

## December 2022 Quarterly Activities Report

Solstice Minerals Limited (**Solstice** or the **Company**) is pleased to present its quarterly report (**Report**) for the period ended 31 December 2022 (**Quarter**).

### Highlights

#### Corporate

- The Company appointed Nick Castleden as CEO & Managing Director, commencing 24 January 2023. Mr Castleden brings a strong combination of high-level technical expertise and commercial acumen to Solstice.
- Matthew Yates was appointed to the role of Non-Executive Chairman from completion of the Company's Annual General Meeting (**AGM**) on 16 November 2022, following the resignation of Craig Williams.
- Solstice is in a robust cash position with \$12 million as at 31 December 2022 and no debt.

#### Operations

##### Yarri Project

- Results were received for the diamond drilling (**DD**) program completed last quarter at the Hobbes Gold Prospect (**Hobbes**) within the Company's Yarri Project.
- Broad, shallow gold mineralisation has been intersected, including the strongest intercept (gram x metres) returned to date from all drilling at Hobbes (20m @ 3.25g/t gold in HOBRCDD003).
- Significant intersections (at a 0.5g/t gold cut-off) from the diamond assays include:
  - HOBDD0002: **31m @ 1.71g/t gold** from 118m  
(Including **7.0m @ 3.80g/t gold** from 142m)
  - HOBDD0003: **8.43m @ 1.28g/t gold** from 134.67m  
**10.08m @ 1.73g/t gold** from 174m
  - HOBDD0004: **19.8m @ 1.13g/t gold** from 59.2m (in supergene)
  - HOBRCDD0003: **27m @ 2.67g/t gold** from 113m  
(Including **20m @ 3.25g/t gold** from 120m)  
**4.80m @ 3.19g/t gold** from 150m  
**7.20m @ 1.30g/t gold** from 190.8m
  - HOBRCDD0007: **5.93m @ 1.95g/t gold** from 235m  
(Including **5m @ 2.15g/t gold** from 235m)
  - HOBRCDD0027: **11m @ 4.47g/t gold** from 264m  
(Including **0.55m @ 19.28g/t gold** from 273.35m)  
**4.30m @ 3.38g/t gold** from 395m



- The strong intercept in HOBRCDD003 is associated with fine visible gold observed in thin quartz-carbonate veins with biotite, pyrrhotite +/- chalcopyrite.
- Activities planned for the next quarter include finalisation of a geological model and completion of a maiden Mineral Resource Estimate (**MRE**) for Hobbes.

### **Kalgoorlie Project**

- The Company completed a 1,747m diamond drill program at its GSP Nickel Prospect (**GSP**) within the wholly owned Ringlock Dam Licence with the objective of confirming the historical drill assay data from the 1960s and 1970s, which intersected massive nickel sulphide mineralisation.
- Massive nickel sulphides (pyrrhotite-pentlandite) have been logged over the interval 101.8–103.85m in hole GSPDD0005. Assay results are expected in the next quarter.

This announcement has been authorised for release by the Board of Directors.

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# 1. Eastern Goldfields Projects

Solstice is actively exploring gold and base metal targets in the Eastern Goldfields of Western Australia, and the Company currently has granted licences and licence applications covering approximately 2,605km<sup>2</sup> (Figure 1).

