

ASX Announcement

29 JULY 2022



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2022

HIGHLIGHTS

- **M3 Mining reports positive exploration results at both the Victoria Bore Copper Project and Edjudina Gold Project**

Victoria Bore Copper Project (100% owned)

- **SQUID Fixed-Loop Electromagnetic (FLEM) survey successfully completed, uncovering multiple priority drill targets.**
- **Reconnaissance rock chip sampling program identifies several base metal anomalies in unexplored areas of M3's tenure. A targeted follow-up rock chip program will be conducted to identify and confine additional prospects that the tenure may hold.**
- **The Company has begun planning an accelerated drill program to test targets identified in the FLEM and Downhole EM surveys.**
- **Airborne geophysical survey planned for Q3 CY2022 to cover the entirety of the Project's granted and pending tenure.**
- **Soil sampling program planned to test covered ground for further anomalies.**

Edjudina Gold Project (100% owned)

- **Results received for the maiden soil sampling program. Multiple priority areas identified which will be drill tested.**
- **Planning for the Project's maiden drill program is well underway with a program of approximately 10,000m of aircore planned. All required Programmes of Work (POW) have been approved by DMIRS.**

Corporate

- **Well-funded for 2022 exploration activities with cash as of 30 June 2022 of approximately \$3.5 million.**
- **Evaluation of potential project acquisitions continued in the June quarter.**



Registered Address

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Directors

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Projects

Edjudina Gold Project (100% Owned)
Victoria Bore Copper Project (100% Owned)

Shares on Issue 36,925,003
ASX Code M3M



M3 Mining Limited (ASX: M3M) (M3 Mining, the Company) is pleased to provide an update on exploration and corporate activities during the June 2022 Quarter.

EXECUTIVE DIRECTOR SIMON ELEY:

“The June quarter saw progress for M3 Mining and both of its projects. A geophysical survey at Victoria Bore outlined a highly conductive body half a kilometre to the north of previously drilled area. Interpretation of the geophysical target indicates it could represent a body of semi-massive to massive sulphides. This represents a potential new discovery in previously untested grounds, in close proximity to an interpreted regional structure. The team has a positive outlook for the target given the presence of base metal occurrences in the wider area. M3 are currently talking to drilling contractors to organise an accelerated drill program as soon as practicable.

The Edjudina Project is advancing closer to its maiden drill program which is scheduled for Q3 CY2022. The soil sampling program was integral in identifying multiple priority drill targets across the eastern tenement package. The Company has received approval from DMIRS for all POW’s lodged and is now in the final stages of planning the 10,000m aircore program.

In addition to Victoria Bore and Edjudina activities, the M3 team is continuing to assess potentially accretive projects that would represent a significant opportunity for the Company and all shareholders.”



Projects

Victoria Bore Copper Project

The Victoria Bore Copper Project is centred on the historic Victoria Bore copper mine which produced high grade copper averaging circa 32.7% Cu for 62.5t of copper from near surface in the 1950's. The Victoria Bore Project is located approximately 120km south of the coast town of Onslow and 130km southeast of Exmouth in Western Australia. The tenements lie adjacent to the Northwest Coastal Highway and are readily accessible by gravel tracks (see Figure 1).

