



# Quarterly Activities Report

For the period ending 31 March 2021

Advanced gold explorer, Alice Queen Limited (ASX: AQX) (Alice Queen or the Company) is pleased to provide its Quarterly Activities Report for the period ended 31 March 2021.

## Highlights

- ◆ Alice Queen proposes expansion to Fiji entering a conditional agreement to acquire 100% Fiji domiciled exploration company Viti Pte Mining Limited (Viti Mining) which it assisted to win two highly prospective licenses.
- ◆ Scoping Study commenced at Horn Island Gold Project.
- ◆ Completed 35 holes for 7,072m in Phase One RC drilling, immediately west of the existing Horn Island pit and, during the quarter, announced results from the first 15 holes of this program.
- ◆ Maiden diamond drill program (2 holes for 1,444m) completed at Mendooran Project, NSW to test the northern extension of the highly prospective Molong Volcanic Belt for undercover large Cu-Au bearing porphyry systems.
- ◆ Completed the 10 hole maiden diamond core program for 6,819m at Boda East and announced the results of the first 7 holes from this program.

# Horn Island

In March 2021, Alice Queen completed its Phase One RC infill drilling program at its Horn Island project in the Torres Strait, Queensland. The Horn Island Inferred Resource formed part of the “Excluded Zones” pursuant to the Company’s joint venture (JV) with St Barbara Limited (see notes at end of this section) which the Company is progressing independently of the JV.

AQX has reported gold assay intercept results for fifteen (15) RC drill holes from the infill program. These interim results represent ~ 40% of the gold assay data returned from a total thirty-five (35) hole program totalling ~7,072m (See ASX Release - 5 March 2021, “Horn Island Phase One RC Infill Interim Results” and Figure 1).

