190,814,597 ordinary shares at a price of \$0.0035 per share (ASX announcement 26 August 2020). The placement was issued out of the Company's 15% capacity under ASX Listing Rule 7.1;
- 593,781,159 ordinary shares at a price of \$0.0035 per share raising \$2,078,234 (also refer to ASX announcement 26 August 2020). The shares were approved by shareholders on 30 October 2020; and
- \$2,341,721 initially raised by way of convertible note from HPG Urban Holdings Pty Ltd and Agam Nominees Pty Ltd. The proceeds were used to repay the loan from GCM. The convertible notes were repaid by way of issue of 669,063,143 ordinary shares also approved at the meeting of shareholders on 30 October 2020.

Appointment of Non-Executive Director

As announced on 6 October 2020, Astro appointed Gregory (Greg) Jones as a Non-Executive Director of the Company as part of the Board's plans for achieving increased shareholder value, particularly for the Nevada Project. Greg has a strong background in projects with similarities to the Needles Project and extensive board experience with ASX listed companies.

Greg is a geologist with more than 35 years of exploration and mine operation experience in a broad range of commodities within Australia and overseas. Greg has held senior management positions in successful resource companies including Western Mining Corporation (WMC), Sino Gold Limited and CBH Limited.

Over the past decade, Greg has served on several boards of ASX listed resource companies, in executive (including Managing Director) and non-executive positions. Greg is member of the Australian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists and is also a Competent person as defined under the 2012 JORC code.

Steve Gemell resigned from the Board, effective from 6 October 2020.

Annual General Meeting results

At Astro's Annual General Meeting on 27 November 2020, all resolutions put to the meeting passed via a poll. Resolutions were as follows:

1. Adoption of Remuneration Report
2. Re-election of Directors – Jacob Khouri and Gregory Jones
3. Increase the Maximum Aggregate Amount of Non-Executive Director Fees
4. Approval of Payment of Bonuses to Mr Jacob Khouri and Mr Vincent Fayad
5. Approval of Issue of Shares in lieu of payment of accrued Director's Fees to Mr Jacob Khouri and Mr Vincent Fayad
6. Further Approval to the Issue of Shares in lieu of payment of accrued interest on the GCM loan and Advisory Fee to Mining Investments Limited
7. Approval of Additional Placement Capacity Under Listing Rule 7.1A.

General Meeting results

At a General Meeting of shareholders on 30 October 2020, all resolutions put to the meeting passed via a poll. Resolutions were:

1. Approval of Prior Issue of Shares under Tranche 1 Placement (190.8 million shares)
2. Approval of Prior Issue of Shares under Tranche 2 Placement (593.8 million shares)
3. Approval of Issue of Shares to Agam Nominees Pty Ltd on Conversion of Convertible Notes
4. Approval of Issue of Shares to HPG Urban Developments Pty Ltd on Conversion of Convertible Notes

5. Approval of Issue of Shares to GCM in lieu of Loan Repayment
6. Approval of Issue of Options to brokers.

Further explanations to the cash flow statement

Director fees

Set out below is the following additional information in relation to the cash flow statement:

| Name of Director | Nature of Payment | \$ |
|-------------------------|---|----------------|
| Gregory Jones | Ongoing Director fees | 8,200 |
| Stephen Gemell | Ongoing director fees | 3,940 |
| Jacob Khouri | Payment of outstanding Director fees up to and including 30 June 2020 | Nil |
| Vincent Fayad | Payment of outstanding Director fees up to and including 30 June 2020 | 153,670 |
| | Total | 165,790 |

Exploration costs

Set out below is a summary of the exploration costs incurred:

| Property | Nature of expenses | \$ |
|-----------------|----------------------------------|----------------|
| Needles | Geological mapping | 111,925 |
| | | |
| Mineral Sands | Metallurgical test bulk sampling | 42,791 |
| | Tenement administration | 623 |
| | Council rates | 149 |
| | | |
| Diamonds | Tenement administration | 2,041 |
| | Leasing and equipment charges | 6,920 |
| | | |
| | Total Exploration costs | 164,449 |

Announcement Authorisation

This announcement has been authorised for release by the board.

