

30 January 2023

ASX Announcement

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

Classic Minerals made good progress at Kat Gap during the quarter as it **moves to becoming a gold producer**.

Highlights of the quarter include:

- The Company received formal approvals from DMIRS for its Gekko Processing Plant allowing for the commencement of production and cashflow at Kat Gap.
- Site construction commenced ahead of Stage 1 Mining operations.
- The Company secured a total of A\$20.5M in funding, in two parts, to allow for the execution of all its phase 1 project development.
- Extensional RC drilling has returned high grade gold results north of the cross cutting Proterozoic dyke.
- Gekko gravity gold treatment plant pilot run returned 73.2% gravity recovery at 6.06g/t average head grade.
- IGO carried out only minor desktop work on the Fraser Range Nickel project.

Figure 1: TSF construction nears completion at Kat Gap



Kat Gap Milling Operations Approval

Classic has received formal Ministerial approval for the installation and use of the Gekko processing plant at its 100% owned Kat Gap Gold Project (“the Project”).

The approval of the Company’s processing proposal by the Department Industry, Mines, Regulation, and Safety (“DMIRS”) (“the Approval”) combined with the recently obtained mining approval (extractive), mine closure plan, project management plan and native vegetation clearing permit (NVCP) allows Classic to commence full scale mining and processing at its exciting Kat Gap Gold Project. This approval clears Classic of the key regulatory requirements for advancement of the Project.

The Approval includes installation and operations of a gold circuit, gold room, product sampling, dewatering, crushing circuit, Gekko gravity circuit, CIL circuit (to be confirmed), tailings storage facility, fuel systems, processing control systems and high voltage power among others.

Recent work has included a major infill drilling program to facilitate final pit design work, processing plant layout, TSF design and Metallurgical gold recoveries to update project modelling. Onsite development is well advanced with clearing completed for major infrastructure ahead of PMP approval including mine administration offices, workshop areas, laydown yards, main access roads, camp site, mine construction and all surface development.

Figure 2: Aerial view of TSF at Kat Gap



Kat Gap Project Funding

Classic has secured additional funding totalling A\$20.5M, in two parts, to allow for the execution of all its phase one project development. A A\$15M put option agreement with US institutional investment group LDA Capital and a A\$5.5M convertible note issue.

LDA Capital transaction

Classic may access the equity capital by exercising put options under the Agreement at the Company's election for a period of three years from the date of execution.

The Company may draw down an aggregate amount of up to A\$15 million under the Agreement. The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital.

The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares on closing, subject to the satisfaction of certain conditions precedent, including requirements for the Company to have released applicable Corporations Act and ASX filings on the ASX.

The number of Shares subject to a call notice is limited to a maximum of 10 times the average daily number of the Company's Shares traded on the ASX during the 15-trading day period before its issue. The issue price of the capital call Shares will be 90% of the higher of the average VWAP of Shares in the 30-trading day period prior to the issue of the put option notice by Classic (subject to any applicable adjustments) and the minimum acceptable price (MAP) notified to LDA Capital by the Company upon exercise of the put option. The VWAP calculation is subject to adjustment as a result of certain events occurring including trading volumes falling below an agreed threshold level or a material adverse event occurring in relation to the Company.

In addition, the Company has agreed to issue up to 44,388,225 unlisted options to LDA Capital. The strike price of the options is 125% of the 5-day average VWAP prior to signing of the definitive agreement with an expiry date 3 years from issue. These options will be issued under the Company's Listing Rule 7.1 placement capacity.

The Company has agreed to pay an Option Premium Fee to LDA Capital of A\$300,000.00 payable within 12 months of the date of execution of the Agreement. Classic will also cover legal costs capped at US\$25,000.

Additional information in relation to the Agreement and the securities the Company has agreed to issue under the Agreement can be found in the Appendix 3B that accompanies and is released with this announcement on the ASX announcement platform.

