



TRANSCENDENCE TECHNOLOGIES LIMITED (to be renamed REDCASTLE RESOURCES LIMITED) SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

The Board of Transcendence Technologies Limited (**TTL** or the **Company**) provides the following report on its activities for the quarter ended 30 September 2021.

During the quarter, the Company announced that, through its subsidiary E-Collate Pty Ltd, it had entered into an agreement (**Agreement**) under which it acquired 100% of the right, title and interest in the Redcastle Gold Project (**Project**) from the holders of the Tenements (**Proposed Acquisition**).

The material terms of the Agreement are summarised in the announcement lodged with ASX on 29 July 2021.

The Proposed Acquisition was conditional on the Company obtaining all necessary regulatory and shareholder approvals to effect the Proposed Acquisition and satisfying all other requirements of ASX for the reinstatement to official quotation of the Company's Shares on the ASX (among other things). The Company received the relevant shareholder approvals for the Proposed Acquisition at the General Meeting held 12 October 2021.

On completion, the Proposed Acquisition will amount to a significant change in the nature and scale of the Company's current activities and as such, the Company is in the process of re-complying with Chapters 1 and 2 of the ASX Listing Rules.

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules the Company is conducting a capital raising under a full form prospectus (**Prospectus**) for the issue of 225,000,000 fully paid ordinary shares (on a post-consolidation basis) in the capital of the Company (**Shares**) at an issue price of \$0.02 per Share to raise a minimum of \$4,500,000 (**Minimum Subscription**) (**Public Offer**). The Prospectus was lodged with ASIC and ASX on 21 September 2021.

The Company's securities have been suspended from quotation since 23 September 2019 and will remain suspended from quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

Background to the Project

The Project is a gold focused holding consisting of:

- a) one (1) pending Mining Lease (MLA) (which is expected to be granted in the next 3-6 months, following native title negotiations);
- b) one (1) granted Mining Lease (MLA); and
- c) nine (9) granted Prospecting Licences (PL's),

covering a prospective area (966.8ha) surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA approximately 60km east of Leonora and 60km west of Laverton in the North Eastern Goldfields. The Tenements are currently held by Trevor Dixon, Ross Crew, Russell McKnight and Robert Johnson (together, the **Vendors**).

The tenements comprising the Project (**Tenements**) are set out below:

| Tenement | Area (ha) | Expiry Date | Status |
|----------|-----------|-------------|---------|
| M39/318 | 106 | 15/09/2036 | Live |
| P39/5184 | 54 | 15/12/2019 | Live |
| M39/1140 | 54 | - | Pending |
| P39/5307 | 155 | 05/02/2022 | Live |
| P39/5337 | 58 | 16/01/2022 | Live |
| P39/5568 | 151 | 17/04/2024 | Live |
| P39/5573 | 123 | 18/04/2024 | Live |
| P39/5814 | 197 | 07/02/2022 | Live |
| P39/5815 | 172 | 07/02/2022 | Live |
| P39/5858 | 57 | 01/07/2022 | Live |
| P39/6185 | 15 | 30/06/2025 | Live |