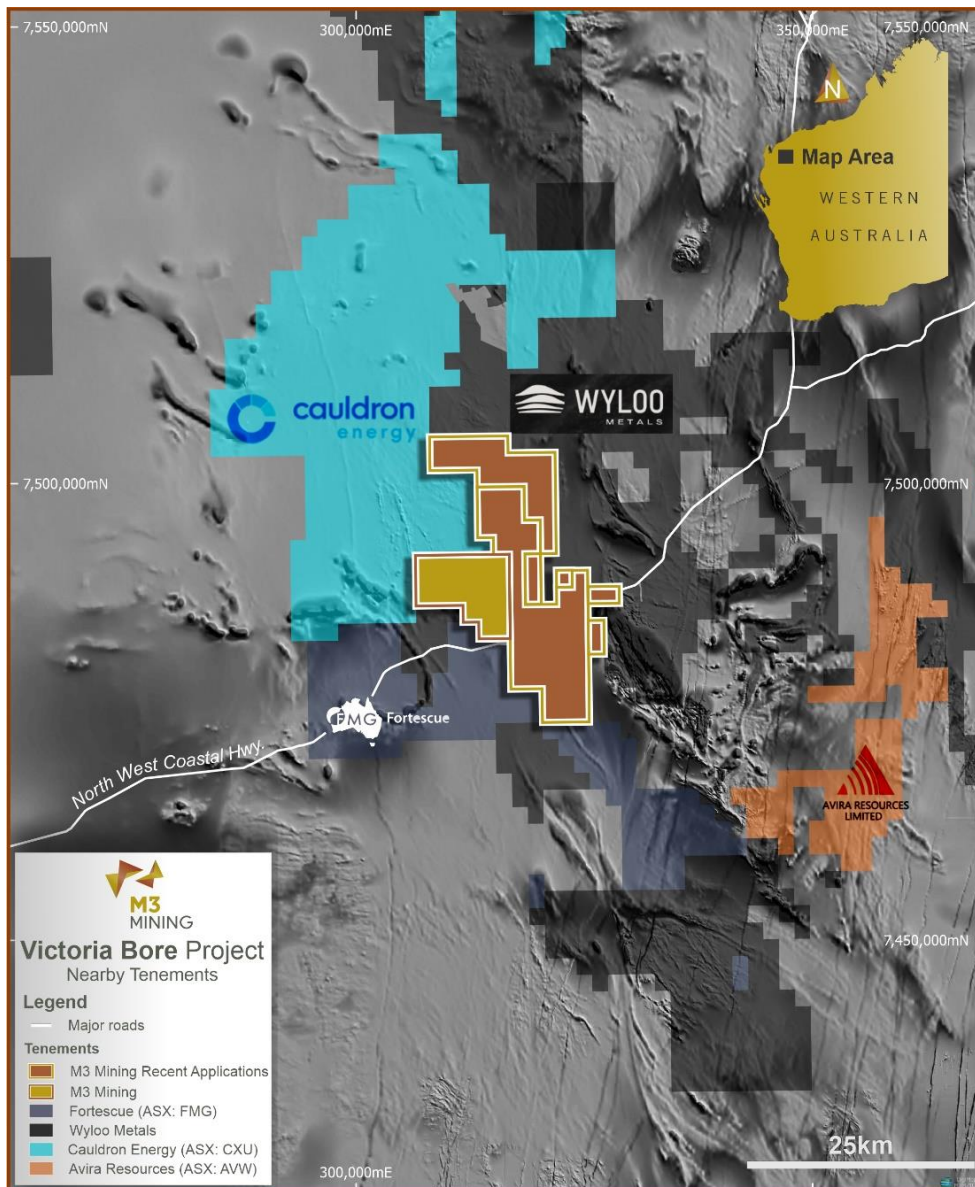


Figure 1. Victoria Bore Copper Project

Whilst no major mining has been undertaken at the Victoria Bore Project, the mineralisation of the small-scale historical Victoria Copper Mine was discovered around 1914, with workings covering a length of 130m via a series of shallow shafts, with the main shaft to a depth of 21m with three drives. Limited exploration has occurred within the tenement with no systematic exploration ever undertaken. A historic MLEM survey identified two shallow, relatively strong late time conductors, potentially associated with mineralisation.

Since M3 Mining acquired the Victoria Bore Project it has taken multiple rock chip samples around the historically mined area confirming the documented grades from historic activities with samples ranging from 6.8% up to 49% Cu. The Company also completed a maiden drilling program, totaling 1,128m across 11 RC holes. The program uncovered the existence of a mineralised sulphide system beneath the historic Victoria Bore Mine (see Figure 2). Downhole Electromagnetic (DHEM) surveys conducted in three of the deeper holes indicated that the conductors identified by the historic MLEM survey were sulphidic shales with a conductance of ~250 Siemen (S). Multiple smaller off-hole conductors were also identified that had much higher conductance levels of 30,000S and 10,000S.

