

JUNE 2022 QUARTERLY REPORT

HIGHLIGHTS

Initial Public Offering & ASX Listing

- **Osmond Resources (ASX:OSM) commenced trading on the ASX on 22 April 2022, following a successful IPO**
- **A total of 25,000,000 Shares were issued price at \$0.20 per Share to raise \$5,000,000 (before costs)**
- **The Company is focused on base and precious metal exploration in their South Australia and Victorian Projects**
- **Preparations are continuing for geophysical surveys on the South Australian and Victorian tenements to better define future drilling targets**
- **The proximity of the Victorian, Sandford Project, to recent neighbouring rare earth discoveries is also being investigated**

Sandford Project, western Victoria

- **Soil sampling program across the Sandford Tenement has commenced and expected to take 2 weeks**
- **Assay results are expected approximately 6 weeks from completion of the program**
- **Aim of the survey is to identify areas of possible clay hosted REE mineralisation for more detailed exploration**
- **Survey will be predominantly located along roads which are generally coincident with the areas of duricrust development**
- **Designed as a regional sampling program, and a first pass exploration into the potential for REE's and base metals**

Corporate

- **Mr Anthony Hall appointed Strategic Advisor to work with senior management team on delivering corporate strategy and positive shareholder outcomes**
- **Highly experienced Geologist Mr. Charles Nesbitt appointed as Exploration Manager and Chief Technical Officer and will fulfil the role of Company Competent Person (CP)**

Osmond Resources Limited (ASX:OSM) (**Osmond** or the **Company**) is pleased to provide shareholders with the Company's Quarterly Activities Report for the period ending 30 June 2022.

The Company commenced trading on the Australian Securities Exchange on 22 April 2022, after a successful initial public offer. A total of 25,000,000 Shares were issued price of \$0.20 per Share to raise \$5,000,000 (before costs). The Lead Manager to the Public Offer was Canaccord Genuity (Australia) Limited. ([OSM Prospectus](#))

The proximity of Osmond's Projects to nearby mineral occurrences, in particular nickel in South Australia, will be the Company's initial focus. The Board is excited by recent developments in these frontier areas for gold and base metals and the potential of the Osmond's Projects.

Osmond has an experienced Board with extensive corporate experience and a strong track record in creating shareholder value through successful mineral exploration, project development and mergers and acquisitions.

To support its objectives, the Company recently made two key appointments: Mr. Anthony Hall as Strategic Advisor and Mr. Charles Nesbitt as Exploration Manager and Chief Technical Officer.

Post end of quarter, the Company announced that it had commenced an initial survey to assess the mineral potential of its Sandford Project. The presence of mafic igneous rocks (potential source rocks for REE) and proximity to nearby Rare Earth discoveries and resources has increased the potential for the region and the mineralised terrain to extend into Osmond's ground.

ABOUT OSMOND RESOURCES

Osmond Resources Limited is a mineral and exploration company committed to increasing shareholder wealth through the exploration, development and acquisition of mineral resource projects. Osmond was formed with the purpose of assembling a portfolio of projects predominantly located in the Gawler Craton region of South Australia and the Glenelg structural zone of western Victoria. (Please refer to maps below.)

