

QUARTERLY REPORT

ACTIVITIES REPORT FOR THE QUARTER ENDING 31 DECEMBER 2021

25 January 2022

ASX:AUN

ABOUT AURUMIN

Aurumin Limited (ACN 639 427 099) (Aurumin or Company) is an Australian gold exploration company with advanced projects.

BOARD & MANAGEMENT

Piers Lewis

Non Executive Chairman

Brad Valiukas

Managing Director

Shaun Day

Non Executive Director

Darren Holden

Non Executive Director

Mark Rowbottam

Manager – Corporate Development

Shane Tomlinson

Manager – Exploration

CAPITAL STRUCTURE

- 99.2 million shares
- 13.5 million options

PROJECTS

- Mt Dimer
- Mt Palmer
- Johnson Range
- Karramindie

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KEY HIGHLIGHTS

- Announcement of acquisition of 784koz **Sandstone Gold Project** from Middle Island Resources, subject to shareholder approval and conditions precedent¹.
- High-grade assay results, up to **90.70g/t Au, at Mt Dimer** from November drilling campaign², including:

Lightning:

- MD_LT_RC_21_0009 8m @ 15.00g/t Au from 71m
 - including **1m @ 90.70g/t Au from 72m**

Frodo:

- MD_FO_RC_21_0002 2m @ 28.94g/t Au from 106m
 - including **1m @ 50.10g/t Au from 106m**

LO3:

- MD_L3_RC_21_0014 4.0m @ 2.58/t Au from 52m
 - including **1m @ 8.98g/t Au from 52m**

T12:

- MD_XP_RC_21_0066 7.0m @ 2.50/t Au from 51m
 - including **1m @ 7.51g/t Au from 55m**

- Additional high-grade 1m assay results, up to **23.4g/t Au, at Mt Dimer** from July drilling campaign, supporting high-grade nature of Lightning and LO3³.
- Field work commenced at **Mt Palmer**, with soil samples and rock chips taken north and south, beyond the historical mining footprint.⁴

Managing Director, Brad Valiukas, commented:

"The Sandstone acquisition will be a significant step for the Company, with an existing Mineral Resource and substantial infrastructure. Our immediate priority will be on the Shillington – Two Mile Complex and defining the underground potential.

"We had more strong results at Mt Dimer and have commenced field work at Mt Palmer as we continue to progress our projects in the Southern Cross region.

¹ ASX Announcement 16 December 2021 – Aurumin to acquire 784,000oz Au Sandstone Gold Project

² ASX Announcement 17 December 2021 – Assay results up to 90.70g/t Au from Mt Dimer drilling

³ ASX Announcement 3 November 2021 – Additional Assay Results up to 23.4g/t Au from Mt Dimer

⁴ ASX Announcement 20 October 2021 – Mt Palmer Exploration Update

SANDSTONE GOLD PROJECT ACQUISITION¹

In December, the Company announced that it had executed a binding Share Purchase Agreement (**SPA**) with Middle Island Resources Limited (**Middle Island**) for the 100% acquisition of Middle Island subsidiary, Sandstone Operations Pty Ltd (**SOPL**), the owner of the Sandstone Gold Project (**Sandstone**).

SOPL is the holder of the 784koz Sandstone Gold Project, including mining leases M57/128 and M57/129, exploration licence 57/1102 and prospecting licences P57/1384, P57/1395 and P57/1442 (and related mining information), processing infrastructure and freehold tenure in the town of Sandstone, WA.

The consideration to be satisfied by Aurumin on completion of the Acquisition (**Completion**) is A\$12 million, comprising A\$6 million in cash (**Completion Payment**) and 30,000,000 fully paid Ordinary shares in Aurumin (**Shares**) (valued at \$6,000,000 using a deemed issue price per share of \$0.20) (**Consideration Shares**).

The Acquisition is subject to, amongst other things, Aurumin having received legally binding commitments or terms for at least \$8 million (Financing) (which may be conditional on Completion) by 15 December 2021. Aurumin has entered into a Convertible Note for \$5 million (with the issue of the Convertible Note being subject to shareholder approval), has completed a placement of \$2.5 million to institutional and sophisticated investors on 23 December 2021 and intends to undertake an entitlement offer to raise up to \$5 million (Entitlement Offer) of which \$2 million has been underwritten. The issue price for both the placement and Entitlement Offer is \$0.20 per Share. Additional conditions precedent to Completion are then to be satisfied or waived. Material conditions precedent include:

- Aurumin's shareholders approving the Acquisition, the issue of the Consideration Shares and the Aurumin Capital Raising (as further described below);
- Middle Island's shareholders approving the sale of the Sandstone Gold Project pursuant to the SPA; and
- other necessary ASX and regulatory approvals and third-party consents being obtained by Aurumin and Middle Island, as needed.

The Aurumin Capital Raising will comprise of three components, being a placement, convertible note and an entitlement offer to raise a minimum of \$8 million (before costs) and a maximum of \$12.5 million (before costs) (**Aurumin Capital Raising**).

Sandstone Gold Project – Summary

The Sandstone Gold Project is located 12km south of the township of Sandstone, ~520km northeast of Perth, and located on a sealed highway between the mining towns of Mt Magnet and Leinster in the East Murchison Mineral Field of Western Australia.

The Sandstone Gold Project contains Indicated and Inferred Mineral Resources of 22Mt at 1.1g/t Au for 748,300oz Au. The Sandstone Gold Project comprises granted tenure covering 112km², including two granted Mining Licences.

The Sandstone Gold Project also includes a non-operating 500,000tpa CIL processing plant, all associated infrastructure, an operating licence, permitted tailings storage facility and bore field, and three fully equipped camps located on freehold title within the nearby village of Sandstone.

Further details can be found in ASX Announcement dated 15 December 2021.