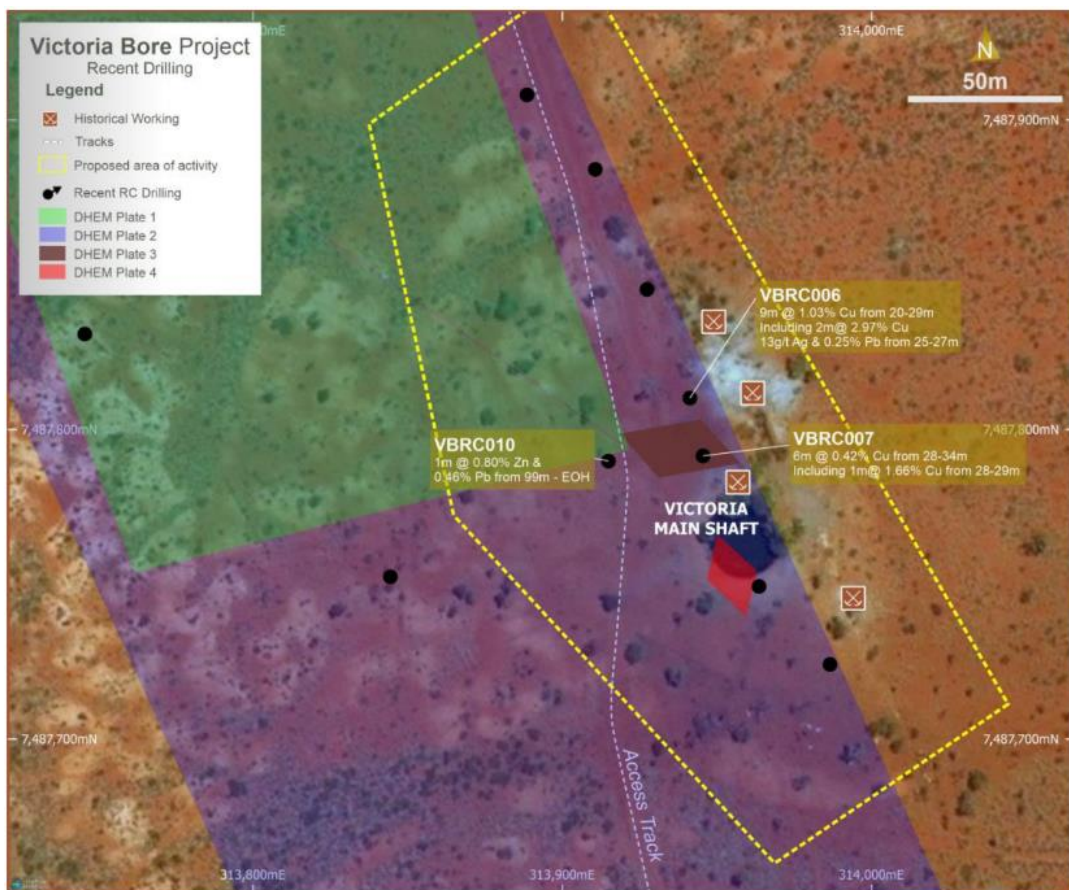


Figure 2 - Victoria Bore Copper Project November 2021 Drilling



Work completed at the Project post the June quarter consisted of the SQUID FLEM survey and a reconnaissance rock chip sampling program (see announcement dated 27 July 2022 titled “M3 Mining discovers strong EM conductor at Victoria Bore”) is detailed below. Future work to test and explore for further base metals mineralisation across the Company’s expansive tenure is being planned.

SQUID FLEM Survey

GAP Geophysics were engaged to complete a FLEM survey using two large-scale loops (600m x 400m) over the Victoria Bore area. The survey utilised SQUID sensor technology in order to delineate conductivity beneath the previously intersected shale. It was successful in identifying the presence of a strong conductor on the northern boundary of the survey (see Figure 3).

The electromagnetic response of this zone is interpreted to represent an accumulation of semi-massive to massive sulphides, potentially associated with base metal mineralisation. Plate modelling reveals that the shale unit has a conductive level of ~250S whilst the highly conductive target reads at ~5,000S. Confirmation from the consultant geophysicist indicates that it is unlikely that a continuous shale could change conductivity levels from 250S to 5,000S over a distance of 400m. It is more likely that the strong conductor represents a discrete separate conductive body. The presence of base metals in the Project area increases the chance of the new target hosting base metal mineralisation.

The new target aligns with the northern extent of a NW trending magnetic anomaly present in government magnetics data. The magnetic trend appears to be terminated by a regional scale structure that is interpreted to trend approximately NE. The combination of an interpreted regional scale structure, highly conductive body, and regionally anomalous Cu, Pb, Zn and Ag is very encouraging for the discovery of a significant base metals deposit.

The Company is planning an expedited drill program to test the high-priority conductor to the north. The planned program expects to intercept the target as shallow as 200m below surface. The program will also test the exceptionally conductive (30,000S) smaller plate that was identified near VBRC001 in the DHEM survey.