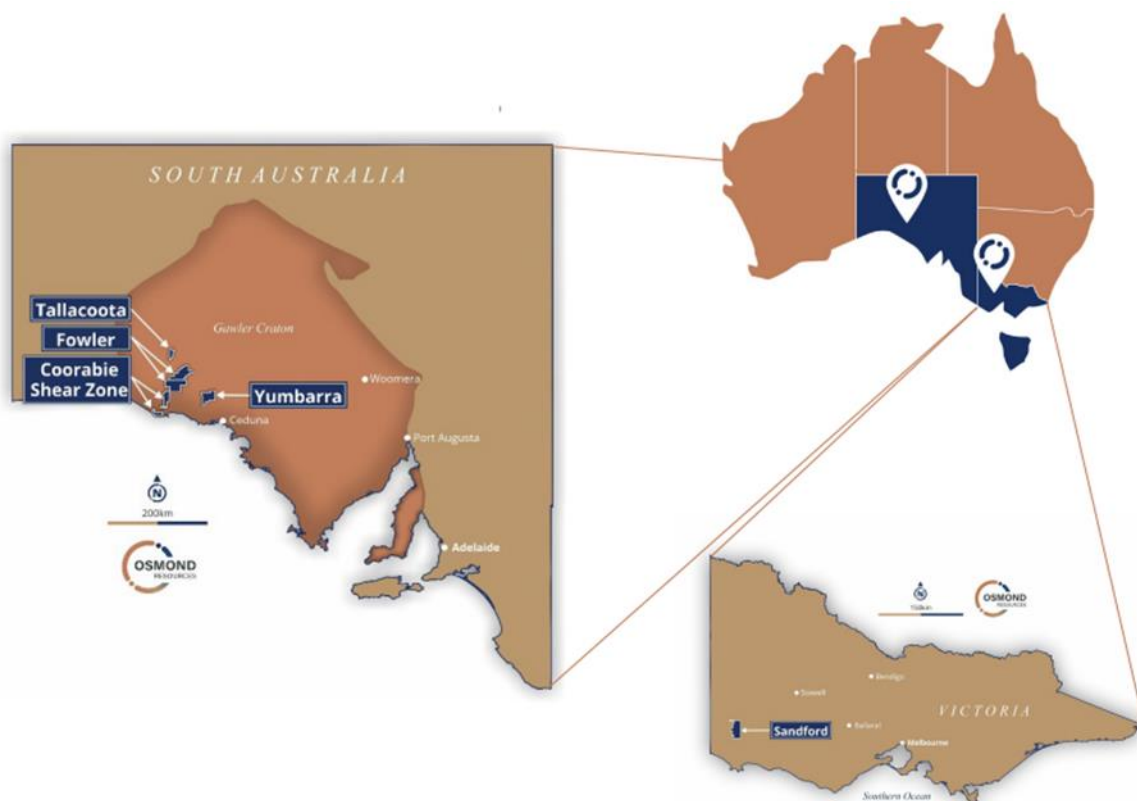


Figure 1: Osmond Resources Projects

Since its incorporation, the Company has secured agreements in respect of a number of tenements that are considered highly prospective for gold, copper, nickel and REE. The Company is excited by recent exploration successes in these frontier areas for gold and base metals.

Osmond has entered into acquisition agreements in South Australia, with Fowler Resources Pty Ltd (Fowler) for exploration tenements EL6417 (Yumbarra Tenement), EL6615 (Tallacootra Tenement) and EL6692 (Coorabie Tenement) and with Kimba Resources Pty Ltd (Kimba) (being a wholly owned subsidiary of ASX-listed Investigator Resources Pty Ltd (Investigator)) for EL6603 and EL6604 (together, the Fowler Tenements); and in Victoria with Providence Gold and Minerals Pty Ltd (Providence), for EL6958 (Sandford Tenement).

Projects

The Fowler Domain Projects straddle the boundary of this geological domain in far western South Australia. These major crustal scale domain bounding structures that traverse the tenements have potential to host structurally upgraded magmatic Ni-Cr-Cu-PGE; layered intrusive-hosted Ni-Cr-PGE; IOCG (Hiltaba Suite) deposits; intrusion-related (Tunkillia-type) Au; and orogenic Au. While the proximity of the Fowler Domain Projects to nearby mineral occurrences is no guarantee that it will be prospective for an economic reserve, recent discoveries by Western Areas Limited (ASX:WSA) in the Fowler Domain have indicated the nickel-copper sulphide pedigree of the region.

The Yumbarra Project located in the Nuyts Domain of the Gawler Craton contains a highly magnetic feature that is interpreted as a layered ultramafic intrusive. Historic drilling has reported a best intersection of Ni-Co anomalism in basement drilling of 1357 ppm Ni and 1066 ppm Co (further details in respect of which are set out in the prospectus). There are also identified electromagnetic surveying targets yet to be drilled on this target.

