



ASX ANNOUNCEMENT

29 July 2022

## JUNE 2022 QUARTERLY ACTIVITIES REPORT

### **Highlights:**

- **Mineralised envelope at the Capital prospect more than doubled following thick, high-grade gold intersections including:**
  - 31m @ 6.18g/t Au from 162m (20ABRC0002), and part of a broader 77m @ 2.99g/t Au from 116m
  - 10m @ 11.71g/t Au from 295m (21ABDD004)
  - 13.8m @ 6.56g/t Au from 446m (20ABRC0002)
  - 24m @ 1.97g/t Au from 101m (21ABRC003)
  - 39m @ 1.35g/t Au from 205m (21ABDD001)
- **Aircore drilling grows pipeline of highly prospective regional gold targets to the south of Capital including:**
  - 4m @ 3.58g/t Au from 52m (22ABAC061) at the Archer Prospect
  - 4m @ 1.19g/t Au from 16m (22ABAC117) punctuates an emerging 1.6km target zone with direct continuity from the West Lode at Capital
  - 4m @ 1.46g/t Au from 44m (22ABAC014) at the Barrack Prospect
- **Aircore drilling program following up gold anomalous regional targets completed, results pending**
- **Additional resource development diamond drilling program commenced at the Capital prospect, with three holes now completed, underpinned by a successful \$2.5 million capital raising**

Western Australian gold explorer BMG Resources Limited (ASX: BMG) (BMG or the Company) is pleased to provide its quarterly activities report for the three months to 30 June 2022.

BMG's focus during the quarter was the completion of drilling and exploration activities at the Company's 100% owned Abercromby Gold Project near Wiluna in WA, including the Capital Prospect, Figure1.

BMG is targeting a maiden resource estimate at the Capital Prospect following the return of thick, high-grade gold intercepts early in the period that more than doubled the mineralised envelope.



Aircore drilling results, which were also received early in the period, defined a series of highly prospective regional targets to the south of Capital.

In June, the Company raised \$2.5 million from institutional and sophisticated investors to fund the third major drilling campaign at Abercromby – including a ~3,700m diamond drilling campaign at Capital and a 59-hole aircore campaign to follow up regional targets – as well as activities at the Company’s Invincible and Boddington South projects.

BMG commenced the eight-hole, ~3,700m diamond drilling program at Capital in late June. The program is designed to develop the resource in and around the area delineated by the successful result of 21ABDD004. At time of writing, three holes have been completed and encouraging early geological observations from all holes indicate prospective alteration has been intersected in the predicted zones of the East and West gold lodes.

Fifty-seven holes of the 59-hole, ~5,500m aircore drilling program testing regional targets – Capital South, Barrack and Archer – were completed within the reporting period. The two remaining holes were completed in early July as planned. BMG expects initial assays in the coming weeks.

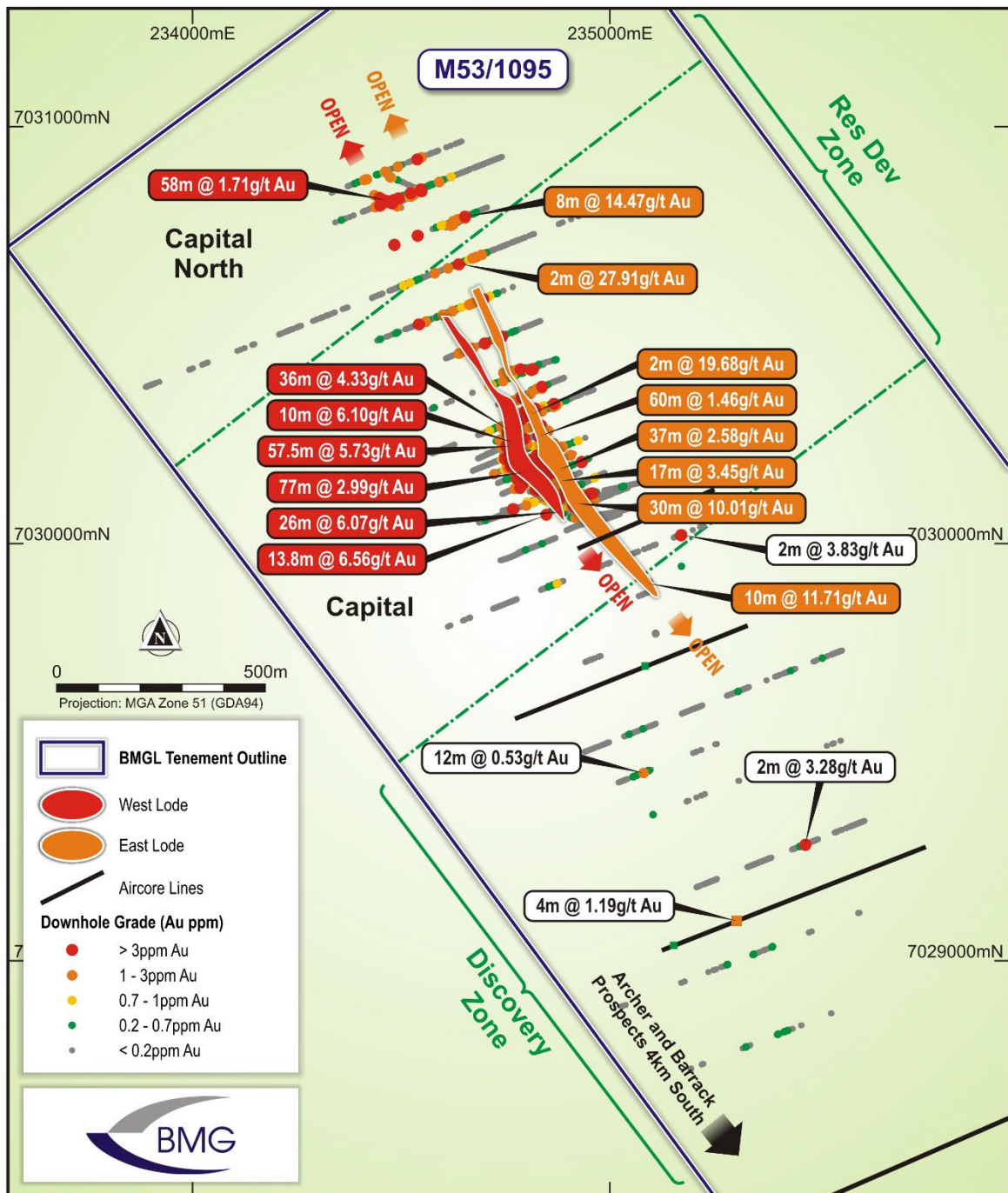
## **Abercromby Project**

### **Mineralised envelope at Capital more than doubles**

Laboratory assay results for the 2,613m ten diamond drill (DD) hole program, completed in February 2022, were reported on 26 April. The results represented the final component of the ~6,700m combined RC/DD Program at the Capital Prospect, comprising five diamond tails and five stand-alone holes targeting depth and strike extensions.

