

QUARTERLY ACTIVITIES REPORT

QUARTER ENDED 31 March 2022

Horseshoe Metals Limited (ASX: HOR) (**Horseshoe, HOR or the Company**) is pleased to present its Quarterly Activities Report for the period ending 31 March 2022.

Highlights

- **Successful ASX relisting completed on 21 February 2022**
- **Strongly supported Rights Issue and Shortfall Offer raise \$2.18 million (before costs) to fund near-term exploration programmes**
- **2013 Resource Model (JORC 2012) grade vs tonnage sensitivity review completed**
- **Review into future viability and commercialisation of extensive copper and gold surface materials completed**
- **RC drilling campaign now underway with initial focus on the northern half of Motters Zone**
- **Up to 40 holes designed for ~6000m in multiple phases over coming months**
- **Horseshoe Lights Copper-Gold Project summary:**
 - **Current in situ resource 128 kt Cu metal @ 1.0% (0.5% cut-off)**
 - **Current stockpile resource 9.5 kt Cu metal @ 0.57%**
 - **Extensive drilling (over 120km total) and metallurgical test work**
 - **Open pit only drilled to a depth of ~250m – proximal major deposits in Bryah Basin have been drilled to ~800-1000m**
 - **Horseshoe are targeting a deep sulphide copper target – “Below the Dolerite” (BTD)**

Exploration & Development

Western Australia

Horseshoe Lights Copper-Gold Project, Western Australia (HOR: 100% and excluded from Kopore JV)

Horseshoe Lights Project Summary

The Horseshoe Lights Copper-Gold Project is the original Cu/Au VMS discovery in the Bryah Basin and is located approx. 60 km west of DeGrussa Copper Mine (Figure 1) operated by Sandfire Resources (ASX: SFR). Past production from Horseshoe Lights includes **~316,000 oz Au & 55 kt Cu metal** and the deposit contains a current in situ resource **128 kt Cu metal @ 1.0% (0.5% cut-off)**.

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
Company Secretary*

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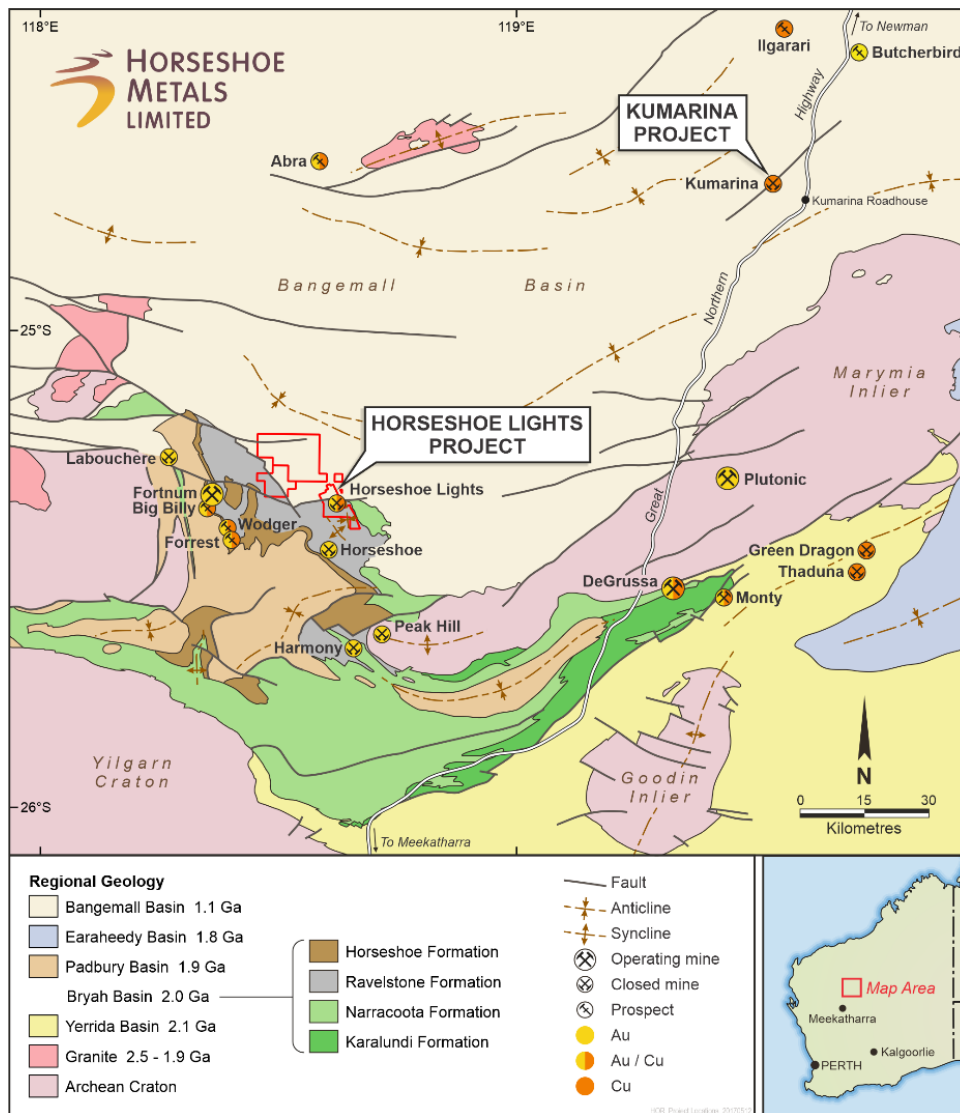


