AUSQUEST LIMITED

ABN 35 091 542 451

Quarterly Report – 30th June 2021

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- Diamond drilling (4 holes / 2,112m) of magnetic targets at the Hamilton Copper Project in north-west Queensland reported visible chalcopyrite-pyrite-magnetite mineralisation within an ironstone sequence similar to the nearby Osborne copper-gold mine.

- DHEM surveys are planned (Q3 2021) at Hamilton to locate possible "near-miss" massive mineralisation under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

- Anomalous nickel-copper values (up to 1680ppm Ni and 450ppm Cu) associated with an interpreted ultramafic intrusion were reported from shallow aircore drilling at the Balladonia Project in the Fraser Range Province of Western Australia (WA) under the SAA. Potential for Broken Hill Type (BHT) mineralisation was also identified within the area.

- Three priority electromagnetic (EM) targets were identified by helicopter electromagnetic (HEM) surveys over the Morrisey Nickel-Copper Project within the Narryer Terrane of WA. Ground follow-up under the SAA is planned for Q3 2021.

Peru – Copper-Gold

- Strong evidence for extensive manto-style copper mineralisation indicated by initial "Proof of Concept" Reverse Circulation (RC) drilling within the Parcoy Copper Project. Further exploratory drilling is being considered under the SAA.

- Better Parcoy intersections within widely spaced drill-holes include 34m @ 0.22% Cu from 8m, 40m @ 0.22% Cu and 1.0g/t Ag from 266m, 36m @ 0.26% Cu from 280m (including 4m @ 0.36% Cu & 1.1g/t Au).

- Porphyry copper potential continues to be highlighted within the greater Cerro de Fierro Project, with up to five priority targets identified within the eastern extension of the main project. Further exploration activity is currently being considered under the SAA.

Corporate

- The Company's Quarter-end cash position was ~$5.4 million.

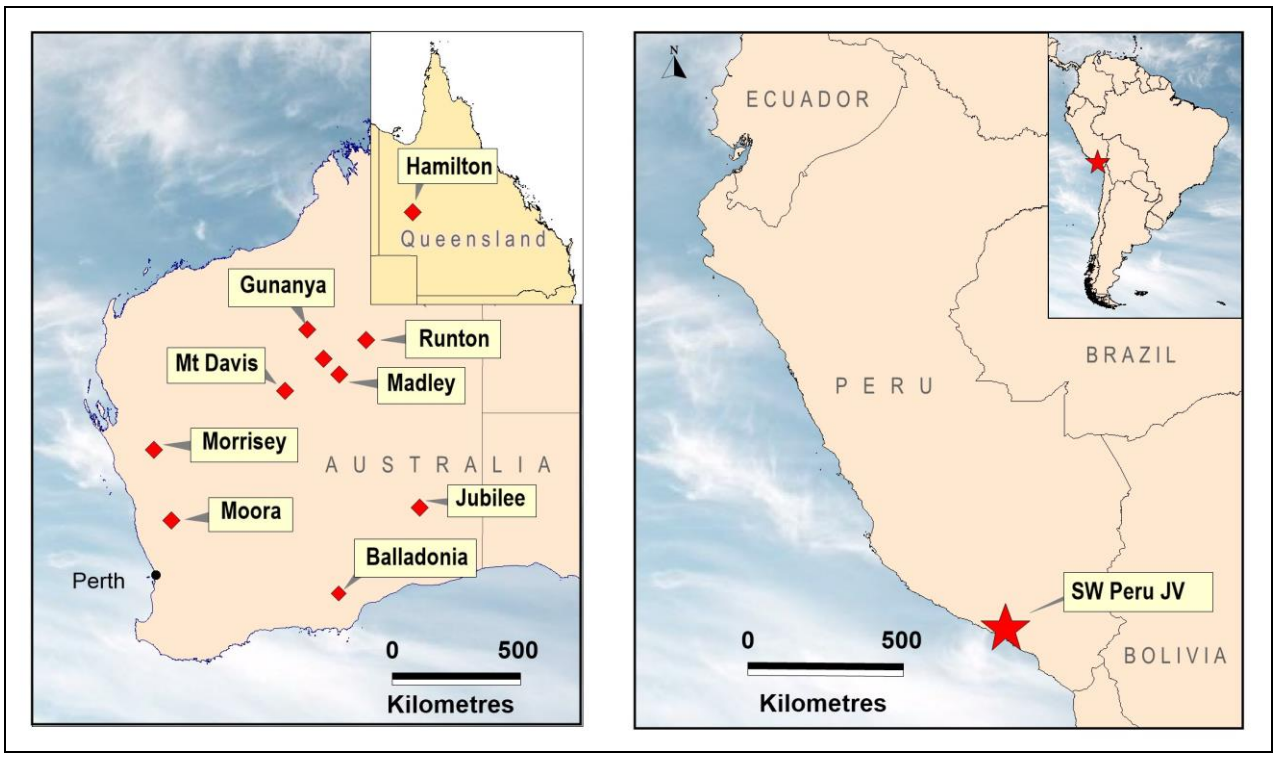

Figure 1: Project Locations – Australia and Peru

OVERVIEW

Exploration activity during the Quarter focused on drilling operations at three of the Company's projects, one in southern Peru and two in Australia, as well as advancing new projects towards the drilling stage in both countries.

In **Australia,** a third round of drilling was completed at the Hamilton Copper Project in north-west Queensland and early-stage reconnaissance drilling undertaken at the Balladonia Nickel-Copper Project in WA. A large helicopter EM survey was also completed at the Morrisey Nickel-Copper Project (WA) following acceptance of the project as a new opportunity under the SAA with South32.

In **Peru,** focus turned to completing the maiden drilling at the Parcoy Copper Project in order to provide 'Proof of Concept" for large scale manto-style copper mineralisation to add to the extensive mineralisation already found at the Company's Cerro de Fierro project located ~50km to the south. Permitting and planning for initial drill testing at the Los Otros and Cerro de Fierro East Projects also continued.

AUSTRALIA – GOLD and BASE METAL PROJECTS (Copper, Nickel, Zinc)

<u>Hamilton Copper-Gold Project</u> (*100% AQD, subject to SAA*)

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine and ~70km south of the Osborne copper mine. It consists of two Exploration Licences covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets provided evidence for "near-miss" situations which are the focus of the Company's exploration programs. Exploration work at Hamilton is being funded under the SAA.

During the Quarter a targeted diamond drilling program (4 holes for a total of 2113m) identified potential for nearby copper mineralisation similar in style to that found at the Osborne copper-gold mine (global resource ~36Mt @ 2% Cu, 1g/t Au) located approximately 70km to the north (*ASX release 30June 2021*)

The wide-spaced drilling intersected chalcopyrite-pyrite mineralisation within a

banded ironstone sequence in both the southern and northern prospects, providing a vector for follow-up exploration, targeting potential massive sulphide mineralisation (*Figures 2 and 3*).

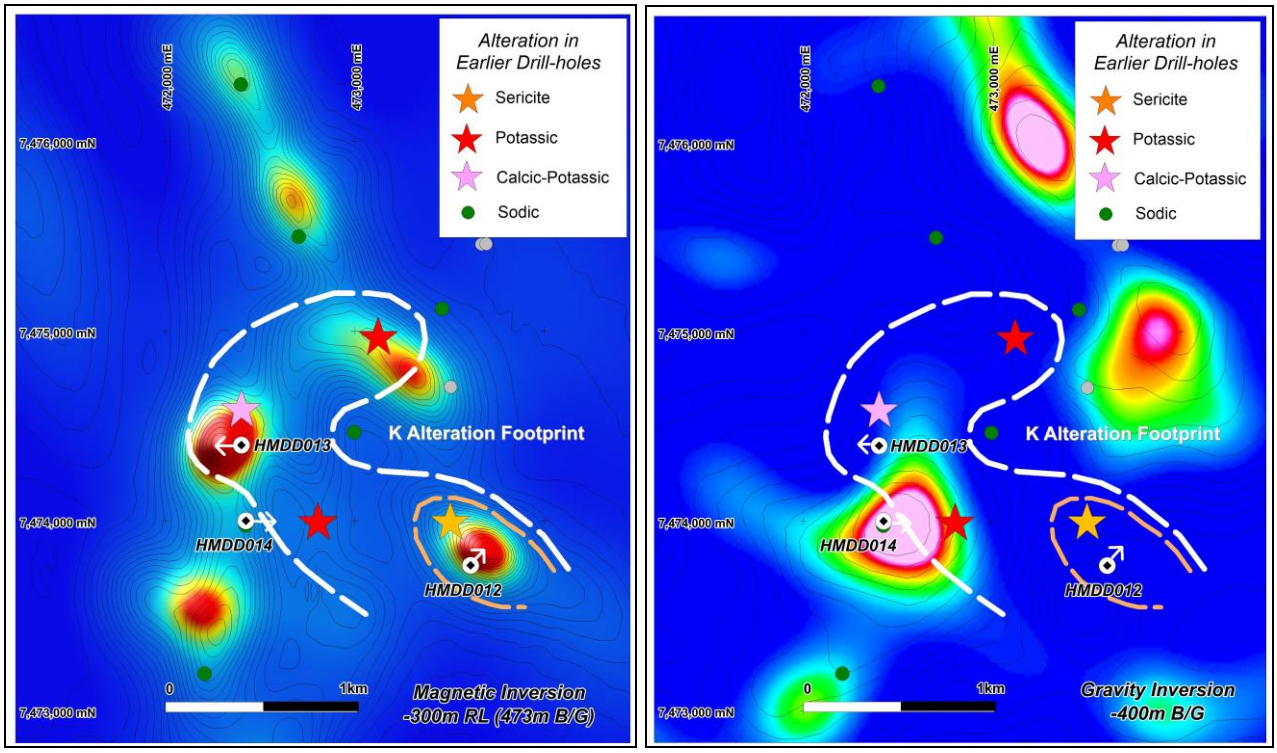

Figure 2: Hamilton South magnetic and gravity targets showing location of drill-holes

