

31 January 2022

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Managing Director
Hugh Callaghan

Non-Executive Chairman
Sufian Ahmad

Non-Executive Director
Stephen Windle

Chief Financial Officer
Agha Pervez

Company Secretary
Harry Spindler



Enquiries regarding this announcement
can be directed to:

Company Secretary
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Quarterly Activities Report

- **Hamersley Iron Ore Project divested in the IPO of Equinox Resources Limited in which Pathfinder retains a 36.55% shareholding**
- **Permitting activities continued at the King Tut cobalt-gold project in Argentina**
- **Grab sampling of veined mineralisation at the Bloom Lake project in Ontario, Canada**
- **Appointment of a new Managing Director, CFO and Non Executive Director.**

Pathfinder Resources Ltd (**Pathfinder, PF1** or the **Company**) is pleased to provide the following summary of activities undertaken during the quarter ended 31 December 2021 (**December Quarter**).

King Tut Project

Exploration Activities

During the December Quarter, the Company continued to progress permitting for its maiden diamond drilling program. Intensive engagement with government departments has responded to each of the new requirements presented by the government of la Rioja State however, no successful outcome has been received to date. Community outreach programmes continued to demonstrate the economic and social upliftment that mining offers to the community.

As part of the permitting of the maiden Diamond Drill Program the team have continued engagements with key stakeholder and community groups in the province. To assist with the development of a comprehensive Social Management and Communication Plan (SMCP) the Company has contracted a local consulting group, Papi Group Latam Consulting, who have extensive experience with mining operations in Argentina.

Consultation with the la Rioja government are ongoing and the Company expects to reach an assessment of the drill program by the end of the March 2022 quarter.

Hamersley Iron Ore Project

Divestment of Hamersley Iron Ore Project

In July 2021, the Company and Lockett Pty Ltd (a subsidiary of ASX listed Cazaly Resources Limited (ASX: CAZ) announced the divestment of their respective interests in the Hamersley Iron Ore Project to Equinox Resources Limited (ASX: EQN) (**Equinox**).



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Equinox has undertaken an initial public offer (IPO) and listing on the official list of the Australian Securities Exchange on 12 October 2021. Through its IPO, Equinox raised \$9 million (before costs) through the offer of 45 million shares, at an issue price of \$0.20 per share.

The successful listing of Equinox in October 2021, completed the divestment of Pathfinder's 70% interest in the Hamersley Iron Ore Project. Pathfinder holds a 36.55% shareholding in Equinox.

Under the transaction, Pathfinder received 35,000,000 shares (36.55% interest) and 6,650,000 performance shares and retains a A\$0.70 per tonne sales royalty over the Hamersley Iron Ore Project.

In conjunction with the divestment of the Hamersley Iron Ore Project, Pathfinder agreed to loan funds to Equinox for the purposes of being used to pay the expenses in respect of its IPO. Following completion of the IPO, Equinox has repaid to the Company \$221,000 in respect of this loan during the December Quarter.

Bloom Lake Cobalt Project

The Company maintained the tenements comprising the Bloom Lake Cobalt Project in Canada and despatched a number of grab samples to laboratories in Canada for analysis. The results are expected during the first quarter of 2022.

Corporate

Board and Management Appointments

During the December Quarter, the Company's management team has been significantly strengthened with a number of key appointments.

Mr Shannon Green resigned from the Company and was replaced as Managing Director by Mr Hugh Callaghan, who had served on the Board as a Non Executive Director.

Mr Callaghan has significant experience in advising mining projects across base, precious metals and bulk minerals in the Americas, and previously led teams that successfully built a silver, zinc and lead mine in Mexico, and prior to that a copper mine in Chile that operates to the present day. In addition, Mr Callaghan's proximity to the Company's South American assets will assist Pathfinder in advancing the King Tut Project. Mr Callaghan has significant ASX experience including being a Director of Equinox Resources Limited (June 2021- Present, and prior to that a Director of Acacia Coal Limited (March 2017 to December 2017), GSF Corporation (February 2009 to June 2009), Tamaya Resources Limited (May 2006 to October 2008) and Riversdale Mining Limited (April 2004 to August 2006). Mr Callaghan's qualifications include a Bachelor of Commerce and a Bachelor of Laws.

Dr Stephen Windle was appointed to the Board as a Non Executive Director on 5 October 2021.