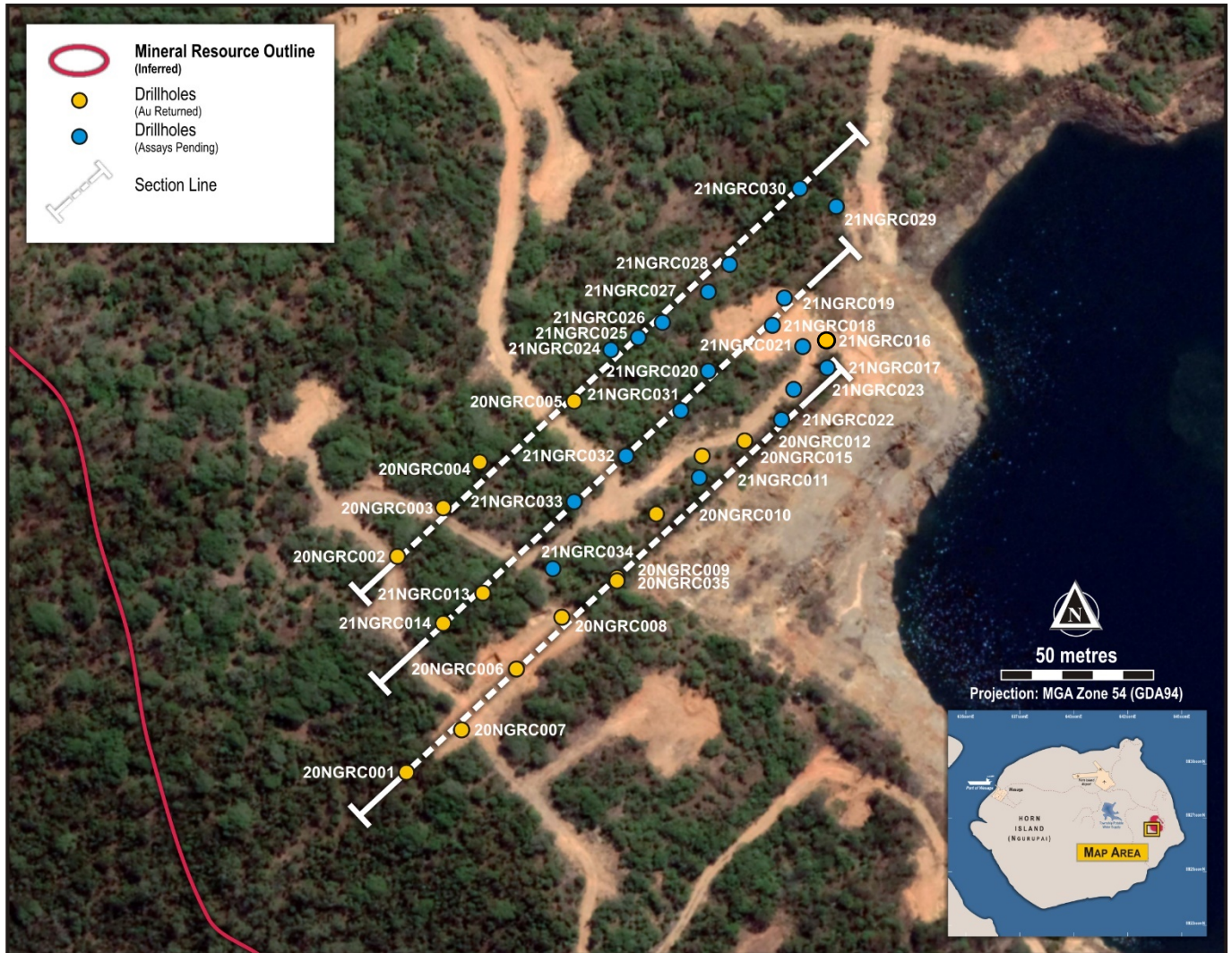


Figure 1 - Horn Phase One RC Infill Drill Plan

This initial Phase One RC drilling program is defined by a tighter spaced drill pattern of 20mx25m within three adjacent drill sections targeting the historic Pioneer gold lode and area immediately southwest of the 1980’s abandoned Horn Island open cut gold mine pit. This Phase One RC drilling program infills across existing AQX diamond drilling work broadly located on a 25 x 50m to 50m x 50m nominal grid. The purpose of the program is to further investigate the controls and distribution of gold mineralisation with closer spaced data and assess the impacts of a larger sample size from the RC drilling compared with diamond core. The Phase One and future RC drilling programs will also contribute to, and are seeking to progress, the Horn Island Inferred Resource (~0.5Moz Au) towards a revised resource estimate.



The majority of the holes were drilled towards a NE bearing (045° azimuth) at approx. 60° dip with one third of the holes designed as scissor holes (225° azimuth) to test alternative vein orientations and potential other mineralised trends. Only one of the RC scissor holes has had assays returned to date, noting that the previously completed diamond drilling scissor holes indicated elevated gold tenors. This is considered an encouraging early result now subject to further drill testing.

All 15 completed RC holes have returned gold grade assay intercepts zones greater than 0.5g/t Au, including:

- 2.0m @ 22.9 g/t Au from 37.0m (20NGRC001) incl. 1m @ 43.0g/t Au from 37m
- 19.0m @ 3.2 g/t Au from 80.0m (20NGRC004) incl. 3m @ 10.9 g/t Au from 93m
- 5.0m @ 4.2 g/t Au from 0.0m (20NGRC006) incl. 1m @ 17.3 g/t Au from surface
- 4m @ 15.2 g/t Au from 158m (20NGRC007)
- 10.0m @ 5.5 g/t Au from 187m (20NGRC009)
- 3m @ 12.9 g/t Au from 52m (20NGRC010) incl. 1m @ 31.1 g/t Au from 52m
- 7m @ 4.9 g/t Au from 69m (20NGRC010) incl. 1m @ 19.6 g/t Au from 69m
- 5m @ 4.2 g/t Au from 39m (20NGRC011) incl. 1m @ 15.6 g/t Au from 39.0m
- 48m @ 2.1 g/t Au from 127m (20NGRC013) incl. 6m @ 5.4g/t Au from 142m
- 7m @ 10.5 g/t Au from 159.0m (20NGRC014) incl. 1m @ 29.1 g/t Au from 162m.

In March 2021, AQX commenced a Scoping Study on the Horn Island Gold Project (the Project).

The target of the Scoping Study is to advance the Company's understanding of the economics of a potential open pit mining operation at the historic Horn Island gold mine. The existing open pit Inferred Resource (JORC 2012) of 7.9 Mt @ 1/9 g.t Au for 492koz (see ASX release 02/08/2018, "*Horn Island Resource Upgrade*") will be updated as part of the process and this will form the basis of the Scoping Study.

The Scoping Study will combine results from the Phase One Infill drilling campaign, updated metallurgical test work results, the pilot scale ore sorting test work undertaken using TOMRA and an updated process plant flowsheet and design to provide an insight into the potential future economics of the Project.

Alice Queen engaged Peter Fairfield, (Miner Insight Pty Ltd) as Study Manager, to co-ordinate the study team with the aim to release the study findings in Q3 2021.

As part of the Scoping Study, it is intended that the updated mineral resource model will be used to create a pit optimisation and processing plant flowsheet design.