Convertible Notes

Classic has entered into a mandate with Still Capital Pty Ltd (Mandate) for a capital raising of up to \$5.5 million by way of a proposed issue of convertible notes, each with a face value of \$25,000 (Convertible Notes). The Convertible Notes will be convertible into ordinary shares in the Company at any time up to 18 months after the issue of the Convertible Notes – any Convertible Note not converted by that date will be redeemed. A summary of the terms of the Convertible Notes is attached at Annexure A.

Noteholders converting Convertible Notes will also be entitled to one (1) free attaching option for every two (2) shares issued on conversion, exercisable at \$0.025 on before 1 December 2025 (Conversion Options). A summary of the terms of the Conversion Options is attached at Annexure B.

Pursuant to the proposed issue of Convertible Notes, as at the date of this announcement the Company has received indicative acceptances for \$5.5 million.

Under the terms of the Mandate, Still Capital will be entitled to the following fees:

- Sign on fee - \$100,000 to cover shareholder management, documentation drafting and associated development costs and expenses to be paid post-completion of the issue of Convertible Notes; and
- Capital raising fee - 6% (plus GST) of the total funds received under the placement of the Convertible Notes.

The Company notes that the issue of the Convertible Notes is conditional on shareholder approval being obtained at a general meeting of the Company to be convened on 25th of January 2023.

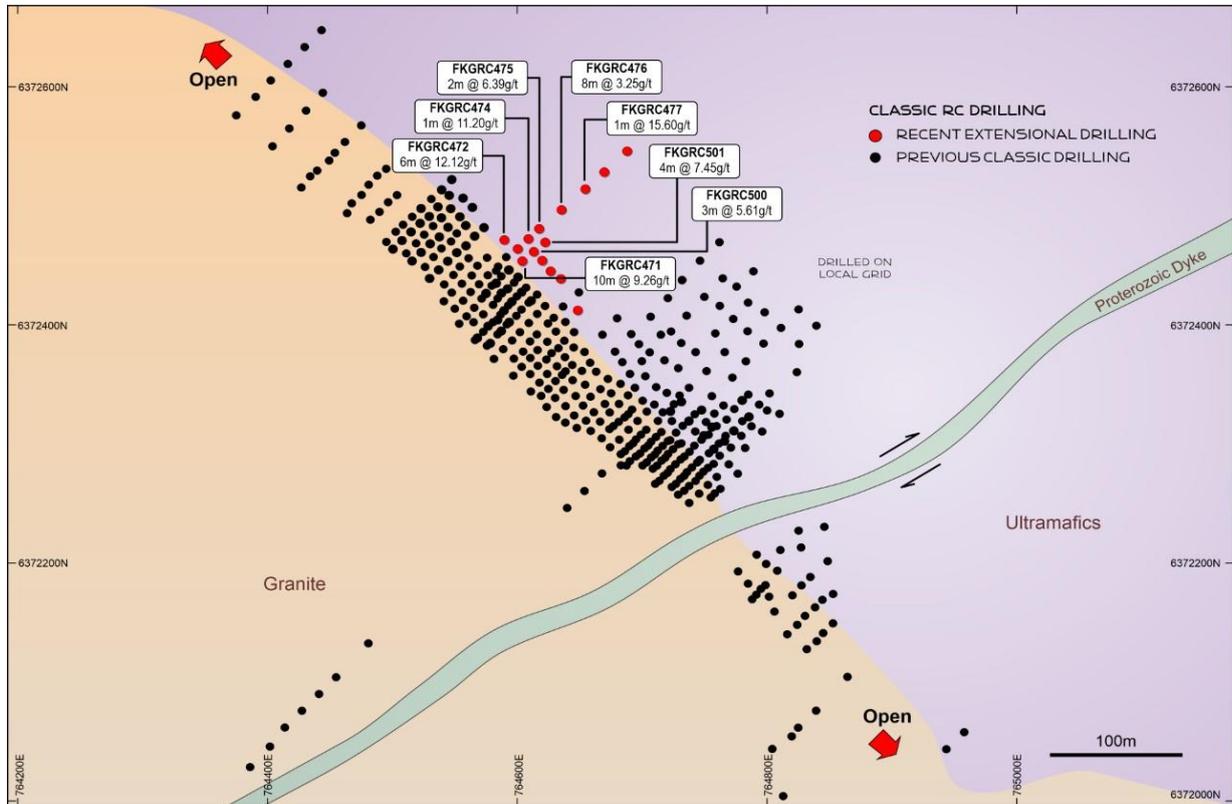
Kat Gap Extensional and Infill Drilling Program

During the quarter, Classic completed a program of extensional and infill RC drilling. The drilling, consisting of 47 holes for 4,422m, included the final batch of infill and a small program of extensional drill holes. Results were received very late in the quarter for the extensional holes with assays still pending for the infill program. The extensional drilling results were announced to the ASX early in January.