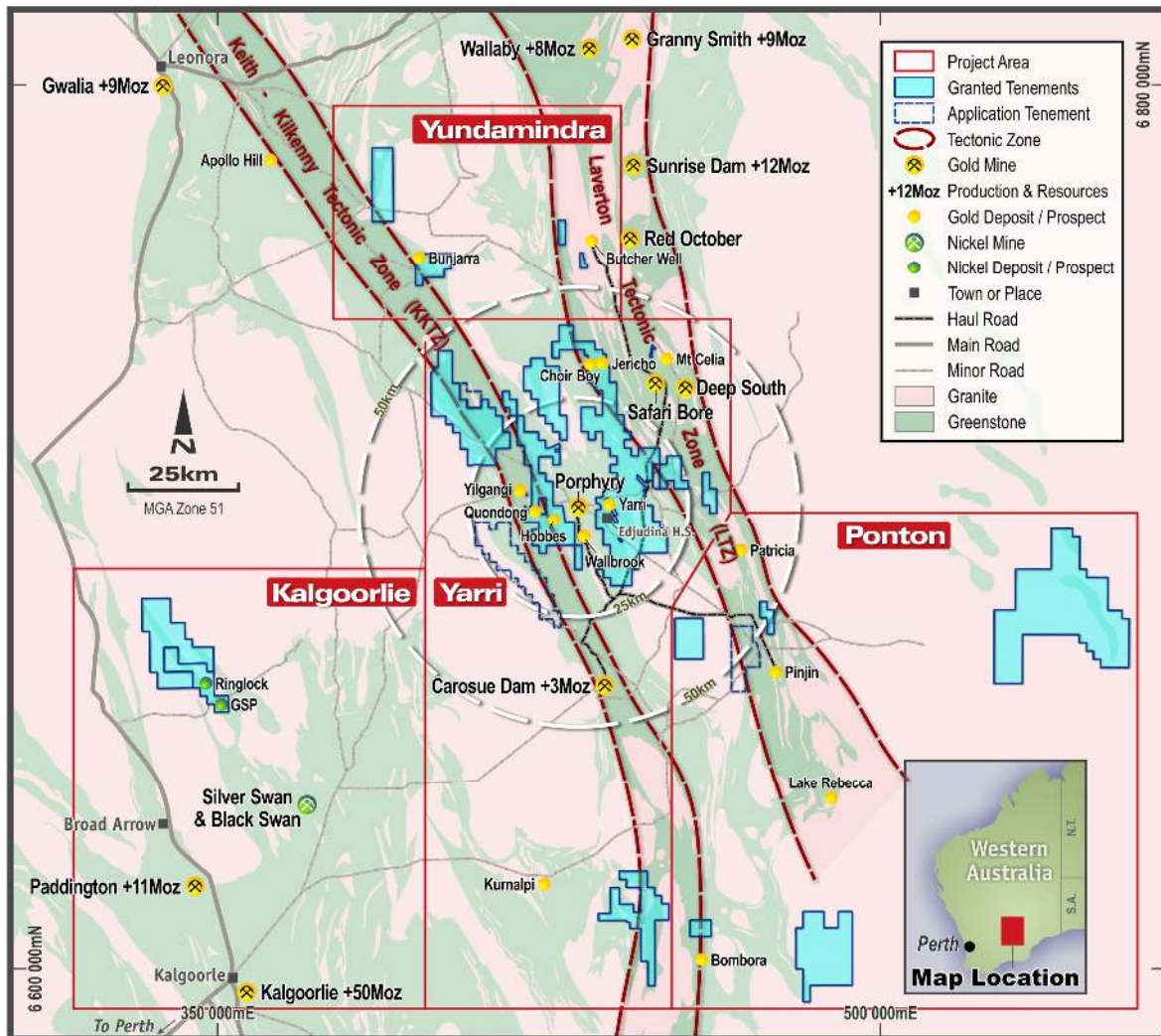


Figure 1: Location of Solstice's projects with regional geology

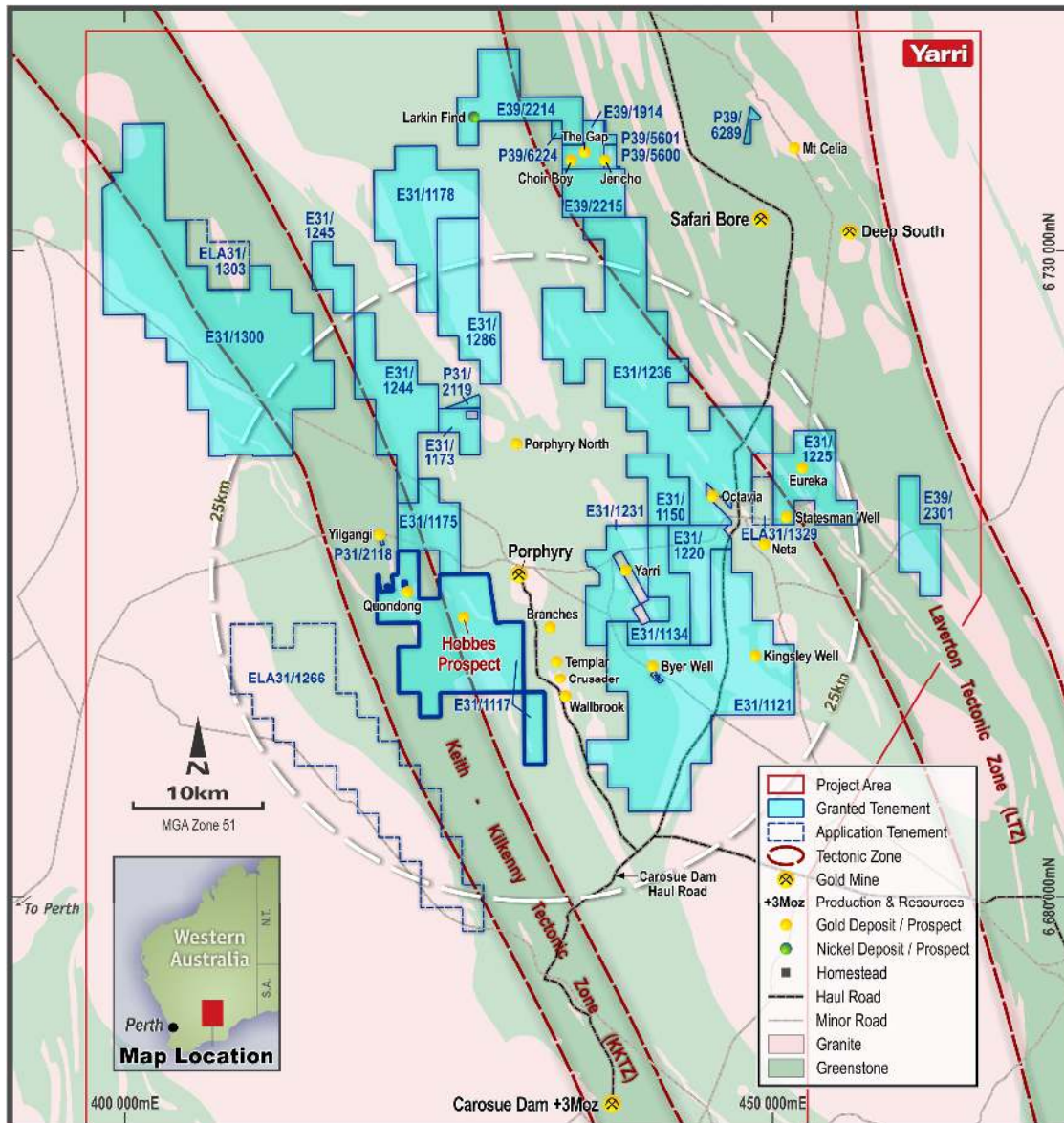
## 1.1 Yarri Project (Gold)

The Yarri Project is located approximately 150km northeast of Kalgoorlie between the Keith-Kilkenny Tectonic Zone (KKTZ) and the Laverton Tectonic Zone (LTZ), both of which are major craton-scale structural features known to control significant gold endowment in the Kurnalpi Terrane of the Eastern Goldfields (Figure 2). The Carosue Dam, Porphyry and Deep South Projects that form part of Northern Star Resources' Carosue Dam Operations, hosting 4.227Moz<sup>1</sup> gold at 2.1g/t, are located within the Yarri Project area.

<sup>1</sup> Source: Northern Star Resources Limited FY22 Annual Report.



The Yarri Project comprises 28 granted licences and three licence applications covering an area of approximately 1,325km<sup>2</sup> and 60km of continuous strike of the Edjudina greenstone belt. The Project includes the advanced Hobbes Gold Prospect, where extensive primary and supergene gold mineralisation has been identified.



**Figure 2: Northern portion of the Yarri Project with regional geology and tenements within a 30km radius of Edjudina (applications in ballot not shown)**

### Hobbes Prospect (E31/1117 - Solstice 80%)

The Hobbes Licence (E31/1117), located within the Company’s Yarri Project, covers an area of 95km<sup>2</sup> and is situated approximately 5km west of Northern Star Resources’ Porphyry Mining Centre. Nexus Minerals’ emerging Crusader-Templar gold deposit is located approximately 10km to the southeast.

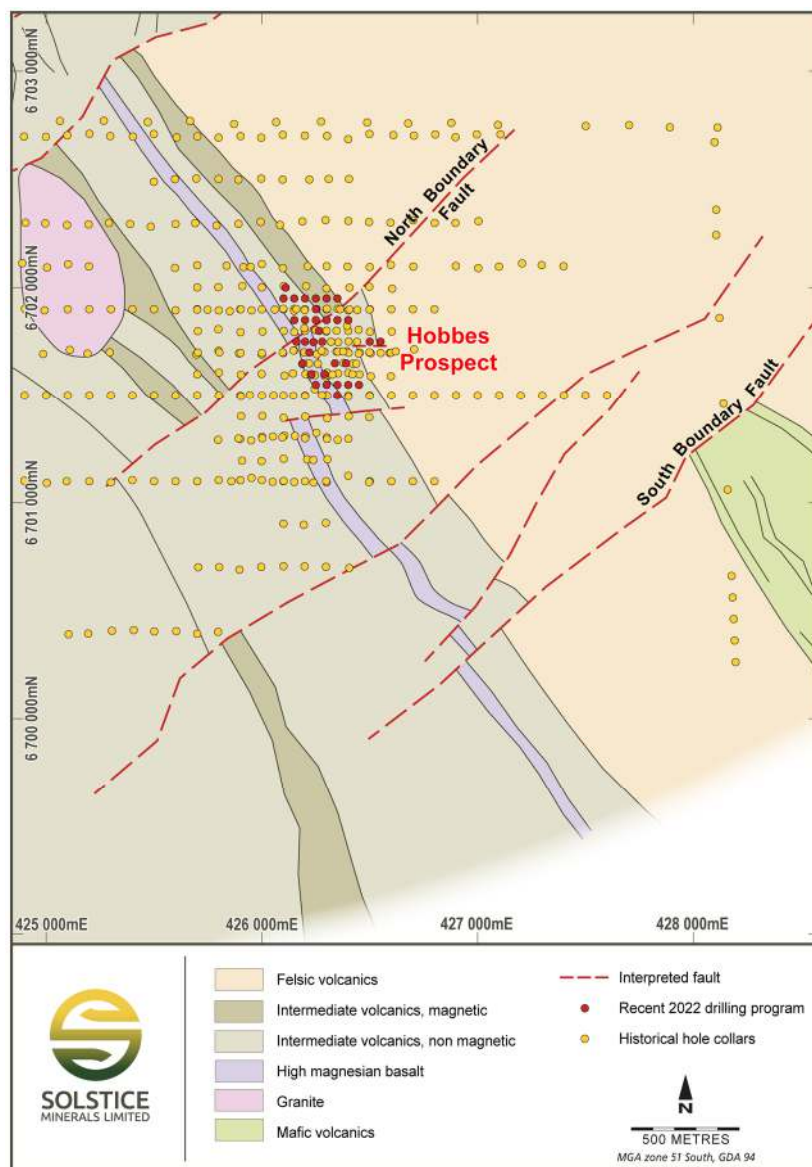




The Hobbes Prospect is located in an area of transported cover, including a paleochannel draining into Lake Rebecca to the southwest. There is no outcrop in the immediate prospect area, with geological interpretation based on drillhole logging and lithochemical data collected from historical drilling.

Hobbes is interpreted to be located within a north-northwest trending package of intermediate volcanic rocks sandwiched between a high magnesium basalt hanging wall and rhyodacitic volcanic to volcanoclastic footwall package. The stratigraphic sequence dips steeply to the west and is offset by a series of broadly northeast trending, apparently strike-slip faults (**Figure 3**). Intrusive units include syenite sills and dykes, and thin mafic sills.

