

ASX Announcement | 29 April 2022

MARCH 2022 QUARTERLY REPORT

GCX Metals Limited (“GCX” or “Company”) is pleased to present its quarterly report for the quarter ending 31 March 2022. Highlights during and since the quarter include:

Highlights

- Agreement to increase the footprint of the Company's Onslow Gold Project in the Pilbara region of Western Australia by acquiring an 80% interest in granted exploration license E08/3197 (188km²) located adjacent to the Company's existing granted exploration license E08/3311 (121km²).
- Applied for a new exploration license E08/3462, comprising a further 258km² of prospective ground located adjacent to E08/3311, to increase the total size of the Onslow Gold Project to 567km², located in the northwestern extension of the Capricorn Orogen.
- Results from a new high powered airborne electromagnetic (“EM”) and magnetic survey flown over the Company's Onslow Gold Project has led to the identification of 11 priority targets exhibiting strong mid to late time peaks considered worthy of follow up exploration, including air-core drilling.
- The completion of this initial geophysical program represents the early stages of a systematic exploration approach to target gold and copper mineralisation across the Onslow Gold Project.
- The Company is now finalising plans for an air core drilling program over certain priority 1 targets identified from the airborne EM and magnetic survey. The object of the drilling program will be to test the interface of the basement and cover to test for geochemical dispersion of potential basement mineralisation.
- The Company changed its name ‘GCX Metals Limited’, following approval by shareholders. The ASX code for the Company will change to ‘GCX’ in due course.
- Completed a 1 for 20 share consolidation, following approval by shareholders. The consolidation resulted in the Company's share capital being reduced to 31,639,347 shares.
- All required shareholder approvals have now been received to facilitate the Company's shares being reinstated to trading on ASX, including to undertake a share placement, entitlement offer, deed of release with the Tribeca parties, and acquisition of exploration license E08/3197.
- The Company is currently finalising a placement to raise \$2.0 million through the issue of 40 million shares at \$0.05 per share (together with a 1 for 3 free attaching listed option) to be immediately followed by a 1 for 1 pro-rata entitlements issue at an issue price of \$0.05 per share (together with a 1 for 3 free attaching listed option). A prospectus will be issued shortly.
- At the conclusion of the share placement, entitlement offer, deed of release with the Tribeca parties, acquisition of exploration license E08/3197 and reinstatement to ASX, GCX will be fully funded to commence a systematic exploration program across the Onslow Gold Project.

For further information, please contact:

Greg Swan

Director & Company Secretary

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Onslow Gold Project

The Onslow Gold Project is located in the northwestern extension of the Capricorn Orogen and is considered prospective for gold and copper. Nearby 1990's historic exploration identified the potential for banded-iron-formation hosted gold and iron-oxide hosted copper-gold mineralisation.

The Onslow Gold Project covers 567km² and comprises three tenements. The Company owns 100% of granted licence E08/3311 (121km²) and has entered into an agreement to acquire 80% of granted licence E08/3197 (188 km²). The Company has also recently applied for E08/3462, comprising a further 258km² of prospective ground located adjacent to E08/3311.

Historical drilling on the tenements was almost exclusively focussed on the cover sequence in the search for pisolitic iron mineralisation and hence the proterozoic basement is considered to be essentially untested. A recent review of historic airborne electromagnetic surveys confirmed several anomalies that have never been drill tested.

New Airborne EM Survey

Subsequent to the end of the quarter, the Company announced the results from a new high powered airborne electromagnetic ("EM") and magnetic survey flown over the Company's Onslow Gold Project. The processing and interpretation of the survey results has led to the identification of 11 priority targets exhibiting strong mid to late time peaks considered worthy of follow up exploration, including air-core drilling.

The total size of the survey was 1,538 line-kilometres using 200-metre line spacing, and covered both of the granted tenements (E08/3311 and E08/3197) within the Onslow Gold Project. Historical drilling on the tenements was almost exclusively focussed on the cover sequence in the search for pisolitic iron mineralisation and hence the proterozoic basement is considered to be essentially untested.