Dr. Windle is a Brisbane based geologist with over 30 years' experience in exploration management, geo-metallurgy, resource modelling, and exploration technology, specialising in intrusion related copper-gold and base metals systems. Dr. Windle previously held senior roles at Xstrata, managing exploration and assisting in the feasibility studies for the Frieda River Cu-Au deposit. He subsequently spent 9 years in Peru, serving as Geology Manager for the Cu-Zn Antamina project, the largest operating polymetallic skarn ore-body in the world. Since 2017, Dr. Windle has also provided consulting services to a number of projects hosting porphyry, skarn and epithermal systems, including the Zafranal project owned by Teck Resources and MMC (Mitsubishi Materials Corporation). Dr. Windle holds an undergraduate degree from Cambridge University and completed MSc and PhD programmes at Otago and Southampton Universities respectively.

Ms Ailsa Osborne, CFO and Company Secretary of Pathfinder, resigned from the company, and was replaced by Mr Agha Shahzad Pervez.

Mr Pervez obtained a Bachelor of Science in Information Technology in 2005 and went on to complete a Masters of Commerce (Professional Accounting) in 2008 at the University of Ballarat. Following this, Mr Pervez worked for a number of private companies before joining Resonance Health Limited (ASX: RHT) in 2009, where he held numerous roles including Senior Financial Accountant, Chief Financial Officer and Company Secretary. In addition, Mr Pervez was instrumental in the corporate restructuring of RHT in 2017, and contributed to the significant growth of the company's valuation during his tenure.

Change of Office

As announced on 2 December 2021, the Company moved offices to Level 9, 182 St Georges Terrace, Perth, Western Australia 6000.

Airguide Claim

During the quarter, the Company settled the claim from Airguide International Pte Ltd, for a single cash payment of US\$482,500 in full and final settlement of the dispute between the parties without admission of liability. This concludes the litigation which dated from a previous era in the Company (2018-2019).

Business Development

The Company continues to actively review potential opportunities and partnerships that have a strategic fit for the Company and that have the potential to deliver value for shareholders.

Finance

The Appendix 5B quarterly cashflow report for the December Quarter is submitted separately.

The Group closed the December Quarter with a cash balance of \$1,838k. Exploration expenditure during the quarter totalled \$153k (*unaudited*).

Use of Funds

A comparison of the Company's actual expenditure since admission to the Official List of ASX on 30 October 2020 to 31 December 2021 against estimated expenditure in the Use of Funds statement in the Prospectus is set out below in accordance with ASX Listing Rule 5.3.4. The table also shows the Company's expenditure for the December Quarter, as required by ASX Listing Rule 5.3.1:

	Prospectus	Expenditure since admission	Dec Qtr
Preliminary on ground exploration at the King Tut Project	598,169	487,257	34,187
Drilling at the King Tut Project	2,340,422	103,497	15,042
King Tut Project management costs	400,000	353,173	65,058
Repayment of debt to creditors	550,000	579,951	-
M&A budget for complementary assets ²	749,859	48,225	(222,414)
Expenses of the Offers ¹	510,000	860,817	-
Administration costs	700,000	941,224	356,771
Working capital ³	460,051	1,096,422	666,455
	6,308,501	4,470,567	915,098

1. Expenses of the Offers – variance \$350,817

As reported in the quarter ended 31 December 2020, Additional Legal, Compliance and Regulatory costs associated with the offer.

2. Vendor Loan Agreement – Equinox Resources Limited

Included in M&A budget for complementary assets is the advance to Equinox of \$222,414. As announced on 9 July 2021, in conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder agreed to advance an amount of up to \$320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO, the fund advanced to be repaid out of the proceeds from the Equinox IPO. Repayment of this loan was received in October 2021.

3. Working Capital – Legal Fees Airguide

Included against the Working Capital budget are the legal fees associated with the defence litigation claim and settlement agreement with Airguide pursuant to which the Company made cash payment of USD \$482,500 in full.

Payments to Related Parties

Pursuant to section 6 of the Company's Appendix 5B, and as required under ASX Listing Rule 5.3.5, during the Quarter the Company paid \$46K to current Directors and their associates. This comprised of \$40k of remuneration paid to directors, and \$6.4k for the office rent paid to Company associated with Mr. Sufian Ahmad.

During the December Quarter, the Company received a total of \$222,414 from Equinox in respect of the loan agreement announced on 9 July 2021.

2021 Annual General Meeting

The Company convened its 2021 Annual General Meeting on 30 November 2021. All resolutions detailed in the Company's Notice of Meeting dated 15 October 2021 were passed by poll, details of which are included in the Company's announcement of 30 November 2021.

Capital structure

The capital structure at the end of the December Quarter is as follows:

- 57,968,163 Ordinary Shares on issue;
- 7,000,000 Performance Shares on issue.

The Company did not issue any new securities during the December Quarter. During the quarter, 3,224,771 ordinary shares and 2,408,679 performance shares were released from escrow.