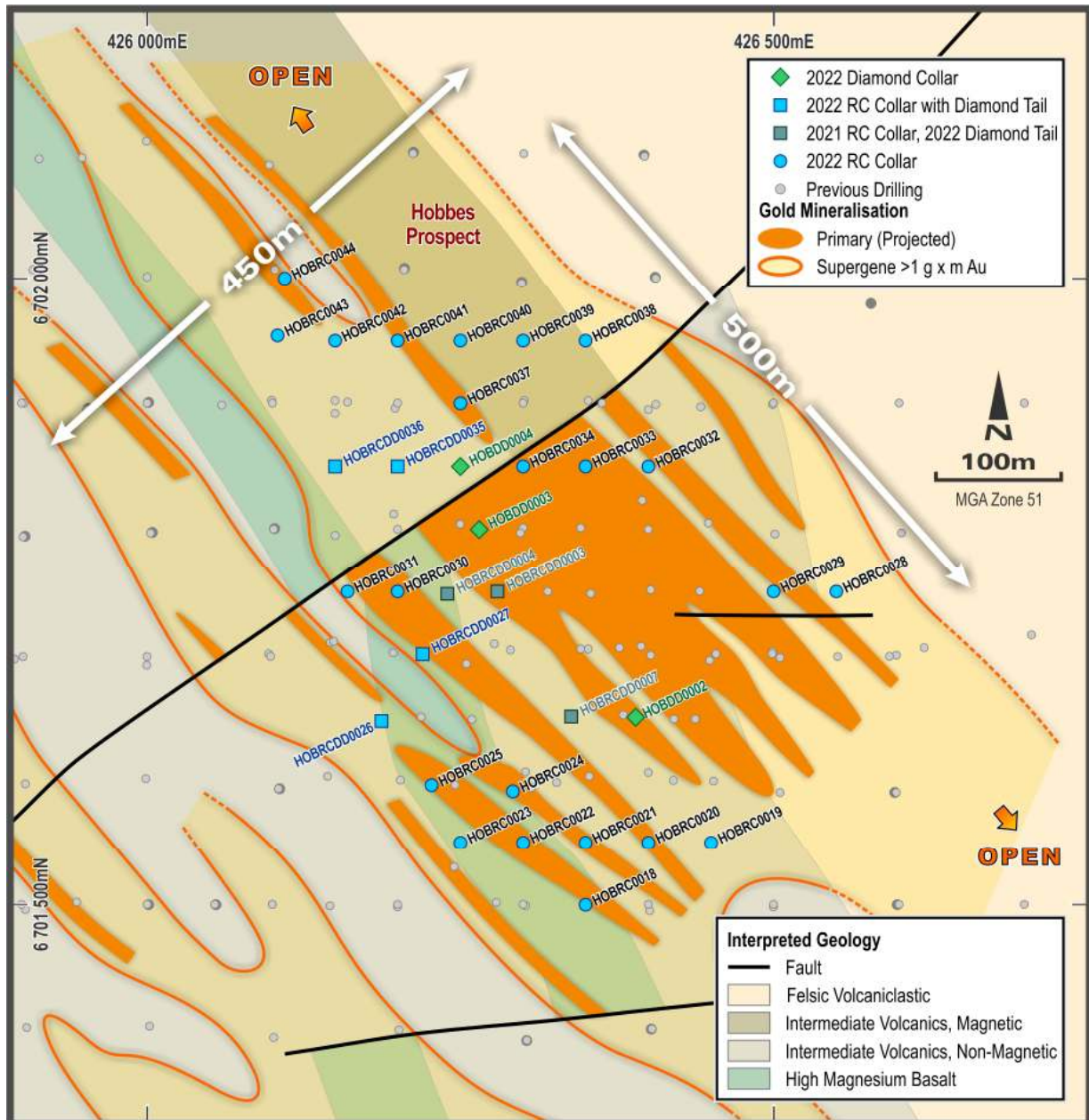
Two bounding faults, the North Boundary Fault (**NBF**) and subparallel South Boundary Fault (**SBF**) enclose a broader, strongly altered and demagnetised zone. The NBF appears to be an important control on higher grade primary gold mineralisation at the Hobbes Prospect.



**Figure 3: Geology map for the Hobbes Prospect (E31/1117), Yarri Project**



Historical drilling intersected primary mineralisation beneath supergene zones which remained open in all directions. Solstice completed a RC and DD program in the September quarter comprising 27 RC holes for 5,884m and ten DD holes for 2,500m. The drilling was undertaken with the objective of infilling the historical drilling to 50m spacing over 500m strike length of the known mineralisation, to support a maiden MRE for Hobbes. The RC assay results were received and reported in the September quarter. Final assay results for the DD drilling were received during the December quarter and are summarised below.



**Figure 4: Hobbes Prospect with RC and DD hole collar locations, interpreted solid geology and supergene and primary mineralisation**



Significant DD intercepts of supergene mineralisation include:

- 19.8m @ 1.13g/t gold from 59.2m (HOBDD0004)
- 12m @ 1.21g/t gold from 57m (HOBRCDD0027)
- 13m @ 1.34/t gold from 58m (HOBRC0037)
- 17m @ 1.18g/t gold from 56m (HOBRC0032)
- 20m @ 1.55g/t gold from 53m (HOBRC0038)
- 10m @ 4.18g/t gold from 78m (HOBDD0002)
- 11m @ 0.96g/t gold from 55m (HOBDD0003)
- 7m @ 1.15g/t gold from 69m (HOBRCDD0035)

Significant DD intercepts of primary mineralisation from interpreted steeply dipping zones beneath the supergene blanket include:

- 27m @ 2.67g/t gold from 113m (including 20m @ 3.25g/t gold from 120m); 4.80m @ 3.19g/t gold from 150m; 8.43m @ 1.28g/t gold from 134.67m; 10.08m @ 1.73g/t gold from 174m and 7.2m @ 1.30g/t gold from 190.8m (HOBDD0003)
- 13m @ 4.04g/t gold from 96m (HOBRC0030)
- 8m @ 2.05g/t gold from 110m (HOBRC0033)
- 9m @ 1.59g/t gold from 156m (HOBRC0031)
- 31m @ 1.71g/t gold from 118m (HOBDD0002)
- 11m @ 4.47g/t gold from 264m and 4.30m @ 3.38g/t gold from 395m (HOBRCDD0027)
- 5.93m @ 1.95g/t gold from 235m (HOBRCDD0007)
- 4.80m @ 3.19g/t gold from 150m and 7.20m @ 1.30g/t gold from 190.8m (HOBRCDD0003)

Preliminary interpretation continues to suggest that primary gold mineralisation is controlled by several (possibly parallel) sub-vertical to steeply WSW dipping NNW-striking zones. These zones may represent structures, possibly developed at the margins of or within more permissive lithological host units.

The NBF appears to be an important control on higher grade primary gold mineralisation at the Hobbes Prospect. The potential for these NE-striking faults, such as the NBF, to be mineralised will require further investigation.

Fine visible gold was logged in holes HOBRCDD0003 and HOBRCDD0004, located on line 6,701,750mN in the main, central zone of mineralisation. In HOBRCDD0003, the visible gold correlates with the strong mineralised intercept of 27m @ 2.67g/t gold from 113m. The visible gold is hosted within narrow quartz-carbonate veins containing biotite, pyrrhotite +/- chalcopyrite, located within sub-vertical mineralised zones.



### Yarri Project - Regional

During the Quarter, Solstice continued to compile historical Western Australian Mineral Exploration (**WAMEX**) report data and undertake regional field reconnaissance gold and base metal exploration.

Results from an UltraFine fraction (**UFF**) soil sampling program completed in the previous quarter over E28/2650 (Charnleigh) and E28/2583 (Mt Turner), located at the southern end of the Yarri Project area in the historic Kurnalpi mining area, have been returned. The Company is reviewing the data holistically with historical data sets to generate gold targets as well as to determine if any lithium prospectivity exists for follow up exploration.

Field reconnaissance was completed over E31/1245 (Rainbow Dam), approximately 30km northwest of Eududina Station homestead. Samples from seven historical drill spoils were collected and have been dispatched for gold and multi-element pathfinder analysis.