MT DIMER^{2,3}

During the quarter, the Company completed 30 new RC drill holes and two re-entries of existing holes, targeting four different deposits and prospects, for a total of 3,004 metres. This programme followed up on high-grade results returned in the March and July drilling programmes.

Drilling assessed existing deposits Lightning, LO3 and Frodo, and also followed up on encouraging results at T12, a newly identified mineralised structure.

The Company also reported 1m split samples from drilling completed in July, confirming the high-grade nature of the deposits.

Lightning Deposit

Lightning is a high-grade unmined deposit at Mt Dimer. Mineralisation consists of multiple narrow high-grade quartz bearing ore shoots plunging steeply to the north, within a northerly trending structure primarily hosted by granite. Four holes were drilled in the November programme to follow up the northerly extensions of the deposit surrounding Aurumin’s July intercept of **4m @ 48.69g/t Au**, including **1m @ 153.50g/t Au** (LTRC2106 – ASX release 01/09/2021).

MD_LT_RC_21_0009 returned **8m @ 15.00g/t Au** including **2m @ 57.35g/t Au** and **1m @ 90.70g/t Au** from this work. Additionally, three holes were drilled perpendicular to the ultramafic contact to test for mineralisation running along the lithological contact (not pictured on long section). These holes returned broad lower grade mineralisation, including 5m @ 0.81g/t Au in MD_LT_RC_21_0013.

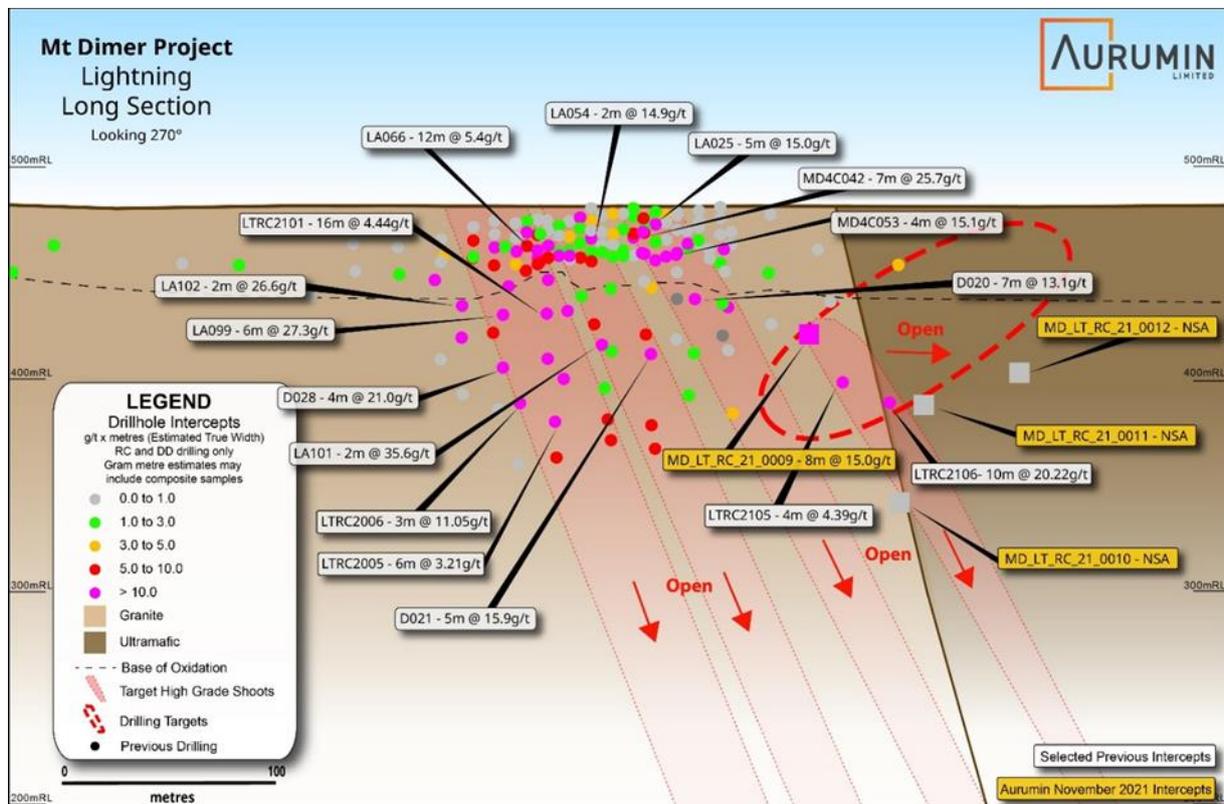


Figure 1 – Mt Dimer Project – Lightning Deposit – Long Section²

Lightning – 1m splits

1m samples from Lightning announced during the quarter, from the July drilling campaign, confirmed the high-grade nature of the previously reported intercepts. The reported 1m results included **6m @ 1.25g/t Au** including **1m @ 3.01g/t Au** in LTRC2106. With these additional results returned, Aurumin's best intersection drilled to date increased to **10m @ 20.22g/t Au**, including **1m @ 153.50g/t Au**.

The hole finished in mineralisation, however upon re-entry in the November programme, no further ore grade assays were returned.

LO3 Deposit

The LO3 deposit is one of the three LO deposits mined in the mid 1990's at Mt Dimer. It has an open pit of similar scale to LO1 and LO2, however, unlike LO1 and LO2, has limited underground workings. The orebody has not been closed off along strike or below the underground workings and remnant potential exists directly below the open pit.

Five holes were drilled in the November programme testing northerly extensions and depth extensions of high-grade shoots.

Highlights of the latest round of drilling include **4.0m @ 2.58g/t Au** including **1m @ 8.98g/t Au** in MD_L3_RC_21_0014, located within a potential new structure parallel to the main ore body (not pictured on long section) and **2m @ 3.11g/t Au** on the target structure in MD_L3_RC_21_0013.