The extensional RC holes FKGRC471–479 and FKGRC500-505 are in the central portion of the northern infill drilling area and were drilled to test for potential deeper down dip open pit mineable material below existing high grade shallower gold mineralization. These latest holes are situated around 200m north of the cross cutting Proterozoic dyke and form part of a separate drilling program from the infill work (See Figure 1).

The drilling has shown that high grade gold mineralization extends at depth below the current shallow oxide mineralization intersected during the infill RC drilling and highlights the potential for further down dip mineable ore material to be discovered. Further RC drilling is required to follow up these latest results.

Figure 3: Recent extensional RC drilling at Kat Gap



Better results from the extensional drilling include:

- 10m @ 9.26g/t Au from 57m including 3m @ **28.30g/t** Au from 57m in FKGRC471.
- 6m @ 12.12g/t Au from 70m including 1m @ **51.10g/t** Au from 70m in FKGRC472.
- 1m @ 11.20g/t Au from 79m in FKGRC474.
- 2m @ 6.39g/t Au from 87m including 1m @ **11.60g/t** Au from 88m in FKGRC475.
- 8m @ 3.25g/t Au from 95m including 1m @ **11.40g/t** Au from 101m in FKGRC476.
- 1m @ 15.60g/t Au from 125m in FKGRC477.
- 3m @ 5.61g/t Au from 67m in FKGRC500.
- 4m @ 7.45g/t Au from 73m including 1m @ **22.10g/t** Au from 74m in FKGRC501.
- 9m @ 1.71g/t Au from 73m in FKGRC502.
- 3m @ 3.73g/t Au from 77m in FKGRC503.

Gekko Treatment Plant Pilot Testing Program

During the quarter the company completed vital Pilot testing of its crushing and gravity components of the Gekko gold treatment processing plant on a small parcel of bulk sample ore at its Gngangara site. The Company plans to commence re-assembly of the Gekko gold recovery plant on-site at Kat Gap during the March quarter 2023 after receiving final approvals from DMIRS.

The gravity gold recovery is once again in line with expectations, with a recovery of 73.2% into a mass pull of 4.6% of the feed. This compares very well against previous bench scale metallurgical test work of 65-75% gravity gold recovery in approximately 5% mass pull. These results clearly demonstrate that the Gekko plant is perfectly suited to Kat Gap style ore capable of extracting high levels of gravity gold at relatively low cost. The gravity concentrate produced at a low cost with no chemical reagents provides confidence of the viability of the milling process.

The concentrate contained crushed material with a top size of 2.5mm, which was predominantly quartz with minor fractions of iron oxide and other base metal minerals. Gold was present as both freely liberated gold (38% of the concentrate gold) and as binary gold/gangue particles. Examination of the concentrate with a loupe evidenced gold particles partially liberated within quartz particles, as well as fully liberated gold particles. (Base metal scan currently underway to determine minerals/metals present in the concentrate).

The Pilot run demonstrates that the Gekko flowsheet effectively concentrates the gold ore to produce a high-grade concentrate, whilst discarding a proportion of the gold into a low-grade tailings stream. In this instance the concentrate assayed approximately 90 g/t Au, with a tailings grade of 1.62 g/t Au giving an overall head grade of 6.06 g/t Au.

By controlling the mass pull to an optimal value, the project financials may be maximised based on the gold price, and ore feed grade, and three configurations may be entertained with the current plant flowsheet.