### Yarri Project Future Work

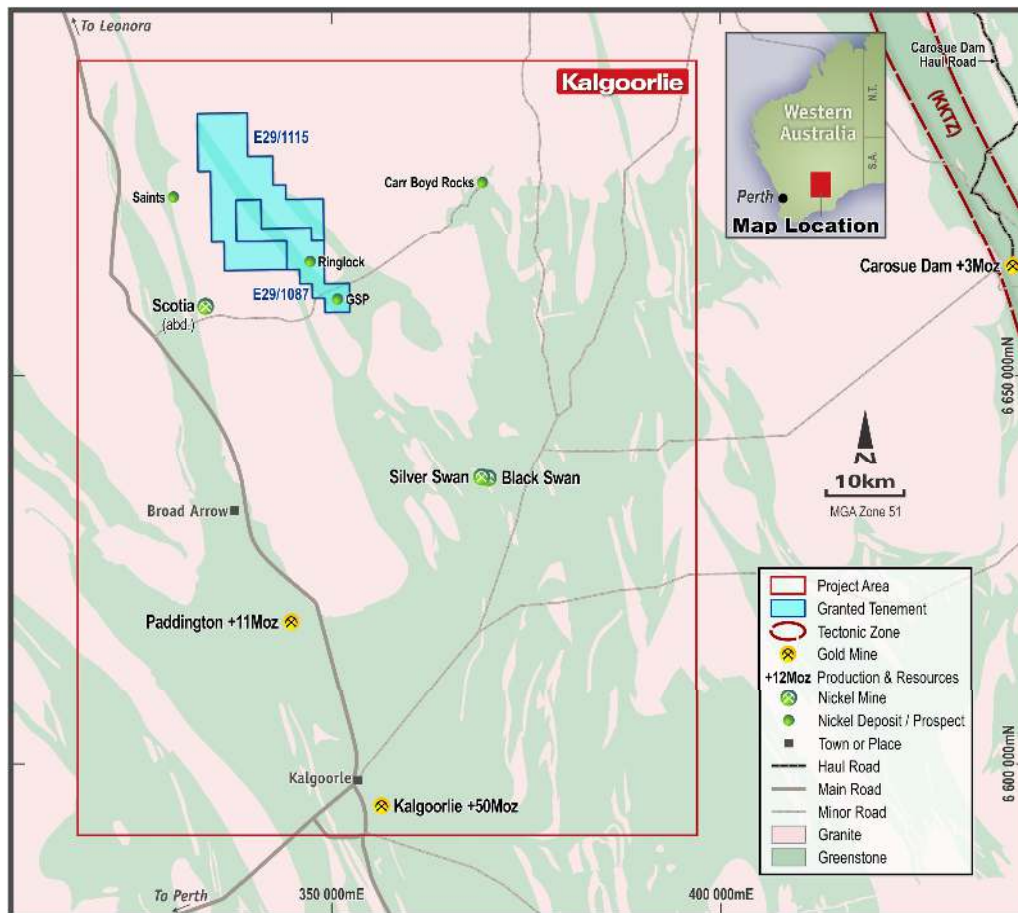
Work planned for the Yarri Project in the next quarter will include:

- Continuation of collection of litho-geochemical data from recent RC drill pulps and finalisation of a geological model to inform the Hobbes MRE;
- Completion of the maiden MRE for Hobbes;
- Evaluation and planning of reconnaissance aircore drilling programs for Hobbes North, Hobbes South and Kilkenny Prospects on the Hobbes Licence;
- Ongoing regional field reconnaissance of gold and base metal exploration targets; and
- Interpretation of the new aeromagnetic data sets and target generation.

## 1.2 Kalgoorlie Project (Nickel and Gold)

The Kalgoorlie Project currently covers 234km<sup>2</sup> and comprises the Ringlock Dam Licence (**RDL**) E29/1087 and Goongarrie Licence E29/1115, approximately 80km north-northwest of Kalgoorlie (**Figure 5**). The RDL hosts the northerly extension of the Black Swan Komatiite Complex (**BSKC**) which contains the historical Silver and Black Swan nickel mines located 30km to the southeast.





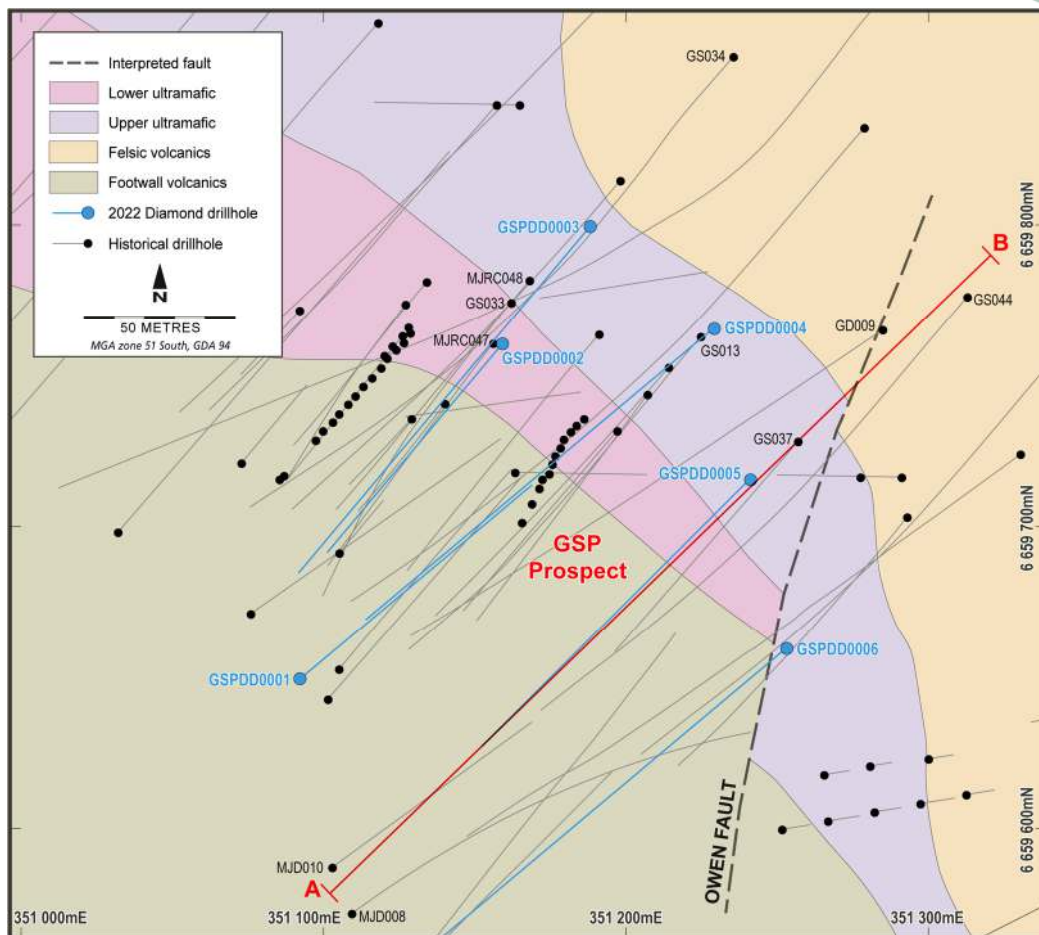
**Figure 5: Kalgoorlie Project over regional geology**

The GSP Nickel Prospect (**GSP**) was discovered in 1969 by a nickel exploration joint venture between Group Explorations Ltd and Sumitomo Metal Mining Company Ltd targeting regional aeromagnetic anomalies and more localised surface EM and IP geophysical anomalies under cover. Historical work at GSP has included rotary air blast (**RAB**), reverse circulation and diamond drilling, plus various surface and airborne geophysical surveys.

The historical drilling (**Figure 6**) outlined primary massive sulphide nickel mineralisation along a contact zone at the base of the komatiite sequence, along with disseminated primary nickel sulphide mineralisation above this. All of the drilling in the 1960s to 1970s was selectively sampled and assayed on the basis of observing massive to semi-massive and disseminated nickel sulphide mineralisation, and therefore the continuity of nickel mineralisation, particularly the disseminated material, is poorly understood.