These results confirm the potential for future further extensions to the north and at depth, and also offer opportunity to follow up the potential new parallel structure. The southern extension of LO3 was not tested during this round of drilling and is still considered an attractive target.

LO3 – 1m splits

For the 1m splits reported during the quarter, highlights included **4.0m @ 3.07g/t Au** including **1m @ 7.36g/t Au** in LO3RC2103 and **1m @ 23.4g/t Au** in LO3RC2104.

With the additional 1m results returned for Aurumin's LO3 drilling, LO3RC2104 is now reported as **3m @ 9.83g/t Au** and LO3RC2106 is now reported as **6m @ 16.19g/t Au**, including **3m @ 30.31g/t Au**. LO3RC2104 is at the southern extremity of the project and highlights the potential for further extensional work in this direction. Unchanged intersections from the July drilling programme include **8m @ 5.70g/t Au** in LO3RC2107

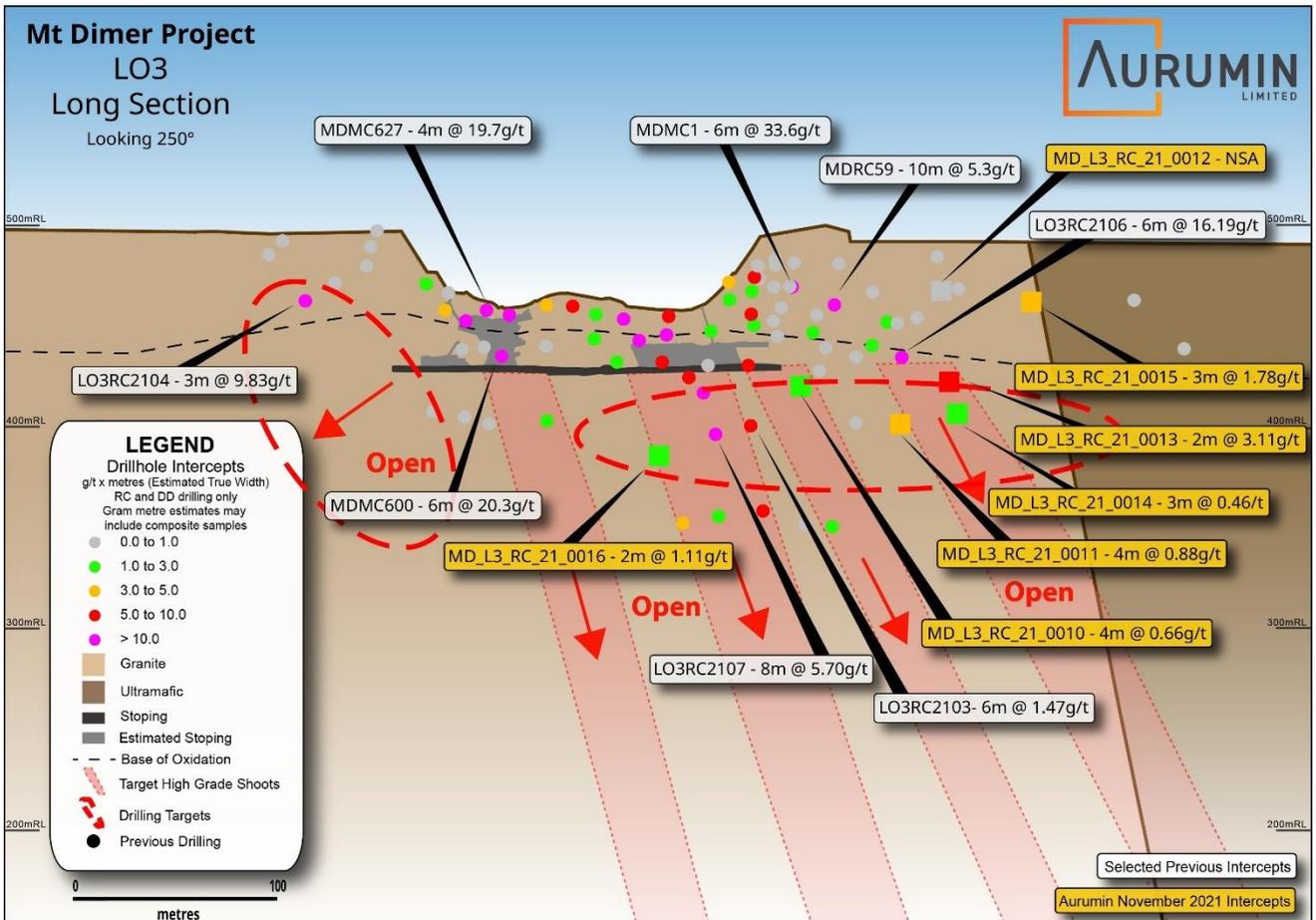


Figure 2 – Mt Dimer Project – LO3 Deposit – Long Section²

Frodo Deposit

Frodo is a high-grade deposit at Mt Dimer previously mined as an open pit and has had limited underground work. Mineralisation consists of multiple narrow high-grade quartz bearing ore shoots plunging to the south, within a northerly trending structure primarily hosted by granite.

Three holes were drilled during the November work, testing depth extensions. Hole MD_FO_RC_21_0002 returned **2m @ 28.94g/t Au** including **1m @ 50.10g/t Au**. The remaining two holes did not return significant results, this has led to a review of the interpreted orientation of the mineralisation and a refining of high-grade plunge targets.