Narrow intervals (~5m to 9m) containing visual estimates of trace (up to 1 to 2%) chalcopyrite, associated with greater amounts of pyrite and magnetite, were intersected in drill-holes HMDD012 and HMDD013 in the southern area, and over an approximate 40m down-hole interval in drill-hole HMDD015, the first hole drilled into the northern magnetic target.

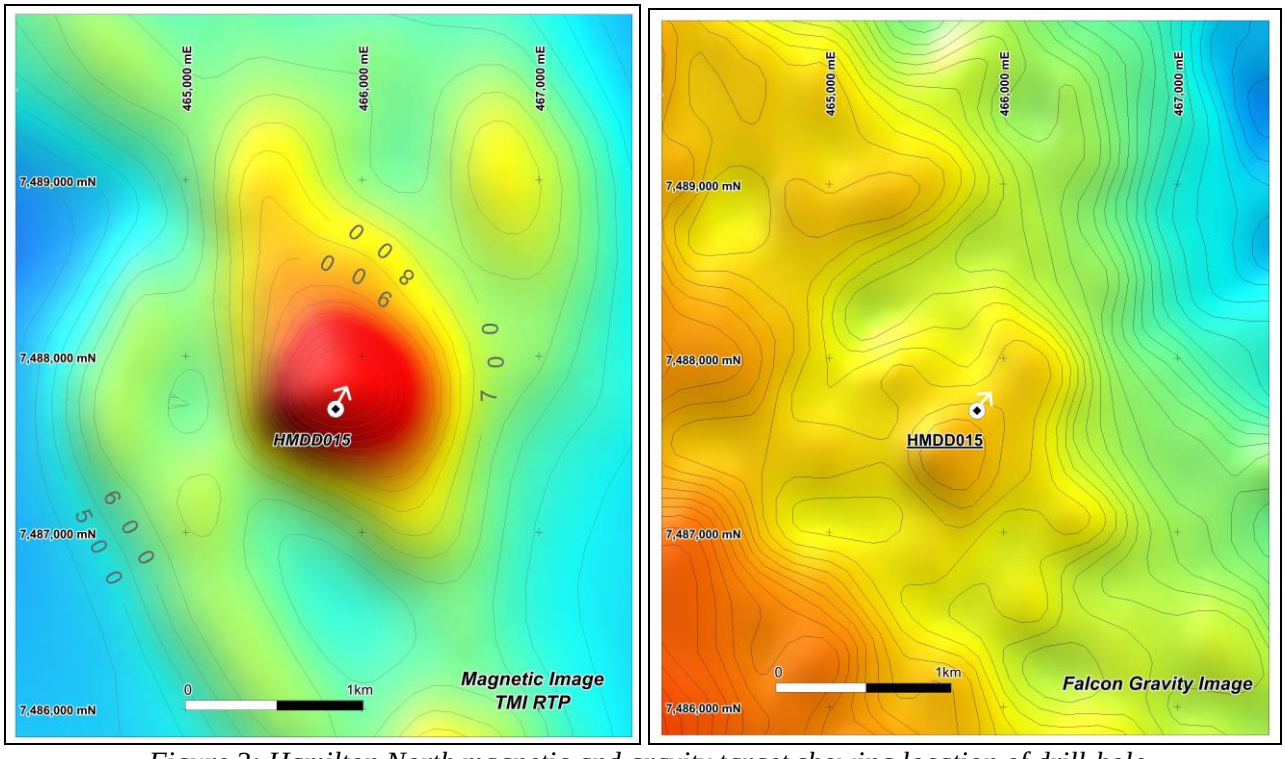

Figure 3: Hamilton North magnetic and gravity target showing location of drill-hole

Drilling also intersected wide zones (~20m to 60m) of relatively intense carbonate flooding, mainly within amphibolite host rocks (metamorphosed mafic igneous rocks), which is known to reflect alteration associated with mineralisation found elsewhere in the district.

These results are considered to be highly encouraging and follow-up down-hole electromagnetic surveys (DHEM) have been planned for early August to test for massive copper mineralisation close to the drill-holes (within ~200m).

The banded ironstone sequence intersected in three of the drill-holes (HMDD012, HMDD013 and HMDD015), is characterised by both layered and skarn-like accumulations of magnetite. It occurs within a sequence dominated by amphibolites and occasional granitic pegmatites, except for drill-hole HMDD012 where the ironstones occur within a meta-sedimentary (pelitic) sequence.

Highly anomalous magnetic susceptibility measurements (>0.5 SI units) confirm the ironstones are the main cause of the strong magnetic anomalies being targeted. Structural measurements on oriented core suggest the sequence is relatively tightly folded, which may provide preferential trap sites (fold hinges) for the accumulation of sulphide mineralisation, as is common at other deposits in the region.

All drill core was sampled at one metre intervals with samples sent to Intertek Genalysis for analysis. Assay results are expected in Q3 2021, at which time a full analysis of the drilling results will be possible.

The Hamilton Project covers a belt of magnetic rocks extending over approximately 30km strike length from north to south, under Eromanga Basin cover which varies from ~190m thick in the north to ~220m in the south. Numerous targets within this belt have never been tested by drilling (*Figure 4*).

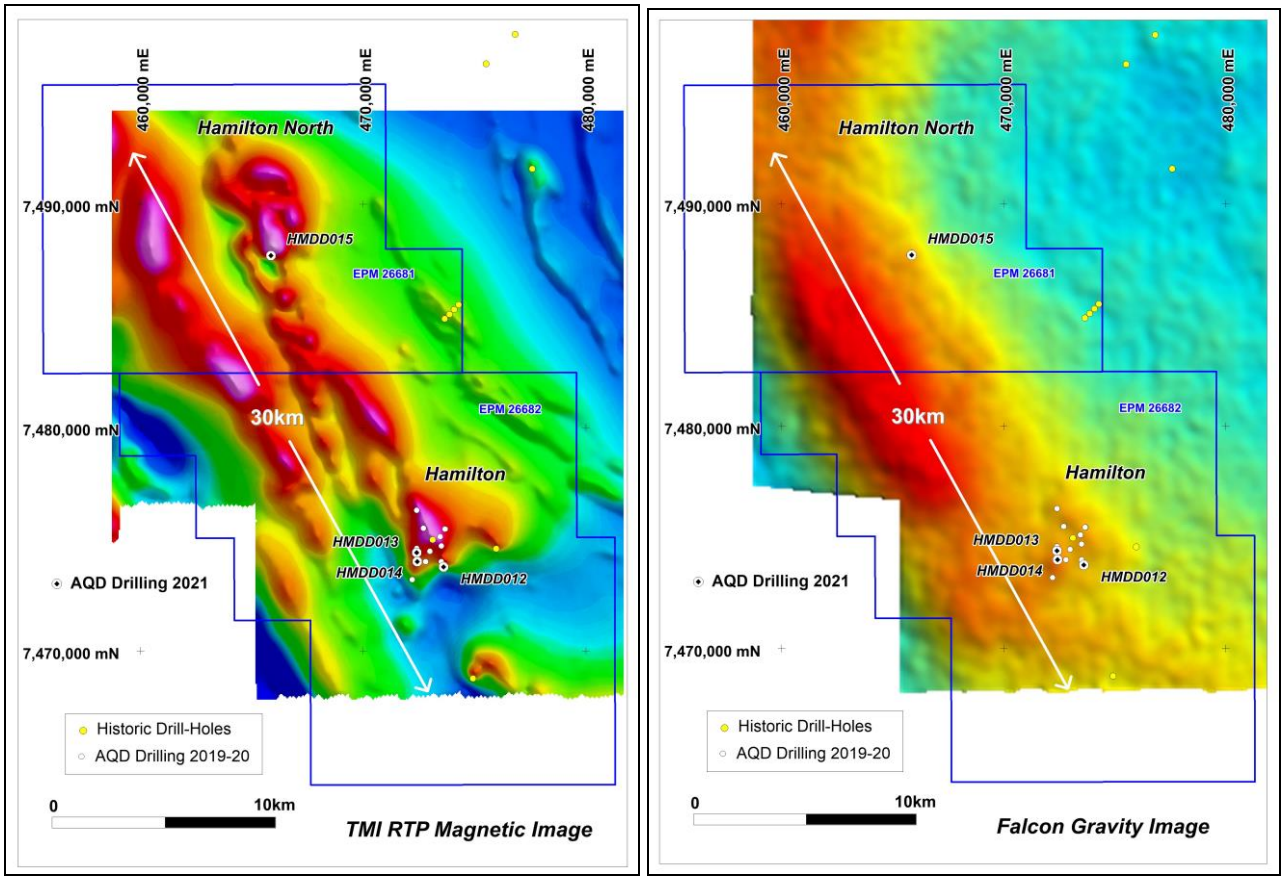

Figure 4: Hamilton Project magnetic and gravity target showing location of drill-holes