The main zone of primary massive nickel sulphide mineralisation at GSP is interpreted to dip steeply to the southwest. Significant nickel mineralisation intercepts from historical drilling at GSP (based on a 0.5% nickel cut-off, minimum 1m intercept and maximum 1m internal dilution) include:

- 8.01m @ 2.4% Ni from 113.39m (incl. 1.52m @ 6.8% Ni from 113.39m) in GS033
- 2.86m @ 2.9% Ni from 166m (incl. 2.13m @ 3.5% Ni from 166.73m) in GS013
- 4.0m @ 2.3% Ni from 104m in MJRC047
- 4.0m @ 1.4% Ni from 145m in MJRC048



**Figure 6: Simplified geological map of the GSP Prospect area with historical drilling and recent drillholes**

The Company recently completed a diamond drill program at the GSP Prospect comprising 1,747m of drilling in six holes. The primary objectives of the drilling at GSP have been to:

- Confirm the historical drill assay data from the 1960s and 1970s, which intersected massive nickel sulphide mineralisation;
- Better define the basal/footwall contact;
- Gather structural and litho-geochemical data; and
- Provide platforms for downhole electromagnetic geophysical surveys. The platform holes are planned sub-parallel to the modelled mineralised basal contact, to increase the effective exposure area of the planned DHEM.

Nickel sulphide mineralisation and chalcopyrite rich veinlets have been logged in the recently drilled hole GSPDD0005 over the interval 99.72–105.97m downhole. This zone of mineralisation includes the intersection of 2.05m of massive nickel sulphides (pyrrhotite-pentlandite) over the interval 101.80–103.85m. The sulphides are located in the footwall sequence to the ultramafic rocks, and probably represent remobilisation of sulphide from mineralisation originally hosted in

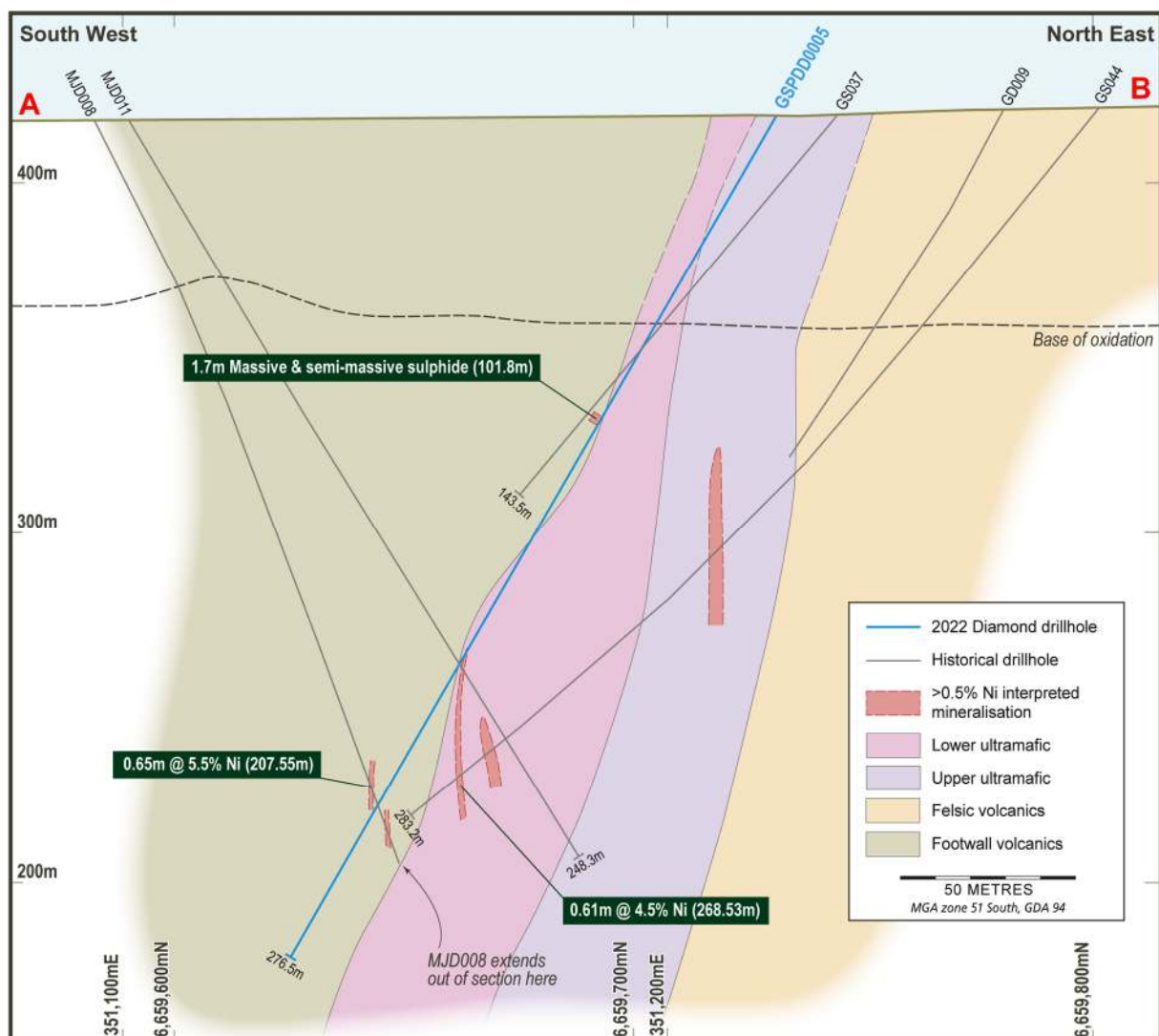


the cumulate ultramafic rocks overlying the footwall sequence. A cross-section showing the location of the massive sulphide is presented in **Figure 7**.

Thin massive sulphide veins, also hosted in the footwall stratigraphy, have been logged in the first four holes (GSPDD0001–0004).

Drill core samples for holes GSPDD0001–0003 have been submitted for analysis, with the remainder of holes to be geologically logged and sampled early in 2023. The presence of pentlandite (iron-nickel sulphide) has been confirmed with spot readings using a portable XRF machine.

The identification of bodies of massive and disseminated nickel sulphides, across an extensive area in the footwall of the GSP Prospect area, suggests there is, or has been a significant massive nickel sulphide body developed above the remobilised footwall-hosted sulphides.



**Figure 7: Cross section of the GSP Prospect with GSPDD0005 and the logged massive sulphides**

Note: Interpreted mineralisation > 0.5% Ni shown on section however mineralised intercepts are reported using a 1.0% Ni lower cut-off and minimum 0.3m down hole width.