More Information

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The information in this report as it relates to Mineral Resources and Exploration Results for the Governor Broome Deposit (excluding that of the Iluka JV) is based on information compiled by John Doepel, Director of Continental Resource Management Pty Ltd (CRM), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Doepel has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration 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 Doepel consents to the inclusion in this announcement of the information in the form and context in which it appears.

The information in this report as it relates to Iluka JV is based on information compiled by Shaun Seah under the review of Brett Gibson who is a member of The Australian Institute of Geoscientists and a full time employee of Iluka. Mr Gibson has sufficient experience which is relevant to this style of mineralisation 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" and consents to the inclusion in the report of the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Needles Property is based on information compiled by Richard Newport, principal partner of Richard Newport & Associates – Consultant Geoscientists. Mr Newport is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Newport consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this report as it relates to Exploration Results for the East Kimberley diamond deposits is based on information compiled by Greg Bromley who is a Director of Sardonyx Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bromley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Bromley consents to the inclusion in the report of the information in the form and context in which it appears.

List of tenements as at 31 December 2020

| Holder | Project | Lease | Location | Lease Status |
|--|-------------------|--|-------------------------|--------------|
| Governor Broome | Governor Broome | Retention Licence R70/53 (formerly E70/2372) | Nannup - Southern WA | Granted |
| Governor Broome (20%), Iluka Resources Limited (80%) | Governor Broome | Retention Licence R70/58 (formerly E70/2464) | Nannup - Southern WA | Granted |
| East Kimberley Diamond Mines | Lower Smoke Creek | E80/4120 | Kimberley - Northern WA | Granted |
| Needles Holdings | Needles | | Nevada - USA | Granted |

Appendix 5B

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

Name of entity

ASTRO RESOURCES NL

ABN

Quarter ended ("current quarter")

96 007 090 904

December 2020

| 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 (if expensed) | (164) | (272) |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | (165) | (174) |
| | (e) administration and corporate costs | (106) | (136) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | | |
| 1.5 | Interest and other costs of finance paid | (47) | (47) |
| 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 | (482) | (629) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | | |
| | (b) tenements | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| | (c) property, plant and equipment | | |
| | (d) exploration & evaluation (if capitalised) | | |
| | (e) investments | | |
| | (f) other non-current assets | | |
| 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 | - | - |

| | | | |
|-----------|--|-------|---------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) (prior to costs) | 2,164 | 2,745 |
| 3.2 | Proceeds from issue of convertible debt securities | - | 2,342 |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (228) | (228) |
| 3.5 | Proceeds from borrowings(convertible note) | | |
| 3.6 | Repayment of borrowings | - | (2,252) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 3.9 | Other (Deposits in advance) | (1,007) | - |
| 3.10 | Net cash from / (used in) financing activities | 929 | 2,607 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,559 | 28 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (482) | (629) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 929 | 2,607 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 2,006 | 2,006 |

| | | | |
|------------|--|------------------------------------|-------------------------------------|
| 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 | 406 | 1,559 |
| 5.2 | Call deposits | 1,600 | - |
| 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) | 2,006 | 1,559 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 (Director Fees)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|----------------------------|
| 165 |
| - |

Note : The above payments to directors reflect fees for services rendered during the current quarter as well as owing up to 30 June 2020. More information concerning the breakdown of the relevant director payments can be found within the accompanying Quarterly Announcement.

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

| Total facility amount at current quarter end \$A'000 | Amount drawn amount at previous quarter \$A'000 |
|---|--|
| - | - |
| - | - |
| - | - |
| - | - |

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.

Not applicable.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (482) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (482) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 2,006 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 2,006 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 4 |

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: Although a response is not required, the Company intends to increase over the next three quarters its exploration activities for all of its projects and accordingly, this will reduce the funding for future quarters.

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: Again, although a response is not required, the Company is monitors its exploration activities closely and depending upon the requirements, may look to raising further capital to ensure that it can meet its objectives.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Again, although a response is not required, the current cash available is sufficient to meet the short term needs of the Company and the cash and exploration expenditure/working capital position is regularly monitored by the Company.

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: 29 January 2021

Authorised 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.