

## March 2022 Quarterly Activities Report

### Lennard Shelf Project:

- Assay results received from 1,700m maiden diamond drilling at Pillara East confirm near surface zinc-lead mineralisation:
  - 23.50m @ 2.04% Zn + Pb from 34.5m inc 5.6m @ 3.37% Zn + Pb - EPDD2106
  - 10.10m @ 2.55% Zn + Pb from 29m inc 3.1m @ 5.11% Zn + Pb - EPDD2102
  - 5.60m @ 2.94% Zn + Pb from 36.4m inc 3.1m @ 3.65% Zn + Pb - EPDD2104
  - 4.00m @ 5.69% Zn + Pb from 36m to EOH - EPDD2115
  - 2.00m @ 5.94% Zn + Pb from 31m - EPDD2115
  - 1.72m @ 13.51% Zn + Pb from 55.28m - EPDD2102
  - 1.38m @ 6.91% Zn + Pb from 65.12m - EPDD2102
- Next phase of field work at the Lennard Shelf Project to target north striking faults in the vicinity of the Goongewa Zn-Pb mine at Prices Hill and prospective Uncle Billy Fault at Pillara East

### Leinster Project:

- Assay results received 1,500m maiden RC drill program confirm several broad intersections of nickeliferous ultramafic rocks, with a peak of 24m @ 0.31% Ni from 16m, including 8m @ 0.50% Ni from 20m - 21LRC004

### Corporate:

- The Company is well-funded with \$2.7m cash held at 31 March 2022
- Tenement applications lodged over the northern extents of the Retaliation Greenstone Belt located between Mt Gibson and Rothsay Gold Projects
- Albion continues to assess other opportunities as they are presented

Albion Resources Limited (ASX: ALB) ("Albion" or the "Company") is pleased to provide the following summary of activities conducted over the March 2022 quarter, which focused on systematic exploration at the Company's 100% owned Lennard Shelf and Leinster Projects in WA.

### Lennard Shelf Project:

#### Overview

Albion's Lennard Shelf Project is located in the world class Mississippi Valley type Zinc-Lead province, the Lennard Shelf, approximately 30 km southeast of Fitzroy Crossing in the Kimberley, Western Australia. Despite hosting significant historic mines, Pillara (19.3Mt @ 7.8% Zn + 2.6% Pb) and the Cadjebut Trend (16.4Mt @ 8.9% Zn + 5% Pb), regional exploration in the Lennard Shelf Province has been largely overlooked since the late 1980's. The Lennard Shelf Project, comprising three sub-projects, covers an expansive area of ~319 km<sup>2</sup> and contains comparable geology to Pillara and the Cadjebut Trend.