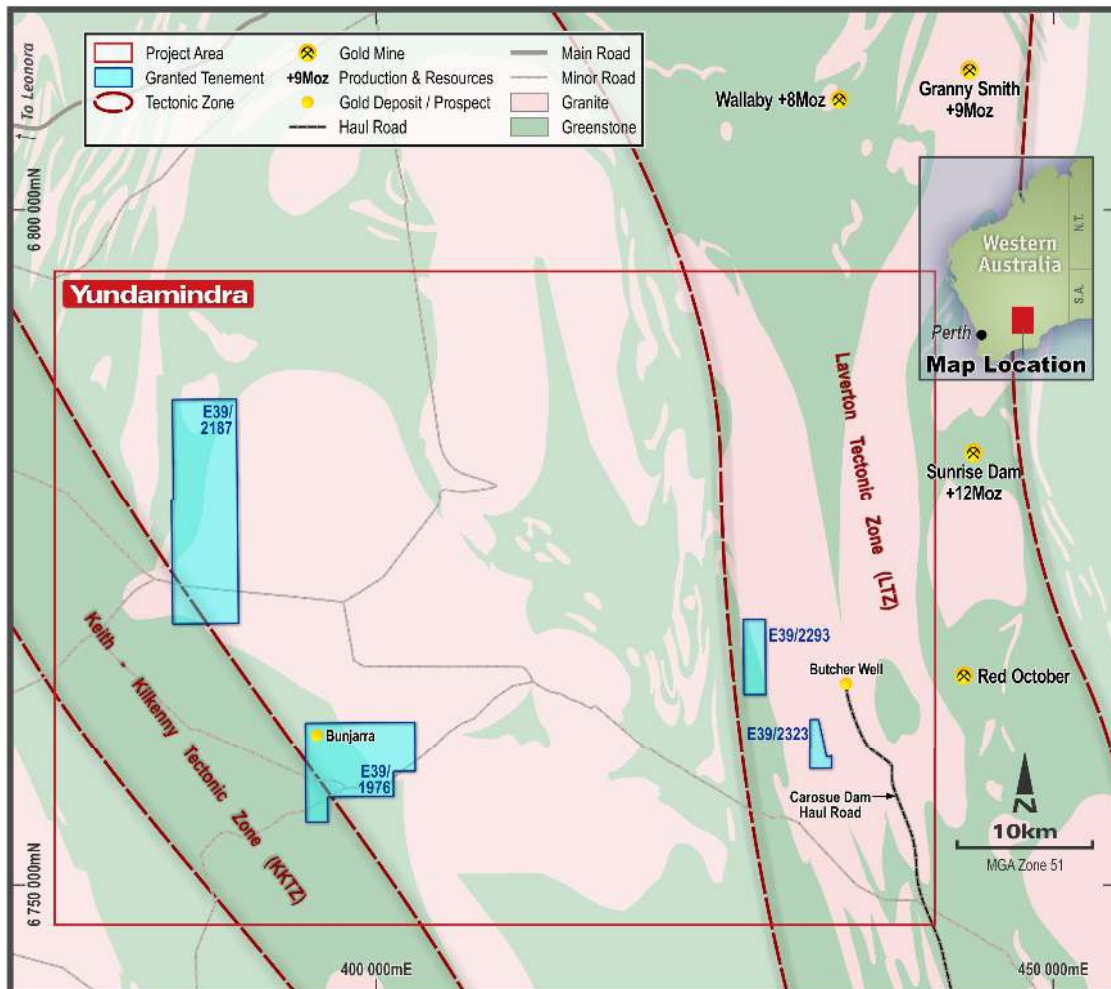
## Kalgoorlie Project Future Work

Work planned for the Kalgoorlie Project in the next quarter will include:

- Completion of lithological logging and sampling of the new GSP drillholes completed in December 2022;
- Receipt and interpretation of all drill sample assays for the new GSP drillholes;
- Downhole EM geophysical surveys on selected holes in the recent drill program, looking for off-hole conductors possibly representative of further massive sulphides not tested in the existing drilling.

## 1.3 Yundamindra Project (Gold)

The Yundamindra Project comprises four granted exploration licences covering approximately 139km<sup>2</sup>. The granted Bunjarra Well and Bunjarra Northwest Licences are located along the eastern margin of the KKTZ and are extensively covered by recent colluvium and alluvium (**Figure 8**).

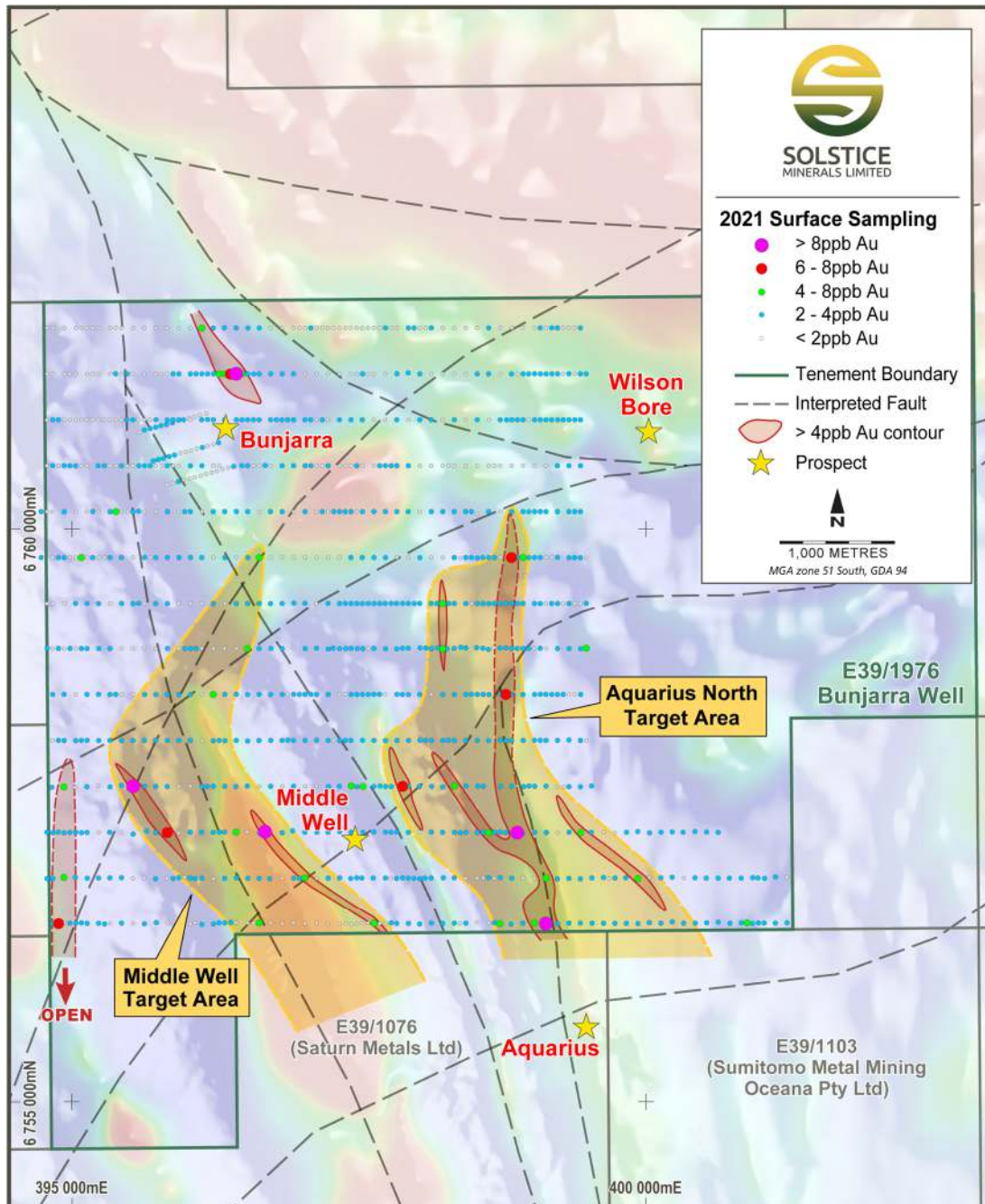


**Figure 8: Yundamindra Project over regional geology**





Initial planning was undertaken during the Quarter for a reconnaissance aircore drill program to follow up gold anomalism in historical drilling and Solstice soil data at Bunjarra and Middle Well Prospects. The planned drilling will also target the Aquarius North Prospect area along strike of the Saturn Metals recently defined Aquarius Prospect located to the south (**Figure 9**). A Program of Works for the drilling has been approved.