Figure 1: Location of Horseshoe Lights and Kumarina Projects, WA

Horseshoe Lights Copper-Gold Resource Grade-Tonnage Review

In early March 2022, Horseshoe completed an assessment and review of the 2013 Resource Model (JORC 2012) grade vs tonnage sensitivity in relation to its Horseshoe Lights Copper-Gold deposit.

The prevailing AUD copper price in 2013 when the existing JORC Resource Estimate was completed was approx. \$7500/t, compared with the current price of ~\$14,000/t. Given the significant increase in copper pricing, an assessment of the Resource Model with respect to grade vs tonnage sensitivity was completed.

Full details of the sensitivity review and relevant discussions can be read in the ASX announcement dated 11 March 2022.

Review Complete on Significant Copper-Gold Surface Material

During the quarter, the Company also completed an internal review of the significant surface materials including tailings, stockpiles and dumps at its Horseshoe Lights Copper-Gold Project.

The surface materials have been broadly grouped as follows:

Copper – Gold	Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
Copper	Low-grade sulphide, subgrade, rehandle and South Dump
Gold	Gold tailings, leach vats, low grade, rehandle and ROM stockpiles

Results of Phase 1 testing of gold vat, gold re-handle and C20 stockpiles were reported in ASX releases dated 10 September and 26 November 2021.

Full details of the surface material review and discussions pertaining to each commodity can be read in ASX announcement dated 18 March 2022.

Work Programme and Next Steps

HOR has planned the following activities to further investigate the surface materials:

- Additional RC and/or auger drilling of the North Dump, Southern Dump, gold stockpiles, C20 stockpile and low-grade Cu sulphide stockpile located on top of the North West dump
- Auger drilling of the gold and copper rehandle areas
- Acid leaching test work on oxide copper stockpiles and targets
- Gravity recovery test work on copper flotation and CIP tailings
- Assessment of the potential to recover high grade chalcocite and covellite DSO remnant from historic mining phases via scavenging and/or heavy media separation

Reverse Circulation Drilling Program Underway

Post quarter end, Horseshoe commenced Reverse Circulation ("RC") drilling at the Horseshoe Lights Copper-Gold Project.

The Phase 1 RC programme completed last year focussed on the north end of Motters (see ASX release dated 29 October 2021) including:

- **45m @ 1.22 % Cu from 2m**
- **22m @ 1.87 % Cu from 12m**
- **26m @ 1.31 % Cu from 6m**
- **16m @ 1.15 % Cu from surface**

RC drilling will test the northern half of Motters and the Main Zone (Figure 2) to a depth of up to 200 metres below surface (MBS). Up to 40 holes have been designed for a total of approx. 6000m in multiple phases with the current campaign focusing on further definition and extension of the Motters Zone.

The Motters mineralised zone is interpreted to be the NNW/SSE striking sheared eastern limb of a folded Volcanogenic Massive Sulphide (VMS) horizon. RC drilling will infill the northern end of the structure (approx. 100m strike) and test the 400m southern extension where wide spaced historic RC and Diamond drilling has intersected significant copper mineralisation in the eastern wall of the open pit (Figure 2). Main zone NW extension will be targeted north of the open pit where infill drilling is required. In addition, drilling will target the northern extension of interpreted north plunging high grade mineralisation where historic drilling has failed to adequately test the structure.

Once the current Motters campaign is completed RC drilling will move to the NW Sulphide stockpile (43 holes for approx. 650m at a spacing of 50m by 50m) followed by the Southern Dumps/Stockpiles (90 holes for approx. 1200m at a spacing of 40m by 40m).