- (a) Low grade feed upgraded to an economic grade at a high throughput rate.
- (b) Upgrade High grade ore to discard most of the mill feed as a 'low grade' tail which may be economic to process at a later date when there are sufficient tonnes.
- (c) High grade ore processed through the Gekko Plant to produce a gravity concentrate at low cost and reagent usage; with gravity tail leached.

The Gekko plant offers a versatile gold processing plant that will allow Classic to optimise recovery at the Kat Gap plant, depending on market conditions, ore competency, ore grade, and gold price. The test work completed by Nagrom in the laboratory¹ has now been confirmed with the Gekko Inline Pressure Jig and Gekko Spinner delivering more than 95% of the liberated gold through a simple gravity process at a crush size of less than 2mm. The Gekko Jig used, in the pilot plant setup, was an IPJ 1000 capable of processing a throughput of up to 30 tons per hour. Classic also has a Gekko IPJ 2400 which has a nameplate capacity of up to 100 tons per hour.

The Pilot was capable of processing 10 tonnes of feed per hour, however, was run at 1-2 tph during the pilot in order to focus on understanding and optimising process dynamics rather than throughput rate.

The Pilot is upgradeable to 100tph utilising the equipment which is already owned by Classic.

The full flowsheet is:

- Gekko Jig concentrates to a Gekko centrifugal concentrator.
- Jig tailings to two centrifugal gold concentrators (ICON) in series.
- Concentrate clean-up for smelting.
- Tailings collected for reprocessing when CIL plant established (cyanide alternatives are currently being assessed to continue the philosophy of a greener gold plant – if technically and commercially appropriate).

Preliminary recovery results

The gravity gold testwork returned a recovery of 73.2% into a mass pull of 4.6% of the feed. This compares very well against previous bench scale metallurgical test work of 65-75% gravity gold recovery in approximately 5% mass pull². These results clearly demonstrate that the Gekko plant is perfectly suited to Kat Gap style ore capable of extracting high levels of gravity gold at relatively low cost. The gravity concentrate produced at a low cost with no chemical reagents provides confidence of the viability of the milling process.

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¹ ASX Announcement 10 August 2020

² ASX Announcement 10 August 2020

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The ore material put through the Gekko Pilot plant test run was sourced from the last material mined from the base of the bulk sample pit. This material, from flitch/bench 376-374m RL had an average resource block model grade of 5.12 g/t Au. The Gekko pilot test run returned an average head grade of 6.06 g/t Au for the same material which is 16% higher than the predicted block model grade. These early results are very encouraging and bode well for future open pit mining operations.

By controlling the mass pull to an optimal value, the project financials may be maximised based on the gold price, and ore feed grade, and three configurations may be entertained with the current plant flowsheet.

- (a) Low grade feed upgraded to an economic grade at a high throughput rate.
- (b) Upgrade High grade ore to discard most of the mill feed as a 'low grade' tail which may be economic to process at a later date when there are sufficient tonnes.
- (c) High grade ore processed through the Gekko Plant to produce a gravity concentrate at low cost and reagent usage; with gravity tail leached.

The Gekko plant offers a versatile gold processing plant that will allow Classic to optimise recovery at the Kat Gap plant, depending on market conditions, ore competency, ore grade, and gold price.

The Gekko plant, followed by a grinding and leaching circuit has been shown to demonstrate 98% gold recovery in metallurgical testwork. The ore type is a typical free milling non-refractory ore type that is common in the eastern goldfields; with recoveries ranging from 95% and higher for most of these ore types when milled with reasonable diligence.

The ore material put through the Gekko Pilot plant test run was sourced from the last material mined from the base of the bulk sample pit. This material, from flitch/bench 376-374m RL had an average resource block model grade of 5.12 g/t Au. The Gekko pilot test run returned an average head grade of 6.06 g/t Au for the same material which is 16% higher than the predicted block model grade. These early results are very encouraging and bode well for future open pit mining operations.

The Gekko equipment also supported the decision that a low-cost plant will be able to deliver outstanding results. The plant configuration assists Classic in having a greener, chemical free footprint as there is no chemical involvement and the power usage is also very low compared to traditional gold processing plants.