In February 2021, TOMRA completed a pilot study test work program to assess the amenability of the Project's mineralisation to ore sorting techniques. The pilot study focused on a ~2,000 kg sample of fresh drill core and ~4,000 kg sample of low-grade stockpile material. These samples are currently being assayed by ALS in Perth, with results expected shortly.

The Scoping Study will also investigate improving the mined head grade through improved definition of the Mineral Resource and possible application of pre-concentration by Dense Media Separation (DMS) and Ore Sorting techniques.

In late March 2021, the Company advised it had received notification that St Barbara Limited intends to withdraw from the joint venture ("JV") signed with the Company in 2019, in respect of exploration areas outside of the Company's existing Horn Island Inferred Resource (JORC 2012) of 7.9Mt @ 1.9g/t Au for 492,000oz (see ASX release 2 August 2018, "*Horn Island Resource Upgrade*").



While the Company is disappointed that St Barbara has elected not to pursue further exploration expenditure under the JV, Alice Queen's key focus on Horn Island is, and will remain to be, prioritising work which seeks to progress, into development, the areas that were excluded from the JV in 2019.

Alice Queen continues to progress operations on the JV excluded areas, as it considers these areas hold the best prospect for short-term development.

## Boda East

In March 2021, Alice Queen provided an update of its Boda East diamond drilling program at its Yarindury Project (EL8646), located in the Lachlan Fold Belt, NSW.

AQX completed 10 angled diamond drill holes at the Boda East prospect (see Figure 2) which lies in the highly prospective northern Molong Belt for a total of 6,819m. A total of 3.2 km strike length was tested in the 10 holes, with hole depths ranging from 183.2 to 972.8m. The holes, designed to test the porphyry potential of the area, targeted a corridor of magnetic shoshonitic Ordovician rocks along the western boundary of EL8646. Boda East lies adjacent to Alkane's Boda Cu-Au porphyry prospect (e.g. KSDD007: 1,167m @ 0.55 g/t Au & 0.25% Cu from 75m<sup>1</sup>).

AQX reported results of seven of those holes: 20BEDH001-6 & 20BEDH008 during the quarter, with the results from the remaining three holes now due to be released to the market shortly (See ASX Release 1 March 2021, "Evidence of a Porphyry System at Boda East").

These initial results identified a structurally controlled Cu-Au-Mo porphyry system in the central magnetic complex with identifying features such as porphyritic diorite-monzonite-granodiorite dykes, pyrite-chalcopyrite ± bornite bearing quartz-carbonate (+biotite-actinolite-magnetite-epidote-chlorite) veins and disseminated sulphides in potassic to strong inner propylitic alteration around several key dykes. The dykes are discrete steeply dipping bodies which appear to extend to depth, though there has been some structural disruption by key faults (i.e. Limestone Fault). The dykes have been consistently intersected along the strike length of the central zone of mineralisation. Work is continuing to attempt to link the dykes across each drill section.

The previously reported results for 20BEDH001 to 480m returned a zone of disseminated and vein chalcopyrite in a halo of disseminated pyrite<sup>2</sup>. To show the continuity of the zone the previously reported results have been recalculated along with the latest data (Tables 2 & 3) at 0.05% Cu and 0.1 g/t Au cut-offs. The three key holes which currently define the mineralisation along the northerly dyke trend at Boda East are 20BEDH001, 20BEDH005 and 20BEDH008.

Results are pending for holes 20BEDH007, 20BEDH009 which lie in the main trend. However, geological logging of the intervening holes shows that the intrusive system continues along the main trend and confirms the steep structural trends. Hole 21BED010 was stepped out 800m to the north to test the potential for extended continuity of the system and grade improvement potential.

The discrete nature of the intrusions intersected so far suggests that the top, or margin, of a mineralised porphyry system has been identified. Future drilling will target areas where it is thought that the dykes are more well developed. Mineralisation is also present peripheral to the main trend though currently, there is insufficient data to define any trends.

Once all results are received, AQX will complete a targeting review to plan the next stage of exploration.

