

28 JULY 2022



Quarterly Activities Report For the quarter ended June 2022

Corporate Highlights

- Cavalier commenced trading on 17 June 2022 following the completion of its \$5m IPO which capitalised the Company at \$8.6m
- Exploration drilling commenced at the Crawford Gold Deposit (Crawford)
- 5,000m reverse circulation (RC) program planned to firm up the current Mineral Resource Estimate (MRE) and explore for extensions along strike and at depth

Cavalier Resources Limited (**ASX: CVR**) ('Cavalier' or 'the Company') is pleased to report on its activities during the three months ending 30 June 2022.

Overview:

Historical drilling at Crawford has returned high-grade results inside thick mineralised zones of near surface oxide material and a resulting JORC compliant MRE (see Table 1). The initial 5,000m phase of the drilling campaign was designed to test those zones, providing further confidence in the current MRE, and then move to extensional drilling along strike and depth to explore if there is any potential to increase the size of the current 101,000 oz gold resource.

Table 1: Crawford Mineral Resource Estimate

	Indicated			Inferred			TOTAL		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
0.5g/t Au cut-off	856,000	1.1g/t	30,900	2,379,000	0.9g/t	70,000	3,235,000	1.0g/t	100,900
1.0g/t Au cut-off	351,000	1.7g/t	19,300	662,000	1.5g/t	32,200	1,013,000	1.6g/t	51,500

Some errors may occur due to rounding.

The Leonora Gold Project comprises two sub-projects, Crawford and Gambier Lass North, consisting of ten exploration licences, a prospecting licence, a miscellaneous licence and a mining lease. The Crawford Gold Deposit, which includes a 101,000oz JORC compliant Mineral Resource estimate, is located on the granted mining lease M37/1202.