<u>Balladonia Nickel-Copper Project</u> ***(100% AQD, subject to SAA)***

The Balladonia Project is located ~50km south of the Nova–Bollinger nickel-copper deposit. It consists of seven Exploration Licences (three granted and three applications) covering an area of ~750km² and is located within a structurally complex region of the Fraser Range Terrane. It is centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks that may be similar to those related to the formation of the Nova deposit. Comparisons with the Eastern Succession of north-west Queensland (east of Mt Isa), where iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits are known to occur are also apparent. Many of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded under the SAA.

During the Quarter reconnaissance aircore drilling (54 holes / 1110m) reported anomalous nickel-copper values associated with an interpreted ultramafic intrusion, as well as identifying potential for Broken Hill Type (BHT) and/or iron-oxide copper-gold (IOCG) mineralisation associated with magnetic targets (*ASX release 23 July 2021*).

The aircore holes were drilled along selected traverse lines between 400 metres and 800 metres apart, to provide a first-pass prospectivity test of four magnetic targets. Three were considered as possible IOCG and/or BHT deposits similar to those found in the Eastern Succession of north-west Queensland, and one (magnetic low), a possible ultramafic intrusion, similar to those that host nickel-copper mineralisation elsewhere in the Fraser Range (*Figure 5*).

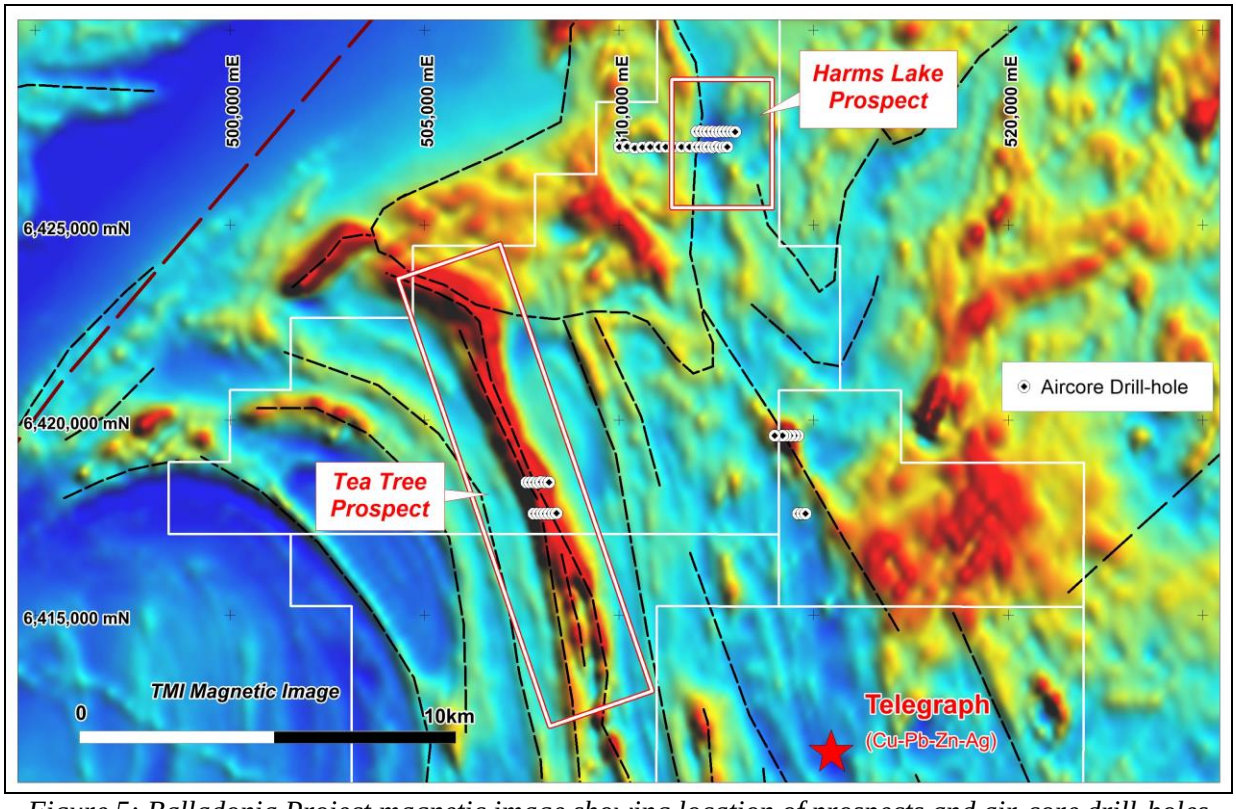

Figure 5: Balladonia Project magnetic image showing location of prospects and air-core drill-holes

Aircore drilling (400m x 100m) over the newly named **Harms Lake Prospect** intersected a thick section (~50m) of highly weathered rocks (saprolite) over the magnetic target being tested. These contained anomalous levels of nickel (up to 1680ppm Ni), copper (up to 450ppm Cu), and chrome (up to 2500ppm Cr) suggesting a close affinity with ultramafic rock types and the potential for Ni-Cu sulphides beneath the saprolite (*Figure 6*).

Elevated rare earth elements were also reported in several drill-holes (up to 1600ppm

Ce, 620ppm La, 380ppm Y) suggesting a possible association with carbonatite intrusions as were found at the Telegraph prospect, ~16km to the south.

At the newly named **Tea Tree Prospect** two reconnaissance lines of aircore drilling (800m x 100m) were completed across the magnetic target. Hole depths varied from ~5m to 28m with the majority of holes ending in saprolite.

Two drill-holes intersected recognisable bedrock (garnet gneiss) with both holes returning anomalous pathfinder geochemistry - including elevated lead (119ppm Pb), zinc (280ppm Zn), tin (9.5ppm Sn), molybdenum (25ppm Mo), cadmium (3.0ppm Cd) in drill-hole BDAC110 - within a garnet gneiss that had been subjected to iron (Fe), manganese (Mn) and potassic (K) alteration (*Figure 6*).

The geochemically anomalous intercepts occur within a package of strongly magnetic rocks which likely include ironstone (Banded Iron Formation - BIF) units. Similar packages of rocks are often associated with base metal mineralisation in the Eastern Succession of north-west Queensland where a number of BHT and IOCG deposits have been discovered. Further exploration is currently being planned.