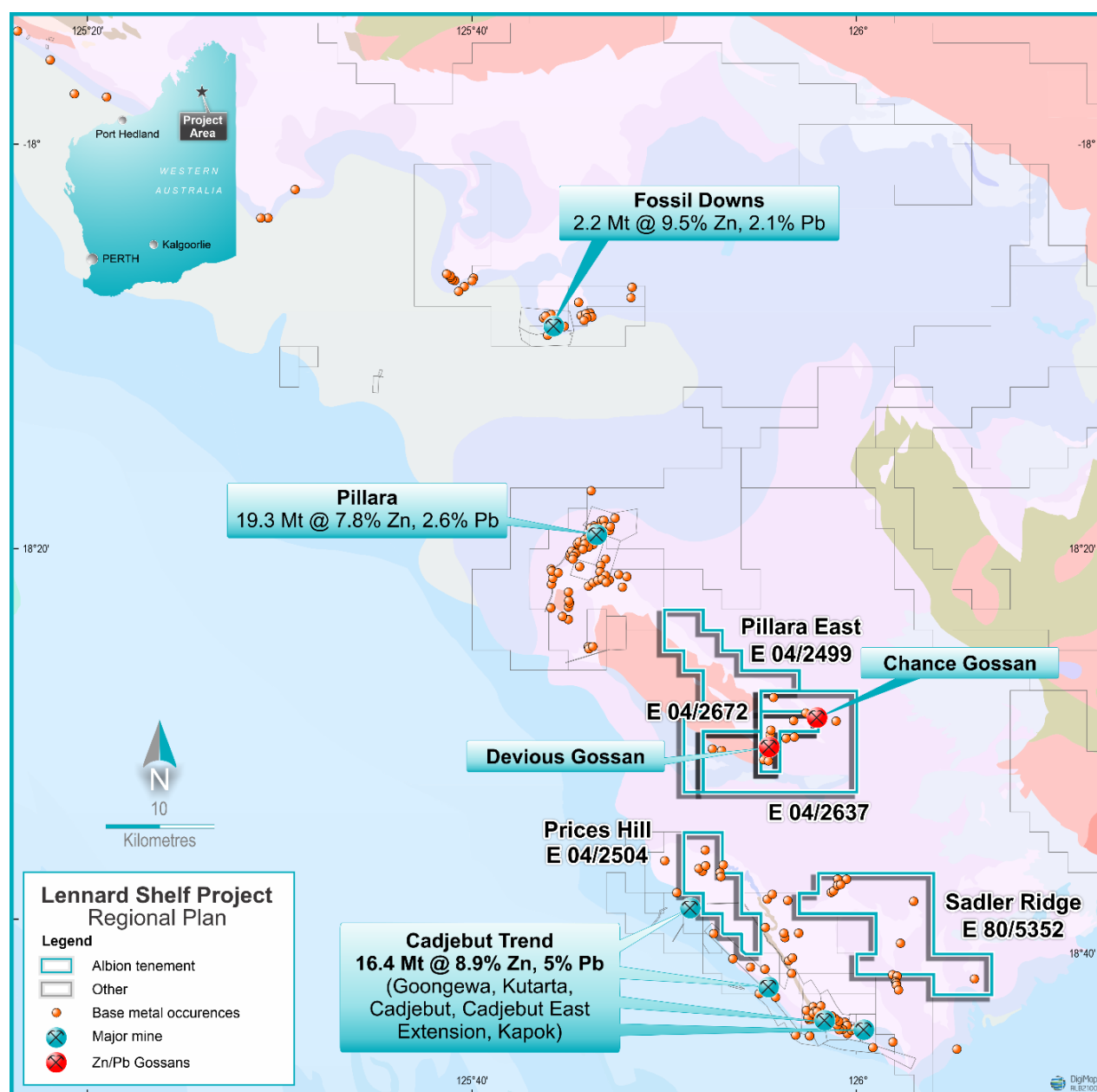


Figure 1: Lennard Shelf Regional Plan

### Recent Activities

During the March 2022 quarter, the Company received assay results from its 1,700m diamond drill program at Pillara East which confirmed near surface zinc-lead mineralisation was intersected in numerous drill holes along and adjacent to the Uncle Billy Fault. Importantly, the mineralisation intersected by Albion is shallow, with most encountered at depths around 30m – 60m below surface. Significant intersections are shown in **Table 1**,