Interests in Mining Tenements at 31 December 2021

Location	Tenement Reference	Nature of Interest	% Interest
Western Australia ¹	M47/1450	Granted	36.5%
Canada, Bloom Lake	221266, 221267, 229223 243759, 251792, 251793 251794, 287807, 308044 325202, 336173, 582713 582714	Granted	100%
Argentina ²	168-L-1939	Granted	100%
	66-C-2005	Granted	100%
	28-L-2011	Pending approval	100%

1. Pathfinder's interest in the Hamersley Iron Ore Project is held indirectly by way of its investment held in Equinox Resources Limited.
2. Pathfinder's interest in the Tenements located in the La Rioja Province in Argentina are held through its wholly owned subsidiaries Blue Gold Mining Pty Ltd (BGM) and Sandrino Gold Pty Ltd (SG) which, through their respective Argentine subsidiaries Tres Elementos SA (TESA) and Tecno Minera SA (TMSA), collectively own the Tenements the subject of the King Tut Project.

As detailed previously, during the quarter, the Company successfully completed the divestment of its 70% interest in the Hamersley Iron Ore Project (M47/1450) to Equinox.

ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2021 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements released during the December quarter on the ASX announcements platform.

2 Dec 2021	Change of Registered Office Address
30 Nov 2021	Results of 2021 Annual General Meeting
16 Nov 2021	Settlement of litigation

5 Nov 2021	Appointment of CFO and Company Secretary
2 Nov 2021	Final Director's Interest Notice
2 Nov 2021	Director Appointment/Resignation
29 Oct 2021	Quarterly Activities / Appendix 5B Cash Flow Report
28 Oct 2021	Application for quotation of securities - PF1
18 Oct 2021	Notification of Release of Restricted Securities from Escrow
18 Oct 2021	Becoming a Substantial Holder for EQN
15 Oct 2021	Notice of Annual General Meeting/Proxy Form
14 Oct 2021	Initial Director's Interest Notice
12 Oct 2021	CAZ: Equinox Resources Limited to List on ASX
12 Oct 2021	Successful Completion of Equinox Resources IPO
5 Oct 2021	Appointment of Non-Executive Director Dr. Stephen Windle
4 Oct 2021	Listing Rule 3.13.1 Notice

These announcements are available for viewing on the Company's website under the New and Research tab. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements above.

- END -

This announcement has been approved by the Board of Pathfinder Resources Ltd.

For further information, please contact:

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Compliance Statement

This quarterly report contains information on the King Tut and Bloom Lake Cobalt Projects extracted from an ASX market announcements dated 16 August 2021, 17 August 2021 and 29 October 2021 released by Pathfinder on 23 February 2021 and reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (**JORC Code**). The original market announcement is available to view on www.pathfinderresources.com.au and www.asx.com.au. Pathfinder is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources (as that term is defined in the JORC Code) that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Appendix 5B

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

Name of entity

PATHFINDER RESOURCES LTD

ABN

80 085 905 997

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation		(49)
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(93)
(e) administration and corporate costs	(247)	(442)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Settlement of Litigation	(666)	(666)
1.9 Net cash from / (used in) operating activities	(973)	(1,250)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(153)	(318)
(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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	8	8
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	222	25
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	78	(284)

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	(20)	(40)
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	(20)	(40)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,753	3,412
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(974)	(1,251)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	79	(283)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	(40)

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,838	1,838

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	1,838	2,753
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)	1,838	2,753

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	46
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.

6.1 Amounts shown relate to Non-Executive Chairman and Non-Executive Director fees payments.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	26	26
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.		
Comprise Insurance Premium Funding for the FY2022 year.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(973)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(153)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,126)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,838
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,838
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.63
<i>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.</i>	
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?	
Answer: The net operating cash flow for the quarter under review will not be repeated in the foreseeable future. During the quarter, Company settled litigation (the "Airguide Claim") which entailed a "once off" net outflow of US\$482,500. Please see ASX announcement 'Settlement of Litigation' dated 16 November 2021.	
If this payment was excluded from the figure in 8.1, then the response to item 8.7 would be 5.5 quarters of available funding.	
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?	
Answer: Not applicable – refer above.	

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

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?

Answer: The Company expects to be able to continue its operations and to meet its business objectives. As mentioned above, the Company closed the quarter under review with cash and cash equivalents of \$1.8M, if the once off payment was excluded from the figure in 8.1, then the response to item 8.7 would be 5.5 quarters of available funding.

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: 31 January 2022

Authorised by: The Board of Pathfinder Resources Ltd
(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.