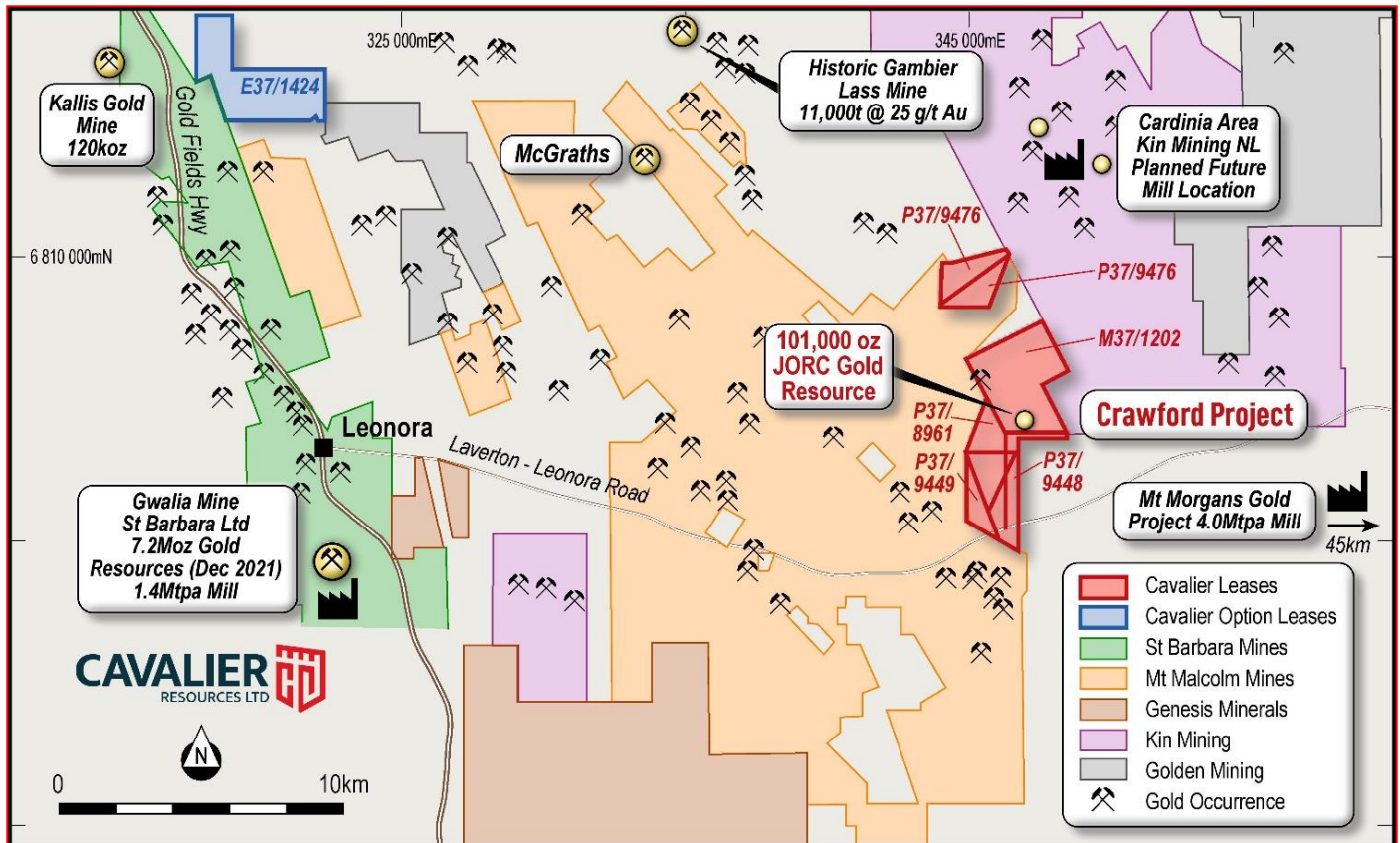


Figure 1: The Leonora Gold Project Areas

The Crawford Gold Project:

Crawford is primarily an oxide hosted supergene style mineralised system which has been privately advanced towards a mining operation. The Company intends to test the current MRE (outlined in red in Figure 3) and then move to extensional drilling along strike and depth to explore if there is any potential to increase the size of the 101,000 oz gold resource.

Sections of the previous drilling were completed on 10m spaced sections with 140 RC holes for 13,528m drilled and focussed on infilling the oxide zone with little drilling extending into material deeper than 70m. Thick Zones of mineralisation close to the surface are open along strike and at depth; historical drilling results include:

- 11m @ 2.17g/t from 16m;
- 10m @ 3.38g/t (inc. 2m @ 12.4g/t) from 17m;
- 18m @ 2.77g/t (inc. 3m @ 6.96g/t) from 27m;
- 19m @ 1.64g/t (inc. 4m @ 3.23g/t) from 30m;
- 15m @ 2.49g/t (inc. 3m @ 7.87g/t) from 35m;
- 6m @ 5.55g/t (inc. 1m @ 21.1g/t) from 37m;
- 22m @ 2.98g/t (inc. 6m @ 5.39g/t) from 38m;
- 7m @ 5.39g/t, (inc. 2m @ 14.2g/t) from 49m; and
- 6m @ 2.12g/t, (inc. 1m @ 7.20g/t) from 55m.