The completion of this initial geophysical program represents the early stages of a systematic exploration approach to target gold and copper mineralisation across the Onslow Gold Project.

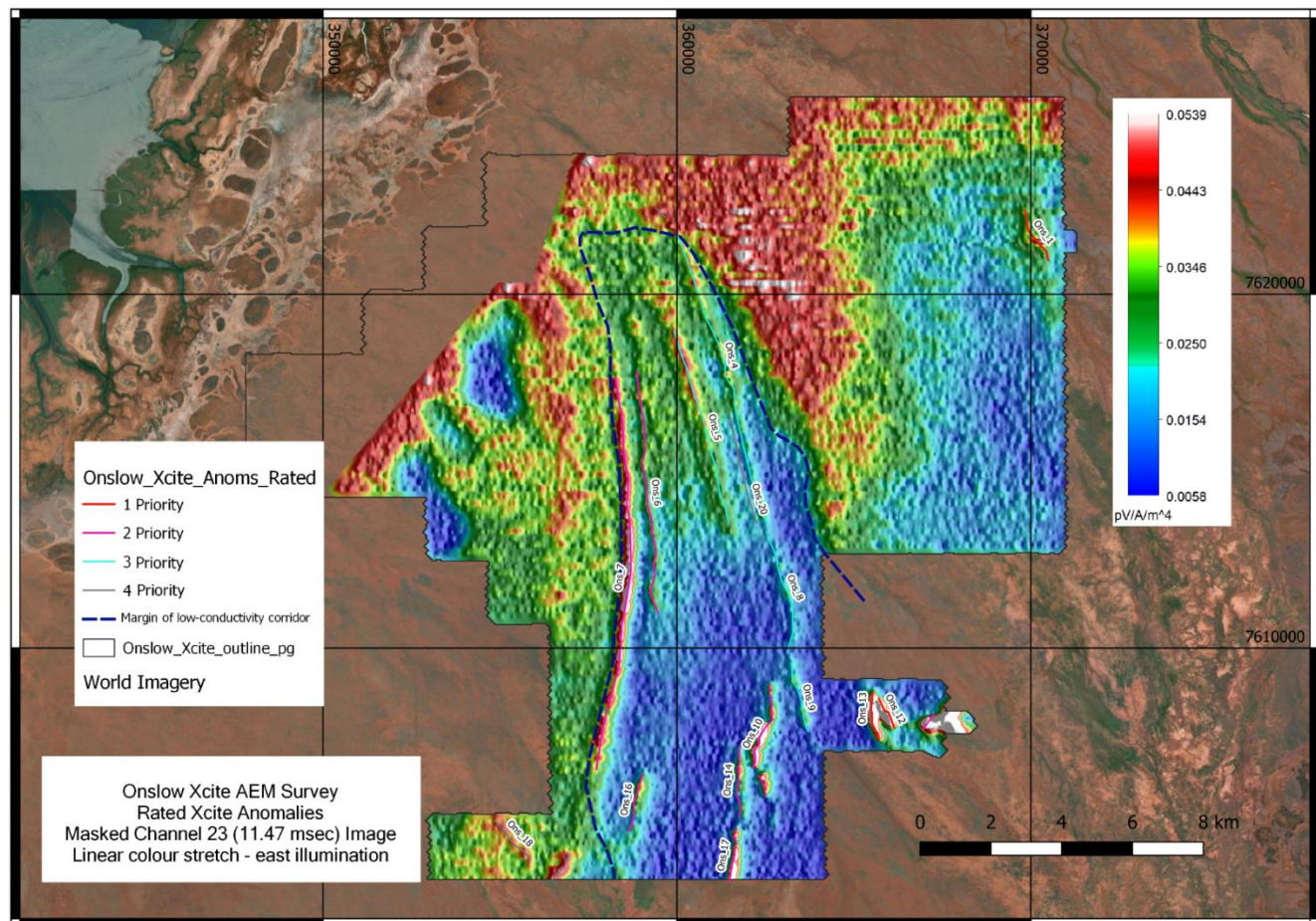


Figure 1: Onslow Gold Project EM Targets

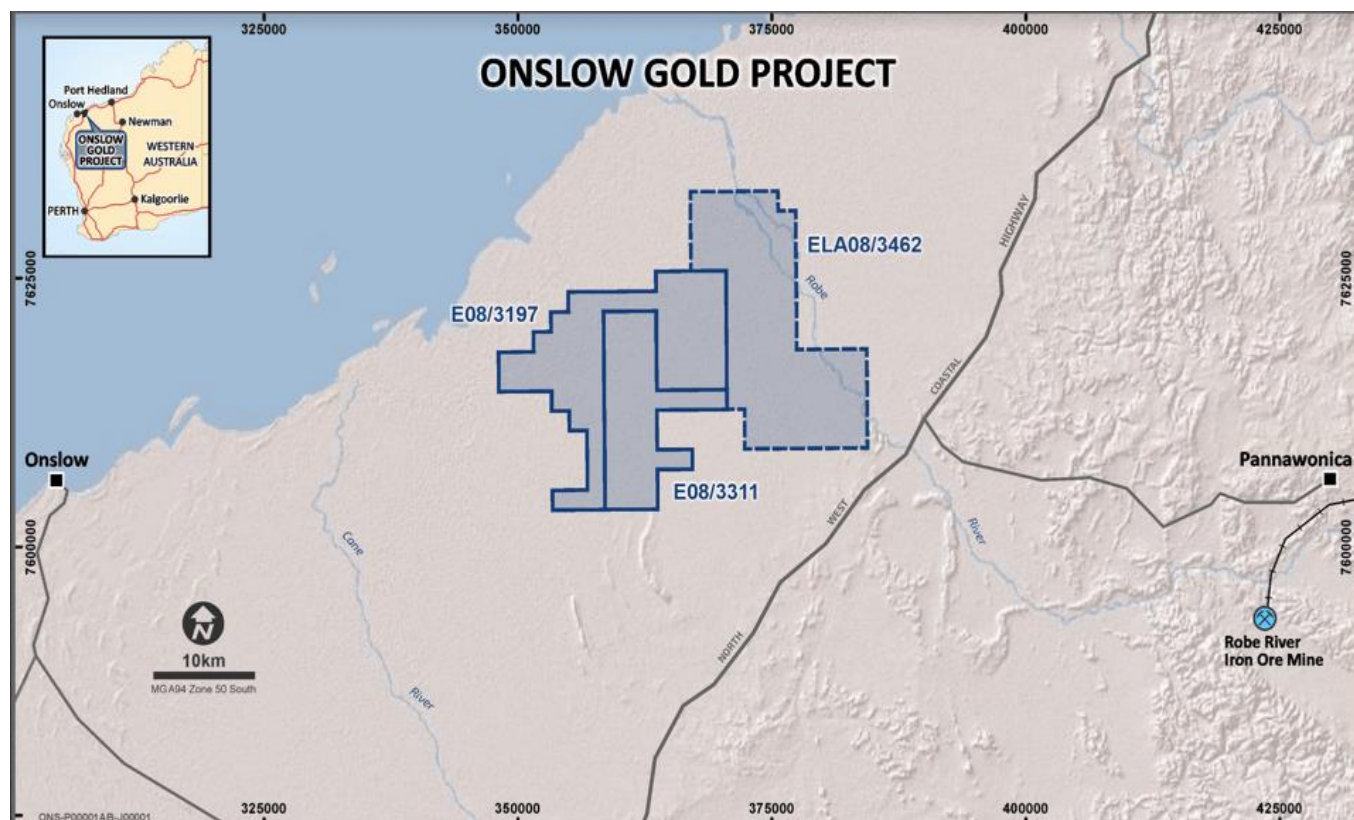


Figure 2: Onslow Gold Project Location

Future Work Programs

The Company's exploration plan is to:

- conduct a regional geochemical surface sampling program suitable for the pervasive cover conditions. An orientation program over selected EM and magnetic targets is planned to trial partial leach methods such as MMI and CSIRO Ultrafine as well as conventional soil sample analysis methods;
- follow up ground based EM surveys over priority 1 targets to determine conductor geometry and assist with deeper drill planning; and
- conduct an air core drilling program over priority 1 targets, ONS_12 and ONS_13, given the interpreted shallow nature of the cover there (circa 40-50m). The object is to test the interface of the basement and cover to test for geochemical dispersion of potential basement mineralisation. The Company is in the process of selecting an appropriate drilling contractor and obtaining all necessary government approvals.