Figure 4: Gold from concentrate in panning dish



The development of the Forrestania Gold Project will continue to advance in **the March quarter 2023 concentrating on:**

- Final preparations leading up to full scale mining operations,
- Complete staged open pit design work and associated financial modelling,
- Commence pre-strip of stage one open pit area,
- Complete construction of the TSF and associated infrastructure.
- Complete re-assembly of the Gekko gold processing plant at Kat Gap,
- Commence treatment of the bulk sample ore stockpile, 6504 tonnes grading 4.82g/t for 1011 ounces,
- Acquisition of necessary mining equipment for Kat Gap, and
- Continue to raise capital & pay down debt & liabilities to improve the financial position of the Company.

FRASER RANGE

The Company refers to the ASX announcements of 17 June 2019 and 05 July 2019 wherein Classic entered into the Earn-in and Joint Venture Agreement with IGO Newsearch Pty Ltd, a 100% owned subsidiary of IGO Limited (ASX: IGO) (“IGO”).

Under this agreement:

- If IGO elect to earn a 70% interest in the project, Classic will be free carried to the completion of a pre-feasibility study: or
- If IGO elects to buy-out Classic, then Classic will receive aggregate value of A\$4,550,000, in cash and tenement expenditure, plus will retain a 1% net smelter return royalty from this transaction.

More details of the transaction can be found under the two announcements detailed above.

We have received the following update of progress on the exploration carried out during the December 2022 quarter by IGO on the tenements:

Summary

Between 15th September 2022 and 15th December 2022, no field-based exploration activities were completed by IGO within the IGO – Classic Minerals Joint Venture tenements, namely E28/1904, E28/2703, E28/2704 and E28/2705 (Figure 3). No new results were returned during the reporting period.