Prior to this campaign, the extent of the known mineralisation at the main Capital Prospect had a footprint of ~ 300m x 100m, with the deepest intersection of mineralisation of 2.2m @ 12.2g/t from 272.5m (HJVDC016), some 230m below surface.

The successful drill programs more than doubled the down dip extent of the mineralised system to at least 520m below surface and increased the known strike of the main Capital mineralisation to some 550m, which remains open to the north and south.

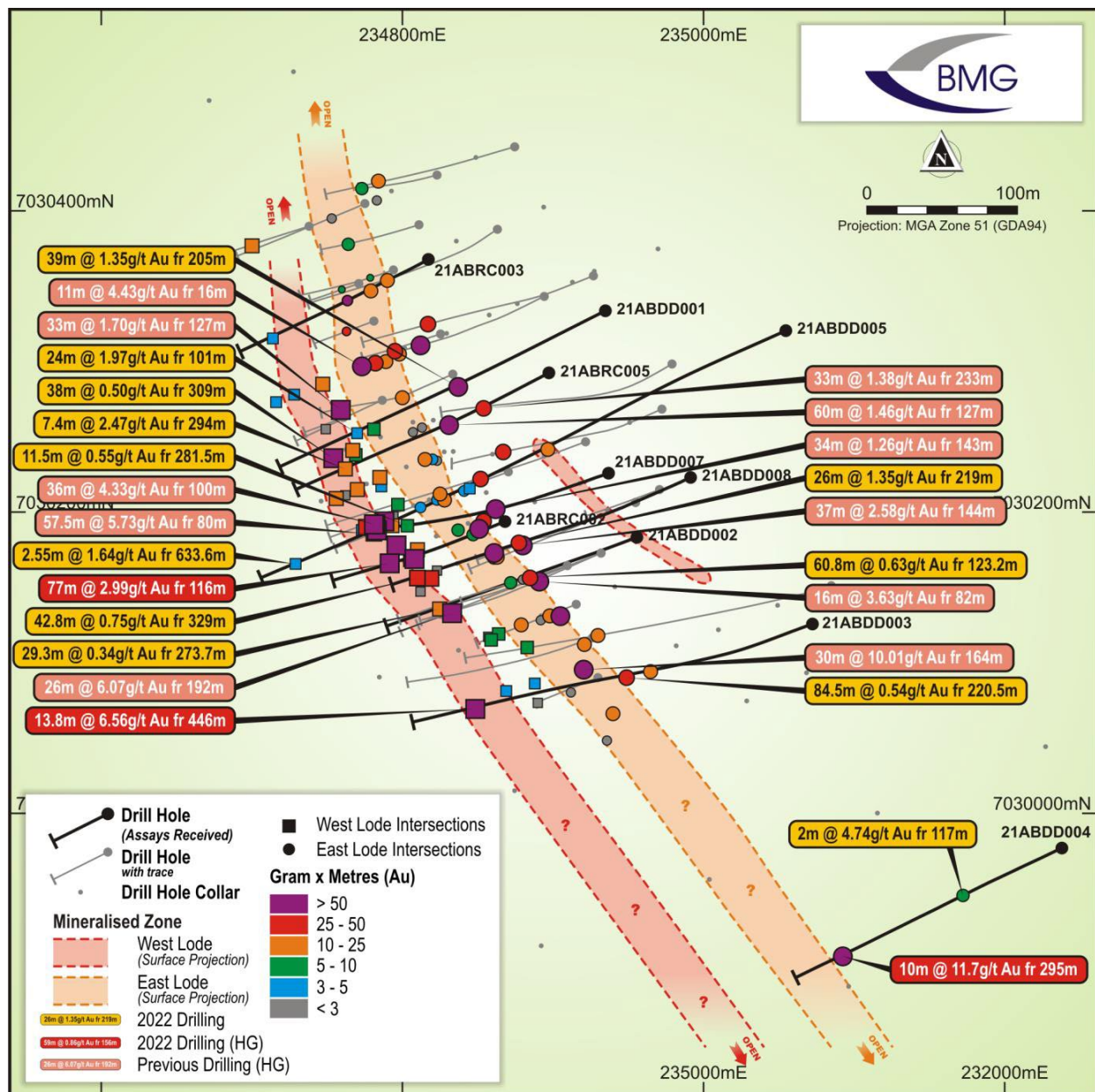


**Figure 1 – Capital Prospect resource development corridor at Abercromby Project**



Selected results on a hole-by-hole basis for the returned assays are shown below and in Figure 2:

- **31m @ 6.18g/t Au from 162m** (20ABRC0002), incl 1m @ 181.94g/t Au from 191m, and part of a broader **77m @ 2.99g/t Au from 116m**
- **10m @ 11.71g/t Au from 295m** (21ABDD004), incl 1.17m @ 23.84g/t Au from 295.4m and 2m @ 44.54g/t Au from 304m
- **13.8m @ 6.56g/t Au from 446m** (21ABDD003), incl 1m @ 86.02g/t Au from 446m
- **24m @ 1.97g/t Au from 101m** (21ABRC003)
- **7.4m @ 2.47g/t Au from 294m** (21ABRC005)
- **5m @ 3.97g/t Au from 238m** (21ABRC007)
- 26m @ 1.35g/t Au from 219m and 42.8m @ 0.75g/t from 329m, incl 3m @ 4.47g/t from 365m (21ABRC008)
- 39m @ 1.35g/t Au from 205m incl 5.4m @ 2.64g/t Au from 228.6m (21ABDD001)
- 60.8m @ 0.63g/t Au from 123.2m (21ABDD002)



**Figure 2 – Plan view of the Capital prospect showing interpreted lode positions and East and West Lode drill intercepts as gram-metre points and significant intercepts labelled. Holes completed as part of the diamond program are in bold and intercepts in yellow and red with prior high-grade (HG) intercepts in ochre**