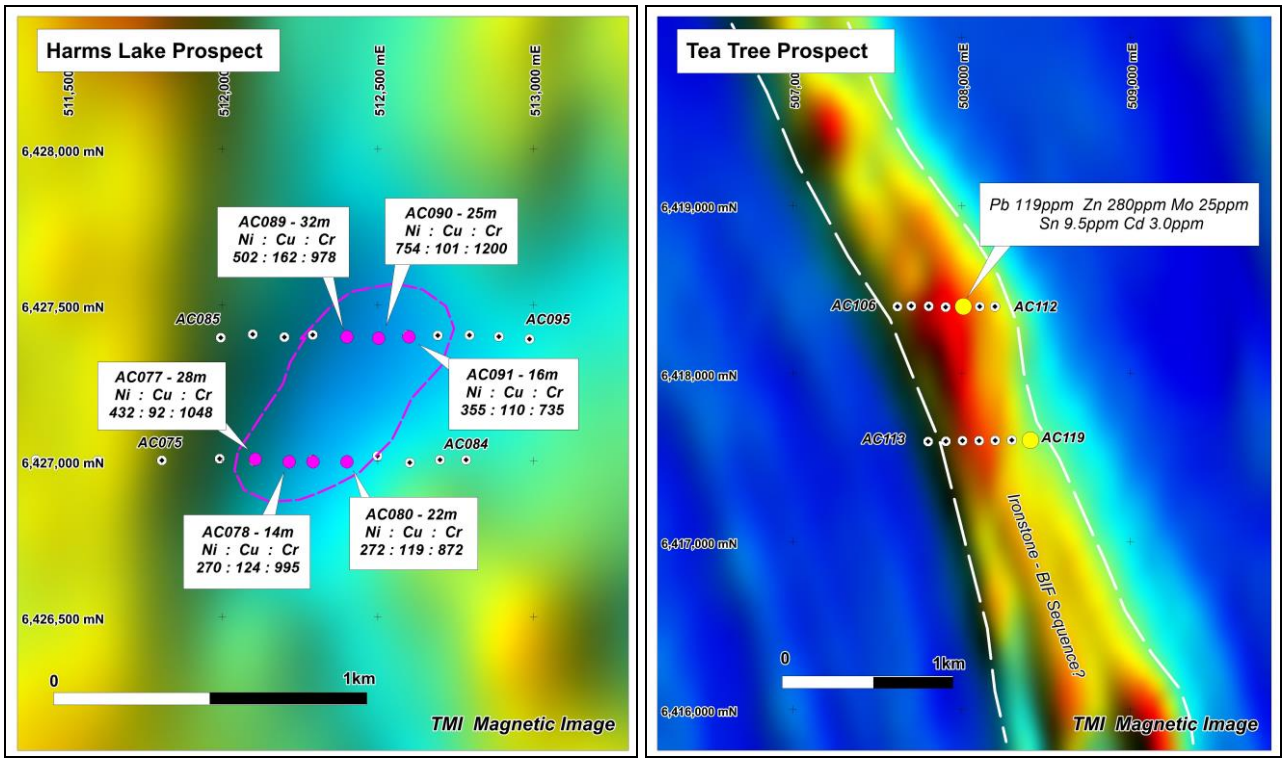

Figure 6: Magnetic images showing aircore drilling results over Harms Lake and Tea Tree Prospects

<u>Morrisey Nickel-Copper Project</u> ***(100% AQD, subject to SAA)***

The Morrisey Project is located ~500km north of Perth in Western Australia within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. It consists of two granted Exploration Licences (ELs) and three EL applications covering an area of ~1,200km² parallel to the Yilgarn Craton boundary. The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.

During the Quarter, a helicopter-borne electromagnetic (HEM) survey was completed to locate EM responses that could reflect nickel-copper-platinum group element (PGE) sulphide mineralisation similar to that found at Nova-Bollinger in the Fraser Range of WA, and at the new Julimar discovery north of Perth (*ASX release 27 July 2021*).

A total of 2,200 line kilometres of HEM were undertaken on NW-SE oriented lines 150m apart by NRG Australia using the Xcite HEM

system. Three discrete EM responses, closely associated with magnetic source rocks (potential ultramafics) and anomalous soil geochemistry (Ni, Cu) as reported to the ASX in the Company's December 2020 Quarterly Report, were located for immediate ground follow-up.

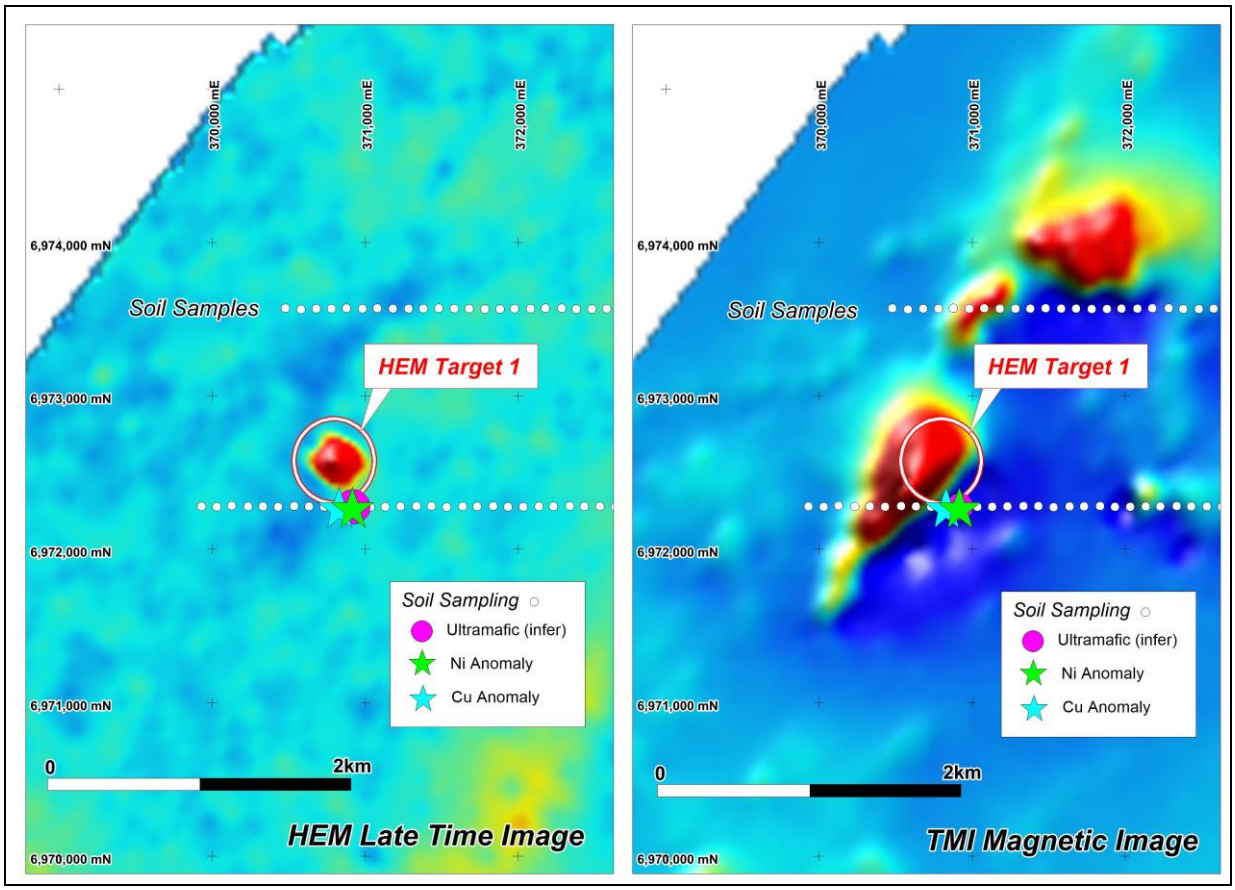

Figure 7: Morrisey HEM Target 1 showing association with magnetics and soil geochemistry