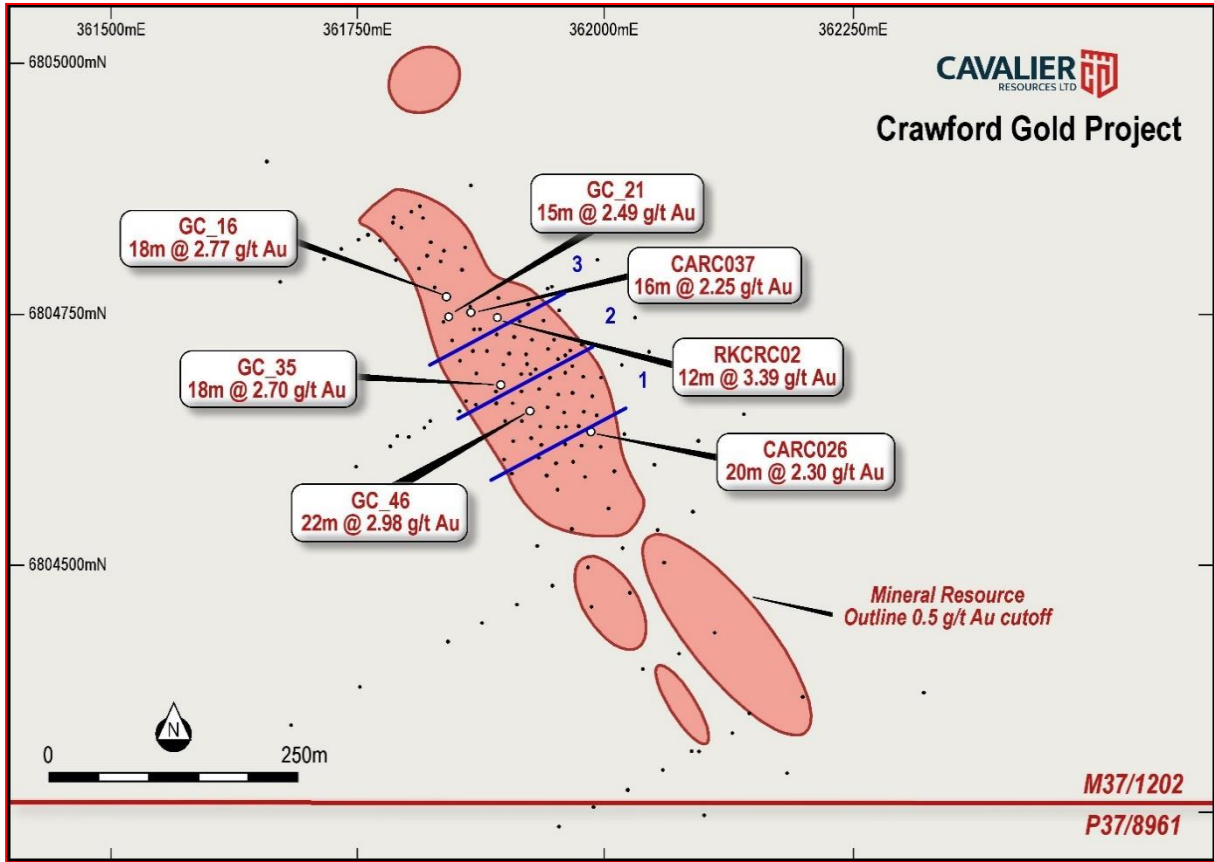


Figure 2: Historical Drilling of the Crawford Gold Project with the Current MRE Outlined in Red (at a 0.5g/t gold cut-off) and Numbered Cross Sections for Figures 4 to 6.