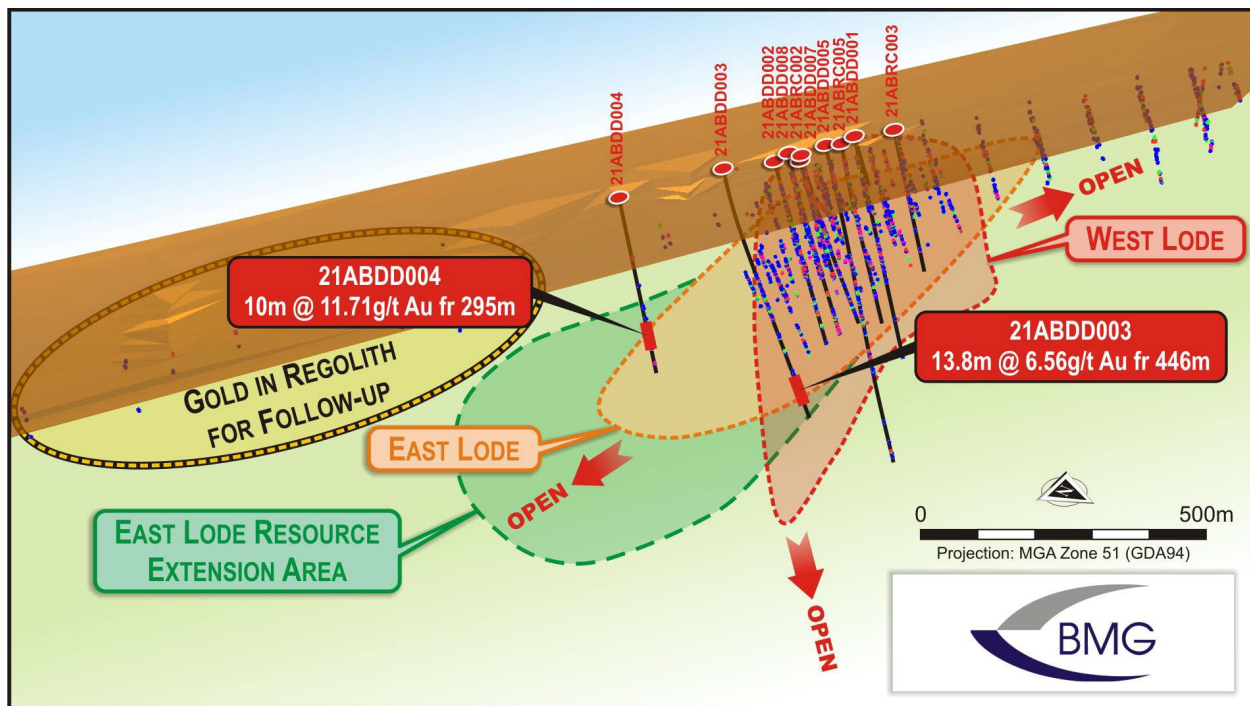
Assay results from the two deepest diamond drill holes validated the deeper continuation of the high-grade mineralised system, more than doubling the depth extent of the known mineralised system.



DD hole 21ABDD005 (660m), drilled under the main Capital zone, returned 38m @ 0.5g/t Au from 309m and 2.55m @ 1.64g/t Au from 633m (or some 520m below surface), and DD hole 21ABDD003, drilled on the southern extremity of the West Lode, returned 13.8m @ 6.56g/t Au from 446m, incl 1m @ 86.02g/t Au from 446m (or some 400m below surface).

These are very significant depth extensions to the high-grade gold mineralisation.

In addition, the step-out hole 21ABDD004 – drilled some 250m south of the previously known southern extent of mineralisation at Capital – demonstrated significant continuity of the East Lode (and possibly the Hangingwall Lode) to the south, approximately doubling the strike of the mineralised system. Mineralisation remains open along strike, with the area further south of 21ABDD004 remaining largely unexplored. 21ABDD004 was not completed to the target depth of 650m due to rod failure at 356m. This hole has now been redrilled (subsequent to the reporting period) as part of the current drill program – 21ABDD006 reached target depth of 664.7m, and tested the continuity of the West Lode. Visual inspection of the core indicates shearing with quartz veining and alteration corresponding with expected lode positions.



**Figure 3 – Oblique section of the Capital Project looking west-southwest with selected recent significant intercepts showing potential resource extension area**



### **Aircore drilling highlights significant regional gold targets to the south of Capital**

On 2 May, BMG reported assay results from the 10,312m aircore drilling program, completed in February 2022. Drilling tested the prospective 5km strike between Capital and the previously identified Barrack/Archer prospects to the very south of the Abercromby tenement area, Figure 4.

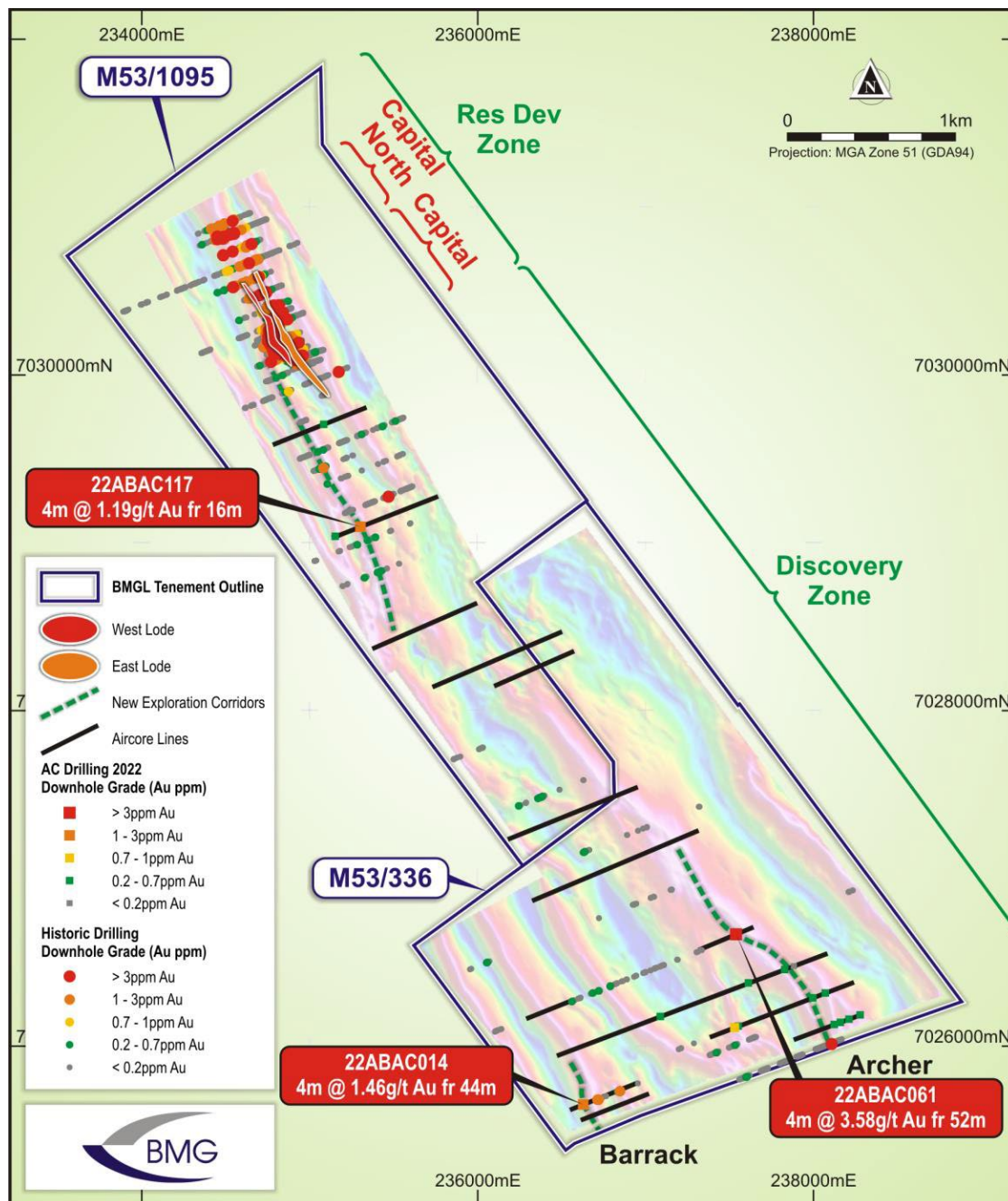
A total of 16 highly anomalous (+200ppb Au) results were encountered in 14 separate holes.