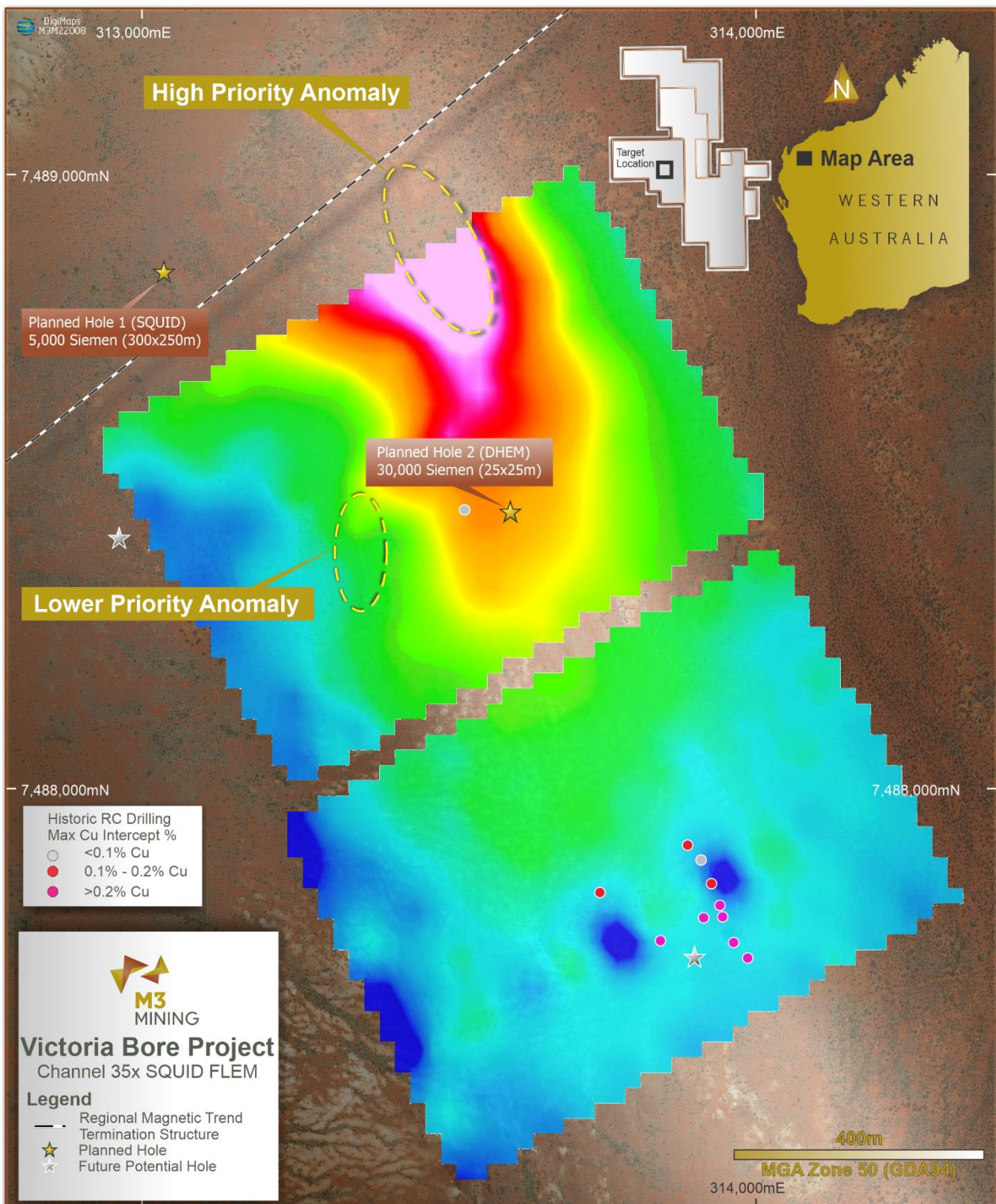


Figure 3. Channel 35x SQUID FLEM response with target overview

RECONNAISSANCE ROCK CHIP SAMPLING

Twenty-two rock chip samples were collected from favourable outcrop across the expansive 7,300 ha tenement (E 08/3220) (see Figure 4).

The sampling targeted areas of exposed bedrock with a specific focus on sampling GSWA mapped units interpreted to be part of the Edmund Group and Ashburton Formation. The Abra deposit is located approximately 400km to the south-east being hosted within units of the Edmund Group.

Across the twenty-two samples taken, various base metal and critical mineral anomalies warrant further follow-up with a more targeted rock chip sampling program and /or a regional soil sampling program.