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<sup>1</sup> Alkane Resources Ltd, ASX Release, Significant High Grade Gold-Copper Mineralisation Intersected at Boda, 23 March 2020

<sup>2</sup> Alice Queen Limited, ASX Release, Results from the First Diamond Drill Hole at Boda East, 9 October 2020



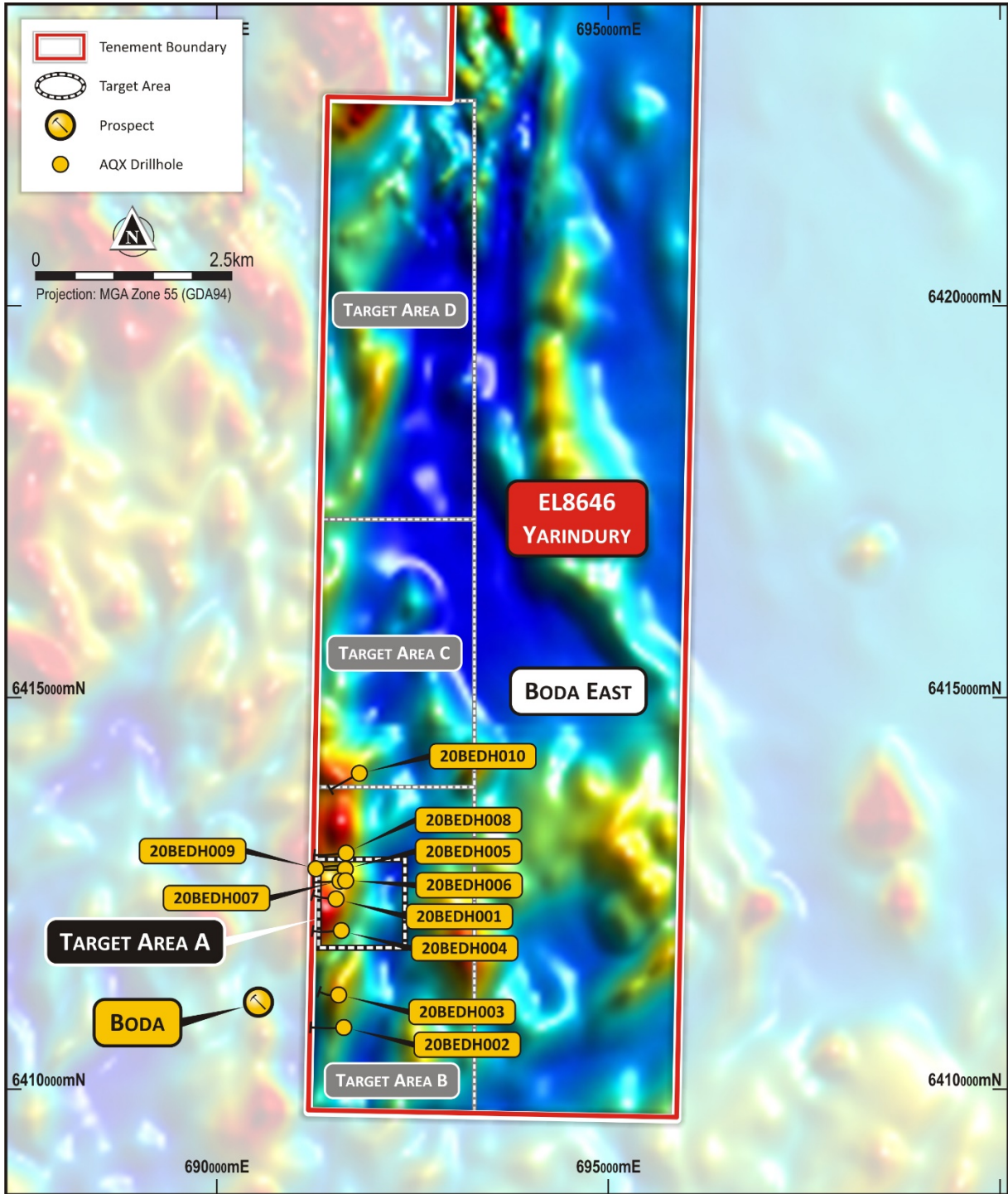


Figure 2 - Boda East drill plan



## Mendooran Project

In February 2021, Alice Queen announced that drilling has commenced at its Mendooran Project (EL8469), located in the Lachlan Fold Belt, NSW. The planned two-hole (1,200m) maiden mud-rotary-diamond drill program was designed to test for large Ordovician copper-gold porphyry systems in the northern Molong Volcanic Belt basement rocks, which lie under sedimentary basin cover sequences. The program has recently been completed and results are pending.

The target features designed to be tested in this maiden drilling program are broad magnetic high anomalies, interpreted to represent magnetite-bearing Ordovician volcanic rocks that may have the potential to host significant copper-gold bearing intrusive porphyry systems. The anomalies span 22km along strike of the tenement and this initial program aims to test two locations in the south as an initial guide to the area's prospectivity. These target rocks reside under younger sedimentary cover belonging to the Surat and Gunnedah Basins.