Further details can be found in the ASX announcement dated 21 April 2022.

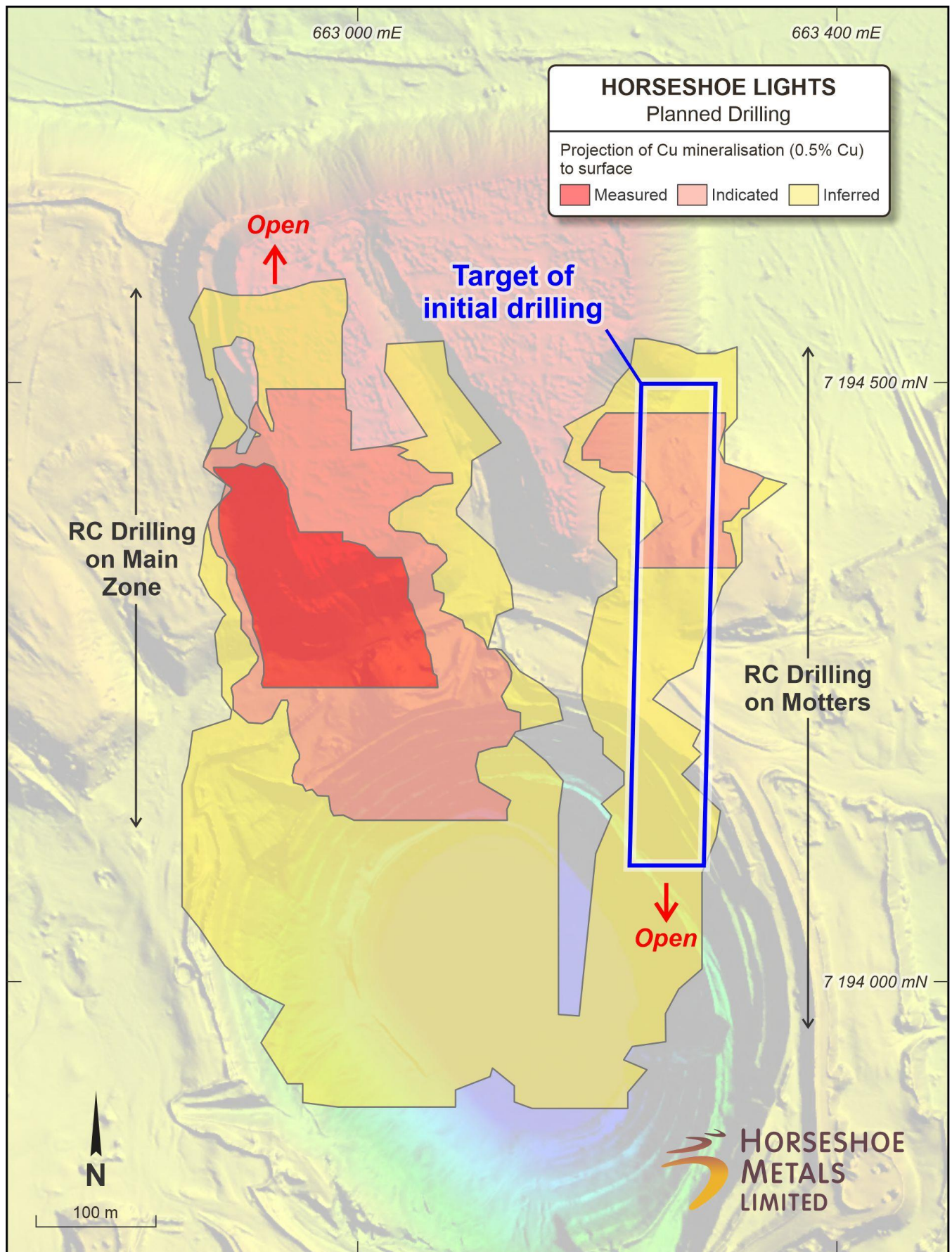


Figure 2 – Areas of planned RC Drilling Main and Motters Zones

Horseshoe West JV, Western Australia **(Kopore earning to 70% on tenure surrounding the mine)**

During the quarter, Kopore Metals Limited (**Kopore**) (ASX: KMT) successfully met the first-year minimum expenditure milestone under the earn-in and joint venture agreement ("Agreement") with Murchison Copper Mines Pty Ltd, a subsidiary of Horseshoe Metals limited. In February 2022, Kopore reported that it intends to commence a ground-based dipole/dipole IP geophysical survey.

Full details can be found in the ASX announcement released by Kopore on 7 February 2022.