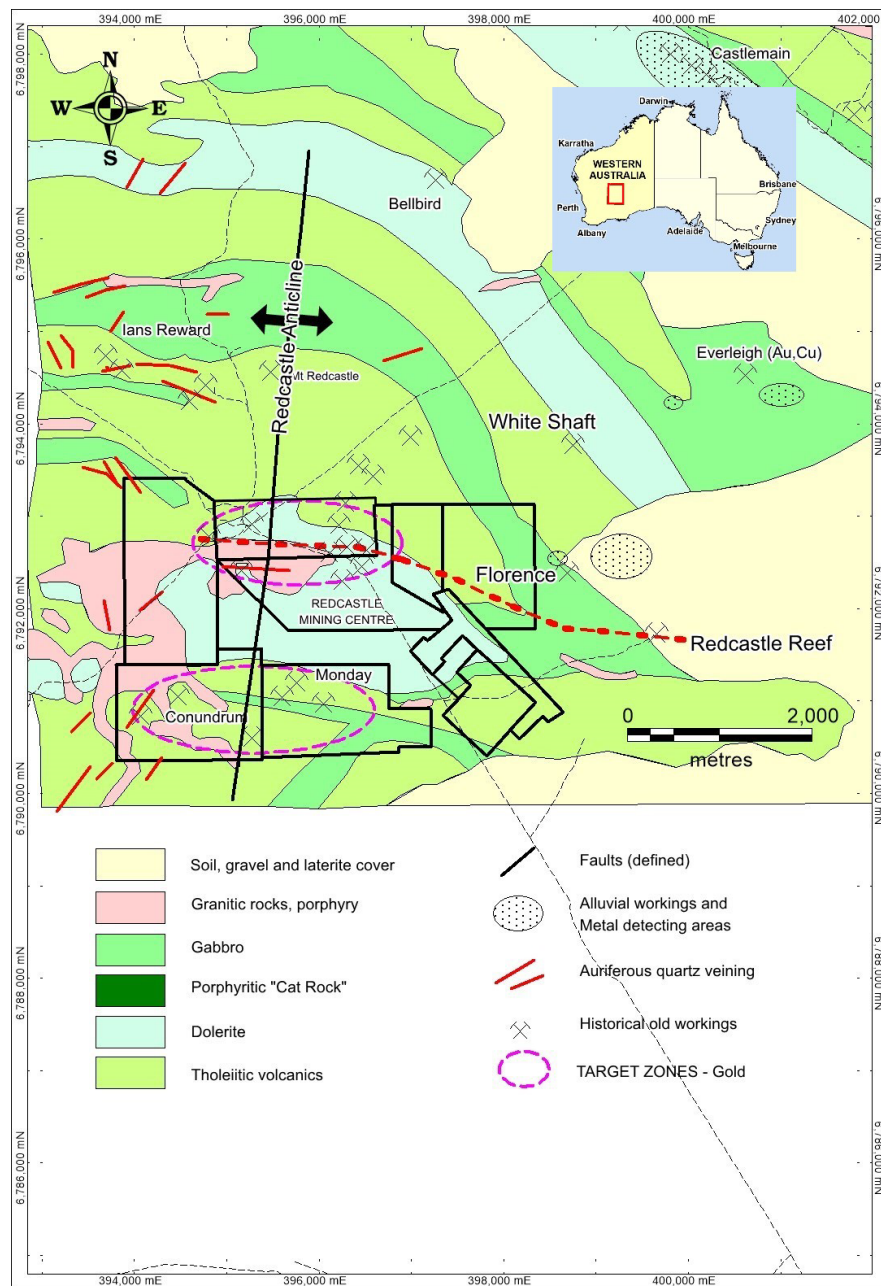
Gold was originally discovered at the Redcastle mining centre in 1895.

Gold targets are located within highly altered and sheared mafic rocks that have been intruded by small ovoid granites and porphyries. Several significant historical drill intersections that have never been followed up present as immediate target areas.

The northern portion of the project area hosts the 7.5km long east-west trending mineralised 'Redcastle Reef'.

Exploration is focusing on the delineation of structures sub-parallel to the Redcastle Reef that could potentially be concealed beneath the weathered regolith. The majority of mineralised

zones in the Redcastle area are open along strike and at depth, they have not been tested beneath the zone of weathering and oxidation, 40-50m (vertical depth). The Redcastle Reef and associated sub-parallel structures are the most obvious target zones.



The source of the alluvial gold on the holdings with the exception of the Redcastle Mining Centre remains unknown however additional mineralisation on site could be sitting directly above an as yet undiscovered sub-parallel reef, related to the Redcastle Reef, that is concealed beneath the regolith.

The Redcastle Reef appears to be a large scale, late stage local dilational feature caused by folding and subsequent brittle fracturing of the mafic greenstone sequence along granitic contacts.

The local greenstone terrain is characterised by open, upright folds, low grade metamorphism and relatively continuous stratigraphy. Regionally the Redcastle Project area is separated by the Keith-Kilkenny Tectonic Zone, to the west, and the Laverton Tectonic Zone to the east with polyphase deformation, variable metamorphic grade, discontinuous stratigraphy and an association with fault bound polymictic conglomerates developed during late extension.