Several high priority structural settings, including at the Barrack and Archer targets where gold mineralisation has been previously intersected with little follow-up drilling, were tested. The anomalous gold intercepts returned from the drilling were indicative of the potential for further gold mineralisation in the area and warranted follow up.

Better intercepts from the AC drilling included:

- **4m @ 1.19g/t Au from 16m** (22ABAC117) – situated within SAM anomalism with direct continuity to mineralisation at Capital and adds to a series of historic anomalous gold results in the same area which can be traced for around 1.7km
- **4m @ 3.58g/t from 52m** (22ABAC061) – situated in a previously untested position, now interpreted to be the south-eastern extension of the Abercromby shear. This area is open for around 1.4km, some 600m to the north-west, and 800m to the south-east aligning with anomalism defined by other BMG drilled AC holes nearby to the Archer prospect
- **4m @ 1.46g/t Au from 44m** (22ABAC014) – situated near the Barrack prospect, open for several hundred metres to the north-west, and coincident with SAM anomalism

These areas have now been further drilled as part of the subsequent AC program, with results pending.



**Figure 4 – Abercromby project area with SAM survey tilt derivative conductivity image showing new aircore results (squares with significant intercepts highlighted) along with pre-existing results (circles)**





### **Third major drilling campaign at Abercromby commences**

BMG commenced its third drilling campaign at the Abercromby Gold Project during the quarter. The proposed program consists of eight diamond holes for ~3,700m, and 59 aircore holes for about 5,500 metres, ASX Release 29 June 2022.

Diamond drilling at the Capital prospect is currently underway and is expected to take about three months to complete. The aircore drilling at regional targets to the south of Capital is completed – two remaining aircore holes were completed in early July. Assay results are pending.

### **Capital Prospect**

The diamond drilling program at the Capital Prospect is designed to follow up the outstanding, high-grade thick gold intercepts reported on 26 April 2022. The initial part of the program is focused on infilling and potentially extending the southern portions of the main Capital mineralised system. The results from these holes will be used to provide the basis for a potential maiden mineral resource estimate, Figure 5.

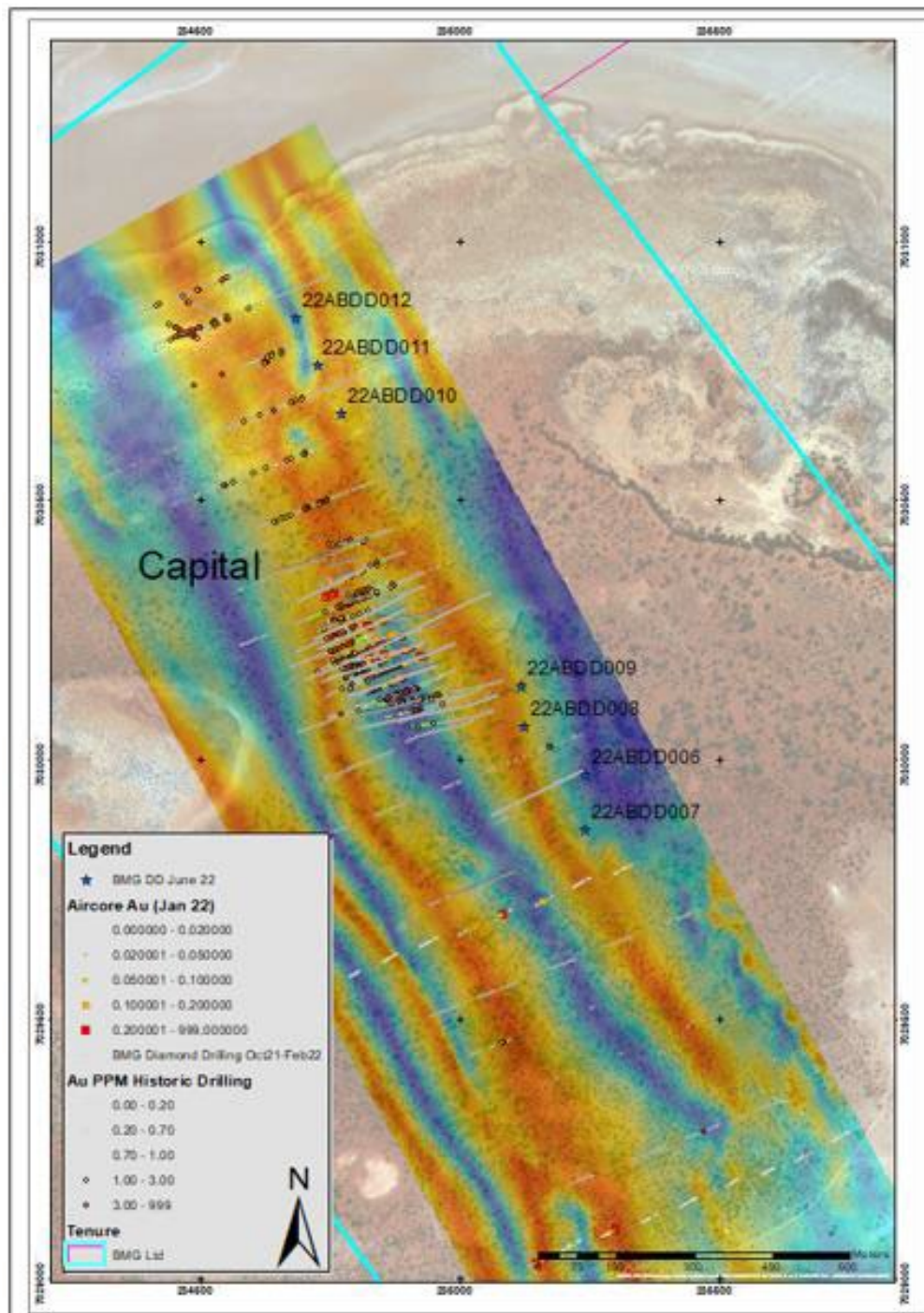
Drilling will also test around the deeper intersection returned from the West Lode in 21ABDD003 which intersected 13.8m @ 6.56m g/t Au from 446m.