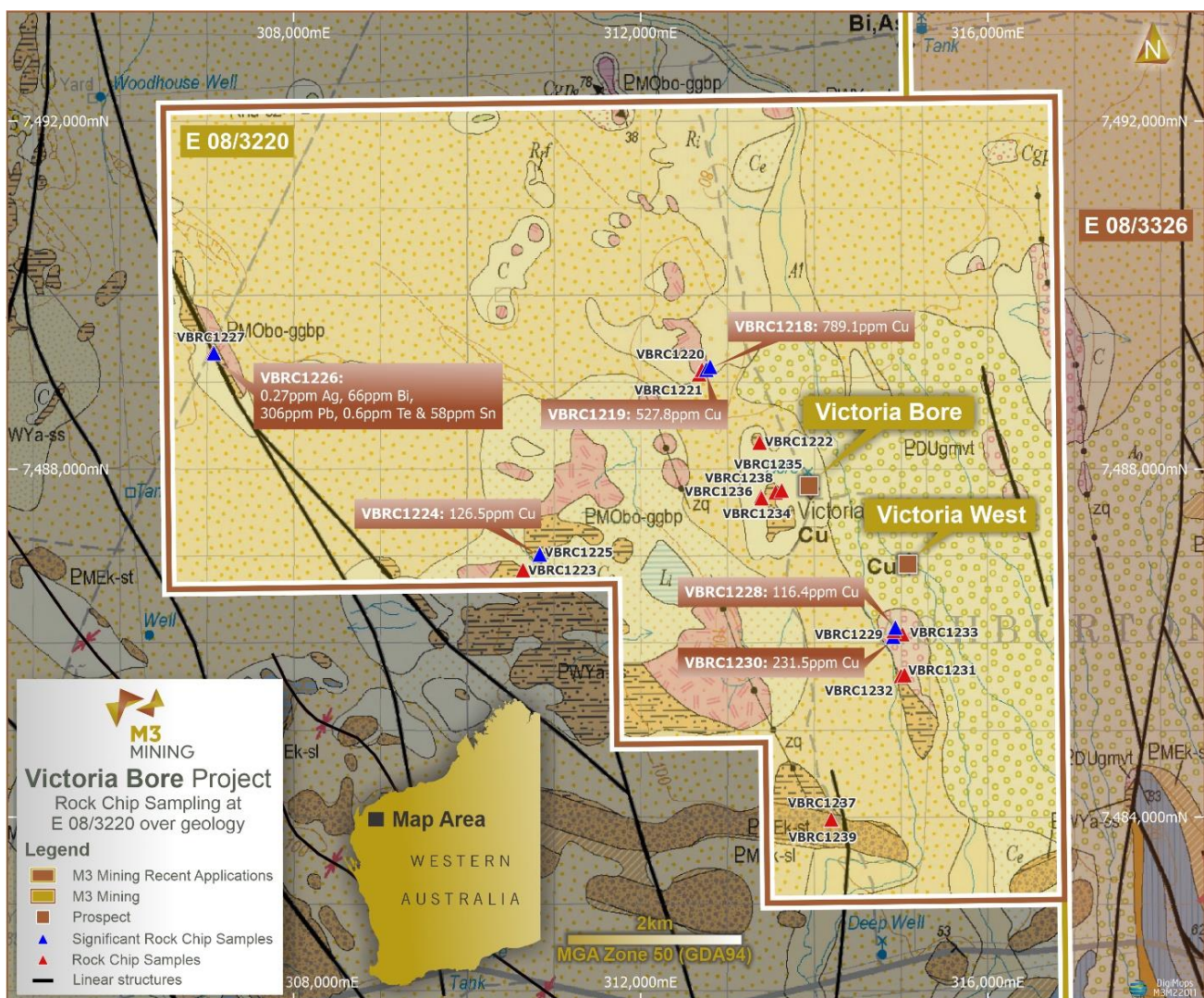


Figure 4. Rock chip sample locations

FUTURE PLANNED WORKS

Magspec Airborne Surveys will be undertaking an airborne magnetic and radiometric survey. The survey will provide detailed information surrounding the main prospect area as well as a better understanding of the magnetic signatures that surround the broader tenement package which will assist future programs that aim to verify the existence of further mineralised prospects.