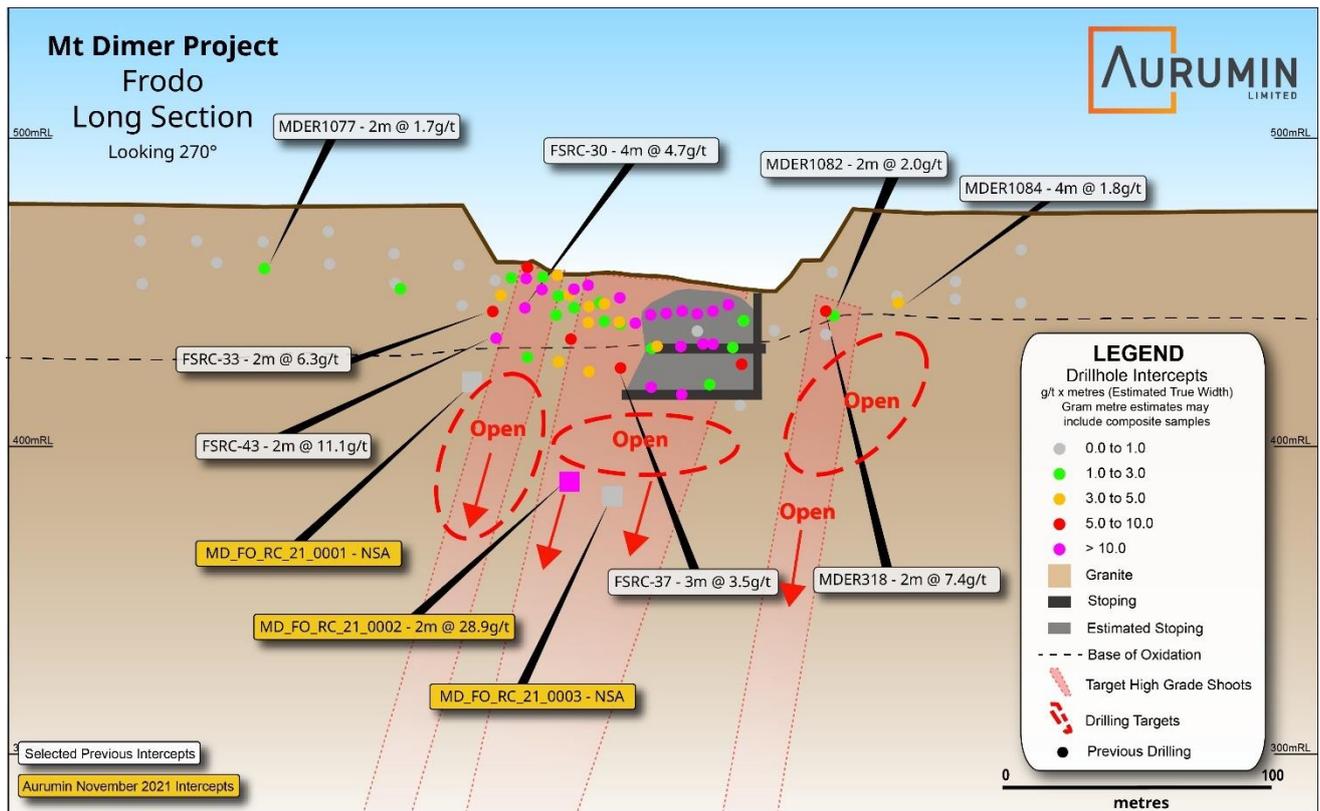


Figure 2 - Mt Dimer Project – Frodo Deposit – Long Section²

T12 Deposit

The T12 deposit was previously identified by Aurumin using a SAM survey and first pass drilling. After the successful five hole programme in July (TMDRC2102 - **8m @ 2.58g/t Au** and TMDRC2101 - **4m @ 2.76g/t Au** - see ASX release 01/09/2021) Aurumin followed up with 13 additional holes.

This round of drilling confirmed the tenor of mineralisation at T12 with MD_XP_RC_21_0066 returning **7m @ 2.50g/t Au** including **1m @ 7.51g/t Au**. Additionally, broad zones of lower grade material were returned with **8m @ 1.08g/t Au** in MD_XP_RC_21_0067 and **6m @ 0.88g/t Au** in MD_XP_RC_21_0065.

Aurumin believes there is potential for discovery of additional higher grade zones to complement the broad lower grade material. The interpretation of the T12 structure will be revised and additional targets generated.