Kumarina Copper Project, Western Australia **(HOR: 100%)**

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2km². The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia. The Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27. The Company is progressing a Project Agreement as part of the application process with the Native Title Party and its lawyers.

No active field work was undertaken during the quarter.

South Australia

Glenloth Gold Project, South Australia **(EL6301 and rights to explore and develop ML5848, ML5849, ML5885 & MPL62)**

At Glenloth, within the Central Gawler Craton, the Company has planned an RC drilling programme to be completed in two phases, testing at least seven priority targets within EL6301.

The Company has access to a base camp to facilitate the start of drilling operations. The Company received, during the quarter, approval of an Exploration PEPR (Program for Environment Protection and Rehabilitation) from the Department for Energy and Mining (DEM) in South Australia to allow Phase 1 RC drilling to commence on EL6301.

The Company considers the Glenloth Project to be a value-based entry into a dominant position of a very prospective area; that previous exploration of the both areas was piecemeal and inadequate; and that larger, high grade gold deposits could be uncovered by systematic exploration and a more considered approach to drilling, which is expected to commence during the June quarter.

Corporate

Rights Issue and Shortfall Offer Raise Over \$2M

In January 2022, the Company advised that its non-renounceable entitlement offer (**Rights Issue**) had closed, receiving strong support from existing shareholders and a high level of interest in the associated offer of any shortfall shares (**Shortfall Offer**).

The entitlement offer was made under the prospectus dated 15 December 2021 (**Prospectus**) under which eligible shareholders were offered one (1) fully paid ordinary share (**Share**) for every four (4) Shares held at an issue price of \$0.02 per Share to raise up to approximately \$2.18 million before costs.

Eligible shareholders took up their entitlements in respect of a total of 47,479,831 Shares under the Rights Issue, representing approximately 43.5% of all Shares offered, to raise a total of \$949,597 (before costs).

An additional 61,618,745 fully paid ordinary shares were issued under the Shortfall Offer on 8 February 2022, to raise \$1,232,374 (before costs) and a total of \$2,181,972 inclusive of amounts raised under the Rights Issue (before costs).

Activities post-quarter end

- Commencement of RC drilling program at Horseshoe Lights Project (see ASX announcement dated 21 April 2022)

Listing Rule 5.3.4 disclosures

The Company provides the following comparison of funds expended in the quarter against the forecast expenditure in the "use of funds" statement included on page 20 of its prospectus dated 15 December 2021:

TABLE 1: PROSPECTUS USE OF FUNDS vs ACTUAL EXPENDITURE		
Category	Prospectus use of funds estimate (\$A'000)	Actual expenditure to 31 Mar 2022 (\$A'000)
Expenses of the Offer	282	221
Project expenditure	1,717	332
Project compliance and maintenance	938	153
General administration costs, working capital and satisfaction of debt	997	501
Total	3,934	1,207

Listing Rule 5.3.5 disclosures

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was \$45,041. This consisted of payments to Directors for directors' fees, company secretarial fees and consulting fees.

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

-ENDS-

Contacts

For more information, please contact:

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Non-Executive Director & Company Secretary

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About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold-focused company with a package of tenements covering approximately 500km² in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australia and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the historic open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of contained copper including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

The Horseshoe Lights ore body is interpreted as a deformed Volcanogenic Hosted Massive Sulphide (VMS) deposit that has undergone supergene alteration to generate the gold-enriched and copper-depleted cap that was the target of initial mining. The deposit is hosted by quartz-sericite and quartz-chlorite schists of the Lower Proterozoic Narracoota Formation.

Past mining was focused on the Main Zone, a series of lensoid ore zones, which passed with depth from a gold-rich oxide zone through zones of high-grade chalcocite mineralisation into massive pyrite-chalcopyrite. To the west and east of the Main Zone, copper mineralisation in the Northwest Stringer Zone and Motters Zone consists of veins and disseminations of chalcopyrite and pyrite and their upper oxide copper extensions. Table 2 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 December 2021.

TABLE 2 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021								
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)
In-situ Deposit (0.5% Cu cut-off grade)	<i>Measured</i>	1.73	1.04	0.0	0.5	18,000	1,900	28.8
	<i>Indicated</i>	2.43	0.95	0.0	0.7	23,200	3,400	52.2
	<i>Inferred</i>	8.69	1.01	0.1	2.6	87,400	30,700	712.4
	Total	12.85	1.00	0.1	1.9	128,600	36,000	793.4
Flotation Tailings	Inferred	1.421	0.48	0.34	6.5	6,800	15,300	294.8
M15 Stockpiles	Inferred	0.243	1.10	0.17	4.7	2,650	1,300	36.7
Note: At 0% Cu cut-off grade unless otherwise stated					TOTAL	138,050	52,600	1,124.9

The above Mineral Resource Estimates all meet the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

About the Kumarina Project

The copper deposits at the Kumarina Project were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 5km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine, the workings are entirely underground with drives from the main shaft extending for some 200m in the upper levels and for about 100m in the lower levels at a depth of 49m below surface.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper Mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu. An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate as at 31 March 2022 is shown in Table 7 below.