Edjudina Gold Project

The Edjudina Project is located approximately 150 km northeast of the regional city of Kalgoorlie in Western Australia. It covers a section of the established mineralized trend along the Keith-Kilkenny Tectonic Zone which hosts multiple significant gold discoveries (see Figure 5). Edjudina can be accessed via tarred and gravel roads while the tenement areas are readily accessible by gravel and station access roads.

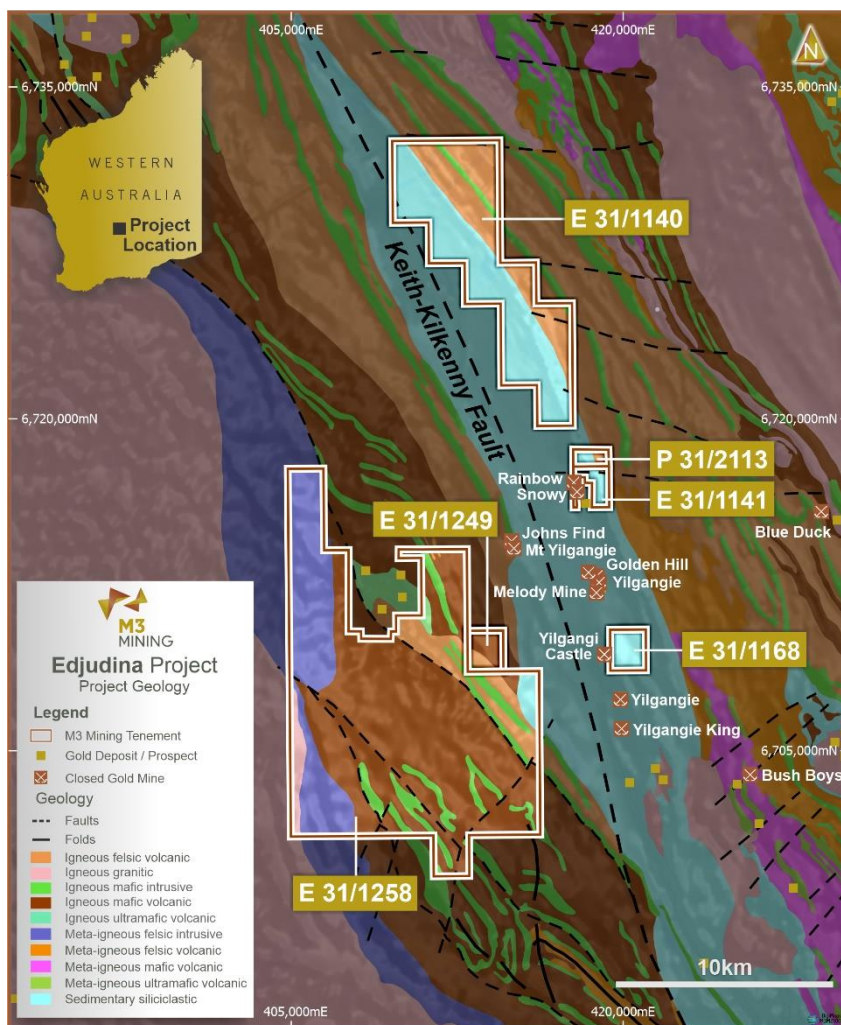


Figure 5. Edjudina Gold Project Geology

No large-scale mining has occurred within the tenement area, however historical near surface workings can be observed throughout the region, particularly within and along strike of the previous mines in the Yilgangi Mining Field. While some phases of exploration have been completed historically, a large proportion of the grassroots exploration, such as aircore and RAB drilling, has been ineffective due to the depth of soil cover in the region and the subsequent limited depth of historical drilling.

Since M3 Mining acquired the Edjudina Gold Project it has completed a Sub-Audio Magnetics (SAM) survey and broad soil sampling across its eastern tenement package.

Work completed in the June quarter at the Project consist of the receiving the results for the soil sampling program and the subsequent interpretation of results as well as planning the maiden drill program for the Project (see Figure 6.)

SOIL SAMPLING

Soil samples were collected over a combined strike length of 9,000m and was successful in identifying the continuation of the anomalous gold trends that coincide with known gold mineralisation to the south, as well as key pathfinder elements which are strongly associated with the gold mineralisation.

Many large gold occurrences in the province coincide with the presence of arsenic and its presence in this round of soil sampling is a positive development. The results are encouraging, and analysis of the data has generated high-priority targets that will be tested in the companies upcoming maiden drilling program.