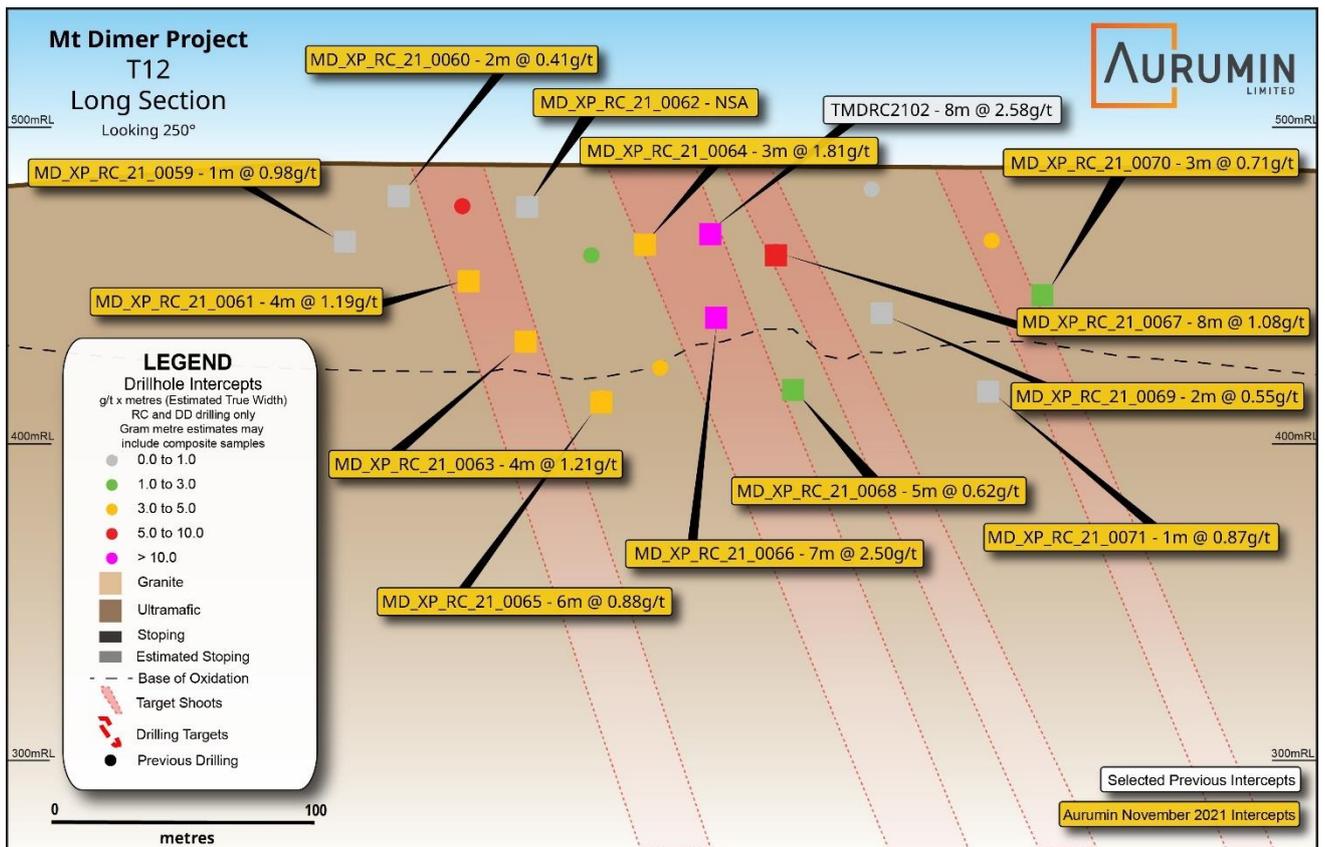


Figure 3 - Mt Dimer Project – T12 Deposit – Long Section²

MT PALMER⁴

Following drilling and mapping earlier in 2021 and review, Aurumin released an exploration update during the quarter for Mt Palmer.

Gold mineralisation at Mt Palmer has been interpreted to have occurred by the ascent of mineralising fluids through major north trending faults before migrating via a series of interconnected northwesterly trending faults (observed in historic mine plans and interpreted from high resolution aeromagnetic imagery) before being deposited in reactivated local shear zones hosting quartz veins and pegmatite dykes.

Aurumin undertook a first pass rock chip and soil sampling programme approximately 1km both north and south of the historical Mt Palmer mine during the quarter and the overall work programme for the area is ongoing. Aurumin is trialing the CSIRO Ultrafine sampling to account for cover material and to improve the contrast between background and anomalous results.

KARRAMINDIE

Aurumin's Karramindie tenement E15/1769 was granted during the quarter.

The Karramindie Project is located within the Kalgoorlie Terrane, the westernmost terrane within the larger Eastern Goldfields Super terrane consisting of the Kalgoorlie, Kurnalpi, and Burtville.

Karramindie occurs between two shear zones: Karamindie in the east and Kunanalling in the west. The Karamindie Shear is north-northwest trending, wrapping around the Depot Granodiorite, and is an important

structure in the deposition of gold mineralisation such as the Freddo Gold Mine on the northeast boundary of Karamindie and Ghost Crab Gold Mine 6km to the south of Karamindie.

Aurumin have identified a total of 15 exploration targets. The targets have been defined by prospective geology and structure along with historical geochemistry and drilling results. Aurumin intends to complete site based mapping as well as interpretation using historical work.

CORPORATE

During the Quarter, the Company participated in and presented to the Canaccord Genuity Southwest Connect conference held in Busselton.⁵

The Company has lodged its Appendix 5B containing the Company's cash flow statement for the quarter. The cash flows relating to the quarter included \$0.674 million spend on exploration and evaluation expenditure, which is primarily associated with the costs of the drilling campaign at Mt Dimer noted in this quarterly activities report.

As part of the Company's acquisition of the Sandstone Gold Project, the Company announced the Aurumin Capital Raising, which will comprise of three components, being a placement, convertible note and an entitlement offer to raise a minimum of \$8 million (before costs) and a maximum of \$12.5 million (before costs) (**Aurumin Capital Raising**). Refer to the announcement on 16 December 2021 for further details.

During the quarter ended 31 December 2021, the placement of A\$2.5 million (before costs) was completed.

The Company had a closing cash balance of \$3.99 million.

Use of Funds

Pursuant to ASX listing rule 4.7C.2, the Company provides the following comparison of budgeted expenditures per the Company's prospectus dated 2 October 2020 against actuals to date.

	Prospectus Use of Funds \$A '000	Funds Used Total to Date \$A '000	Funds Used Dec 2021 Qtr \$A '000
Exploration expenditure	3,960	4,293	674
Acquisition & assessment	900	151	71
Corporate costs	1,694	1,205	223
Working capital	702	52	-
Estimated expenses of the Offers	745	673	-

The Company notes that exploration expenditure is in excess of the use of funds in the Company's Prospectus dated 2 October 2020 this is due to the acceleration of exploration activities contemplated in the Prospectus.

Related Party Payments

During the quarter, the Company made payments of \$90,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors, and payments for accounting and company secretary services to a Company associated with a Director.

⁵ ASX Announcement 27 October 2021 – Presentation at South West ASX Showcase

25 January 2022

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Authorisation for release

The Aurumin Board has authorised this announcement for release.

For further information please contact

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Competent Person Statement

This Quarterly Report contains no new information that relates to exploration results and Mineral Resources. All information related to exploration results and Mineral Resources were first released in the Company's market announcements, dated 20 October 2021 (Mt Palmer Exploration Update), 3 November 2021 (Additional Assay Results up to 23.4g/t Au from Mt Dimer), 16 December 2021 (Aurumin to Acquire 784,000oz Au Sandstone Gold Project), 17 December 2021 (Assay Results up to 90.70g/t Au from Mt Dimer Drilling) (**Previous Announcements**), and are referenced where applicable throughout this report. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Previous Announcements and, in the case of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the relevant Previous Announcement continue to apply and have not materially changed.