Reinstatement to Trading on ASX

Subsequent to the end of the quarter, the Company received all required shareholder approvals to facilitate the Company's shares being reinstated to trading on ASX, including undertaking a share consolidation, share placement, entitlement offer, deed of release with the Tribeca parties, and acquisition of exploration license E08/3197.

The Company completed a 1 for 20 share consolidation on 28 April 2022, following shareholder approval. The consolidation resulted in the Company's share capital being reduced to 31,639,347 shares.

The Company is currently finalising a placement to raise \$2.0 million through the issue of 40 million shares at \$0.05 per share (together with a 1 for 3 free attaching listed option) which will be immediately followed by a 1 for 1 pro-rata entitlements issue at an issue price of \$0.05 per share (together with a 1 for 3 free attaching listed option). A prospectus will be issued shortly.

Change of Name

The Company received shareholder approval to change its name to 'GCX Metals Limited', effective 21 April 2022.

ASX Additional Information

Mining exploration tenements

As at 31 March 2022, the Company holds an interest in the following exploration tenements:

| Mining exploration project name | Tenement Number | Percentage Interest | Status |
|---|-----------------|---------------------|---------|
| Onslow gold project (Western Australia) | E08/3311 | 100% | Granted |
| | E08/3462 | 100% | Pending |

Mining exploration expenditures

During the quarter, the Company made the following payments in relation to mining exploration activities:

| Mining exploration activity | A\$000 |
|--------------------------------------|-----------|
| Geophysical consultants | 1 |
| Tenement rents, rates and management | 10 |
| Total | 11 |

Related party payments

During the quarter, the Company made no payments to related parties and their associates.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Peter Woodman who is a consultant to GCX Metals Limited. Mr Woodman is a Member of the Australian Institute of Mining and Metallurgy. Mr Woodman has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding plans with respect to GCX's project are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

This ASX announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Company's Director, Greg Swan.

Appendix 5B

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

Name of entity

GCX Metals Limited

ABN

44 155 933 010

Quarter ended ("current quarter")

31 March 2022

| Consolidated statement of cash flows | | Current quarter A\$000 | Year to date (9 months) A\$000 |
|--------------------------------------|---|---------------------------|--------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (11) | (309) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | - | - |
| | (e) administration and corporate costs | (4) | (66) |
| 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 | (15) | (375) |
| 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 | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter A\$000 | Year to date (9 months) A\$000 |
|--------------------------------------|--|---------------------------|--------------------------------------|
| 2.2 | Proceeds from the disposal of: | - | - |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |
| 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 | - | 400 |
| 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 | - | 400 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 87 | 47 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (15) | (375) |
| 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) | - | 400 |

| 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 | Cash and cash equivalents at end of period | 72 | 72 |

| 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 | 72 | 87 |
| 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) | 72 | 87 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
A\$000**

-

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term 'facility' includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

| | Total facility amount at quarter end A\$000 | Amount drawn at quarter end A\$000 |
|---|--|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify): (a) Loan from related party ⁽¹⁾ | 400 | 400 |
| 7.4 Total financing facilities | 400 | 400 |
| 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.

⁽¹⁾ Arredo Pty Ltd, a company associated with Mr Ian Middlemas, has loaned the Company A\$400,000 to pay for costs associated with the Company's recapitalisation and reinstatement to trading on the ASX. The loan is unsecured, interest-free, and repayable at call.

| 8. | Estimated cash available for future operating activities | A\$000 |
|---|---|------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (15) |
| 8.2 | (Payments for exploration & evaluation classified as investment activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (15) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 72 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 72 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.8 |
| <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?

Not applicable.

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?

Not applicable.

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?

Not applicable.

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: 29 April 2022

Authorised by: Company Secretary
(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.