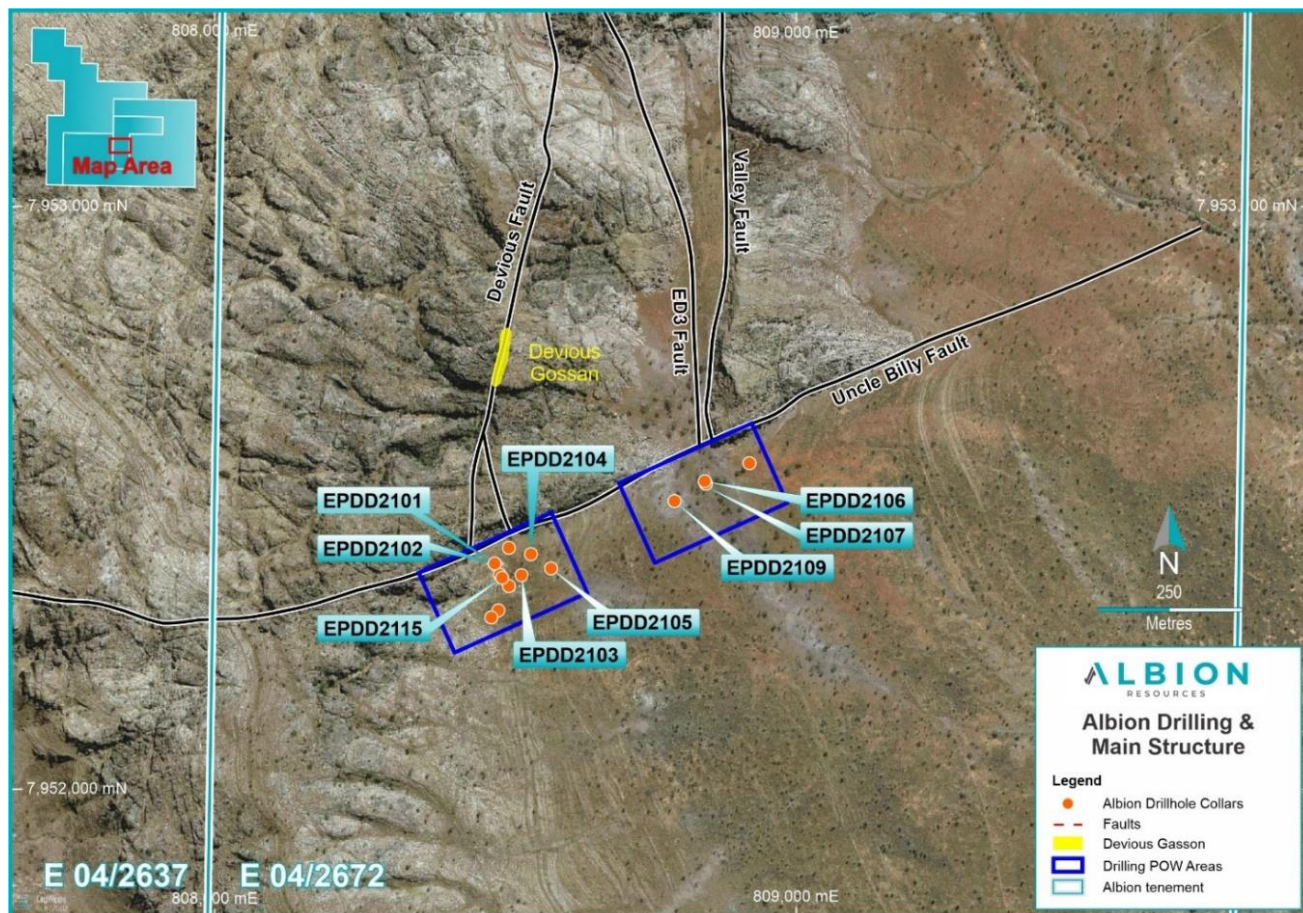


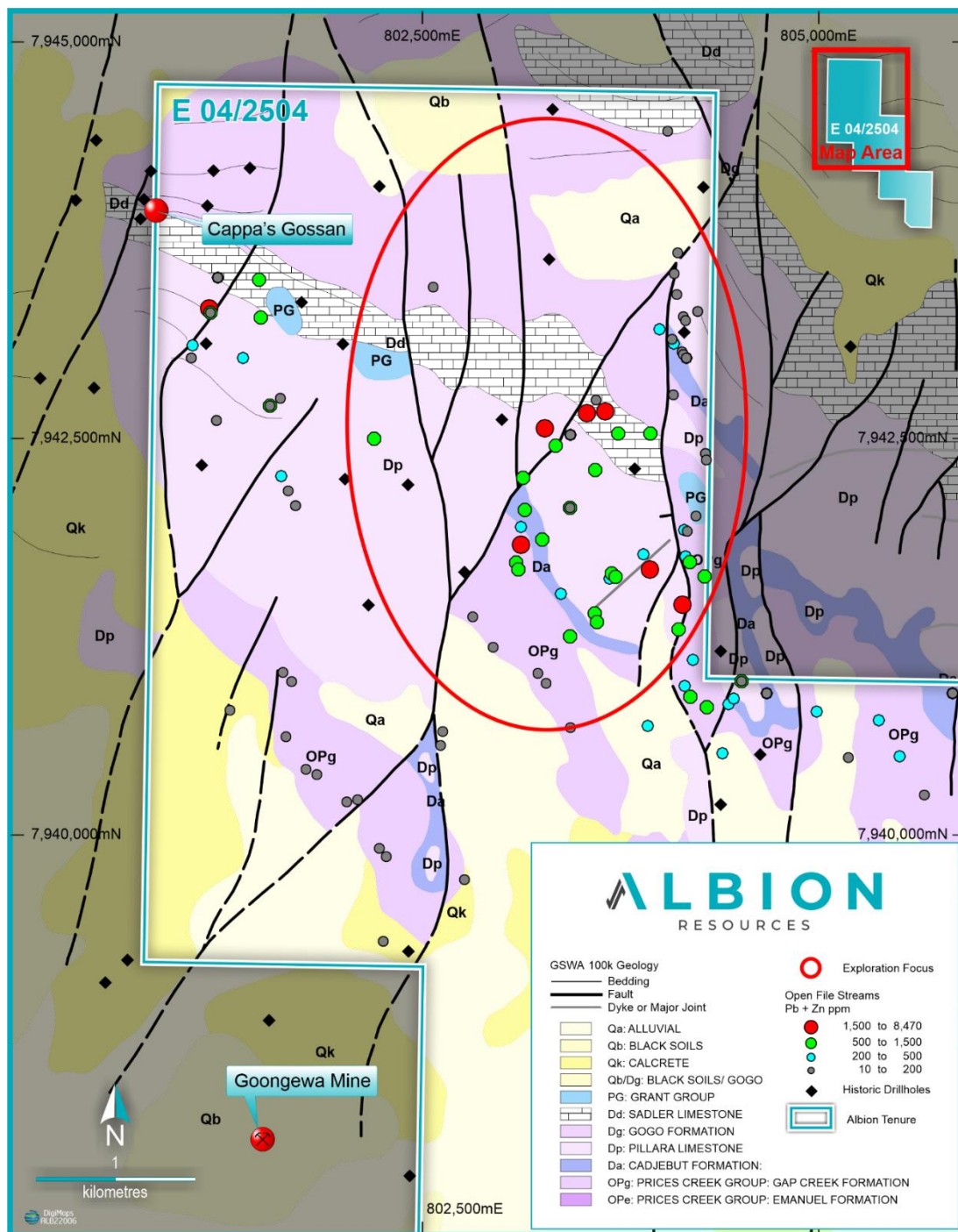
Figure 2: Drill collar locations and main fault structures