About Aurumin Limited

Aurumin Limited is an Australian company incorporated on 28 February 2020 in Western Australia as a mineral exploration company.

In December 2021, the Company announced an agreement to acquire the 784koz Sandstone Gold Project, with completion of the transaction anticipated in the March quarter.

The Company has four other gold projects, including two historical high-grade production centres, Mt Dimer and Mt Palmer:

- Mt Dimer – Over 125,000 ounces of gold produced, including open pit and underground production of approximately 600,000 tonnes @ 6.4 g/t, and a substantial tenure footprint.
- Mt Palmer – Historical open pit and underground production for approximately 158,000 ounces of gold at an average grade of 15.9 g/t.

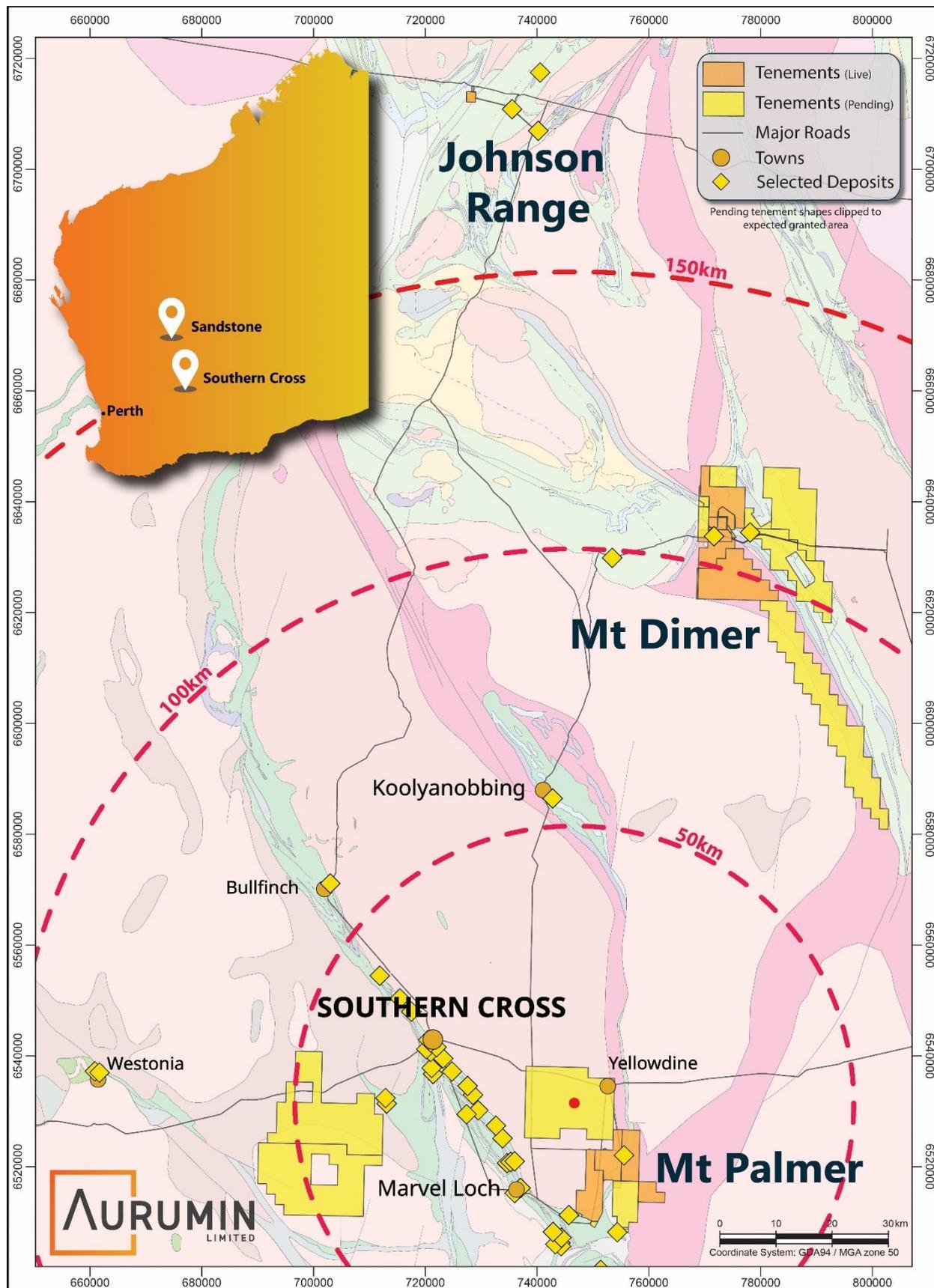
The company's Johnson Range Project has a Mineral Resource of 64,700oz at a grade of 2.51g.t Au, located midway between Southern Cross and Sandstone.

The Company is actively exploring its tenements and pursuing further acquisitions that complement its existing focus and create additional Shareholder value.