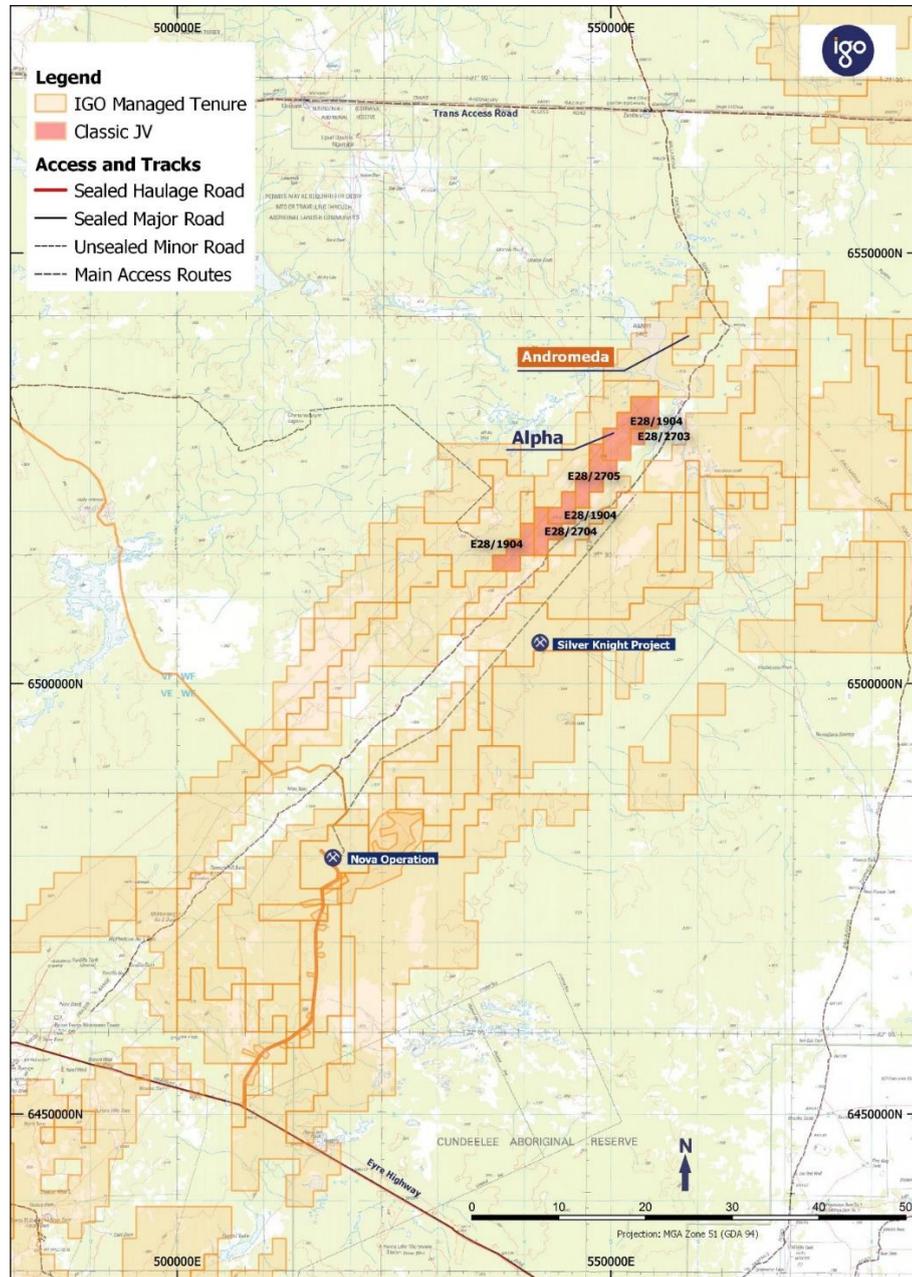


Figure 5. IGO / Classic Minerals JV tenements

1. Results

1.1 Geophysics

There were no geophysics results during the quarter.

1.2 Drilling

There were no drillholes completed during the quarter.

1.3 Geochemistry

No assay results were returned for the quarter.

Planned work for March quarter 2023

Kat Gap

- Continue preparations for near term mining operations of shallow high-grade gold.
- Commence pre-strip for stage one open pit.
- Complete construction of the TSF and associated infrastructure.
- Complete reassembly of the Gekko gold processing facility.
- Commence treatment of bulk sample ore stockpile.
- Conduct further water exploration for Gekko processing plant and associated infrastructure.
- Continue follow-up RC drilling of the down plunge extent of high-grade gold mineralization beneath existing shallow near surface gold mineralization on the granite-greenstone contact.
- Conduct preliminary shallow RC drilling programs under the best areas of the large auger soil gold anomaly out in the granite.

Forrestania

- Commence infill RC drilling program at Lady Magdalene.
- Conduct first pass RC drilling at the Matrix prospect.

Fraser Range

No further field work will be conducted on the tenements during the March quarter 2023. Further work will be conducted to correlate the recent mapping with previous work conducted in 2020 and 2021 along with historic mapping of the tenements to form a project scale geological interpretation.

This work will coincide with a desktop study to determine the prospectivity of the tenements.

Corporate

Classic Minerals Limited advises the market that in complying with L.R 5.3 it discloses the following for the quarter ended 31 December 2022.

Cash outflows for the December 2022 Quarter was \$7.9 million, as per detail below:

		A\$' 000
Exploration activities - Operating	49%	3,851
Administration - Operating	18%	1,417
Staff cost - Operating	1%	117
Interest - Operating	1%	67
Tenement - Investing	0%	-
Exploration activities - Investing	0%	-
PPE - Investing	7%	536
Repayment of borrowings - Financing	9%	679
Capital and Funding Raising Costs - Financing	15%	1,196
Other - Investing	0%	-
Payments to related parties and their associates (as set out in section 6 of the Appendix 5B)		33

Cash inflows for the December 2022 Quarter was \$9.0 million, as per details below:

Capital raising	91%	8,221
Government incentives and grant	0%	-
Proceeds from borrowings	9%	820
Proceeds from PPE	0%	-
Proceeds from selling interest in Tenement	0%	-

This announcement has been authorised by the Board.

ENDS:

ABOUT THE FORRESTANIA GOLD PROJECT

The FGP Tenements (excluding Kat Gap) are registered in the name of Reed Exploration Pty Ltd, a wholly owned subsidiary of ASX listed Hannans Ltd (ASX: HNR). Classic has acquired 80% of the gold rights on the FGP Tenements from a third party, whilst Hannans has maintained its 20% interest in the gold rights. For the avoidance of doubt Classic Ltd owns a 100% interest in the gold rights on the Kat Gap Tenements and also non-gold rights including but not limited to nickel, lithium and other metals.