Hole ID	From (m)	To (m)	Interval (m)	Pb (%)	Zn (%)	Pb + Zn (%)
EPDD2101	29.00	39.10	10.10	0.51	2.04	2.55
<i>including</i>	34.80	38.00	3.20	0.54	4.57	5.11
EPDD2102	55.28	57.00	1.72	8.91	4.61	13.51
EPDD2102	65.12	66.50	1.38	3.24	3.67	6.91
EPDD2103	65.00	67.07	2.07	0.17	2.48	2.65
EPDD2104	36.40	42.00	5.60	0.77	2.17	2.94
<i>including</i>	38.00	41.10	3.10	1.00	2.65	3.65
EPDD2106	34.50	58.00	23.50	0.07	1.97	2.04
<i>including</i>	39.40	45.00	5.60	0.06	3.31	3.37
EPDD2107	22.25	28.00	5.75	0.30	1.49	1.78
EPDD2107	37.00	41.00	4.00	1.00	0.27	1.27
EPDD2107	49.00	53.00	4.00	0.51	1.12	1.63
EPDD2109	79.70	90.00	10.30	0.20	2.01	2.21
<i>including</i>	87.00	90.00	3.00	0.48	2.97	3.45
EPDD2115	31.00	33.00	2.00	1.24	4.70	5.94
EPDD2115	36.00	40.00	4.00	2.92	2.77	5.69

Table 1: Significant intercepts > 1% Pb+ Zn, from the 2021 diamond drilling program at Pillara East



An additional exploration focus on the Lennard Shelf Project in 2022 will involve Prices Hill, E04/2504. Prices Hill is situated at the NW end of the Emanuel Range and is an area of outcropping Devonian Pillara Formation with strong geochemical responses in stream sediment sampling. Initial exploration at Prices Hill will involve mapping and geochemical sampling along prospective faults where Pillara Formation limestone is predicted in the hanging wall of the faults. The Pillara limestone is the preferred host for the major Zn-Pb deposits in the Cadjebut to Pillara trend. Where Ordovician Emanuel shales are found in the footwall, they form an ideal seal to mineralising fluids.