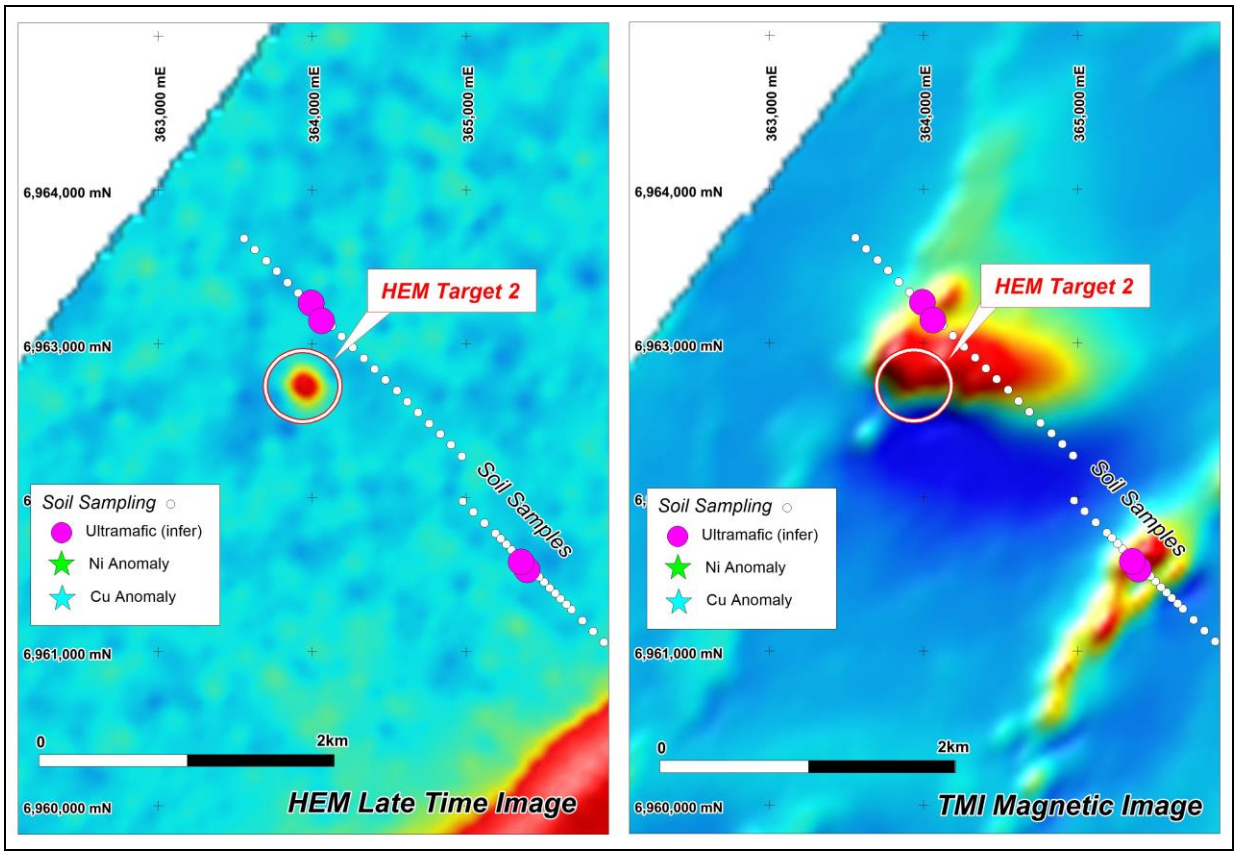

Figure 8: Morrisey HEM Target 2 showing association with magnetics and soil geochemistry

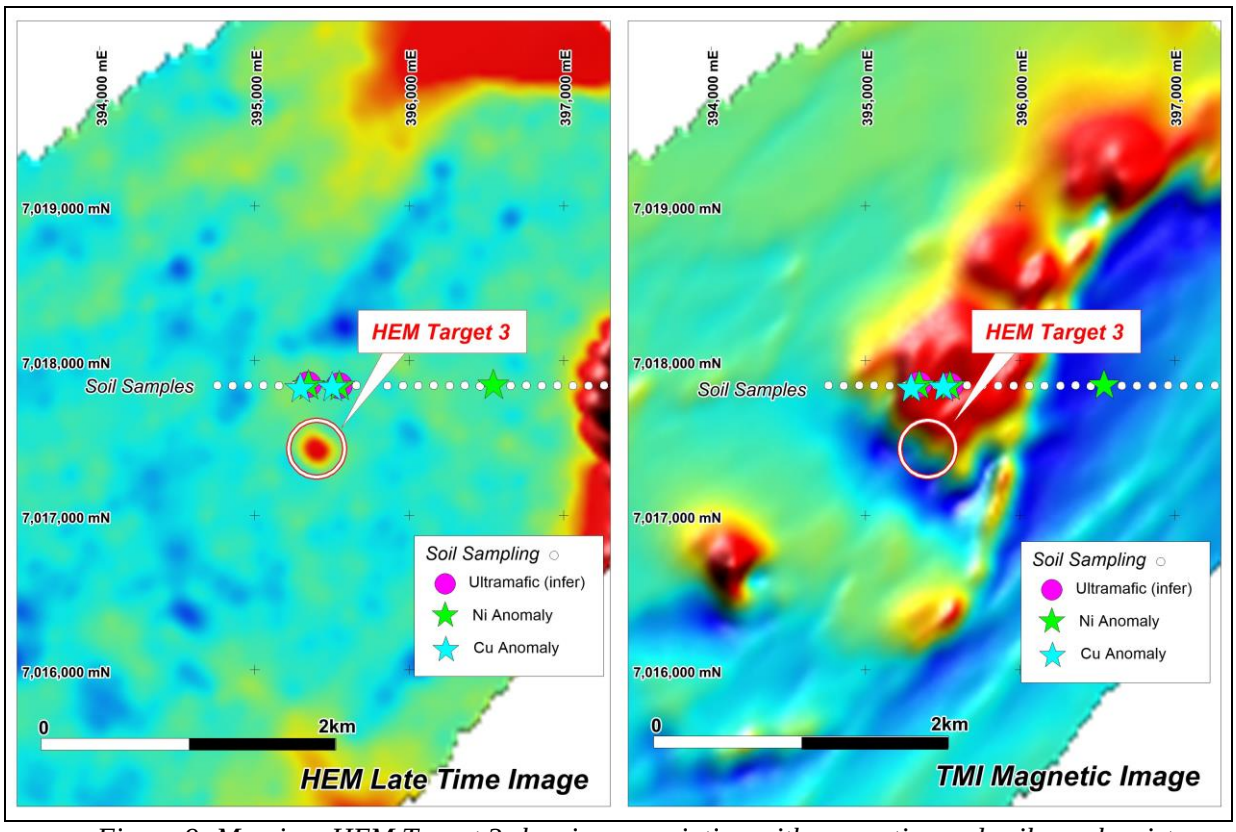

Figure 9: Morrisey HEM Target 3 showing association with magnetics and soil geochemistry

The three EM targets are strike limited and have mid to late time EM responses reflecting moderate to strong conductive sources. All three anomalies have a strong probability that they reflect sulphide mineralisation as there are no obvious responses from conductive sediments (graphite) or conductive overburden (clays, salinity) in the surrounding areas (*Figures 7, 8 and 9*).

Background conductivity levels across much of the area were very low (except in areas of significant drainage) providing favourable ground conditions for HEM surveying.

Computer modelling of the EM anomalies has been initiated and field reconnaissance over target areas, including detailed surface sampling, is planned to commence in August. Ground EM surveys to optimise drill sites will be considered once results from the initial reconnaissance sampling programs are available.

Paterson Gold-Copper Projects (100% AQD)

The Paterson Gold-Copper Projects are located ~250km east of Newman within the Paterson Province of Western Australia. Exploration is targeting large-scale copper-gold mineralisation similar to the recent discoveries at Winu and Havieron. The Paterson Project consists of the Gunanya, Madley and Runton Projects which are targeting discrete magnetic targets proximal to regional fault systems in the southern half of the province, similar to those at Winu and Havieron.

No field work was completed during the Quarter. The Company is in the process of rationalising tenements to retain the highest priority copper-gold targets considering access requirements to some of the more remote titles.

Moora Nickel-Copper Project *(100% AQD)*

The Moora Project is located ~150km north of Perth, Western Australia, within the Jimperding Metamorphic Belt, which forms the south-western margin to the Yilgarn Craton. It consists of five Exploration Licences and covers an area of ~570km². The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.

During the Quarter negotiations continued with landowners in order to gain access to selected properties to enable field work to commence.

Auger geochemical data received late in the March Quarter were found to be only partially effective in identifying potential mafic/ultramafic host rocks, as analysis of the geochemical data indicated that many of the samples were from alluvial sediments and could not be used to identify the underlying bedrock.

Helicopter EM (HEM) surveys over selected areas are now being planned to identify targets for advanced exploration, including drilling, as a means of minimising the Company's footprint within this agricultural belt and helping to fast-track exploration. The HEM surveys are expected to be completed early in Q4 2021 pending availability of contractors.

New Opportunities (Australia)

Two new Exploration Licence applications (Mt Davis Project) were submitted to secure potential base metal targets around the northern portion of the Earaheedy Basin following the discovery of lead-zinc-silver mineralisation at the Chinook Prospect by Rumble Resources. Mineralisation at Chinook reportedly occurs within the basal section of the Frere Iron Formation which can be traced around the margin of the Earaheedy Basin using available aeromagnetic data. A heritage agreement over the titles is being finalised.

Tenements over the Company's new Jubilee Lake project, ~500km east of Kalgoorlie, are expected to be granted around the end of the year now that a heritage agreement has been finalised.

PERU COPPER-GOLD PROJECTS

AusQuest has assembled a strong portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with numerous targets identified for drilling as possible porphyry copper and/or replacement style (manto) iron-oxide copper-gold (IOCG) targets with the size potential being of significance to AusQuest (Figure 7). Peru is one of the world's most prominent destinations for international copper exploration and is considered a prime location for world-class exploration opportunities.