The Sandford Project located in western Victoria is considered prospective for Avebury-style nickel; SEDEX base metals; porphyry Cu-Au; porphyry Mo-Au; (R)IRGS style deposits; and orogenic Au deposits related to major structures that pass through the tenement. In addition, rare earth element (REE) potential is recognised within the tenement, for clays developed at the base of the extensive duricrusts that formed from the deep weathering of basement granitoid bodies with elevated REE concentrations. Initial targeting on the Sandford Project has commenced and will seek to identify prospective regions for the formation of the REE hosted clays and also base and precious metal occurrences.

THE SANDFORD PROJECT: SOIL SURVEY COMMENCED

Post end of quarter, the Company announced that a regional soil sampling survey was in progress across the Sandford Tenement (EL6958) (Figure 2). ([ASX Announcement 26 July 2022](#)) The survey is designed as a first pass regional program, with a sample spacing of 500m along roads (Figure 3) to quickly identify targets of interest for follow up infill sampling at closer spacing. This is the first comprehensive regional geochemical survey conducted over the whole tenement area. The aim of the survey is to identify anomalous base metals as well as REE and potentially mineral sands.



In addition to the regional sampling program, landholder engagement is currently underway for access to private land to target areas of igneous-metasediment contacts and nearby geological structures prospective for base metal deposits.

To assist in identifying anomalous areas a hand-held XRF will be used, these in the field results will assist in reducing the number of samples submitted for assay and reduce the overall cost, as the use of the XRF will be not representative it is not intended to release the results until the full assays are available.

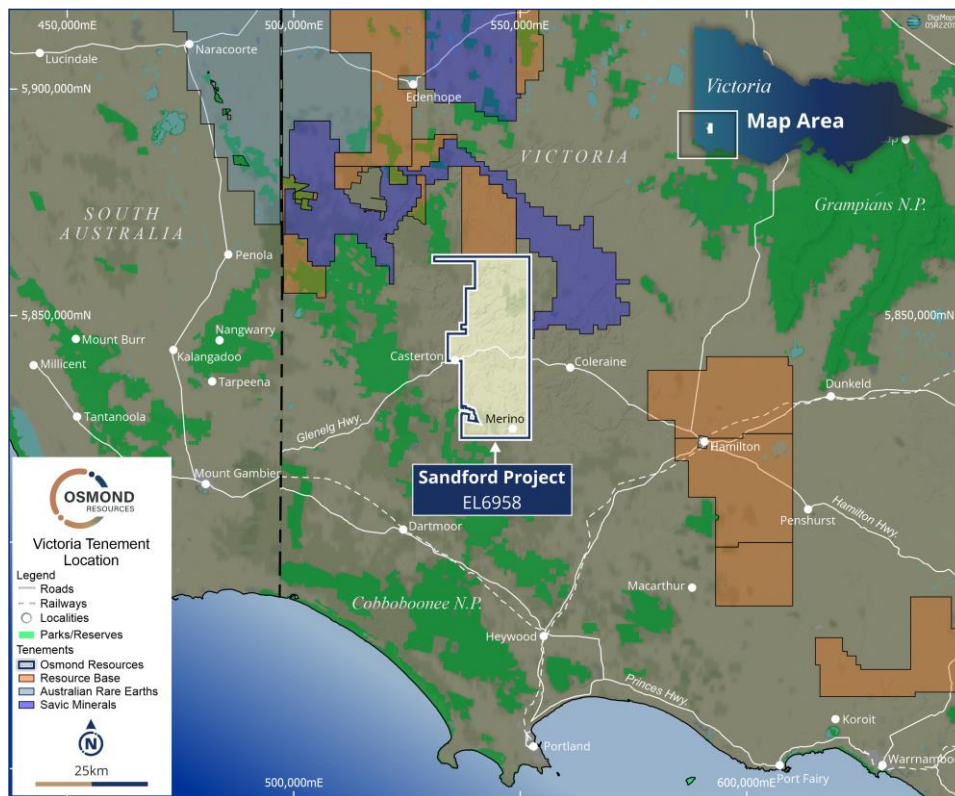


Figure 2. Sandford Tenement (EL6958) relative to neighboring company tenements.