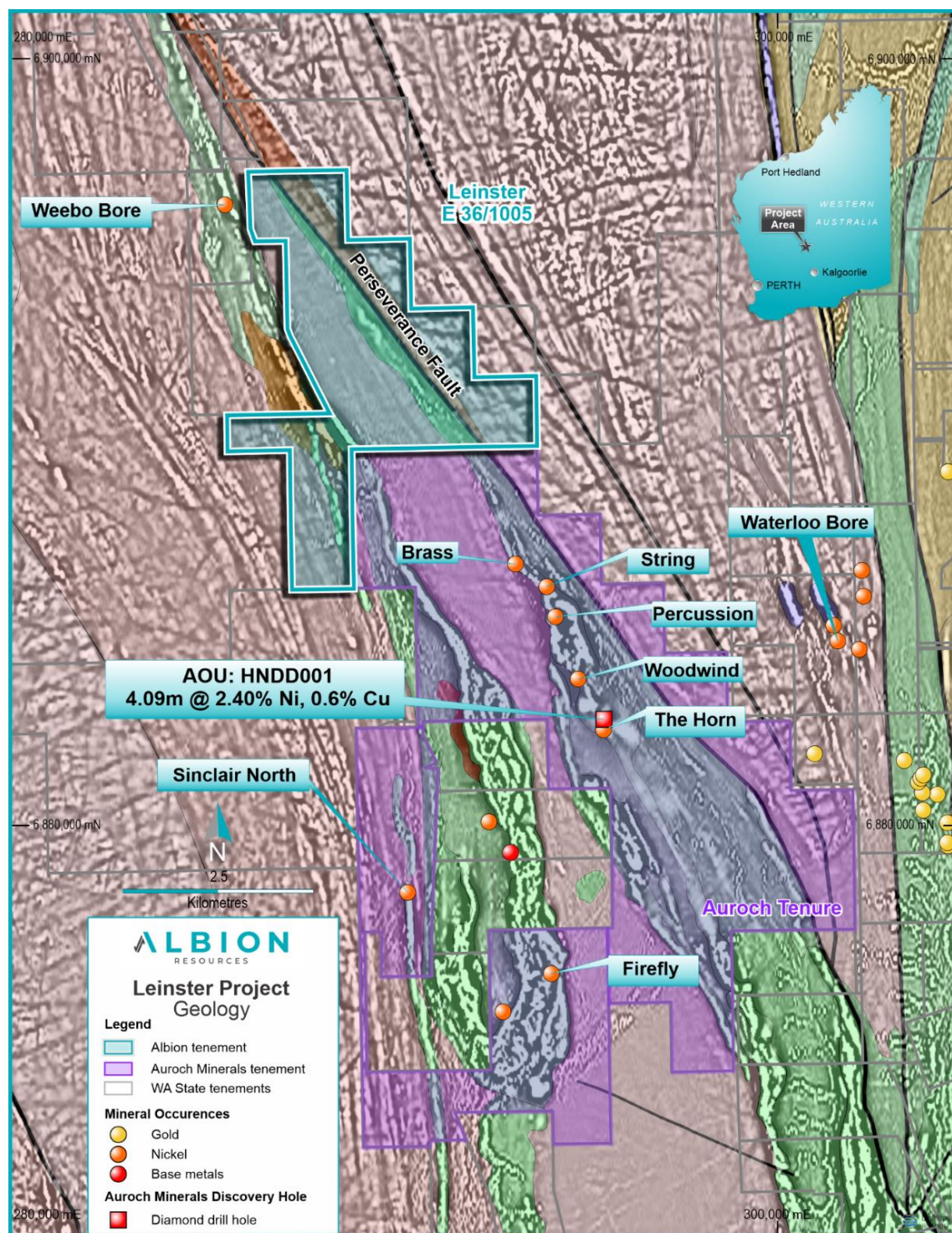


**Figure 3: Historical exploration at Prices Hill on GSWA 100k Geology**

### Leinster Project:

#### Overview

The Leinster Project, located 30km southeast of Leinster, covers an area of 42km<sup>2</sup> and is prospective for nickel-copper being located along strike from Auroch Minerals the Horn and related Ni-Cu prospects and adjacent to BHP's Nickel West Weebo Ni deposit.



**Figure 4: Leinster Project - Magnetics with overlain GSWA geology relative to nearby nickel and gold occurrences, prospects and deposits**



## Recent Activities

During the March 2022 quarter, the Company received assay results from its drilling program involving 10 reverse circulation (RC) holes for a total of 1,500m targeting nickel sulphide mineralisation along strike to Auroch's the Horn and related Ni-Cu prospects. The program focussed on testing magnetic features where anomalous nickel was generated in shallow drilling by previous explorers. The location of drill holes is shown in Figure 5.