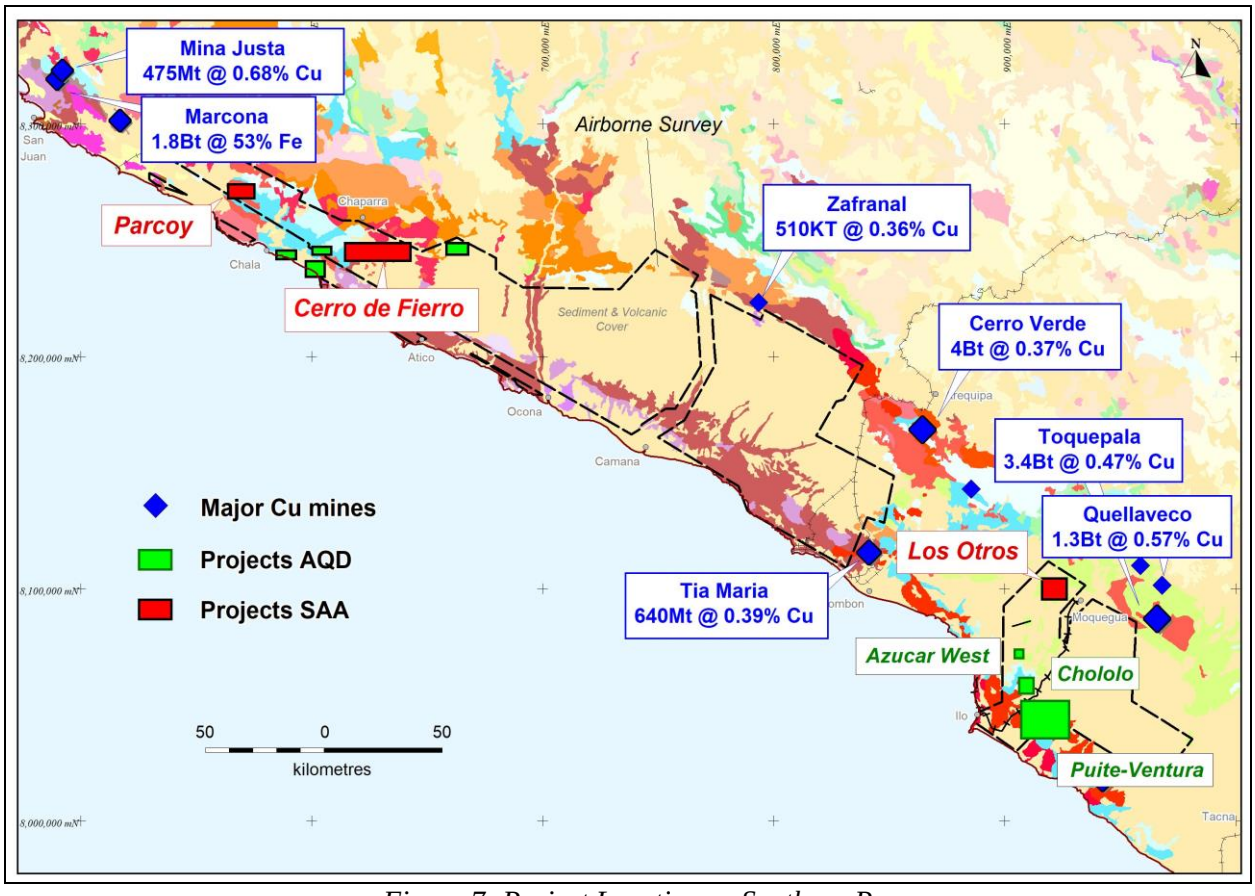

Figure 7: Project Locations – Southern Peru

Cerro de Fierro IOCG *(100% AQD – South32 earning to 70%)*

The Cerro de Fierro Project is located at the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by the Marcobre Joint Venture. It is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US$4.0 million.

During the Quarter, analysis of results from the recent Reverse Circulation (RC) drilling program continued in order to assess the potential of the project area as a whole and provide guidance for future work programs.

Strong evidence for porphyry copper mineralisation as well as manto-style copper within the latest round of drilling (*see report to the ASX dated 27 April 2021*) resulted in a re-evaluation of the Company's data-base in tenements east of the Cerro de Fiero prospect.

Previously reported surface sampling results – 'anomalous copper (>200ppm Cu) and/or molybdenum values (>8ppm Mo) within areas of advanced argillic alteration (December 2021 Quarterly report)' – were found to also coincide with high temperature minerals such as pyrophyllite (based on Terraspec analysis), strongly suggesting the presence of additional porphyries east of the Cerro de Fierro prospect (*Figure 10*).

These potential porphyry copper targets occur within a major east-west structural corridor that appears to be close to and parallel with the Coastal Batholith contact, which is considered to be a prospective target zone within the Coastal Belt of Peru and Chile.

A program of detailed mapping and sampling to prioritise prospects and optimise sites for future drilling was initiated. This program is expected to take several months to complete at which time further drilling within the Cerro de Fierro Project will be considered under the SAA.

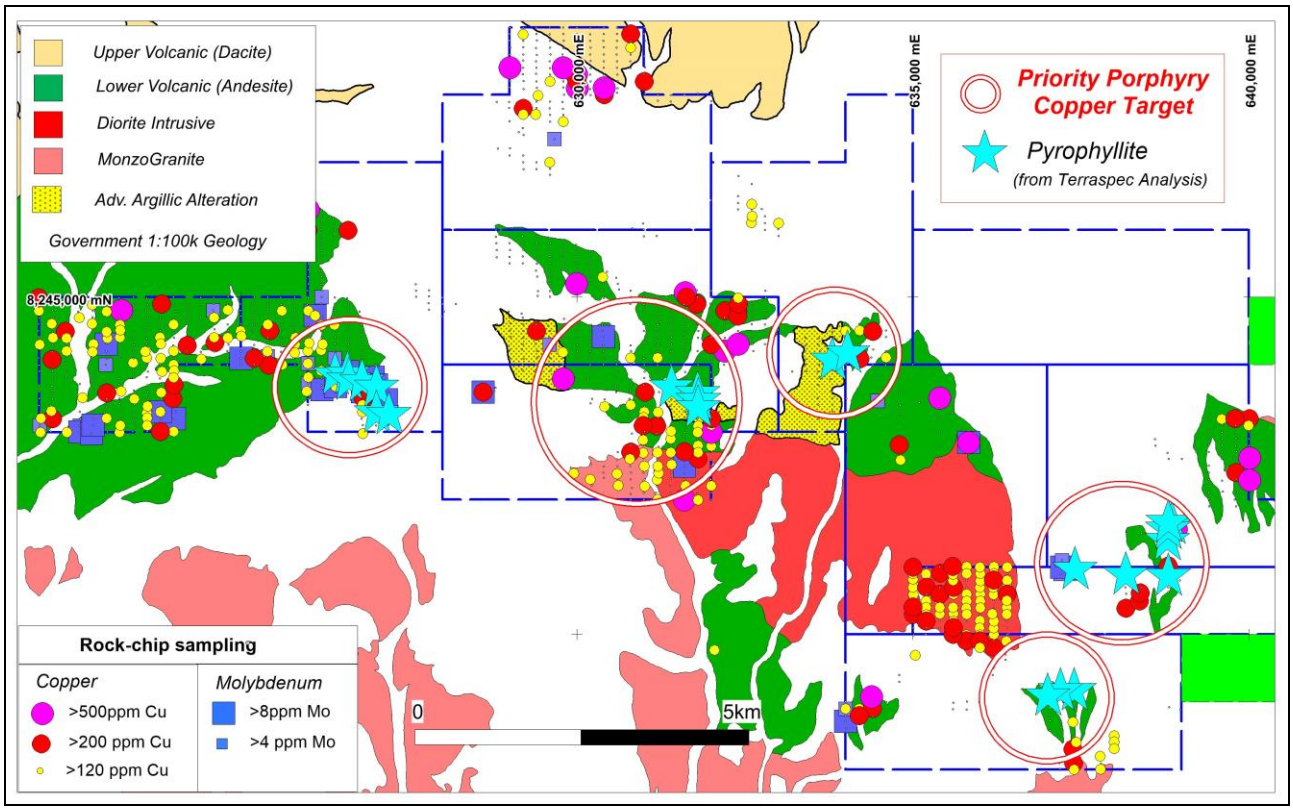

Figure 10: Cerro de Fierro East prospect showing target areas identified by rock-chip sampling

Parcoy IOCG *(100% AQD – South32 earning to 70%)*

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's

Cerro de Fierro Project. Geological mapping and rock-chip sampling has identified significant concentrations of copper (+/- gold) at surface, reflecting potential manto-style mineralisation within the volcanic stratigraphy. The project is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US$4.5 million.

During the Quarter, a maiden Reverse Circulation (RC) drilling program (10 holes for 3080m) at the Parcoy Copper Project was completed to provide 'Proof-of-Concept" for the presence of replacement manto-style mineralisation within the volcanic sequence before further drilling would be considered under the SAA (*ASX release 09 July 2021*).

The wide-spaced drilling provided strong evidence for the presence of manto-style (replacement) copper mineralisation within the volcanic sequence up to at least 500 metres from the inferred feeder structure.

Thick zones (>100m) of anomalous copper (>200ppm Cu) were intersected, with the better mineralised zones (10 to 40m thick) averaging around 0.2% Cu (and up to 1.0% Cu), often associated with elevated silver (up to 7.7g/t Ag) and occasional gold (up to 1.4g/t Au).