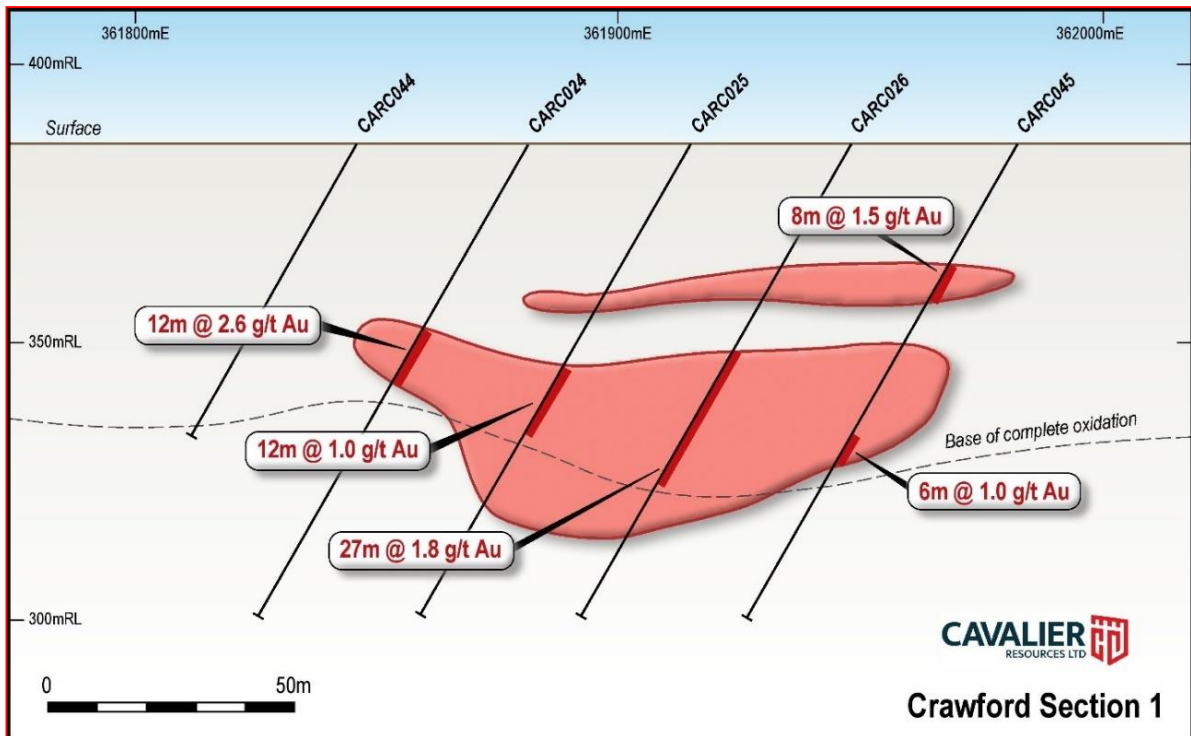


Figure 3: Crawford MRE (Outlined in Red) Cross Section 1 with Historical Intercepts

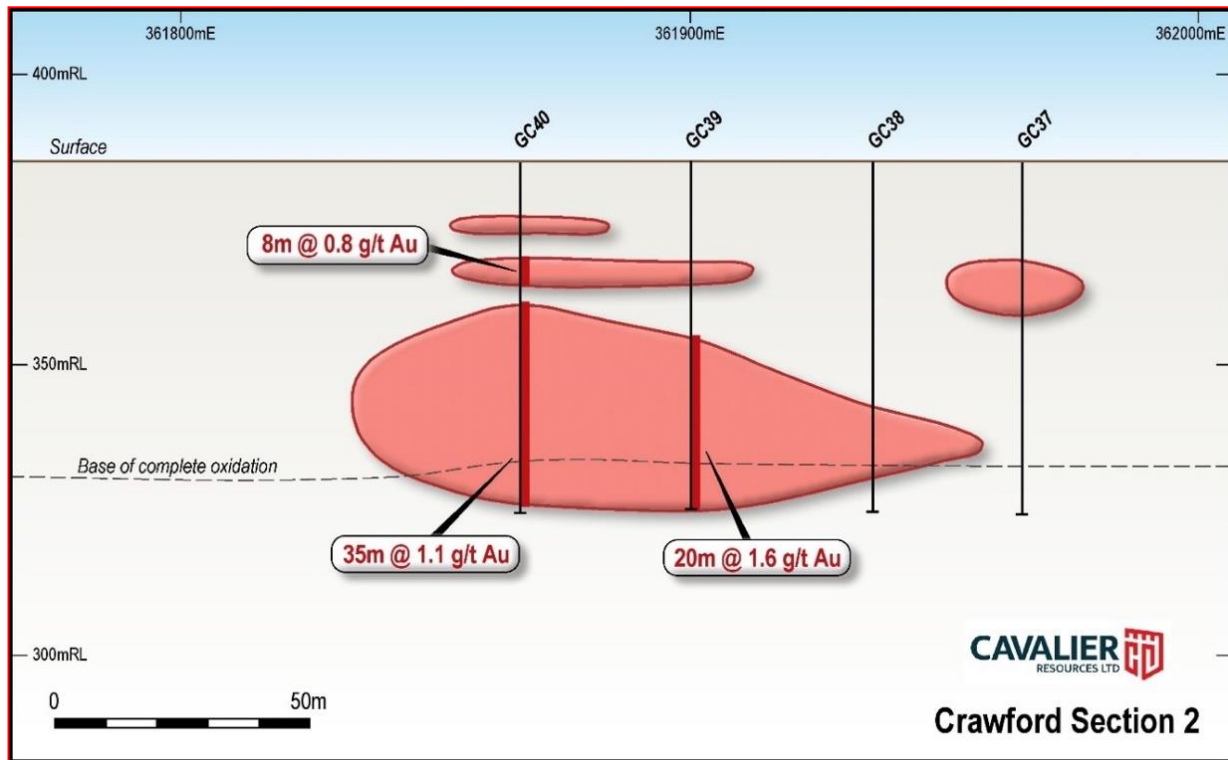


Figure 4: Crawford MRE (Outlined in Red) Cross Section 2 with Historical Intercepts