Basement depths are strongly controlled by regional faulting and are a variable which can only be clearly understood by drilling across the project area. Drilling to the south of the planned holes has indicated depths of approximately 250m to basement<sup>1</sup> and a similar depth is expected for the first hole, 21MEDH001 (see Figure 3).

A \$200,000 grant awarded from the NSW Government under the New Frontiers Co-operative Drilling initiative<sup>2</sup> will assist the Company with direct drilling costs and is recognition of the importance of understanding the Molong Volcanic Belt to the State of New South Wales.



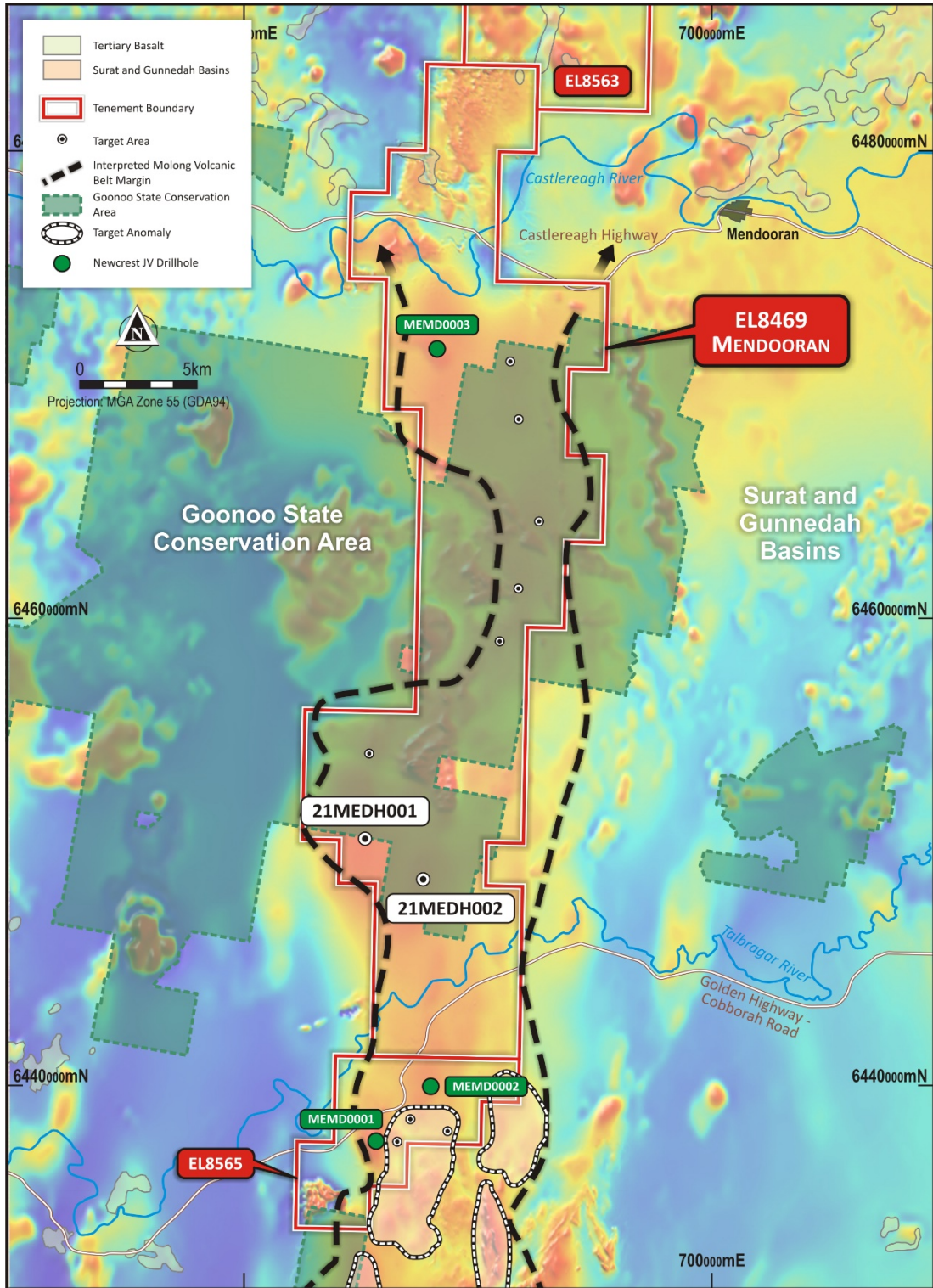


Figure 3. EL8649 Mendooran with surface outlines over RTP magnetic image



# Fiji

In March 2021, Alice Queen announced that it has entered a binding, conditional, share sale agreement to acquire Viti Mining Pte Limited, a Fiji corporation. Viti Mining and Alice Queen have worked in conjunction to secure recently granted applications for the **Nabila Prospect** (SPL1514) and **Viani Prospect** (SPL1513) in Fiji (refer Figure 4). Alice Queen will, subject to regulatory and completion conditions, acquire Viti Mining as the means to acquiring the rights to explore the Nabila and Viani Prospect (See ASX Release 10 March 2021, “Alice Queen Expands to Fiji”).