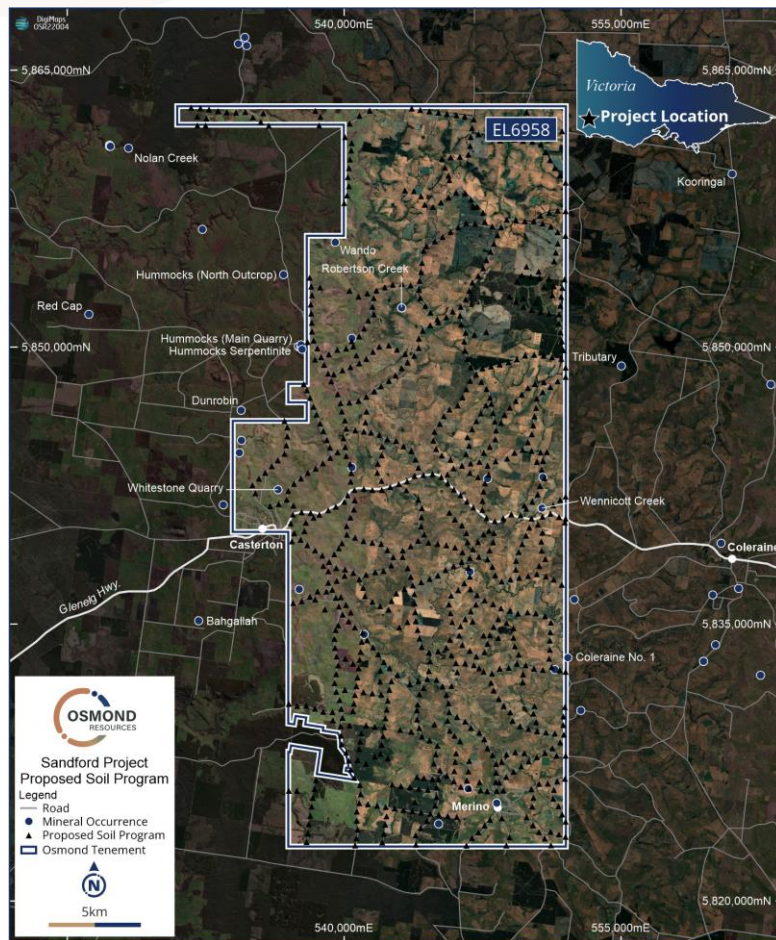


Figure 3: Location of soil sample sites (black dots) over the Sandford tenement (EL6958).

BOARD

Rhod Grivas (Non-Executive Chair)

Rhod has over 30 years' experience in the resource sector, with a geological and management background, having held exploration and mining senior positions and overseen the discovery, development and mining of a number of resource deposits. Rhod has over 20 years' experience as a director of ASX, TSX and AIM listed companies as Managing Director, Non-Executive and Chair. Rhod's experiences include previous Managing Director of ASX and TSX listed gold miner Di oro Exploration, where he oversaw the discovery of a gold resource through to production and currently Non-Executive Chairman of, Golden Mile (ASX:G88), and NED on Lexington Gold (AIM:LEX). Previously Non-Executive Chairman Andromeda Metals (ASX:ADN) and Okapi Resources (ASX:OKR).

Andrew Shearer (Executive Director and CEO)

Andrew has over 25 years' experience in the finance and resource sectors, with an ability to combine both technical and financial experience in the assessment of investment opportunities. He has an extensive network of contacts from both the mining and finance communities, providing opportunities to develop new projects and source market information. Former roles include Geologist, Resources Analyst, Corporate Advisor and Company Director. Experience includes roles with PAC Partners Pty Ltd, Phillip Capital, Austock, the South Australian Government, Mount Isa Mines Limited and Glengarry Resources Limited. Andrew is currently a Non-Executive Director of ASX listed Andromeda Metals (ADN), Investigator Resources (IVR) and Resolution Minerals (RML) and previously Executive director of Okapi Resources (ASX:OKR).