Classic has inferred and indicated mineral resources of **8.24 Mt at 1.52 g/t for 403,906 ounces of gold**, classified and reported in accordance with the JORC Code (2012), with a recent Scoping Study (see ASX Announcement released 2nd May 2017) suggesting both the technical and financial viability of the project. The current post-mining Mineral Resource for Lady Ada, Lady Magdalene and Kat Gap is tabulated below. Additional technical detail on the Mineral Resource estimation is provided, further in the text below and in the JORC Table 1 as attached to ASX announcements dated 18 December 2019, 21 January 2020, and 20 April 2020.

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (au)	Ounces
Lady Ada	257,300	2.01	16,600	1,090,800	1.23	43,100	1,348,100	1.38	59,700
Lady Magdalene				5,922,700	1.32	251,350	5,922,700	1.32	251,350
Kat Gap				975,722	2.96	92,856	975,722	2.96	92,856
Total	257,300	2.01	16,600	7,989,222	1.50	387,306	8,246,522	1.52	403,906

Notes:

1. The Mineral Resource is classified in accordance with JORC, 2012 edition
2. The effective date of the mineral resource estimate is 20 April 2020.
3. The mineral resource is contained within FGP tenements
4. Estimates are rounded to reflect the level of confidence in these resources at the present time.
5. The mineral resource is reported at 0.5 g/t Au cut-off grade
6. Depletion of the resource from historic open pit mining has been considered

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward looking statements are subjected to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s annual reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Competent Persons Statement

The information contained in this report that relates to Mineral resources and Exploration Results is based on information compiled by Dean Goodwin, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mr Goodwin is a consultant exploration geologist with Reliant Resources Pty Ltd and consults to Classic Minerals Ltd. Mr. Goodwin has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Goodwin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Schedule of Mineral Tenements as at 31 December 2022

TENEMENT	AREA	INTEREST HELD BY CLASSIC MINERALS LIMITED
M74/249	Forrestania	100%
E74/467	Forrestania	100%
P77/4291	Forrestania	80%
P77/4290	Forrestania	80%
E77/2207	Forrestania	80%
E77/2219	Forrestania	80%
E77/2220	Forrestania	80%
E77/2239	Forrestania	80%
E77/2471	Forrestania	100%
E77/2472	Forrestania	100%
E77/2470	Forrestania	100%
E28/1904	Fraser Range	100%
E28/2705	Fraser Range	100%
E28/2704	Fraser Range	100%
E28/2703	Fraser Range	100%
L74/57	Forrestania	100%
G74/11	Forrestania	100%
G74/10	Forrestania	100%
P74/383	Forrestania	100%
P74/384	Forrestania	100%

Appendix 5B

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

Name of entity

Classic Minerals Limited

ABN

77 119 484 016

Quarter ended ("current quarter")

31 December 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	(3,851)	(6,048)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(117)	(235)
	(e) administration and corporate costs	(1,417)	(1,945)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(67)	(236)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	729
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(5,452)	(7,735)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(536)	(631)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Appendix 5B

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows used in 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	(536)	(631)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,540	6,190
3.2 Proceeds from issue of convertible debt securities	2,681	4,554
3.3 Proceeds from exercise of options	-	94
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(1,125)	(1,254)
3.5 Proceeds from borrowings	820	1,070
3.6 Repayment of borrowings	(679)	(1,288)
3.7 Transaction costs related to loans and borrowings	(71)	(127)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	7,166	9,239

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	116	421
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(5,452)	(7,735)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(536)	(631)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	7,166	9,239

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,294	1,294

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	1,294	116
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)	1,294	116

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	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Payments for Director fees and consulting fees</p>		