**Figure 9: Bunjarra Well (E39/1976) Licence map showing prospect locations and Solstice UFF soil sampling.**



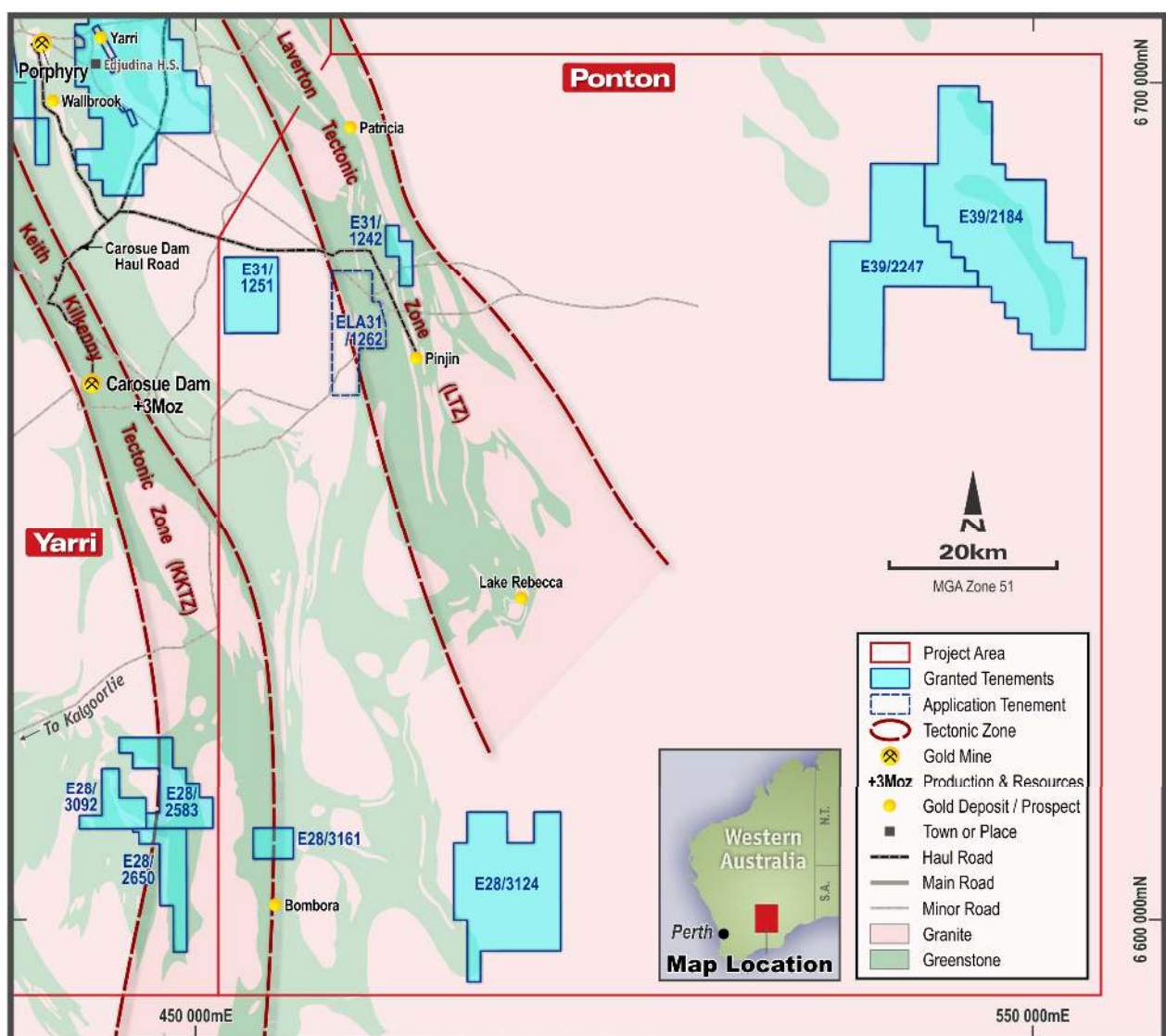
## Yundamindra Project Future Work

Planned future work will include:

- Interpretation of the new aeromagnetic data sets and target generation;
- Continuation of historical data compilation with a view to further potential ground consolidation; and
- Refining targets for reconnaissance aircore drilling.

## 1.4 Ponton Project (Nickel and Gold)

The Ponton Project comprises six granted licences and one licence application, covering a total area of approximately 908km<sup>2</sup> (**Figure 10**).



**Figure 10: Ponton Project with regional geology**



### **Nippon West Licence (E39/2247 - Solstice 100%)**

The Nippon West Licence is located approximately 180km northeast of Kalgoorlie, within the Duketon Domain of the Burtville Terrane. It is located within a considerably under-explored granite-greenstone terrane, at the margin of the Archaean Yilgarn Craton, a geological setting known to host large nickel and gold deposits.

A work program for UFF soil sampling was undertaken during November in the southwest of Nippon West Licence E39/2247 comprising 348 samples. Samples were dispatched for multi-element analysis and results are awaited. In addition to the UFF samples, a total of 6 rock chip samples were also collected.

The UFF soil target area comprises a linear magnetic high trending south-southwest. Sampling was carried out over the magnetic feature covering an area of approximately 7km x 1.2km. There is a palladium anomaly from historical soils in this area which was also covered during the program.

### **Ponton Project Future Work**

Work planned for the Ponton Project in the next quarter will include:

- Receipt and interpretation of the UFF soil sample data to refine targets at Nippon West;
- Follow-up work for the Nippon Licence will include detailed geological and structural interpretation of airborne magnetic and radiometric data, landform mapping and planning for an aircore drill program to determine thickness of the post-Archaean cover and test for gold anomalism in the basement rock;
- Ongoing historical data compilation for Nippon and Nippon West Licences; and
- Interpretation of the new aeromagnetic data sets and target generation.

## **2. CORPORATE**

### **2.1 Board and senior management changes**

As announced during the Quarter, Nick Castleden will commence as the Company's CEO & Managing Director on 24 January 2023. Mr Castleden is a geologist with over 25 years of experience in the mineral exploration and development industry, previously working with respected Australian mining companies in various exploration, project generation and management capacities. Most recently, he was the Managing Director of Apollo Consolidated Ltd until late 2021, when it was acquired by Ramelius Resources.

Following Mr Castleden's commencement, Executive Director Alastair Morrison will revert back to a non-executive director role.

Matthew Yates was appointed to the role of Non-Executive Chairman from completion of the Company's AGM on 16 November 2022, following the resignation of Craig Williams.

Tania Cheng, former Chief Financial Officer departed the Company at the end of the Quarter. The Company is currently considering replacements for Mrs Cheng.



## 2.2 Change in Auditor

William Buck took over from Deloitte Touché Tohmatsu as the Company's Auditor as from 16 November 2022.

## 2.3 Cash Position

On 31 December 2022, Solstice had approximately \$12 million in cash and no debt.

## 2.4 Business Development

The Company continues to target bolt-on opportunities to the existing projects in the Eastern Goldfields, with the ground either monitored or third parties approached. In addition, Solstice will continue to review new gold and base metal opportunities for acquisition.

## 2.5 Changes in Equity Securities during the Quarter

Date	Item	Note	Ordinary Shares (SLS)	Listed Options (SLSO)	Unlisted Options	Unlisted Performance Rights
			#	#	#	#
<b>Balance as at 30 September 2022</b>			<b>100,286,809</b>	<b>14,713,191</b>	<b>10,750,000</b>	<b>615,000</b>
27 Oct 2022	Cessation of Unlisted Options @ \$0.29 expiring 22 April 2026 and Unlisted Performance Rights expiring 9 Sept 2027	A	-	-	(100,000)	(50,000)
17 Nov 2022	Issue of Unlisted Performance Rights expiring 9 Sept 2027	B	-	-	-	250,000
30 Nov 2022	Cessation of Unlisted Performance Rights expiring 9 September 2027	C				(15,000)
30 Dec 2022	Cessation of Unlisted Performance Rights expiring 9 September 2027	D				(25,000)
<b>Balance as at 31 December 2022</b>			<b>100,286,809</b>	<b>14,713,191</b>	<b>10,650,000</b>	<b>775,000</b>





## Notes

- A) Refer Appendix 3H, dated 4 November 2022
- B) Refer Appendix 3G dated 20 November 2022
- C) Refer Appendix 3H dated 17 January 2023
- D) Refer Appendix 3H dated 3 January 2023

### 3. Additional ASX Listing Rule Disclosures

In accordance with ASX Listing Rule 5.3.1, payments for exploration activities during the Quarter totalled \$927,000 (item 1.2(a) of the Appendix 5B). Details of exploration activities undertaken during the Quarter are provided above.

In accordance with ASX Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities undertaken during the Quarter.

In accordance with ASX Listing Rule 5.3.3, details of tenements are provided in Section 4 below.