Gold mineralisation is associated with NW trending quartz lodes and the alluvial cover in close proximity to such lodes. The most extensive workings are for eluvial gold but numerous hard rock workings are scattered throughout the Redcastle area. The majority of the districts major producers lie within or immediately adjacent to a major tectonic zone. Gold mines in mafic sequences tend to occur in quartz reefs in dilational fault zones with little host rock alteration.

The Company is keen to explore and expand its holdings and secure additional tenements within the Redcastle area. The Company intends to acquire (subject to Shareholder approval and the conditions detailed at Annexure A) a 100% interest in the rights, title and interest in the Tenements. The Vendors of the Tenements will retain rights to all alluvial gold and a 2% overriding gross royalty over all minerals sold from the Tenements.

Further details with respect to the Project were included in the notice of meeting lodged with ASX on 10 September 2021 and the Prospectus dated 20 September 2021.

BUSINESS MODEL OVERVIEW

Following completion of the Public Offer and the Proposed Acquisition, the Company's proposed business model will be to further explore and develop the identified mineral deposits at the Project. The Company's main objectives on completion of the Public Offer are:

- a) systemically explore the Project for gold through geological mapping, surface sampling and drilling on the Project;
- b) continue to pursue other acquisitions that have a strategic fit for the Company;
- c) focus on mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders;
- d) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- e) provide working capital for the Company.

CHANGE OF NAME

On completion of the Proposed Acquisition, the Company will change its name to 'Redcastle Resources Limited'.

BOARD APPOINTMENTS

Following completion of the Proposed Acquisition, Mr Mauro Piccini will resign as a director and Mr Patrick Holywell and Mr Jeremy King will remain as directors of the Company.

Further, subject to completion of the Proposed Acquisition, it is proposed that Mr Trevor Dixon (one of the Vendors) will be appointed as a Technical Director of the Company.

Trevor is an entrepreneur with more than 30+ years of experience in the mining and exploration sector in Western Australia. He was a founding vendor to listed companies including Jubilee Mines, Terrain Minerals, Regal Resources and Kin Mining NL where he served as the founding managing director and a former chairman. He has managed mining services businesses and as a private individual identifying and acquiring prospective mineral projects. Trevor has management experience in areas of contractual outcomes, Mining Act regulatory procedures and standards, tenement management and a long history of Native Title negotiations and resolutions. Trevor is a member of the Australian Institute of Company Directors.

CAPITAL RAISING AND PROPOSED ISSUES OF SECURITIES

The Company has appointed Xcel Capital Pty Ltd (**Xcel Capital**) as lead manager to the Public Offer. The Public Offer is not underwritten.

Xcel Capital will receive the following fees:

- a) \$50,000 (plus GST) lead manager fee;
- b) an amount equal to 6% of the amount placed under the Public Offer; and
- c) 30,000,000 Options exercisable at \$0.03 per Option on or before the date which is 4 years from the date of issue (on a post-Consolidation basis).

As part of the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company is undertaking a consolidation of the Company's existing capital structure on a 1 for 2.858 basis (**Consolidation**).

In addition to the Public Offer, the Company intends to issue the following securities (on a post-Consolidation basis) in connection with the Proposed Acquisition:

- a) 42,500,000 Shares to the Vendors as consideration for the Proposed Acquisition, in the following proportions:
 - i. Mr Trevor Dixon - 23,250,000;
 - ii. Mr Ross Crew – 3,875,000;
 - iii. Mr Russell McKnight – 13,375,000; and
 - iv. Mr Robert Johnson – 2,000,000;
- b) 30,000,000 options (exercisable at \$0.03 each on or before the date which is 4 years from the date of issue) (**Lead Manager Options**) (in part consideration for their services as lead manager) to Xcel Capital;

- c) 4,000,000 Options (exercisable at \$0.03 each on or before the date which is 4 years from the date of issue) (**Director Options**) to each of Peter Wall, Jeremy King and Patrick Holywell (in consideration for previous services provided to the Company as Directors).

The Company has not issued any securities in the previous 6 months.