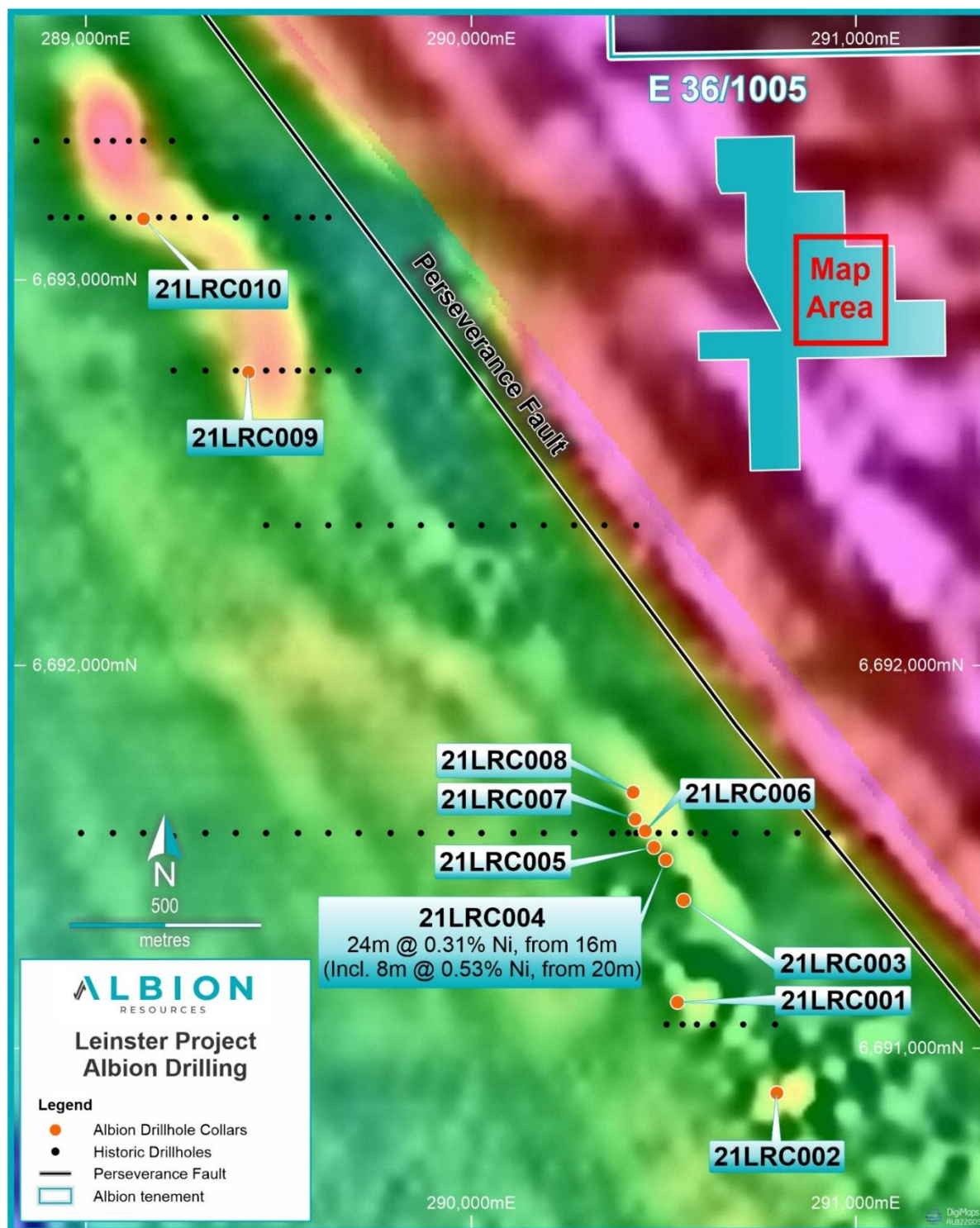


Figure 5: Drillhole Locations over Magnetics

Samples analysed were mostly 4m composites, with the assay results received supporting the Company's geological interpretation that the magnetic bodies represented an ultramafic unit with several broad intersections of nickel (refer to Table 2 below).

Hole ID	From (m)	To (m)	Interval (m)	Ni %
<b>21LRC004</b>	<b>16</b>	<b>40</b>	<b>24</b>	<b>0.31</b>
<b><i>including</i></b>	<b>20</b>	<b>28</b>	<b>8</b>	<b>0.50</b>
21LRC005	0	20	20	0.14
21LRC007	76	104	28	0.13
21LRC009	112	152	40	0.16
21LRC010	92	112	20	0.13

**Table 2: Significant intercepts > 0.1% Ni from the 2021 RC drilling program at Leinster.**

The Company will now move its attention at the Leinster Project to the western ultramafic unit along strike to BHP's Nickel West Weebo Ni deposit and commence a comprehensive review of data over this area.

### **Corporate:**

Cash on hand as the end of the quarter was \$2.7M.

Albion continues to assess other opportunities as they are presented with a view to adding to the discovery potential within the Company's portfolio of projects.

The Company has applied for the Mongers Lake Project, comprising tenement applications E59/2576 and E59/2641. The project covers the northern extents of the Retaliation Greenstone Belt located between the Mt Gibson and Rothsay Gold Projects, in the highly prospective Yalgoo region of Western Australia. Whilst the Company is not aware of any reason why the exploration licences will not be granted in due course, investors are cautioned that there is a risk the exploration licences will not be granted. The Company has commenced compilation of the historical exploration data and planning for a site visit, to occur upon grant.