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	5,227	5,227
7.2	Credit standby arrangements	5,000	-
7.3	Other (facility under Put Option Agreement)	15,000	-
7.4	Total financing facilities	25,227	5,227
7.5	Unused financing facilities available at quarter end		20,000
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.		
	<p>The Company entered into Standby Subscription Agreement with Stock Assist Group Pty Ltd in which the Investor agrees to subscribe for shares if requested by the Company subject to the terms and conditions of this Facility. There were no drawings under this facility for the quarter ended 31 December 2022. This facility will end on 19 September 2024.</p> <p>Beirne Trading Pty Ltd provided unsecured loan facility of \$500,000 with maturity dates on 24 March 2023. The interest is 3% per month plus 5 million CLZOA options per month.</p> <p>CTRC Pty Ltd provided loan facilities of \$250,000, \$250,000 and \$500,000 with maturity dates on 18 February 2023, 26 February 2023, and 25 March 2023, respectively. These facilities are secured against the Company's assets under PPSR (Personal Property Securities Register) and have interest rate of 3% per month.</p> <p>Foskin Pty Ltd provided loan facility of \$360,000 with maturity date on 29 January 2023. This facility is secured against the Company's assets under PPSR (Personal Property Securities Register) and has interest rate of 3% per month.</p> <p>Gold Processing Equipment Pty Ltd provided unsecured loan facility of \$5,500 with maturity date of 14 March 2023. Additionally, Gold Processing Equipment Pty Ltd provided \$300,000 loan facility with maturity date of 20 March 2023. This facility is secured against the Company's assets under PPSR (Personal Property Securities Register). Both loan facilities have interest rate of 3% per month.</p> <p>Greywood Holdings Pty Ltd provided unsecured loan facility of \$320,000 with maturity date of 4 January 2023. The facility has interest rate of 3% per month. On 2 January 2023, this loan was repaid. Additionally, Greywood Holdings Pty Ltd provided loan facilities of \$500,000, \$180,000 and \$200,000 with maturity dates of 3 February 2023, 12 March 2023 and 25 March 2023, respectively. These facilities are secured against the Company's assets under PPSR (Personal Property Securities Register) and have interest rate of 3% per month.</p> <p>Gurindji Pty Ltd provided unsecured loan facilities of \$5,000 and \$10,000 with maturity dates on 14 February 2023 and 24 February 2023, respectively. The facilities have interest rate of 3% per month.</p> <p>Klip Pty Ltd provided unsecured loan facility of \$700,000 with maturity date on 24 March 2023. The facility has interest rate of 3% per month.</p>		

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Michael Wilson provided unsecured loan facility of \$30,000 with maturity date on 27 March 2023. The facility has interest rate of 3% per month.

Rotherwood Enterprises Pty Ltd provided unsecured loan facility of \$300,000 with maturity date on 24 March 2023. The facility has interest rate of 3% per month.

Tracey Pearson provided unsecured loan facility of \$10,000 with maturity date on 7 April 2023. The facility has interest rate of 3% per month.

Whead Pty Ltd provided unsecured loan facilities of \$200,000, \$100,000, \$200,000 and \$220,000, with maturity dates on 28 March 2023, 16 February 2023, 30 April 2023 and 9 February 2023, respectively. The facilities have interest rate of 3% per month.

The Company entered into insurance premium funding facilities of \$86,415.12 with Attvest Finance. The facility will mature on 30 April 2023 and carries a flat interest rate of 5% for the entire facility period.

The Company entered into Put Option Agreement with LDA Capital Limited on 13 December 2022. Under the agreement the Company will be able to flexibly draw down up to \$15,000,000 by exercising put options to LDA Capital Limited over the duration of 36 months starting on the date of the agreement. The commitment fee includes a 2% facility fee totalling \$300,000 which is payable within 12 months of the Put Option Agreement. In consideration of LDA entering into the agreement, the Company also has agreed to issue 59,614,678 options, exercisable at \$0.01385 and expiring 3 years from the date of issue.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,452)
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)	(5,452)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,294
8.5	Unused finance facilities available at quarter end (item 7.5)	20,000
8.6	Total available funding (item 8.4 + item 8.5)	21,294
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.9
	<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	

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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.

30 January 2023

Date:

By the Board

Authorised by:

(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.