Dan Eddington (Non-Executive Director)

Dan has over 20 years experience in the financial markets with experience across multiple sectors including the resource, energy and industrial sectors, specialising in equity capital markets. Dan is currently a Director of Jade Gas Ltd (ASX: JGH) and Sparc Technologies (ASX:SPN)

CORPORATE

Mr Anthony Hall appointed Strategic Advisor

In July, the Company announced the appointment of Mr Anthony Hall as advisor to the Company, for an initial 12-month period. Anthony complements the existing Board and managements skills and will work with the team on strategic corporate developments to build shareholder value, in line with the Company's business strategy and objectives.

Anthony is a proven industry executive who was a founding director and CEO of Highfield Resources and 5E Advanced Materials, both entities trading at 15x IPO price during his executive management. He has over 20 years' commercial experience in venture capital, risk management, strategy and business development. He holds a Bachelor of Laws (Honours), a Bachelor of Business and Graduate Diploma of Applied Finance and Investment.

Mr. Charles Nesbitt appointed as Exploration Manager and Chief Technical Officer

In May, the Company announced the appointment of Mr Charles Nesbitt (BSc (Hons) Geology, M.AusIMM) to the role of Exploration Manager and Chief Technical Officer. Charles is an experienced geologist and also a founding director of Fowler Resources Pty Ltd, the private company that Osmond has agreements with for South Australian Projects, namely EL6417 (Yumbarra Tenement), EL6615 (Tallacootra Tenement) and EL6692 (Coorabie Tenement). Charles is based in Adelaide and has an intimate knowledge of Osmond's South Australian Projects. His experience with the projects over a number of years will be invaluable to fast tracking exploration activities.

Prior to joining Osmond, Charles was Senior Project Geologist at Taruga Minerals (ASX:TAR), where he was responsible for developing the greenfield exploration models for their South Australian exploration program. Previous experience includes management and senior roles with a number of companies including PNX Metals, Boss Resources, Uranium Equities, Heathgate Resources and WMC.



Cash

The Company has cash reserves as at 30 June 2022 of \$4.571m.

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company has advised in the Appendix 5B for the period ended 30 June 2022, that the only payments to related parties of the Company pertain to payments to Directors for fees, salary and superannuation.

Statement of Commitments

The current quarter is covered by the Statement of Commitments outlined in the [Prospectus released on 20 April 2022](#).

A summary of expenditure to date is outlined below:

Statement of Commitments

The current quarter is covered by the Statement of Commitments (i) outlined in the Prospectus released on 20 April 2022. A summary of expenditure is outlined below:

	Expenditure for the Qtr ended 30 June 2022 (\$'000)	Expenditure described in Use of Funds in Prospectus (\$'000)
Year 1		
Exploration expenditure	115	1,121
General administration and working capital	145	877
Estimated expenses of the Offers	378	717
	<u>638</u>	<u>2,715</u>
Year 2		
Exploration expenditure		1,990
General administration and working capital		907
		<u>2,897</u>

(i) The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this, the Board reserves the right to alter the way the funds are applied.

-Ends-

This announcement has been approved for release by the Board of Osmond Resources.

CONTACT

Andrew Shearer | ED and CEO
andrew@osmondresources.com.au
+61 3 9614 0600

Mark Flynn | Investor Relations
info@osmondresources.com.au
+61 416 068 733



APPENDIX 5B

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

Name of entity

OSMOND RESOURCES LIMITED

ABN

96 649 477 734

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 – including assessing new projects	(22)	(22)
	(b) development		
	(c) production		
	(d) staff costs	(21)	(115)
	(e) administration and corporate costs	(124)	(241)
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 – IPO costs	(35)	(124)
1.9	Net cash from / (used in) operating activities	(202)	(502)
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	(93)	(130)
	(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	(93)	(130)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
3.2	Proceeds from issue of convertible debt securities		620
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(343)	(418)
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	4,657	5,202

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	209	1
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(202)	(502)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(130)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,657	5,202
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,571	4,571

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	4,571	209
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)	4,571	209

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	38
6.2	Aggregate amount of payments to related parties and their associates included in item 2	26
Payments in 6.1 relate to Director fees.		
<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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(202)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(93)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(295)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,571
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	4,571
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	15.5
<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:the Board of Directors.....
(Name of body or officer authorising release – see note 4)

1.1 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.