Significant intersections from the current drilling program are shown below (*Figure 11*) and include:

PARRC01 – 34m @ 0.22% Cu from 8m

PARRC05 – 18m @ 0.18% Cu, 1.8g/t Ag from 156m

PARRC07 – 40m @ 0.22% Cu, 1.0g/t Ag from 266m

PARRC08 – 10m @ 0.26% Cu from 262m

PARRC08 – 36m @ 0.26% Cu from 280m (including 4m @ 0.36% Cu & 1.1g/t Au

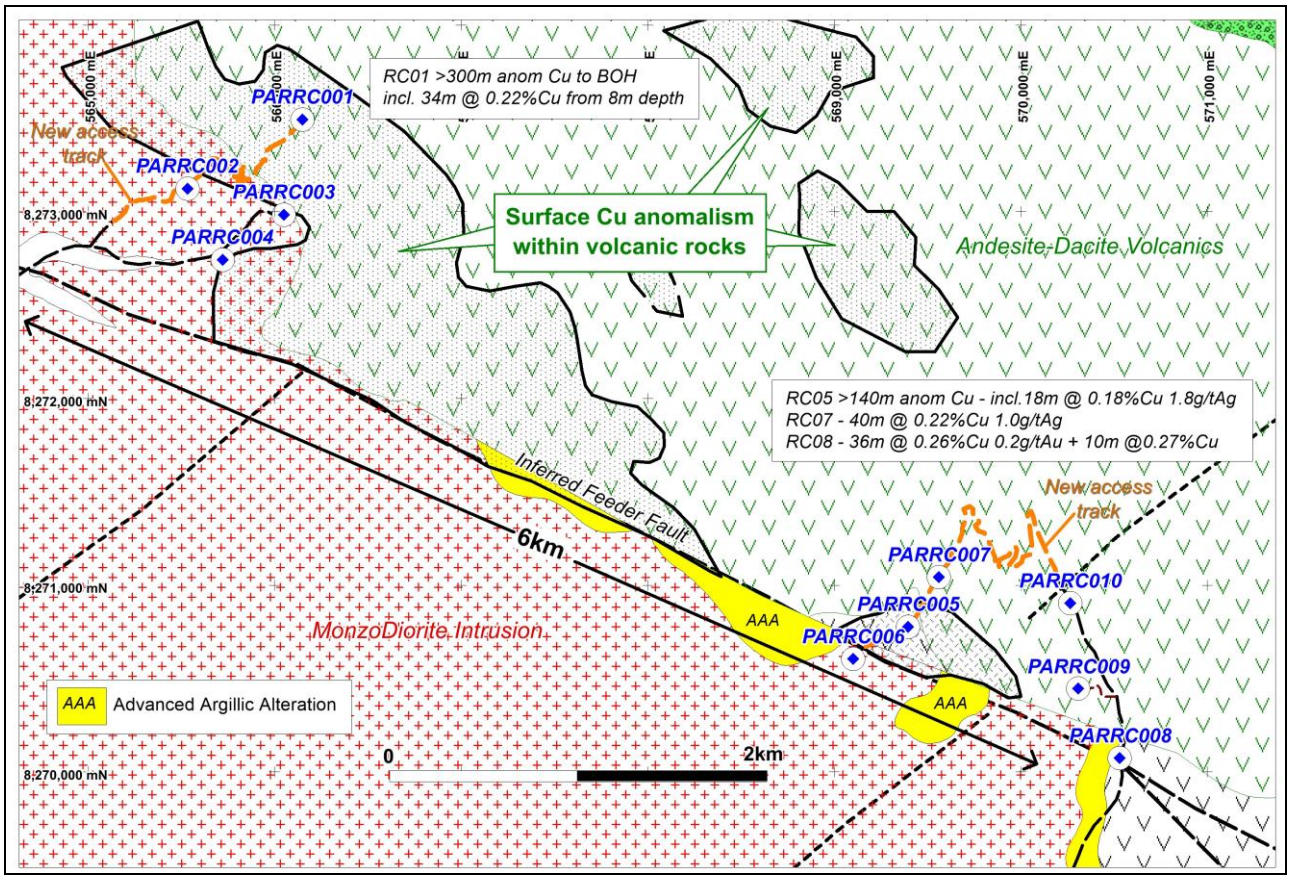

Figure 11: Parcoy Project geology showing drill-hole locations and significant results.

At the *northern end* of the prospect, the copper mineralisation intersected in drill-hole PARRC01 is associated with potassic-iron alteration and appears to be conformable with the shallow north-east dipping (~20°) volcanic strata. The mineralisation is shallow (commencing from a depth of just 8m) with anomalous copper extending to depths of

more than 200m, highlighting the potential for significant thicknesses of copper in this area.

Volcanics intersected in drill-holes PARRC02, PARRC03 and PARRC04 occur close to the intrusive monzodiorite contact and contain lower copper values. These rocks are sodic rather than potassically altered, similar to the adjacent intrusive rocks that are generally barren of copper in this area.

Highly anomalous rock-chip samples to the south and east of drill-hole PARRC01 have been significantly upgraded by the results of the drilling, outlining high-priority targets closer to the inferred feeder structure(s) for further exploration (*Figure 12*).

In the *southern area*, there is strong evidence that copper mineralisation is stratabound, with continuity of anomalous copper values between drill-holes PARRC05 and PARRC07 demonstrating the shallow-dipping nature of the mineralisation sub-parallel to the volcanic layering.

Copper in both drill-holes occurs above a thick (~70m) layer of advanced argillic/sericite alteration (AAA) which forms the boundary between potassic altered volcanics above, and sodic altered volcanics below. The AAA zone appears to be closely associated with the copper mineralising process and may represent a conduit for copper being sourced from the inferred feeder structure approximately 500m to the south (*Figure 13*).

Drill-hole PARRC05, which intersected the fault at depth, reported elevated copper over ~50m, including several narrow zones with copper values of up to 0.5% Cu within the structure (Figure 13). Drill-hole PARRC08, located approximately 1km east of PARRC05, also reported anomalous copper (up to 1.0% Cu) and occasional gold (up to 1.4g/t Au) within the fault zone.

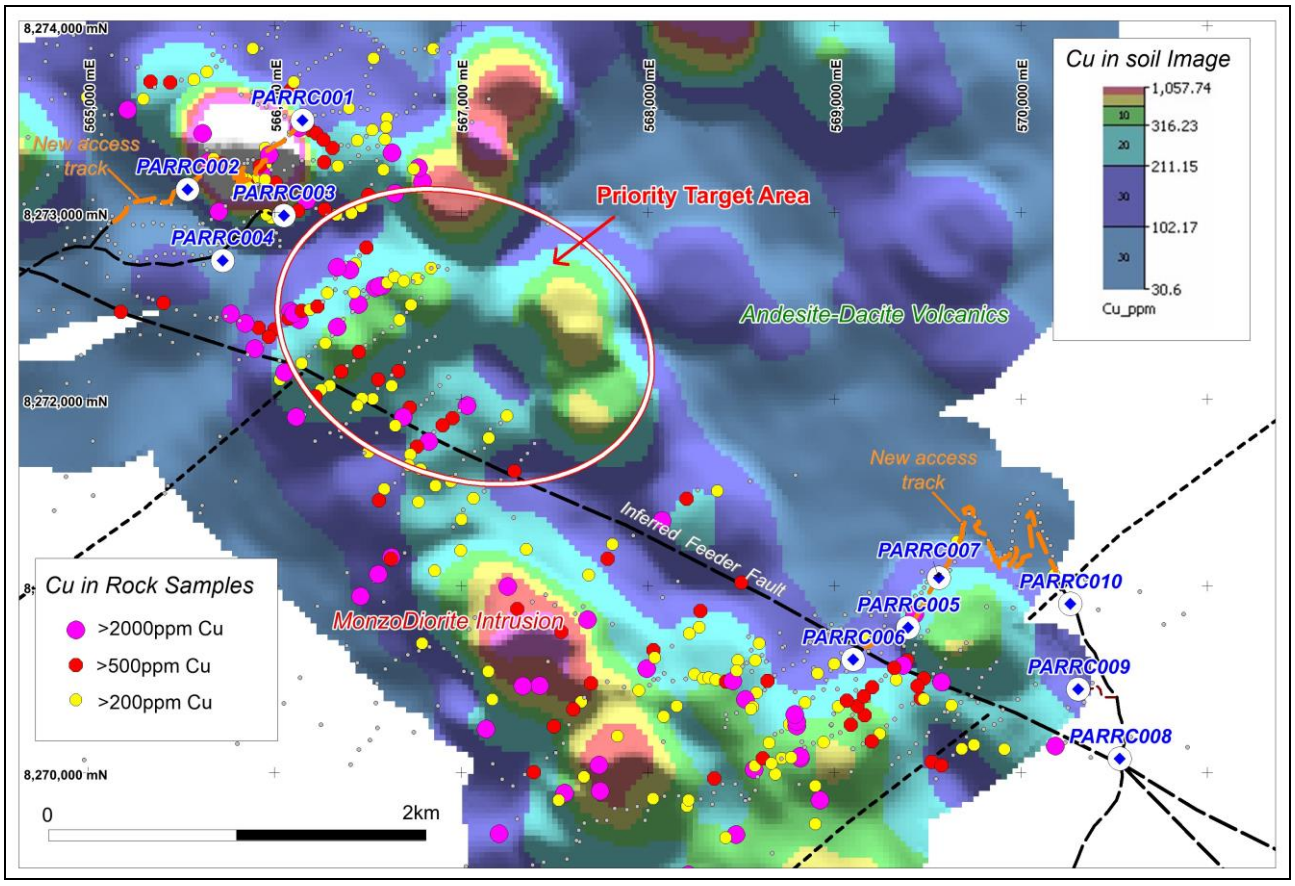

Figure 12: Parcoy Project surface geochemistry (Cu) showing drill-hole locations.