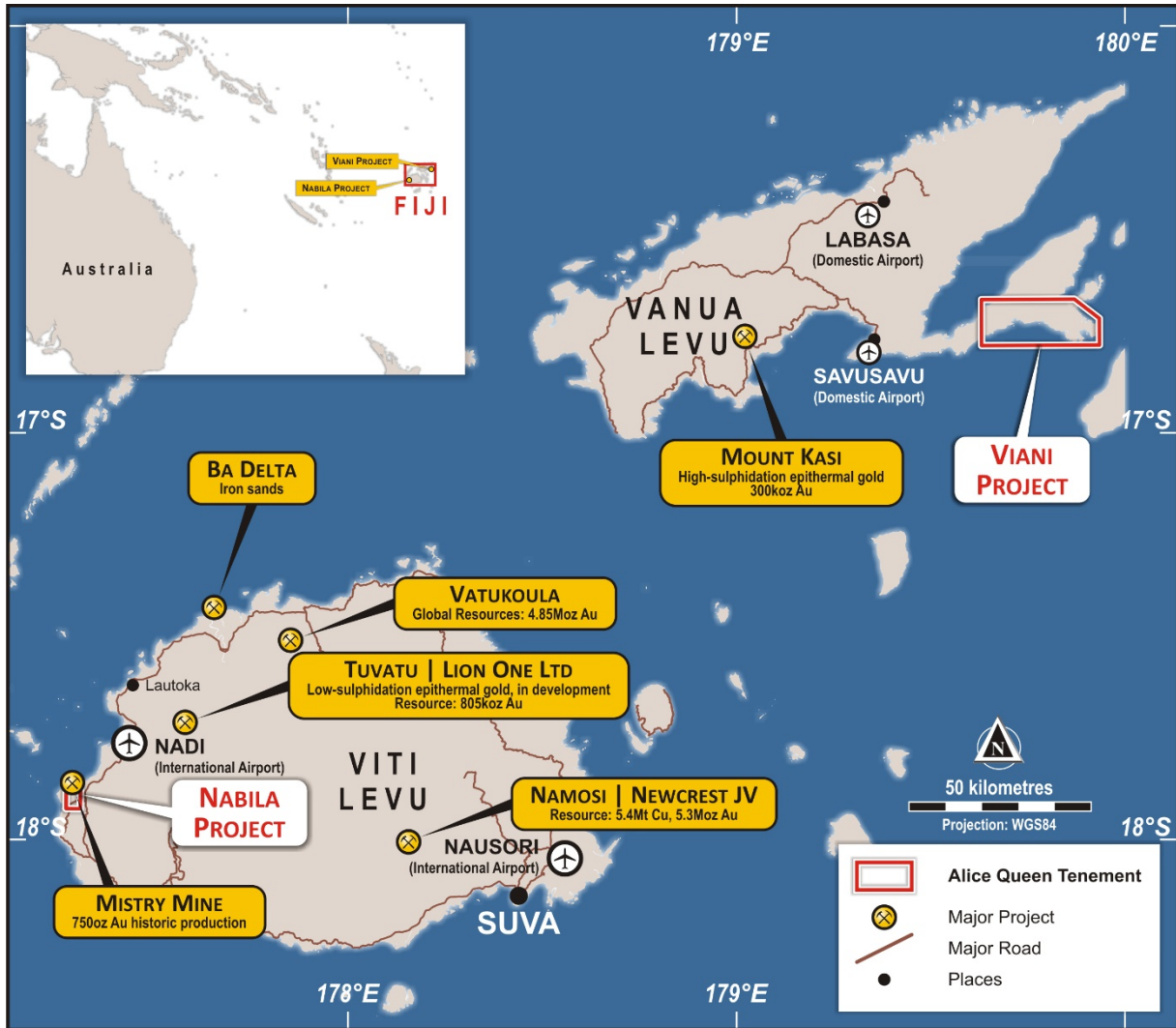


Figure 4. Map of Fiji indicating significant deposits and Viti Mining tenements (Viti Mining proposed to be acquired by Alice Queen)

## Nabila Prospect

The Nabila Prospect (SPL1514) licence area covers approximately 2.730 ha (27.3 km<sup>2</sup>) and is located on the western side of the main island of Viti Levu, south of Nadi International Airport. The Nabila Prospect lies on the same age alkali volcanic belt as Tuvatu, 30km to the north east and Vatukoula, 70km to the north east. It is easily accessible from the main Queen’s Highway by well- maintained gravel road.