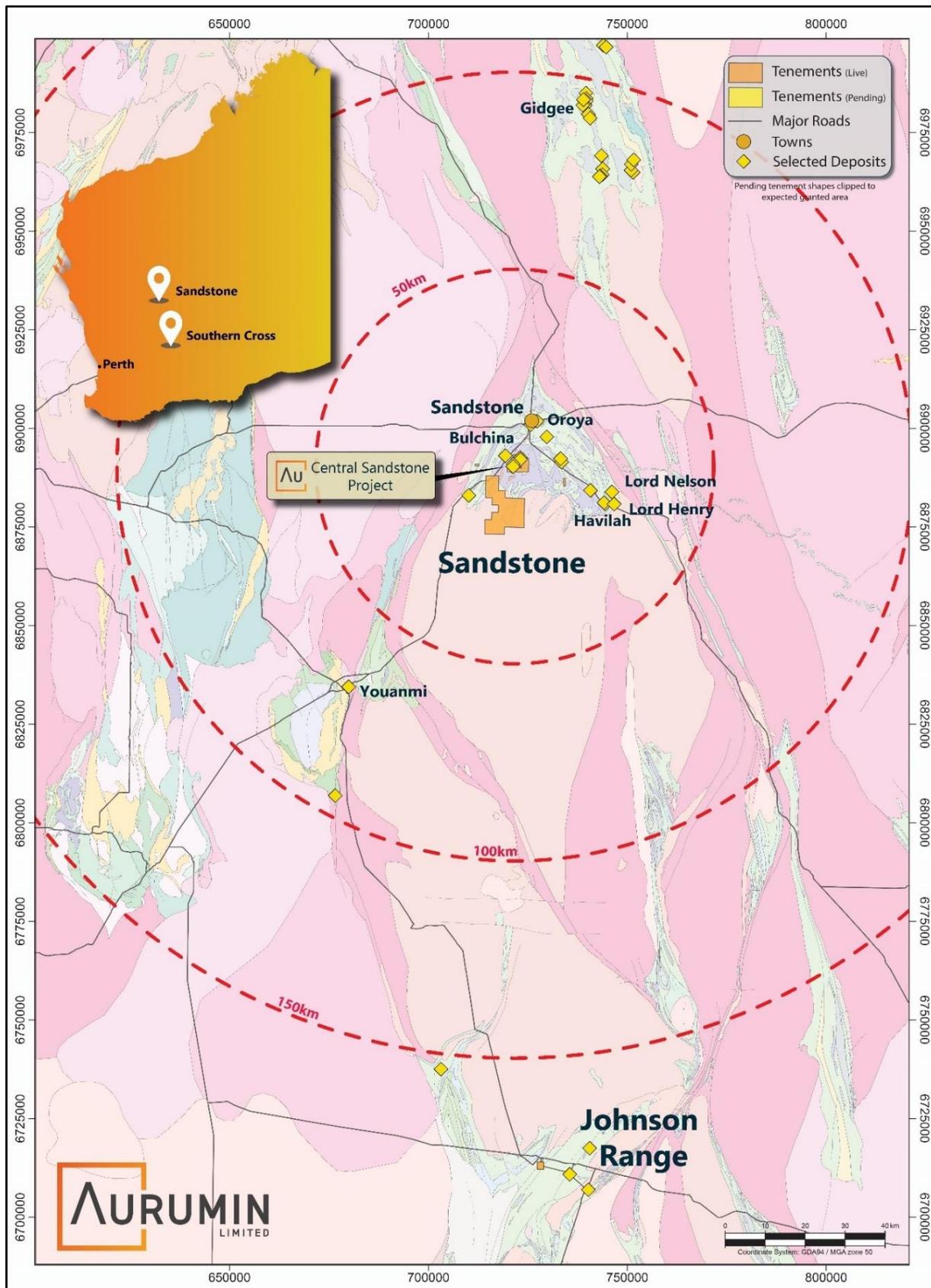
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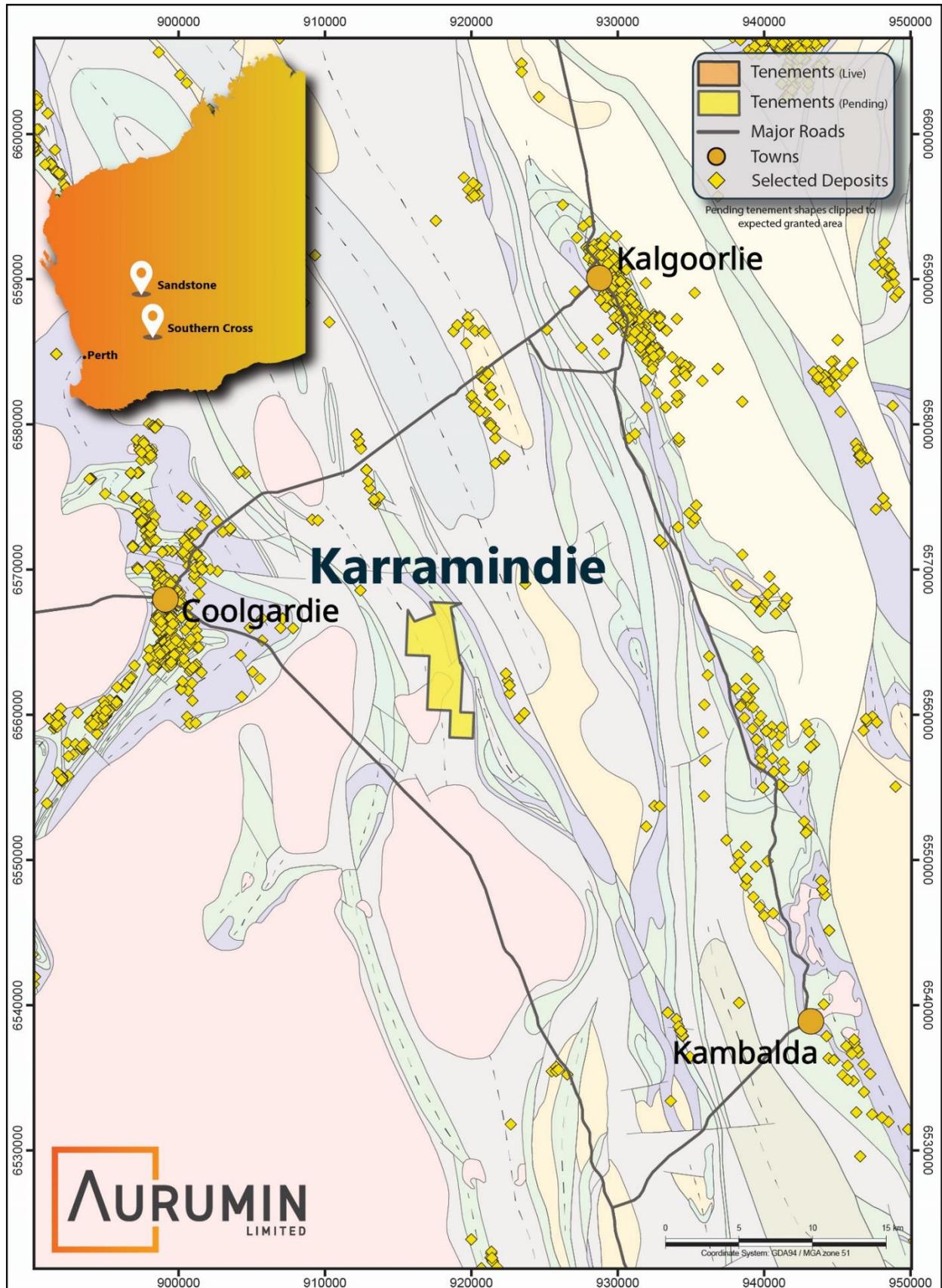
Annexure 1 – Southern Cross Projects Location Map – Mt Dimer, Mt Palmer and Johnson Range