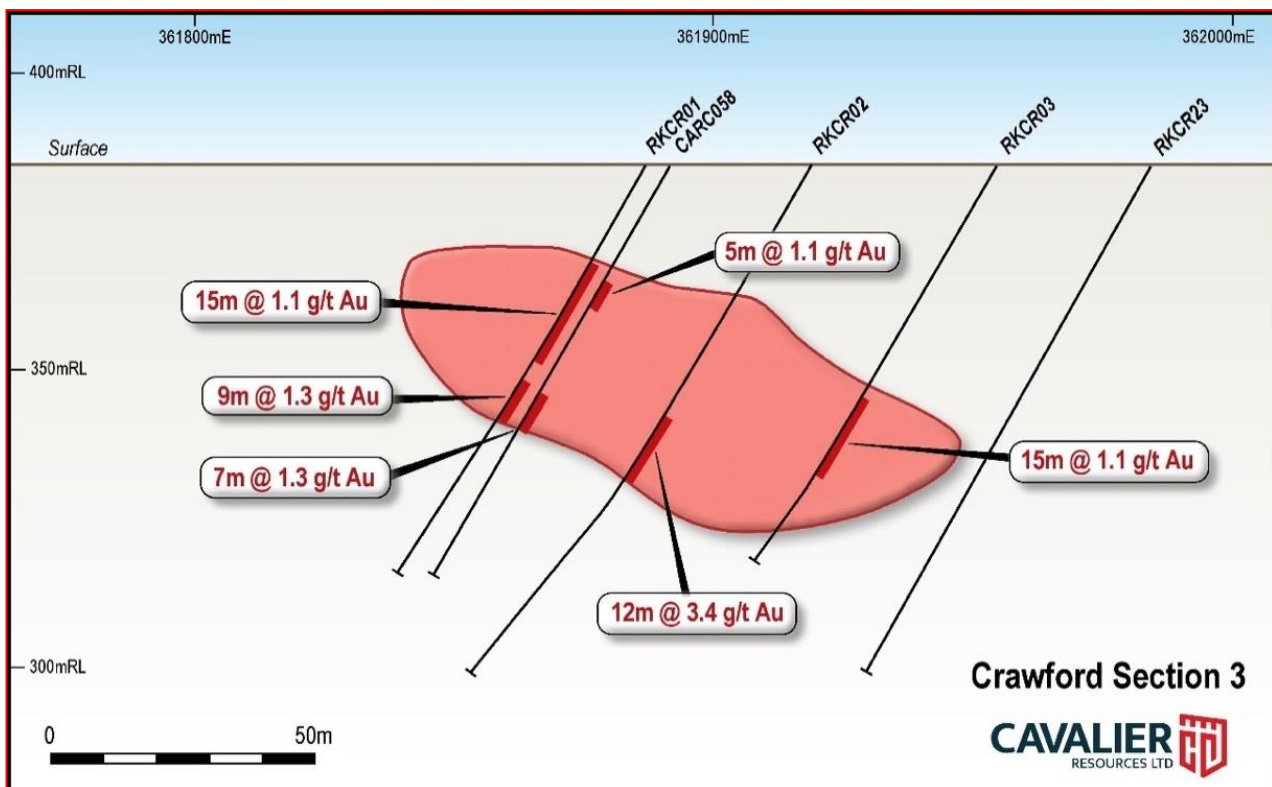


Figure 5: Crawford MRE (Outlined in Red) Cross Section 3 with Historical Intercepts

Daniel Tuffin, Executive Technical Director, commented:

“Cavalier has planned an extensive exploration program over the coming two years, starting with the Company's 5,000m RC drill campaign at the Crawford Gold Project, which began within seven days of the Company listing on 17 June 2022.

Historical drilling at Crawford has returned high-grade results inside thick mineralised zones of near surface oxide material. The initial phase of this campaign will test those zones, providing further confidence in the current MRE. It will then move to extensional drilling along strike and depth to explore if there is any potential to increase the size of the current 101,000 oz gold resource.