### **Related Party Payments**

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 31 March 2022, the Company made payments of \$55k to related parties which relate to existing remuneration arrangements (director fees and superannuation).

### **Exploration**

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$292k. Full details of activity during the Quarter are set out above.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

In line with obligations under ASX Listing Rule 5.3.3, Albion provides the following information with respect to its Mining Tenement holdings as at 31 March 2022.

Project	Sub-Project	Tenement	Status	% Held	Change During Quarter
Lennard Shelf	Pillara East	E04/2499	Granted	100%	-
Lennard Shelf	Pillara East	E04/2637	Granted	100%	-
Lennard Shelf	Pillara East	E04/2672	Granted	100%	-
Lennard Shelf	Prices Hill	E04/2504	Granted	100%	-
Lennard Shelf	Sadler Ridge	E80/5352	Granted	100%	-
Leinster	-	E36/1005	Granted	100%	-
Mongers Lake	-	E59/2576	Application	-	-
Mongers Lake	-	E59/2641	Application	-	-

### Use of Funds

In line with obligations under ASX Listing Rule 5.3.4, Albion provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 18 March 2021 and its actual expenditure since ASX admission.

<b>Expenditure Item</b>	<b>Use of Funds \$'000</b>	<b>Actual Expenditure (30.04.2021 – 31.03.2022) \$'000</b>	<b>Variance \$'000</b>
Existing cash reserves	290	138	(152)
Proceeds from Public Offer	5,000	5,000	-
<b>Total Funds</b>	<b>5,290</b>	<b>5,138</b>	<b>(152)</b>
Exploration Expenditure	(2,700)	(1,536)	1,164
General administration fees and working capital	(2,090)	(508)	1,582
Estimated expenses of the Public Offer	(500)	(364)	136
Expenses of the Loyalty Options Offer (net)	-	(48)	(48)
<b>Total Funds Year 1 &amp; 2</b>	<b>(5,290)</b>	<b>(2,456)</b>	<b>2,834</b>
<b>Remaining cash balance</b>			<b>2,682</b>

Note: The variance is due to timing difference of the Prospectus forecast over 2 years vs. 11 months actual spend

This announcement has been approved for release by the Board.

### FOR FURTHER INFORMATION:

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 Executive Chairman  
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### Competent Persons Statement

*The information in this announcement is based on and fairly represents information compiled by Mr Nigel Wilson, geologist, who is a Member of the Australian Institute of Geoscientists and employed by Albion Resources Pty Ltd, and is an accurate representation of the available data and studies for the Project. Mr Wilson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wilson consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

*The information in this announcement that relates to historical exploration results was first reported by the Company in its IPO prospectus dated 18 March 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus. Mineral Resource estimates for neighbouring properties sourced from US Geological Survey, "Compilation of Mineral Resource Data for Mississippi Valley-Type and Clastic-Dominated Sediment-Hosted Lead-Zinc Deposits". USGS Open-File Report 2009-1297.*



## Appendix 5B

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

Name of entity

ALBION RESOURCES LIMITED

ABN

94 620 545 664

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(292)	(1,484)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(95)	(330)
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)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(387)</b>	<b>(1,814)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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 (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	22
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	-	(70)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	(48)

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,069	4,544
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(387)	(1,814)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(48)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,682</b>	<b>2,682</b>

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	2,682	3,069
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,682</b>	<b>3,069</b>

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	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

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



8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(387)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(387)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,682
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,682
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.93
<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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">           Answer: N/A         </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">           Answer: N/A         </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">           Answer: N/A         </div>	
<i>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.</i>		

## Compliance statement

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

Date: **28 April 2022**

Authorised by: **By the Board**  
 (Name of body or officer authorising release – see note 4)

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

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**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.