Expenditure in relation to activity for the Abercromby Project during the quarter primarily related to settlement of invoices relating to the 2,613m DD program completed in February 2022, assay processing, AC drilling, and payments to consultants.

## **September Quarter at Abercromby**

### **Diamond drilling rapidly progressing**

Subsequent to the end of the reporting period, BMG announced that almost two holes had been completed (22ABDD006 (completed) and 22ABDD008 (substantially completed)) to 664.7m and c.560m of 650m respectively. Hole 22ABDD008 has now been completed to depth, together with hole 22ABDD009 (completed to depth at 660.8m). Drilling is currently progressing on hole 22ABDD007.



**Figure 5 – Plan view of proposed diamond drilling at Abercromby (set against SAM data). The final hole locations may be refined during the program, including the location of the 8th hole (22ABDD013) which will be determined from field observations gathered throughout the program**



Hole 22ABDD006 was a re-drill of 21ABDD004, which suffered terminal drill rod failure at 360m prior to its target depth, and was designed to test extensions of the West Lode.

21ABDD004 intersected 10m @ 11.71g/t Au from 295m in the East Lode, 250m south of the existing mineralisation, confirming a very significant depth extent to the shallow, high-grade mineralisation at Capital.

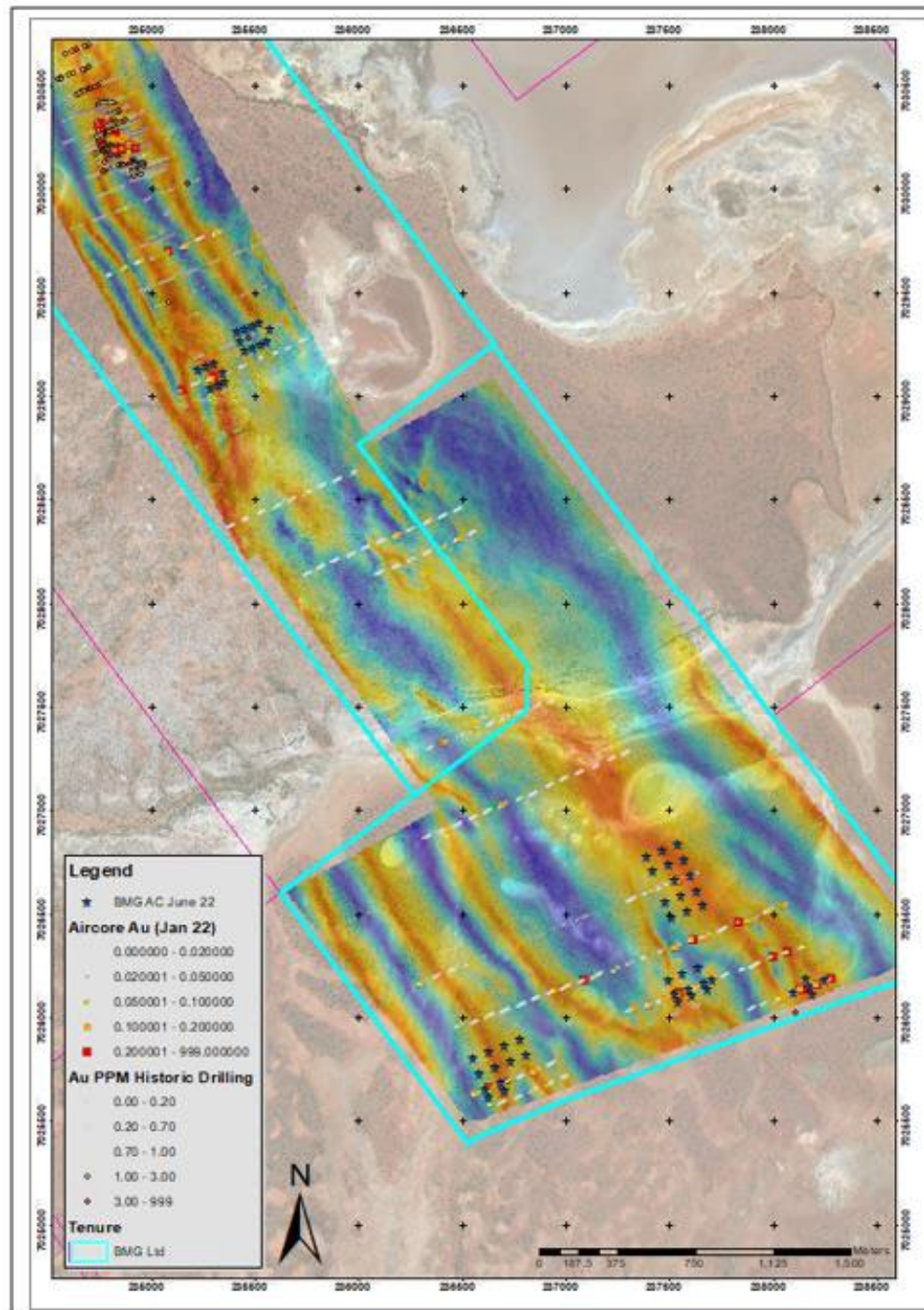
Preliminary visual observations of 22ABDD006 indicated prospective shearing and quartz veining in the zone corresponding with the expected extensions of the East lode. An additional zone of sheared mafics with quartz veining and alteration was observed towards the end of the hole around 600 to 620m.

In addition, both holes, 22ABDD006 and 22ABDD008, contain observed shearing with quartz veining and alteration corresponding with the expected extensions of East and West gold lodes positions. The drill core from the other completed hole, 22ABDD009, is currently being prepared.

### **Regional targets**

The Company has now completed all the holes that were part of the follow up aircore program, further testing the new, anomalous areas identified in the previous round of work in the Archer, Barrack and Capital South areas (as described above). A number of the higher-grade gold intercepts were returned in positions with little adjacent drilling, highlighting good potential for significant strike extensions. These aircore targets form the foundation of BMG's growing prospect pipeline at Abercromby. A total of 59 aircore holes for 5,658m were completed (with two of the holes completed in the September quarter). Initial assay results are expected within the next few weeks.