When looking at mineralisation equivalents, the previously completed SAM survey indicates NS structures similar to Carosue Dam and the geochemical signatures from the program also indicate coincident anomalism. At a regional scale, the geology is showing linear features which is common in the Eastern Goldfields. It is interesting to note that the targeted areas identified from anomalous gold in soils roughly correspond to the intersecting west-northwest breaks.

FUTURE PLANNED WORKS

The Company is well underway planning its maiden drill program to test the targets identified in the recent soils program and also to test the wider mineralisation potential across the broader tenement package. The program will consist of approximately 10,000m of aircore drilling which will test multiple areas that have never been historically drilled. The company has recently received approvals from DMIRS for the POW's and drilling is expected to commence in Q3 CY2022 as previously indicated.



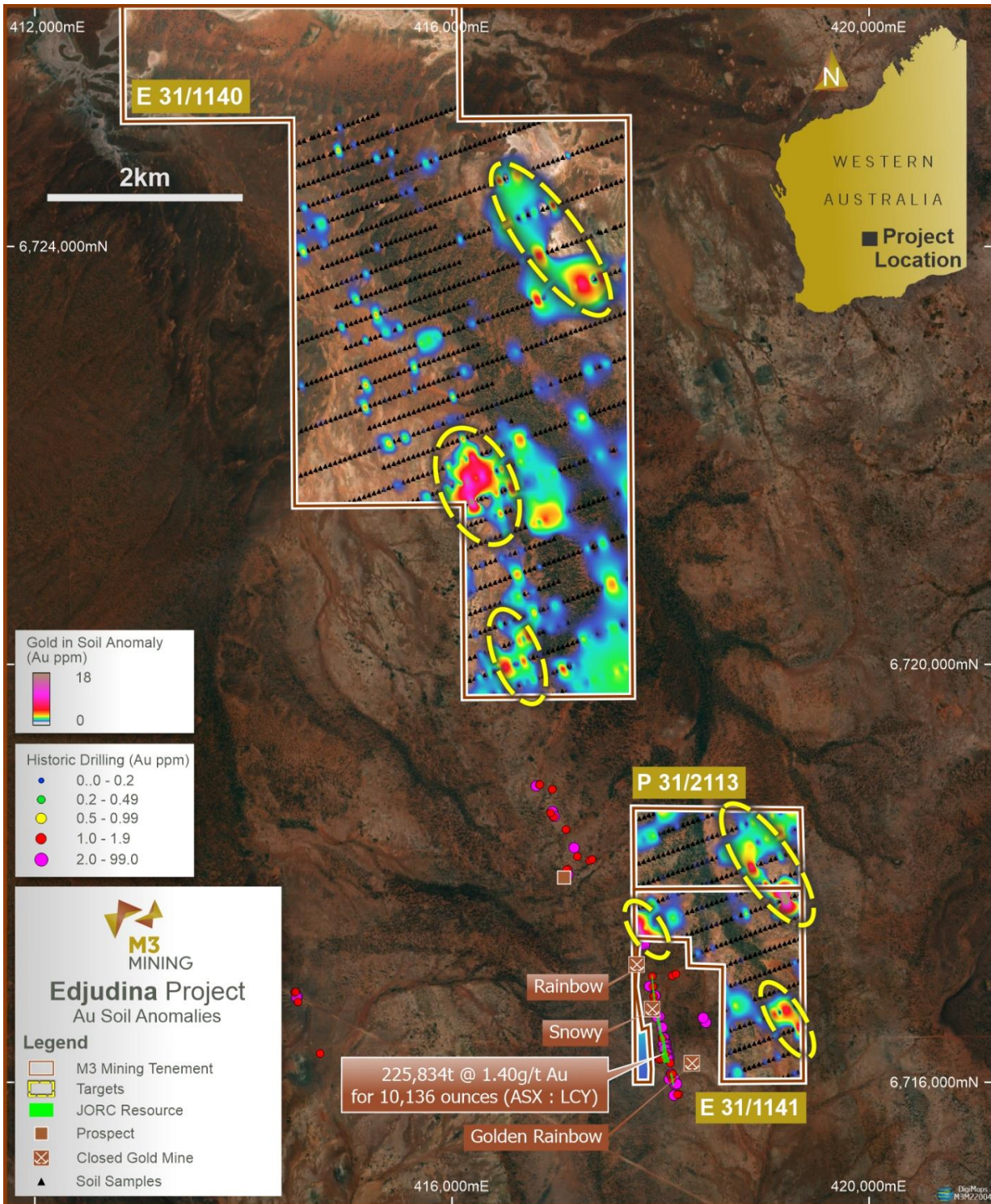


Figure 6. Edjudina Soil Sampling Program

Corporate

Current cash as of 30 June 2022 was \$3,566,644 and the Company remains well funded for its 2022 exploration activities.