The drilling program focused on two of the more easily accessible areas that were identified by earlier rock-chip and soil sampling programs (completed in 2019 and 2020). The areas tested occur at the northern and southern limits of the prospect approximately 5km apart, with numerous soil and rock samples in between containing

highly anomalous copper values within volcanic rocks adjacent to the inferred feeder structure. Further drilling in this area is currently being considered under the SAA.

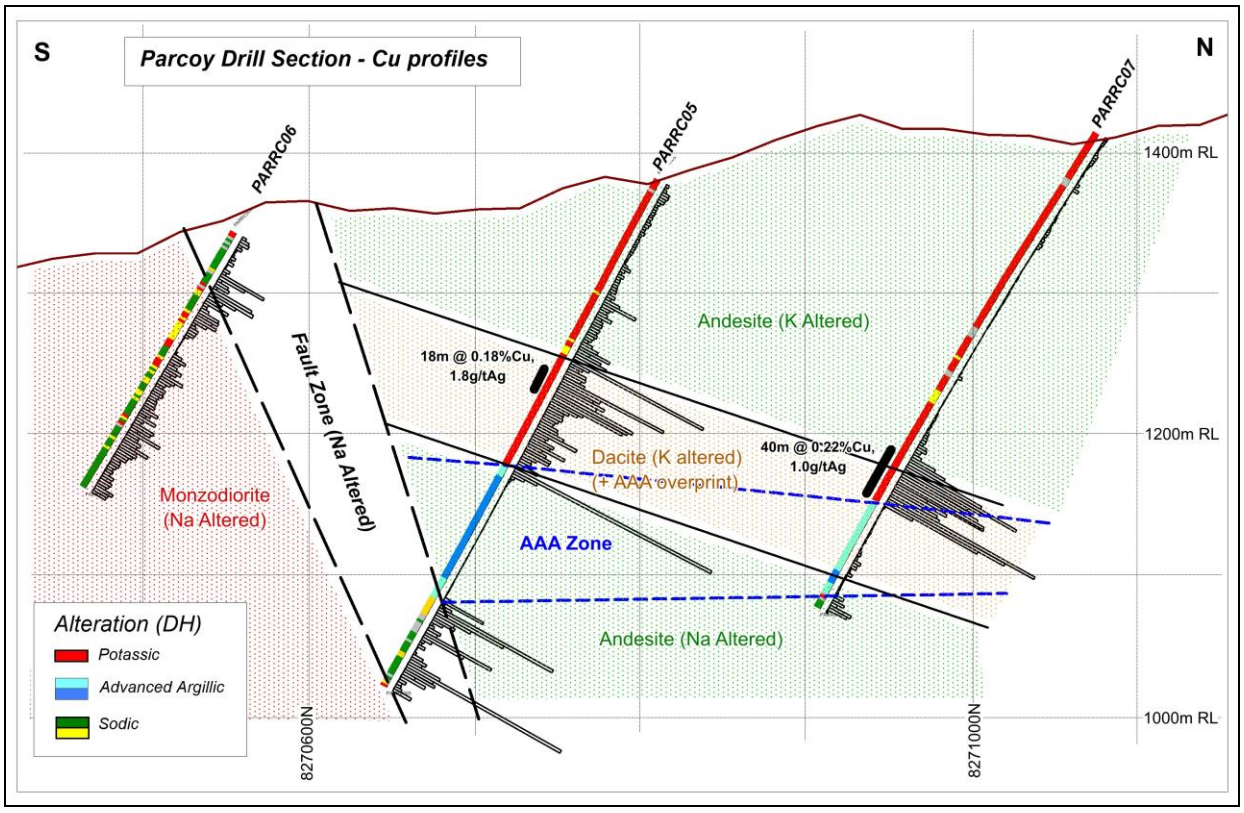

Figure 13: Drill section showing relationship between Lithology-Alteration-Copper within volcanics.

<u>Los Otros Porphyry Copper Project</u> ***(100% AQD, subject to SAA)***

The Los Otros project is located close to the Palaeocene Porphyry Copper Belt of southern Peru, which is the major copper producing region in the country. It lies within 35km of the Cuajone mine (~1.6Bt @ 0.6% Cu), and 40km from the Quellaveco deposit (~1.3Bt @ 0.57% Cu) currently being developed by Anglo American. Exploration work at Los Otros is being funded under the SAA.

During the Quarter, the community consultation process was completed and final documents submitted to Government. With delays due to Covid-19, it is now expected that the drilling permit should be approved around the end of Q3 2021 with drilling possible in Q4 2021.

The porphyry copper target(s) is associated with an area of advanced argillic alteration (~1km²) that appears to have a Palaeocene age date, similar to the age dates reported for the nearby giant porphyry copper deposits at Toquepala and Cuajone.

<u>New Opportunities (Peru)</u>

A program of geological mapping and soil sampling commenced in the Puite-Ventura area near the town of Ilo, where historical drilling by the Company suggests there could be potential for buried porphyry copper mineralisation. This program is expected to take several months to complete in order to provide sufficient data to enable a decision to be made on the future potential of this area.

CORPORATE

During the Quarter, the Company invested $1.97 million in exploration and had approximately $5.4 million in cash remaining at the end of June. In addition, further funding from South32 to cover agreed work programs (including drilling) over the Strategic Alliance Projects is expected in Q3 2021.

The Company's Cashflow Report (Appendix 5B) for the Quarter ended 30 June 2021 is appended to this report. Payments to related parties as shown in section 6 of this report

include director salary and superannuation payments of $54,750, and payments of $12,000 for corporate consulting fees to a director.

The Company continues to monitor advice from the Government and health authorities with regard to restrictions imposed by COVID-19, in order to ensure the health and well-being of its employees and contractors.

KEY ACTIVITIES – SEPTEMBER 2021 QUARTER

- Hamilton (Cu-Au) – Complete DHEM surveys within recent drill-holes;
- Balladonia (Cu-Au-Ni) – Plan further exploration programs under the SAA;
- Moora (Ni-Cu) – Continue access negotiations to enable wider access, trial HEM;
- Morrisey (Ni-Cu) – Sampling (ground EM?) over HEM targets – advance to drill status;
- Peru (Cu-Au) – Detailed mapping and sampling of Cerro de Fierro East to prioritise drill targets;
- Peru (Cu-Au) – Assess RC drill results at Parcoy and plan future programs;
- Peru (Cu-Au) – Complete drill permit process at Los Otros – initiate access;
- Peru (Cu-Au) – Complete mapping & sampling at the Puite-Ventura prospect.

Authorised for release on behalf of the Company by:

Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Appendix 5B

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

Name of entity

AUSQUEST LIMITED

ABN	Quarter ended ("current quarter")
35 091 542 451	**30 June 2021**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	449	1,017
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(191)
	(e) administration and corporate costs	(133)	(877)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	4	126
1.8	Other (R&D Refund)	-	761
1.9	**Net cash from / (used in) operating activities**	**271**	**832**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	(1,971)	(6,222)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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:		
	- Funding received from South 32 under the Strategic Alliance Agreement	1,587	5,346
2.6	**Net cash from / (used in) investing activities**	**(384)**	**(878)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	650	3,000
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	(30)	(177)
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		
	- Lease liability payments	(2)	(42)
3.10	**Net cash from / (used in) financing activities**	**618**	**2,781**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,910	2,719
4.2	Net cash from / (used in) operating activities (item 1.9 above)	271	832
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(384)	(878)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	618	2,781
4.5	Effect of movement in exchange rates on cash held	4	(35)
4.6	**Cash and cash equivalents at end of period**	**5,419**	**5,419**

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	5,419	4,910
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)**	**5,419**	**4,910**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	14
6.2	Aggregate amount of payments to related parties and their associates included in item 2	52

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.

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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	271
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,971)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,700)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,419
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,419
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.19

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

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

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 30 July 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.