TIMETABLE

Subsequent to the end of the quarter, due to various delays associated with the mail-out of offer documentation to shareholders, the Company adjusted the timetable for the offer of shares pursuant to the Prospectus dated 20 September 2021 as per below:

| Event | Date* |
|--|-------------------------|
| Lodgement of Prospectus with ASIC | 20 September 2021 |
| Priority Offer Record Date | 20 September 2021 |
| Priority Offer Opening Date | 28 September 2021 |
| General Meeting held | 12 October 2021 |
| Priority Offer Closing Date | 8 November 2021 |
| Public Offer Opening Date | 9 November 2021 |
| Public Offer Closing Date | 23 November 2021 |
| Issue of Securities under the Offers & Despatch of holding statements | 16 December 2021 |
| Expected date for re-quotation on ASX | 20 December 2021 |

**Please note that this timetable is indicative only and the Directors of the Company reserve the right to amend the timetable as required.*

The Company will hold its Annual General Meeting (**AGM**) on 29 November 2021 at the following address:

**Suite 2, Level 1
1 Altona Street
West Perth WA 6005**

A notice of meeting for the AGM was lodged with ASX on 20 October 2021.

At the end of the quarter, the Company had cash reserves of approximately \$0.202 million. The Appendix 4C report attached to this report contains the Company's cash flow statement for the quarter.

- Ends -

For and on behalf of the Board,



Sarah Smith
Company Secretary

ASX Listing Rule 4.7C.1

During the quarter, the Company announced the proposed acquisition of the Redcastle Gold Project and a re-compliance with Chapters 1 and 2 of the ASX Listing Rules. There were no other material developments or changes in business activities for the quarter. Operational expenditure during the quarter was \$263k. The majority of this expenditure was administration, corporate and compliance costs, as well as costs associated with the Company's acquisition of the Redcastle Gold Project and re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

ASX Listing Rule 4.7C.3

The following table sets out the information as required by ASX Listing Rule 4.7C.3 regarding payments to related parties of the entity and their associates:

| Related Party | Amount | Description |
|----------------------|---------------|---|
| Directors | \$9,012 | Director Fees |
| Mirador Corporate | \$12,000 | Company Secretarial and Financial Management Fees |
| Steinepreis Paganin | \$nil | Legal Fees |

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Transcendence Technologies Limited

ABN

57 096 781 716

Quarter ended ("current quarter")

30 September 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | - | - |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff costs | - | - |
| (f) administration and corporate costs | (263) | (263) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (263) | (263) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | - | - |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (f) other non-current assets | - | - |
| | (g) red castle transaction | (27) | (27) |
| 2.2 | Proceeds from disposal of: | - | - |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) 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 | (27) | (27) |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 492 | 492 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (263) | (263) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (27) | (27) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 202 | 202 |

| 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 | 202 | 492 |
| 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) | 202 | 492 |

| 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 | (21) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

| | | |
|---|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | |
| 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) | (263) |
| 8.2 Capitalised redcastle transaction (Item 2.1(g)) | (27) |
| 8.3 Cash and cash equivalents at quarter end (item 4.6) | 202 |
| 8.4 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.5 Total available funding (item 8.2 + item 8.3) | 202 |
| 8.6 Estimated quarters of funding available (item 8.5 divided by item 8.1 + item 8.2) | 1 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.6 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.6.</i> | |
| 8.7 If item 8.6 is less than 2 quarters, please provide answers to the following questions: | |
| 8.7.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Answer: The costs included in Item 1.9 mainly relate to fees associated with the Redcastle Gold Project transaction and the ASX annual fee and re-listing fee. The costs included in Item 2.6 are the geological consulting fees for Redcastle Gold Project. </div> | |
| 8.7.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Answer: As announced on 29 July 2021, the Company is in the process of completing a capital raising under a full form prospectus (TTL ASX Announcement 21 September 2021) to raise a minimum of \$4.5 million. </div> | |

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

Answer: Yes, when the acquisition and capital raising is completed, the Company will have sufficient funds for its operations.

Note: where item 8.6 is less than 2 quarters, all of questions 8.7.1, 8.7.2 and 8.7.3 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: 28 October 2021

Authorised by: The Board of Transcendence Technologies Limited
(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 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 standard applies 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.