Drilling also probed highly anomalous, end-of-hole base metal results from 22ABAC024, including 2m @ 1.6% Pb, 0.4% Zn, 0.09% Cu and 11ppm Ag from 80m, which were returned from multi-element analysis.

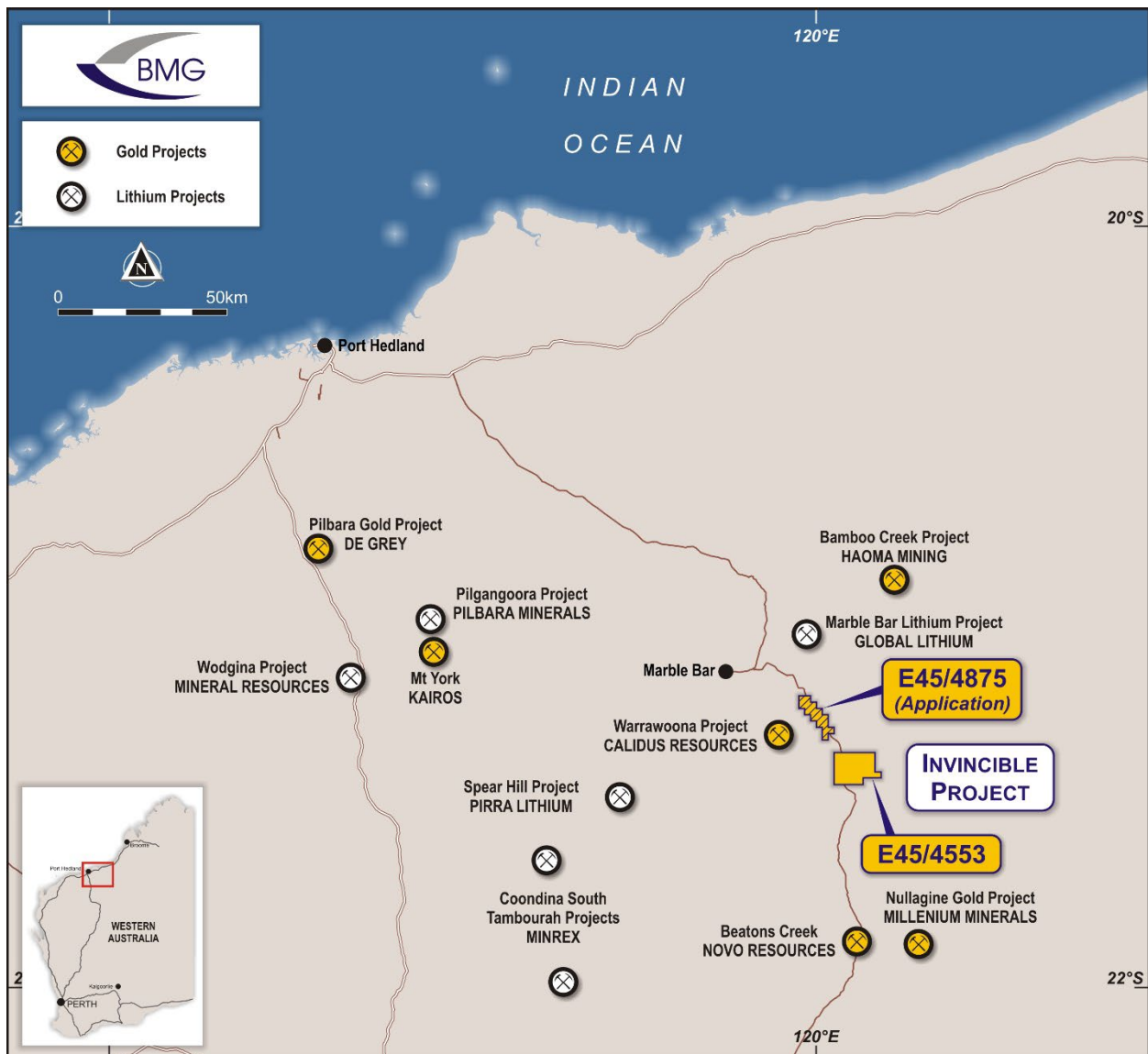


**Figure 6 – Abercromby project area with background SAM survey and previously announced Aircore intercepts (coloured stars) with most recent Aircore drilling highlighted as stars**