Previous exploration conducted by several companies including Emperor Gold Mine, Climax Mining Fiji Ltd, Millennium Mining (Fiji) Ltd and Geopacific Resources Limited has outlined several areas which the Company considers prospective for future exploration. The main focus of the past exploration has been





the ~2 km long, gold base metal, surface anomaly between the historical Mistry Mine and the Faddy's Prospects.

The Company intends to conduct the following exploration work in order to seek to be able to report the prior exploration in accordance with the JORC Code 2012.

- Reprocessing of existing datasets including past geophysical surveys.
- Drill test for extensions to the Faddy's Prospect.
- Complete compilation of all available data aimed at generating additional targets for drilling within the Mistry Mine and Faddy's Prospect corridor and other prospects in the Nabila SPL1514 project area.

The Company intends to conduct the above in the next 24 months.

The Company notes that the minimum exploration expenditure on the Nabila Prospect for the first year is FJ\$150,000.00.

### Viani Prospect

The Viani Prospect (SPL1513) licence area is approximately 20,854 ha (208.5 km<sup>2</sup>) and is located on Vanua Levu, the second largest island of Fiji. The project area is easily accessible via the Hibiscus highway from the domestic airport of Savusavu, which is located 50 km to the west of the project area.

At the Dakuniba prospect, low sulphidation epithermal veins host gold mineralisation within the Upper Miocene to Lower Pliocene Dakuniba Basalts. The Dakuniba Basalts are a volcanic series of lavas, tuffs and volcanic breccias. Surface rock and soil geochemical sampling has defined a 4.3km surface gold anomaly at Dakuniba which correlates with the epithermal veining. Outcrop and core sampling by previous companies describes classic epithermal 'boiling' textures such as colloform and crustiform banding which correlates to bonanza style high grade gold assays.

The Company intends to conduct the following exploration work in order to be able to report the prior exploration in accordance with the JORC Code 2012:

- Verification of the MMAJ/JICA drillcore: re-logging and re-assaying (if conditions of conservation allow it).
- Field verification including surface and structural mapping, detailed soil sampling, surface sampling and trenching across the identified 10 ppb and 50 ppb gold soil anomaly.
- Geophysics including high resolution ground magnetics and resistivity-IP survey.
- Drill target testing based on the findings from the previous phases. The Company intends to conduct the above in the next 24 months.

The Company notes that the minimum exploration expenditure on the Viani Prospect for the first year is FJ\$60,000.00.

The Company will provide further updates in due course however, based on current advice, is targeting completion of the acquisition of Viti Mining in approximately 2 months (pending regulatory approvals), however preliminary exploration works including desktop review and database consolidation are underway.



## Corporate

The Company ended the quarter with c\$2.5 million in cash.

During the quarter ended 31 March 2021, the Company incurred costs of \$3.3M (ex GST) on exploration expenditure as set out below. These costs are on an accrued basis and include certain staff and management time expenditure allocated to project costs.

- ◆ \$1.7M relates to the works on EPM25520 at Horn Island as described on pages 2 to 3 of this report before the recovery of certain costs from St Barbara Limited under the terms of the Joint Venture Agreement; and
- ◆ \$1.6M were for costs associated with tenements in NSW as described on pages 4 to 7 of this report. These costs include drilling and associated costs incurred for EL8469 of \$904K.

The Company also incurred costs associated with the Fiji tenements as described on pages 8 and 9 amounting to A\$58K and a payment for a security deposit for these tenements of A\$13K.

During the quarter ended 31 March 2021, a total of \$209,622 (ex GST) was paid to related parties and their associates which is comprised of fees paid to executive directors and non-executive directors as well as superannuation contributions where applicable.

## Tenement Summary

Tenement	Location	Current Holder*	Interest	Area (Sub Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	19	08/10/14	07/10/24
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	73	25/01/16	24/01/21
EL8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30/09/16	30 /09/26 (Pending)
EL8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12/05/17	12/05/21
EL8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17/05/17	17/05/21
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12/09/17	12/09/25
EL8985	New South Wales	Monzodiorite Pty Ltd	100%	27	16/06/20	28/05/26

\* Note: Alice Queen Limited holds an 84.5% equity interest in Kauraru Gold Pty Ltd. Alice Queen Limited holds a 90% equity interest in Monzonite Metals Pty Ltd.