The Company has since announced it has commenced Pre-Feasibility Study (PFS) to potentially generate a maiden JORC compliant Ore Reserve. To expedite works, the Company intends to carry out the PFS in conjunction with this drilling; the initial phases of the PFS require physical and cost estimates that take time to gather which current resource will be suitable. Final PFS numbers will be based on the updated resource resulting from the current drill program.”

Successful IPO

Cavalier commenced trading on the Australian Securities Exchange (‘ASX’) on 17 June 2022, following a successful Initial Public Offer (‘IPO’) to raise \$5m (before costs).

A total of 43,031,800 Shares, 4,000,000 Options and 4,000,000 Performance Rights are on issue as follows:

- 30,389,050 Shares are currently tradable on the ASX;
- 15,000 fully paid ordinary shares held in escrow until 14 December 2022;
- 1,075,000 fully paid ordinary shares held in escrow until 14 June 2023;
- 11,552,750 fully paid ordinary shares held in escrow until 17 June 2024;
- 4,000,000 options exercisable at \$0.30 on or before 14 June 2026, held in escrow until 17 June 2024; and
- 4,000,000 performance rights, held in escrow until 17 June 2024.

Exploration Expenditure

In accordance with ASX Listing Rule 5.3.1, the Company spent \$89,000 on exploration work during the quarter, which comprised planning and drilling.

Mining Production and Development Expenditure

In accordance with ASX Listing Rule 5.3.2, there were no substantive mining production and development activities during the quarter.

Use of Funds

In accordance with ASX Listing Rule 5.3.4, a comparison of the Company's actual cash expenditure since listing against the “use of funds” statement outlined the Prospectus is included below:

Allocation of Funds	Current Quarter (\$'000)	Year to Date (\$'000)	Two-year Use of Funds as per IPO Prospectus dated 4 April 2022 (\$'000)
Exploration Expenditure WA	89	89	3,300
Expenses of the Offer	570	570	552
Administration and Working Capital	81	81	1,298
TOTAL	740	740	5,150

During the quarter, there were no material variances requiring explanation.

Payments to Related Parties

In accordance with ASX Listing Rule 5.3.5, the Company advises that the payments to related parties of the Company and their associates, as advised in the Appendix 5B, for the quarter ended 30 June 2022 was \$nil.

Previous Exploration Results and Mineral Resource Estimate

For further information on the previous exploration results and the Mineral Resource estimate, please refer to the Independent Geologist's Report in the Prospectus released to the ASX on 15 June 2022.

For further information on the commencement of the PFS, please refer to the announcement released to the ASX on 5 July 2022.

Competent Person Statement

The information that relates to Exploration Results and the Mineral Resource estimate is based upon information compiled by Mr Richard Maddocks, who is a director of Auranmore Ltd. This information is extracted from the Prospectus released to the ASX on 15 June 2022 and available to view on the Cavalier Resources Limited website, www.cavalierresources.com.au or on the ASX website, www.asx.com.au under the ticker code CVR.

The Company confirms that it 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 or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This announcement has been approved and authorised by the Board of Cavalier Resources.

For further information:

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About Cavalier Resources

The Company has interests in Tenements in Western Australia, collectively known as the Leonora Gold Project, Hidden Jewel Gold Project, and Ella's Rock Nickel-Gold Project, prospective for gold and nickel mineralisation.

For more information on Cavalier Resources and to subscribe to our regular updates, please visit our website here and follow us on:



<https://twitter.com/CavalierLtd>



<https://www.linkedin.com/company/cavalier-resources-ltd>



<https://www.facebook.com/cavalierresources>

Appendix 5B

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

Name of entity

Cavalier Resources Limited

ABN

16 635 842 143

Quarter ended ("current quarter")

30 June 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	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(81)	(135)
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	(81)	(135)
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	(89)	(237)
(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 (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	(89)	(237)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,300
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	(570)	(640)
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	4,430	4,660
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	144	116
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(81)	(135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(89)	(237)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,430	4,660

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,404	4,404

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	4,404	144
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)	4,404	144

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	-
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	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.		
	N/A		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(81)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(89)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(170)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,404
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,404
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	25.96
<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: 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?	
Answer: 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?	
Answer: N/A	
<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

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

Date: 28 July 2022

Authorised by: By the Board of Directors of Cavalier Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

- 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

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

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.