Annexure 2 – Sandstone Project Location Map (acquisition in progress)



Annexure 3 – Karramindie Project Location Map



Annexure 4 – Tenement Information

Tenement	Project Name	Location	Area (km ²)	Status	Interest at Start of Quarter	Interest at End of Quarter
G77/0119	JOHNSON RANGE	JOHNSON RANGE	2.98	LIVE	100%	100%
L77/0245	JOHNSON RANGE	JOHNSON RANGE	0.06	LIVE	100%	100%
L77/0247	JOHNSON RANGE	JOHNSON RANGE	0.07	LIVE	100%	100%
L77/0248	JOHNSON RANGE	JOHNSON RANGE	0.94	LIVE	100%	100%
M77/1263	JOHNSON RANGE	JOHNSON RANGE	1.85	LIVE	100%	100%
E77/2595	JOHNSON RANGE	ULLARRING	2.98	LIVE	100%	100%
E15/1769	KARRAMINDIE	KARRAMINDIE	16.38	LIVE	0%	100%
E77/2662	MT DIMER	JAUARDI	43.39	LIVE	100%	100%
E77/2729	MT DIMER	JAUARDI	88.72	LIVE	0%	100%
E16/0571	MT DIMER	JAUARDI	197.72	PENDING	0%	0%
E77/2726	MT DIMER	JAUARDI	17.77	PENDING	0%	0%
E77/2786	MT DIMER	JAUARDI	88.83	PENDING	0%	0%
E77/2788	MT DIMER	JAUARDI	59.18	PENDING	0%	0%
E77/2815	MT DIMER	JAUARDI	115.36	PENDING	0%	0%
E77/2816	MT DIMER	JAUARDI	103.63	PENDING	0%	0%
L16/0135	MT DIMER	JAUARDI	1.60	PENDING	0%	0%
L77/0328	MT DIMER	JAUARDI	1.21	PENDING	0%	0%
L77/0329	MT DIMER	JAUARDI	0.18	PENDING	0%	0%
L77/0330	MT DIMER	JAUARDI	0.25	PENDING	0%	0%
P77/4576	MT DIMER	JAUARDI	0.50	PENDING	0%	0%
E77/1992	MT DIMER	MT DIMER	4.13	LIVE	100%	100%
E77/2518	MT DIMER	MT DIMER	20.71	LIVE	100%	100%
E77/2560	MT DIMER	MT DIMER	2.96	LIVE	100%	100%
L77/0083	MT DIMER	MT DIMER	0.03	LIVE	100%	100%
L77/0135	MT DIMER	MT DIMER	0.61	LIVE	100%	100%
L77/0147	MT DIMER	MT DIMER	0.09	LIVE	100%	100%
M77/0427	MT DIMER	MT DIMER	6.65	LIVE	100%	100%
M77/0428	MT DIMER	MT DIMER	6.25	LIVE	100%	100%
M77/0957	MT DIMER	MT DIMER	0.54	LIVE	100%	100%
M77/0958	MT DIMER	MT DIMER	0.52	LIVE	100%	100%
M77/0965	MT DIMER	MT DIMER	6.13	LIVE	100%	100%
P77/4568	MT DIMER	MT DIMER	0.69	LIVE	100%	100%
E77/2668	MT PALMER	JILBADJI	40.97	PENDING	0%	0%
E77/2680	MT PALMER	JILBADJI	5.85	PENDING	0%	0%

Tenement	Project Name	Location	Area (km ²)	Status	Interest at Start of Quarter	Interest at End of Quarter
E77/2763	MT PALMER	JILBADJI	187.61	PENDING	0%	0%
L77/0344	MT PALMER	JILBADJI	0.01	PENDING	0%	0%
L77/0345	MT PALMER	JILBADJI	0.10	PENDING	0%	0%
L77/0346	MT PALMER	JILBADJI	0.23	PENDING	0%	0%
P77/4527	MT PALMER	MT PALMER	1.71	LIVE	100%	100%*
E77/2210	MT PALMER	MT PALMER	29.04	LIVE	100%	100%
E77/2333	MT PALMER	MT PALMER	41.06	LIVE	100%	100%
E77/2423	MT PALMER	MT PALMER	29.08	LIVE	100%	100%
M77/0406	MT PALMER	MT PALMER	0.21	LIVE	100%	100%
E77/2702	MT PALMER	YILGARN STAR	14.63	LIVE	0%	100%*
E77/2894		JILBADJI	196.34	PENDING	0%	0%
E77/2895		JILBADJI	204.91	PENDING	0%	0%
E77/2903		JILBADJI	11.73	PENDING	0%	0%

* AUN tenement acquisitions awaiting settlement and transfer.