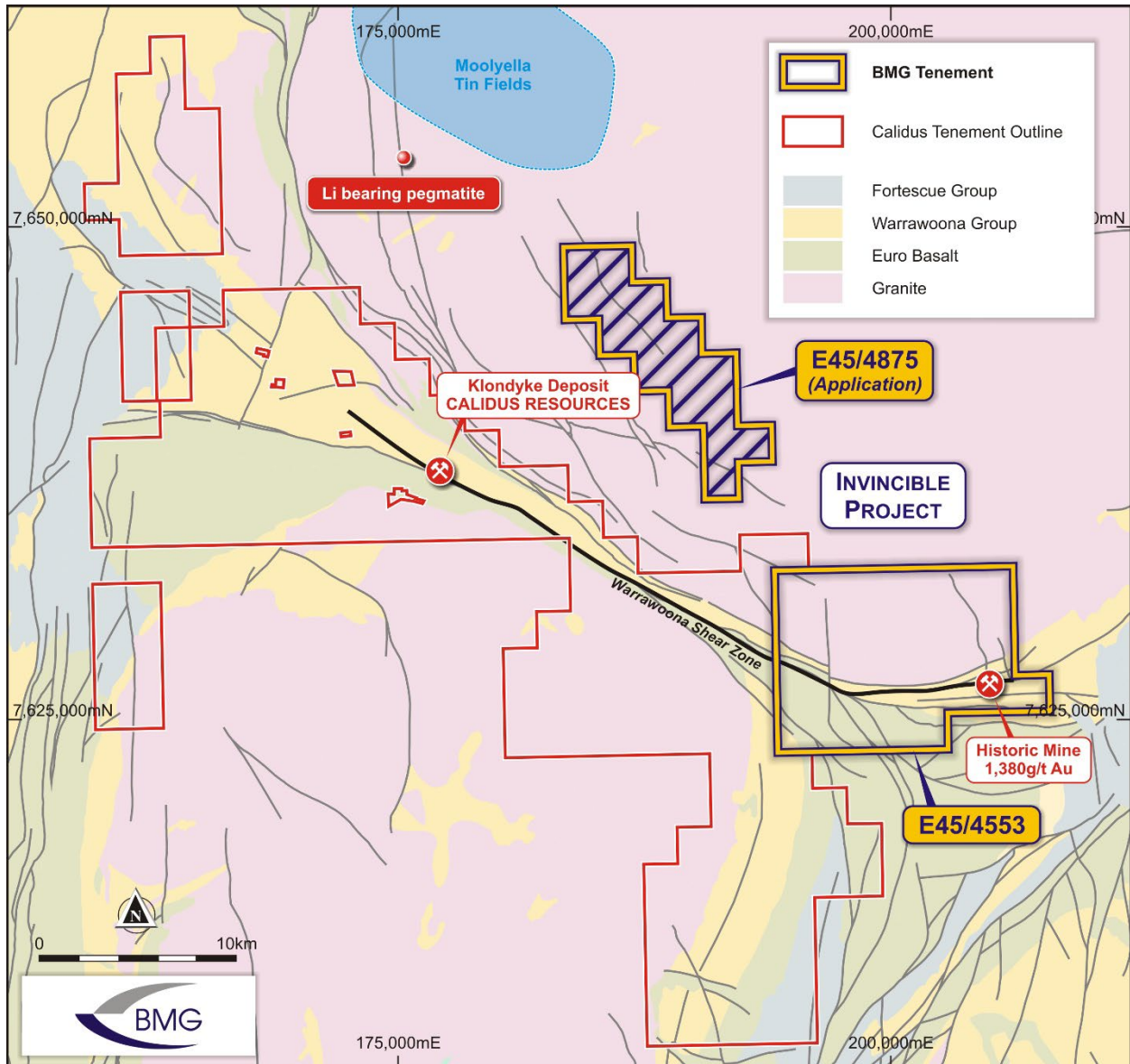
## Invincible Project

The Invincible Project, on Exploration Licence E45/4553, is located in the emerging gold and lithium district of Central Pilbara, and immediately along strike from, and hosted by the same stratigraphy as, Calidus Resources' (ASX: CAI) 1.5Moz Au resource, which is in development.



**Figure 7 – Regional map of the Invincible Project with other major gold and lithium operations highlighted**

Invincible hosts more than 12.5km of the Warrawoona Shear Zone – the mineralised trend that hosts Calidus’ gold resource and which is mostly comprised in the Klondyke deposit, as well as other prospective structures – refer Figure 8 below. A growing number of Li projects in the district also indicates potential for Li bearing pegmatites, which the Company is evaluating.

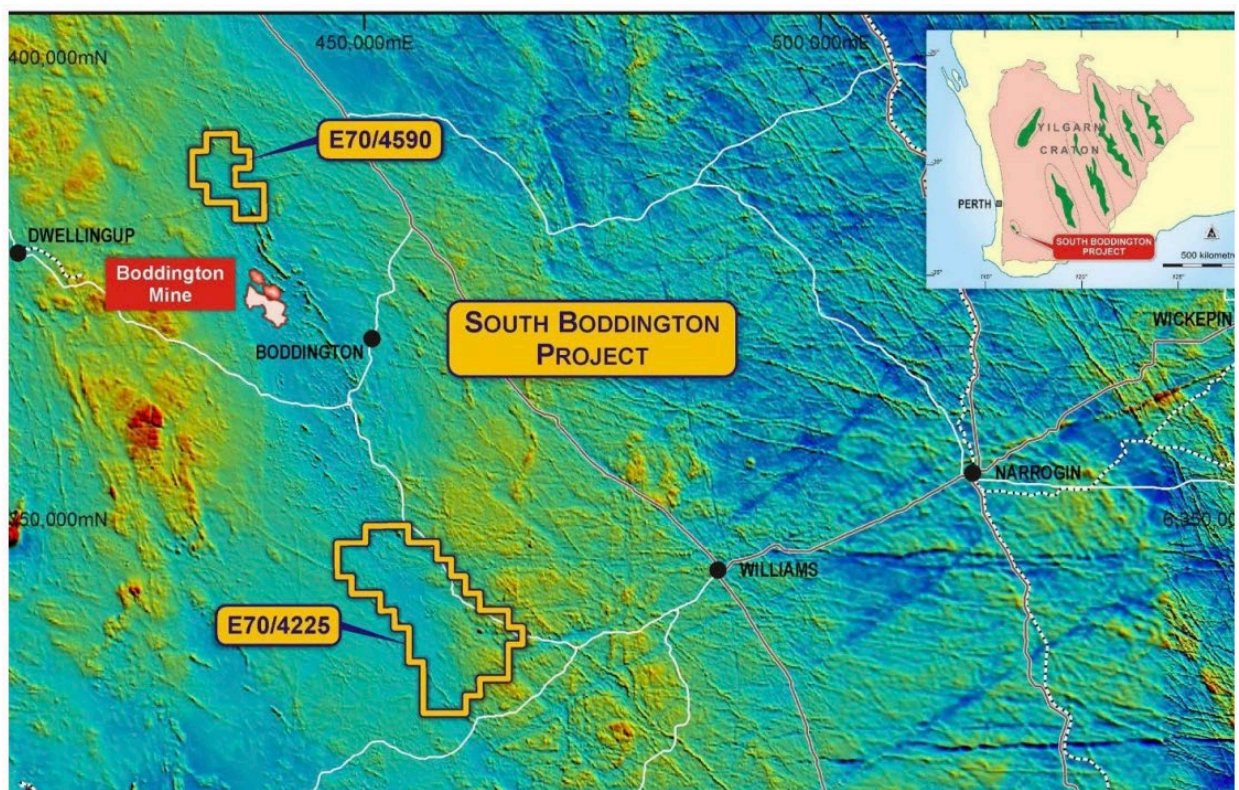


**Figure 8 – Map showing Invincible tenement and the Calidus ground**

Expenditure in relation to activity for the Invincible Project during the quarter primarily related to fieldwork and consultancy fees paid.

## South Boddington Project

Located 150km south-east of Perth and along strike from Newmont's giant Boddington gold deposit (+40Moz Au), the South Boddington Project area comprises ground that is located within the Saddleback Greenstone Belt which hosts the Boddington gold mine. Much of the belt remains unexplored or underexplored, providing the opportunity to identify additional gold deposits.



**Figure 9 – Map (overlying GSWA magnetic data) showing the location of South Boddington tenements on the Saddleback Greenstone Belt**

South Boddington consists of applications for two exploration licences (E70/4225 and E70/4590) which are interpreted to host similar stratigraphy to Boddington.

During the quarter, the Company continued to progress the tenement application process, and accordingly, there were no substantive mining exploration activities.





## Corporate

### **\$2.5 million capital raising for fund exploration activities at Abercromby**

In June, the Company raised \$2.5 million (before costs) to fund major drilling and exploration programs at the Company's 100% owned Western Australian gold projects. This includes the follow-up drilling campaigns at the high-grade Abercromby Gold Project, located in the north-eastern Goldfields, to further delineate the high-grade Capital Prospect and to test regional targets.