In accordance with ASX Listing Rule 5.3.4, a comparison of the use of funds as per the Solstice Prospectus dated 14 March 2022 (**Prospectus**) and actual use of funds since ASX admission is presented below:

Use of Funds (\$ million)	Prospectus estimate (2 year period following admission)	Actual use from admission until 31 December 2022	Variance
Exploration Expenditure	12.30	3.44	8.86
Non-Executive Directors' Fees	0.40	0.12	0.28
Corporate Costs	2.00	0.92	1.08
Future Acquisition Costs	1.60	0	1.60
Expenses of the Offer	0.70	0.63	0.07
<b>Total</b>	<b>17.00</b>	5.11	11.89

Use of funds variance explanations are provided below:

- Actual payments to 31 December 2022 for Exploration Expenditure, Non-Executive Directors' Fees, Corporate Costs and Future Acquisition Costs are below the Prospectus estimates due to the Company only being admitted in May 2022 and accordingly, being less than nine months into the period of 2 years underlying the Prospectus estimates; and
- Actual net payments for Expenses of the Offer were lower than estimated due to the quantum of GST refunded.



The Company is currently on schedule to meet the activities and commitments outlined in the Prospectus and use of funds table in section 2.7 of the Prospectus.

In accordance with ASX Listing Rule 5.3.5, the payment of \$209,845 reported in Item 6.1 of the Appendix 5B to related parties of the entity and their associates consisted of the following:

- \$86,821 in Directors' fees and salaries (including superannuation) paid to the Directors; and
- \$123,024 in shared services costs paid to OreCorp under the Transitional Services Agreement dated 3 March 2022.

All related party transactions have been entered into on an arm's length basis.



## 4. Tenement Schedules

### List of granted tenements held (directly or beneficially) as at end of the Quarter

Project	Licence/Tenement	Registered Holder	Beneficial Interest at end of
Yarri	E28/2583	Solstice Minerals Limited	100%
	E28/2650	Solstice Minerals Limited	100%
	E28/3092	Solstice Minerals Limited	100%
	E31/1117	Solstice Minerals Limited /Crosspick	80%
	E31/1121	Solstice Minerals Limited	100%
	E31/1134	Solstice Minerals Limited	100%
	E31/1150	Solstice Minerals Limited	100%
	E31/1173	Solstice Minerals Limited	100%
	E31/1175	Solstice Minerals Limited	100%
	E31/1178	Solstice Minerals Limited	100%
	E31/1220	Solstice Minerals Limited	100%
	E31/1225	Solstice Minerals Limited	100%
	E31/1231	Solstice Minerals Limited	100%
	E31/1236	Solstice Minerals Limited	100%
	E31/1244	Solstice Minerals Limited	100%
	E31/1245	Solstice Minerals Limited	100%
	E31/1286	Solstice Minerals Limited	100%
	E31/1300	Solstice Minerals Limited	100%
	P31/2118	Solstice Minerals Limited	100%
	P31/2119	Solstice Minerals Limited	100%
	E39/1914	Solstice Minerals Limited	95%
	E39/2214	Solstice Minerals Limited	100%
	E39/2215	Solstice Minerals Limited	100%
	E39/2301	Solstice Minerals Limited	100%
	P39/5600	Solstice Minerals Limited	100%
	P39/5601	Solstice Minerals Limited	100%
P39/6224	Solstice Minerals Limited	100%	
P39/6289	Solstice Minerals Limited	100%	
Yundamindra	E39/1976	Solstice Minerals Limited	95%
	E39/2187	Solstice Minerals Limited	100%
	E39/2293	Solstice Minerals Limited	100%
	E39/2323	Solstice Minerals Limited	100%
Ponton	E31/1242	Solstice Minerals Limited	100%
	E31/1251	Solstice Minerals Limited	100%
	E39/2184	Solstice Minerals Limited	100%
	E39/2247	Solstice Minerals Limited	100%
Kalgoorlie	E29/1087	GreenCorp Metals Pty Ltd	100%
	E29/1115	GreenCorp Metals Pty Ltd	100%



### List of tenements acquired (directly or beneficially) during the Quarter

Project	Licence/Tenement Number	Registered Holder	Beneficial Interest at end of Quarter
Yarri	E39/2293	Solstice Minerals Limited	100%
	E39/2301	Solstice Minerals Limited	100%
	E39/2323	Solstice Minerals Limited	100%
	P39/6289	Solstice Minerals Limited	100%

It is noted that E28/3161 and E28/3124 (Ponton Project) were granted to the Company on 3 January 2023 and 16 January 2023 respectively.

### List of tenements relinquished, reduced or lapsed (directly or beneficially) during the Quarter

Project	Licence/Tenement Number	Registered Holder	Beneficial Interest at end of Quarter
N/A			

Other than as disclosed above, no other tenements were acquired or disposed during the Quarter (including beneficial interests in joint venture projects), nor were there any further changes to the beneficial interest in any tenements.

### ABOUT SOLSTICE MINERALS LIMITED

Solstice is a minerals exploration company with gold and base metal projects in the Eastern Goldfields of Western Australia. Solstice has been listed on the Australian Securities Exchange since 2 May 2022 and trades under the code 'SLS'. The Company is well funded with no debt. Solstice's key projects are the Yarri (including Hobbes Gold Prospect), Kalgoorlie (including Ringlock Dam Nickel Sulphide Prospect), Yundamindra and Ponton projects.

### FORWARD-LOOKING STATEMENTS

This Report may contain certain forward-looking statements, guidance, forecasts, estimates, prospects or projections in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (**Forward-Looking Statements**). Forward-Looking Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward-Looking Statements.

Persons reading this Report are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements,





opinions and estimates included in this Report are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

No representation or warranty, express or implied, is made by Solstice that any Forward-Looking Statement will be achieved or proved to be correct. Further, Solstice disclaims any intent or obligation to update or revise any Forward-Looking Statement whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

### COMPLIANCE STATEMENT

The information in this Report that relates to Exploration Results is extracted from the ASX announcements (**Original Announcements**) dated 19 December 2022 (*"Massive Sulphide Intersected in Nickel Drilling at GSP Prospect, Ringlock Dam"*), 8 December 2022 (*"Final Diamond Drill Assay Results Return 20m at 3.25g/t at Hobbes Gold Prospect, Yarri Project"*), 2 December 2022 (*"Commencement of Nickel Drilling at Ringlock Dam, Eastern Goldfields"*), 15 November 2022 (*"Encouraging Primary Gold Intercepts at the Hobbes Gold Prospect"*), and 8 September 2022 (*"Significant Gold Mineralisation in RC Drilling at Hobbes"*), and the Solstice Prospectus dated 14 March 2022, which are available to view on the Company's website [www.solsticeminerals.com.au](http://www.solsticeminerals.com.au).

Solstice confirms that it is not aware of any new information or data that materially affects the information included in the Original Announcements and that all material assumptions and technical parameters underpinning the Exploration Results in the Original Announcements continue to apply and have not materially changed. Solstice confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Original Announcements.

## Appendix 5B

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

Name of entity

SOLSTICE MINERALS LIMITED

ABN

67 150 154 162

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(926)	(3,109)
(b) development	-	-
(c) production	-	-
(d) staff costs	(300)	(598)
(e) administration and corporate costs	(86)	(234)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	74	131
1.5 Interest and other costs of finance paid	(1)	(1)
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>(1,239)</b>	<b>(3,811)</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	(33)	(47)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	(10)	(10)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(43)</b>	<b>(57)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	47
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (leases)	(10)	(21)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(10)</b>	<b>26</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	13,368	15,918
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,239)	(3,811)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(43)	(57)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(10)	26

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>12,076</b>	<b>12,076</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	106	148
5.2	Call deposits	905	1,208
5.3	Bank overdrafts	-	-
5.4	Other – Term deposits	11,065	12,012
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,076</b>	<b>13,368</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	210
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>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 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)	(1,239)
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)	(1,239)
8.4 Cash and cash equivalents at quarter end (item 4.6)	12,076
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	12,076
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	10
<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	



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

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: 23 January 2023

Authorised by: By the Solstice Minerals Limited Board of Directors  
(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.