TABLE 3 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	Total	835,000	1.3	10,600

The Mineral Resource Estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Forward Looking Statements

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Hall is a contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5 June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Kumarina Project (Rinaldi Prospect) Mineral Resources is based on information compiled by or under the supervision of Mr Robert Spiers, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company's ASX announcement "Horseshoe releases Maiden Mineral Resource Estimate for Kumarina", released to the ASX on 4 March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

SUMMARY OF MINING TENEMENT INTERESTS AS AT 31 December 2021					
Location	Tenement No.	Interest At Beginning Of Quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest At End Of Quarter (%)
Horseshoe Lights, WA	M52/743	100% ^{1,2}	-	-	100% ^{1,2}
Horseshoe Lights, WA	L52/42	100%	-	-	100%
Horseshoe Lights, WA	L52/43	100%	-	-	100%
Horseshoe Lights, WA	L52/44	100%	-	-	100%
Horseshoe Lights, WA	L52/45	100%	-	-	100%
Horseshoe Lights, WA	L52/66	100%	-	-	100%
Horseshoe Lights, WA	P52/1542	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1543	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1544	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1545	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1546	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1547	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1548	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1549	100% ²	-	-	100% ²
Horseshoe Lights, WA	P52/1550	100% ²	-	-	100% ²
Horseshoe Lights, WA	E52/3759	100% ²	-	-	100% ²
Horseshoe Lights, WA	E52/3906	100%	-	-	100%
Horseshoe Lights, WA	E52/3908	100%	-	-	100%
Horseshoe Lights, WA	E52/3909	100%	-	-	100%
Horseshoe Lights, WA	E52/3939	100%	-	-	100%
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0% ³	-	-	0% ³
Glenloth, SA	EL6301	100% ⁴	-	-	100% ⁴

Notes:

- Horseshoe Gold Mine Pty Ltd (a wholly owned subsidiary of Grange Resources Limited) retains a 3% net smelter return royalty in respect to all production derived from M52/743.
- Tenements P52/1542, P52/1543, P52/1544, P52/1545, P52/1546, P52/1547, P52/1548, P52/1549, P52/1550, E52/3759 and a portion of M52/743 are subject to a Farm-In and Joint Venture Agreement between the Company's wholly owned subsidiary Murchison Copper Mines Pty Ltd and Kopore (WA) Pty Ltd, a wholly owned subsidiary of Kopore Metals Limited (ASX:KMT), as announced to the ASX on 28 January 2021. Under the agreement Kopore is entitled to earn up to a 70 percent interest in the tenements. During the quarter Kopore met the minimum first-year expenditure requirements.
- The Company has applied for a Mining Lease to cover the Rinaldi resource within E52/1998, contiguous with M52/27.
- The Company applied for a further extension of term for 1 year with South Australia's Department for Energy and Mining, which was approved by the Department following the end of the quarter.

Appendix 5B

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

Name of entity

Horseshoe Metals Limited

ABN

20 123 133 166

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	13	13
1.2	Payments for		
	(a) exploration & evaluation	(450)	(450)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(422)	(422)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(79)	(79)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(11)	(11)
1.9	Net cash from / (used in) operating activities	(949)	(949)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(35)	(35)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(35)	(35)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,009	2,009
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	(221)	(221)
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	1,788	1,788

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,374	1,374
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(949)	(949)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35)	(35)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,788	1,788
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,178	2,178

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	2,178	1,374
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)	2,178	1,374

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	45
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Payments made to Directors for directors' fees, company secretarial fees and consulting fees.</p>		

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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,000	790
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,000	790
7.5 Unused financing facilities available at quarter end		1,210
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.		
The Company has an unsecured loan agreement with a syndicate of lenders. The facility limit is \$1,500,000, interest rate 8% p.a.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(949)
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)	(949)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,178
8.5 Unused finance facilities available at quarter end (item 7.5)	1,210
8.6 Total available funding (item 8.4 + item 8.5)	3,388
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.6
<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?	
N/A	
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?	
N/A	

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?

N/A

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: By the board.
(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.