M3 Mining has also been focused on assessing and evaluating strategic acquisition opportunities during the June quarter. Multiple projects from internal and external sources were reviewed, however, no assessments have progressed to actively engaging with counterparties. The Company is of the view that current market conditions may present more opportunities to consider for acquisition. The Company will update the market as and when appropriate.

Financial

STATEMENT PURSUANT TO LISTING RULE 5.3.4

M3 Mining Limited provides the following additional information in accordance with Listing Rule 5.3.4.

Table 1 sets out a comparison of the use of funds to date compared to the Use of Funds Statement included in the Prospectus dated 26 May 2021. The Company was admitted to the Official List of ASX on 27 July 2021.

Use of Funds	Per Prospectus Dated 26 May 2021	Expenditure to date to 30 June 2022
	\$	\$
Exploration Activities	\$2,720,000	\$700,940
Salaries & Wages	\$-	\$106,128
Administration expenses and working capital	\$2,233,843	\$408,418

Table 1. Use of Funds

The Company considers that there are no material variances with the use of funds table in the Prospectus and the expenditure of funds to date other than the use of consultants to complete technical work on both Projects. Most funds continue to be spent on exploration and project evaluation.

For the purpose of Section 6 of the Appendix 5B, all payments made to related parties have been paid in relation to director fees.



Tenement Schedule

Tenement	Project	District	Status	Date	Term
E08/3220	Victoria Bore	Ashburton	Granted	4 June 2020	5 Years
E08/3326	Victoria Bore	Ashburton	Pending	10 February 2021	5 Years
E08/3427	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E08/3428	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E08/3429	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E08/3430	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E08/3431	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E08/3440	Victoria Bore	Ashburton	Pending	9 September 2021	5 Years
E 31/1140	Edjudina	Yerilla	Granted	11 July 2017	5 Years
E 31/1141	Edjudina	Yerilla	Granted	11 July 2017	5 Years
E 31/1168	Edjudina	Yerilla	Granted	5 July 2018	5 Years
P 31/2113	Edjudina	Yerilla	Granted	21 December 2017	5 Years
E 31/1249	Edjudina	Yerilla	Granted	6 May 2020	5 Years
E 31/1258	Edjudina	Yerilla	Granted	26 June 2020	5 Years
E31/1265	Edjudina	Yerilla	Pending	10 July 2020	5 Years

Table 2. Current Tenement Holdings

Announcement References

Please refer to announcements below for their respective Competent Person Statement.

Date	Title
27 Jul 2021	Prospectus
3 Nov 2021	High Grade Copper at Victoria Bore and drilling commences
1 Dec 2021	High priority gold targets identified at Edjudina
10 Feb 2022	Copper Intercepted in maiden drilling campaign
5 Jul 2022	Robust drill targets identified at Edjudina gold project
27 Jul 2022	M3 Mining discovers strong EM conductor at Victoria Bore

Table 3. ASX announcements referred to within report

-END-

This announcement has been authorised by the Board of M3 Mining Ltd.

For further information please contact:

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About M3 Mining

M3 Mining Limited (ASX:M3M) is a Perth-based mineral exploration company focused on creating value for shareholders through exploration and development of a high-quality copper and gold exploration portfolio. M3 Mining's projects are strategically located in regions surrounded by major mining groups with both projects having experienced minimal modern, systematic exploration. The Company's strategy is to apply a systematic approach to the assessment and prioritisation of its projects, all of which have the potential to produce material discoveries.



Appendix 5B

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

Name of entity

M3 MINING LIMITED

ABN

98 644 548 434

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	(233)	(698)
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(106)
(e) administration and corporate costs	(144)	(409)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(394)	(1,212)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(3)	(3)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) property, plant and equipment	(4)	(52)
(d) exploration & evaluation (capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-
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	(7)	(55)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,243
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	-	(364)
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	-	2,879



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	3,968	1,955
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(394)	(1,212)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(55)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,879
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,567	3,567

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	3,567	3,968
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)	3,567	3,968

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.

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		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(394)
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)	(394)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,567
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,567
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.05
<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

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 JULY 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.