The capital was raised through a placement of shares to institutional and sophisticated investors, with Argonaut Securities the lead manager to the Placement. Strong investor support for the capital raising demonstrates market recognition of the quality and potential of the Company's three Western Australian gold projects.

The Placement was carried out using the Company's available capacity under ASX Listing Rules 7.1 and 7.1A pursuant to section 708 of the Corporations Act 2021.

A total of 66,000,000 shares were issued, 34,000,835 Placement shares under BMG's existing LR7.1 placement capacity and 31,999,165 Placement shares under BMG's LR7.1A placement capacity.

### **Update on Sale of Treasure Development Interest, Cyprus**

Subsequent to the end of the reporting period, BMG provided an update regarding the proposed sale of its remaining 10% interest in Treasure Development Limited (TDL) to New Cyprus Copper PA Limited (New Cyprus).

TDL is the owner and operator of the Treasure Project in Cyprus. New Cyprus, a wholly owned subsidiary of Caerus Mineral Resources PLC (LON: CMRS) (Caerus), is the majority shareholder of TDL with 90% ownership.

Following the completion of the transfer by BMG to New Cyprus of an additional 20% interest in TDL in May 2022, as foreshadowed in BMG's March 2022 Quarterly Activities Report, BMG exercised its put option for the sale of its remaining 10% interest in TDL.

New Cyprus did not pay BMG the sum of A\$2,000,000 for the purchase of BMG's remaining 10% interest in TDL in accordance with the time frame required under the Share Purchase Agreement pursuant to which BMG has exercised its put option. BMG maintains that NCC is now in breach of contract and has given notice of default to NCC.





BMG is now endeavouring to resolve the matter in accordance with the dispute resolution procedures of the Share Purchase Agreement. BMG will keep the market informed of the outcome of the matter as and when resolved.

## ASX listing rule Compliance

Tenement Information as required by Listing Rule 5.3.3.

Tenement ID	Registered Holder	Project / Location	Interest (%)	Change in quarter (%)
M53/1095	Nova Energy Pty Ltd <sup>(1)</sup>	Abercromby	100	-
M53/336	Nova Energy Pty Ltd <sup>(1)</sup>	Abercromby	100	-
E45/4553	Delphi Resources Pty Ltd <sup>(2)</sup>	Invincible	100	-
AE4653	Treasure Development Limited <sup>(3)</sup>	Treasure Project	10	(20)
AE4674	Treasure Development Limited <sup>(3)</sup>	Treasure Project	10	(20)
AE4607	Treasure Development Limited <sup>(3)</sup>	Treasure Project	10	(20)
AE4608	Treasure Development Limited <sup>(3)</sup>	Treasure Project	10	(20)
AE4649	Treasure Development Limited <sup>(3)</sup>	Treasure Project	10	(20)

<sup>(1)</sup> BMG holds the non-uranium and thorium mineral rights associated with mining leases M53/1095 and M53/336. Nova Energy is a wholly owned subsidiary of Toro Energy Limited.

<sup>(2)</sup> Delphi Resources Pty Ltd is a wholly owned subsidiary of BMG Resources Limited.

<sup>(3)</sup> Treasure Development Limited is the joint venture company of which BMG owns 10%; the remaining 90% is owned by New Cyprus Copper Company Limited, the operator of the JV, and wholly owned subsidiary of Caerus Mineral Resources PLC.

For purposes of ASX listing rule 5.3.5, the Company advises that director fees paid during the quarter, including remuneration paid to the Company's Managing Director, amounted to \$85,726.



## Competent Persons Requirements

The information in this announcement that relates to Exploration Results was previously released by the Company in the following reports, which are available on the Company's website at [www.bmgl.com.au](http://www.bmgl.com.au):

- 1) 9 March 2021, *Excellent new High-Grade Gold Intercepts at Abercromby*
- 2) 19 October 2021, *BMG Reports further High-Grade Gold at Abercromby as Diamond Drilling commences.*
- 3) 1 November 2021, *Diamond drilling progressing at High Grade Abercromby Gold Project*
- 4) 2 December 2021, *Full Steam Ahead at the High Grade Abercromby Gold Project*
- 5) 8 December 2021, *Addendum to ASX Announcement on 2 December 2021*
- 6) 9 December 2021, *Pipeline of Exploration Targets grows at Abercromby*
- 7) 20 January 2022, *Two drill rigs underway at Abercromby Gold Project*
- 8) 25 January 2022, *Assays confirm very high gold grades – including 1m over 100g/t Au- At Abercromby*
- 9) 26 April 2022, *Assays confirm significant extensions of high-grade gold at Abercomby Project*
- 10) 2 May 2022, *Aircore Highlights Significant Regional Gold Potential at Abercromby*
- 11) 13 July 2022, *OPERATIONAL UPDATE Abercromby Diamond Drilling Rapidly Progressing, Air Core Results Expected Shortly*

Announcements 1, 2, 5, 6, 7, 8, 9, 10 and 11 contain a competent person statement which includes the statements and consent pursuant to the requirements of ASX Listing Rule 5.22

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. 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 announcements.

### Authority

This announcement has been authorised for release by Bruce McCracken, Managing Director of BMG Resources Limited.



**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

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## Appendix 5B

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

Name of entity

**BMG RESOURCES LIMITED**

ABN

**96 107 118 678**

Quarter ended ("current quarter")

**30 June 2022**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(55)	(204)
(e) administration and corporate costs	(168)	(630)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(223)</b>	<b>(834)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(3)
(d) exploration & evaluation	(1,310)	(3,250)
(e) investments	-	-
(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,310)</b>	<b>(3,253)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,508	6,508
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	(160)	(417)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,348</b>	<b>6,091</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>2,078</b>	<b>889</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(223)	(834)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,310)	(3,253)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,348	6,091

## 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	<b>Cash and cash equivalents at end of period</b>	<b>2,893</b>	<b>2,893</b>

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	12	13
5.2	Call deposits	2,881	2,065
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,893</b>	<b>2,078</b>

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	(86)
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.*

The Company paid \$85,726 in cash to directors during the period, including its Managing Director.

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

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(223)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,310)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,533)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,893
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,893
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.89
<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?	
<p>Answer:</p> <p>No, we advise that in the current quarter Cash outflows at 2.1(d) includes \$785,081 for settlement of invoices relating to the 2,613m DD program completed in February 2022. Accordingly, the level of total outgoings in the quarter is not reflective of the Company's current level of activity in any particular quarter, and accordingly, the result at 8.7 would otherwise exceed 2 quarters.</p>	
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?	
<p>Answer:</p> <p>No. Refer to response provided at 8.8.1</p>	

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:

Yes. Refer to response provided at 8.8.1

*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: ..... Bruce McCracken – Managing Director.....  
(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.