## END NOTES

1. Alice Queen Limited, ASX Release, NSW Porphyry Projects Update, 22 November 2019
2. Alice Queen Limited, ASX Release, New Frontiers Cooperative Drilling Grant Awarded to Mendooran Project, 1 April 2020

### ASX Listing Rule 5.23 Statement

The information in this ASX Release that relates to the Company's Mineral Resource estimate is extracted from and was reported in the Company's ASX announcement titled "Horn Island Resource Upgrade" dated 2 August 2018, which is available at [www.asx.com.au](http://www.asx.com.au) the competent person being Mr. Richard Buerger BSc. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Company confirms that the form and context of the Competent Person's findings in relation to that Mineral Resource estimate have not been materially modified from the original market announcements.

The information in this ASX Release that relates to Exploration Results is extracted from:

- (1) The report released 5 March 2021 '*Horn Island Phase One RC Infill Interim Results*', Mr Adrian Hell BSc a competent person which is available at [www.asx.com.au](http://www.asx.com.au)
- (2) The report released 2 August 2018, '*Horn Island Resource Upgrade*', Mr Richard Buerger, BSc a competent person which is available at [www.asx.com.au](http://www.asx.com.au)
- (3) The report released on 1 March 2021, '*Evidence of a Porphyry System at Boda East*', Dr Jeff Vassallo a competent person which is available at [www.asx.com.au](http://www.asx.com.au)
- (4) The report released 10 March 2021, '*Alice Queen expands to Fiji*', Patrick Creenaune BSc (Hons) MSc a competent person which is available at [www.asx.com.au](http://www.asx.com.au)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context of the respective competent persons' findings in relation to that report have not been materially modified from the original market announcement.

Approved by the Board of Alice Queen Limited.

## For more information:

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## Appendix 5B

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

Name of entity

<b>Alice Queen Limited</b>
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ABN

<b>71 099 247 808</b>
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Quarter ended ("current quarter")

31 March 2021
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(378)	(966)
(e) administration and corporate costs	(90)	(1,104)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Management fees for services provided to joint venture partner	80	157
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(388)</b>	<b>(1,912)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	(137)	(229)
(c) property, plant and equipment	6	(88)
(d) exploration & evaluation (if capitalised)	(2,225)	(6,300)
(e) investments	-	-
(f) other non-current assets	-	-

## 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 (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 - Proceeds from joint venture partner	798	1,570
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,558)</b>	<b>(5,047)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	17
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(476)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>6,541</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,473	2,945
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(388)	(1,912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,558)	(5,047)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,541

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,527</b>	<b>2,527</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,527	4,469
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (proceeds from exercise of options held in trust account until shares were issued on 13 January 2021)	-	4
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,527</b>	<b>4,473</b>

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

- |     |   | <b>Current quarter<br/>\$A'000</b> |
|-----|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 210                                |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Fees paid to Executive and Non-Executive Directors and superannuation where applicable.

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

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>	[ ]	
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(388)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(2,225)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,613)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,527
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,527
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	0.97

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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?

The Company commenced drilling programs as announced to ASX on 20 January 2021. During the quarter ended 31 March 2021, the Company incurred drilling and other related costs at the Company's properties in both NSW and QLD and are reflected in the expenditure as reported in Item 2.1 (d).

The Company's cash position substantially dictates the quantum of its exploration and evaluation expenditure and the Company has the capacity to control the level of expenditure based on its financial position. Furthermore, the Company's exploration and evaluation expenditure as reported in Item 2.5 (d) includes expenditure incurred by the Company of which certain costs have been or will be reimbursed to the Company from its joint venture partner.

The calculation above does not consider the cash received from the joint venture partner in the current quarter as reported in Item 2.5 which amounts to 798K.

- 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?

The Company is an exploration company and is always assessing fundraising options.

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

Yes, for the following reasons:

As noted above, the Company has progressed its drilling programs at both its New South Wales projects and at Horn Island. In summary, the Company will continue to progress its operations on the JV excluded areas at Horn Island and, in NSW, the Company will complete a targeting review to plan the next stage of exploration once all the recent drilling results have been received. A key part of the exploration program during the reporting period in New South Wales was drilling at Mendooran which is the subject of a government drilling grant of up to \$200,000. The Company has also committed to an exploration program for the tenements in Fiji as set out in the activities report.

The Company's cash position substantially dictates the quantum of its exploration activities and the Company has the capacity to control the level of expenditure based on its financial position.

## Compliance statement

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

Date: 28 April 2021

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.