

31 JANUARY 2023

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT

for the three months ended 31 December 2022

Highlights

- Acquisition of Eurelia Project in South Australia, which is highly prospective for Niobium (Nb) and Rare Earth Elements (REEs) that are essential for the global energy transition
- Applied for an 81km² tenement contiguous with the Eurelia tenements, which has been named the Walloway Project
- Both projects are prospective for carbonatite-hosted rare earth mineralisation including neodymium, praseodymium and niobium. These are all critical minerals used extensively in electric vehicles
- Eurelia Exploration Licence successfully renewed
- Eurelia Project re-assaying program commenced post-quarter end

Western Australian gold explorer **Olympio Metals Limited (ASX:OLY) (Olympio or the Company)** is pleased to provide its Quarterly Activities Report for the three months ending 31 December 2022.

Olympio's key highlight during the reporting period was the acquisition of the Eurelia Niobium–Rare Earth Element Carbonatite Project in South Australia, after which the primary focus was on gaining access to more than two hundred historical samples for re-assaying.

EURELIA PROJECT

Acquisition of earn-in rights to strategic Nb-REE project

During the reporting period¹, Olympio announced it had executed an agreement to earn into the Eurelia Niobium–Rare Earth Element Carbonatite Project in South Australia from private company Copper Claim Pty Ltd (Copper Claim).

The Eurelia Project is located within the Adelaide Geosyncline in South Australia (Figure 1) and encompasses a large area prospective for carbonatite-hosted REE mineralisation.

Eurelia is located near the intersection of the G2 and G8 structural corridors, a major control on mineralisation in South Australia, and has previously been explored for diamonds and copper, with little focus on the REE prospectivity.

However, limited rock chip sampling delineated a >10km trend of coincident elevated Nb and REEs, with up to 772ppm Nb and up to 4,754ppm TREO (Figures 2 & 3).

Furthermore, the only drillhole located within this 10km trend that was assayed for REEs (ORRK7-AC01) returned a significant intersection of 9m @ 1,647ppm TREO from 7m, confirming the potential for economic REE mineralisation in the trend (Figure 3).

In addition to the Eurelia earn in right, the Company pegged an exploration lease application (ELA) directly to the south of Eurelia, which it has named the Walloway Project (Walloway). The Walloway Project area covers a portion of a defined carbonatite, the Walloway Carbonatite, which the Company believes is highly prospective for niobium and/or REE mineralisation.

Aeromagnetic data highlights a second significant magnetic signature on the western side of the project area which is similar to the Walloway Carbonatite signature on the eastern boundary of the area, but which has never been drill tested (Figure 4).

The significant niobium and REE trend of the Eurelia Project extends south to the Walloway Project, increasing further the potential for Walloway to host significant REE mineralisation.

Term Sheet Summary

Under the Term Sheet with Copper Claim, Olympio agreed to pay Copper Claim \$50,000 cash on signing and issue 750,000 OLY shares at a deemed issue price of \$0.18 per share on notification of the renewal of EL6374. Shortly following the announcement of the Eurelia acquisition, Exploration Licence 6374 (EL6374) pertaining to Eurelia had been successfully renewed, triggering the issue of shares².

Olympio can earn a 90% interest in the mineral rights in the tenement (excluding diamond and copper rights) by spending \$1,000,000 over a period of three years, with a minimum expenditure of \$100,000 over the first 18 months.

Once Olympio has earned a 90% interest in the tenement, an unincorporated joint venture (JV) is to be established between the parties and the Term Sheet will be replaced with a formal JV agreement. Each party will contribute to the JV on a pro-rata basis to their ownership percentages.

Should Copper Claim elect not to contribute to ongoing expenditure on the tenement for any period, a straight-line dilution will apply to their ownership percentage whereby every \$20,000 spent on the tenement by Olympio will increase Olympio's exploration rights by 1% until it owns a 95% interest.

Once Copper Claim's interest is reduced to 5%, Copper Claim's interest will convert to a 1% gross royalty and Olympio will own 100% of the non-diamond and non-copper rights.

¹ ASX Announcement 9 December 2022 – Acquisition of Earn In Rights to Niobium-REE Project

² ASX Announcement 20 December 2022 – Eurelia Exploration Licence Renewed

Deferred contingent consideration

In the event that Olympio defines a JORC-compliant Mineral Resource Estimate of greater than 6 million tonnes of contained TREO using a cut-off grade of at least 500ppm TREO within the tenement, Copper Claim will be entitled to a cash payment of \$1,000,000.

Right of first refusal over copper mineral rights

Copper Claim has also agreed to grant Olympio a right of first refusal to buy the copper rights over the Eurelia Project from Copper Claim. Detailed terms of this right of first refusal will be set out in the formal JV agreement to be entered into on Olympio acquiring a 90% interest in Eurelia on completion of the earn in referred to above.

Pending entry into the formal JV agreement, the right of first refusal under the Term Sheet precludes Copper Claim from disposing of the Eurelia copper rights without first offering to sell them to Olympio on terms no less favourable than those agreed with a third party buyer, with the time period for Olympio to match the third party offer being a reasonable period in the circumstances.



Figure 1. Eurelia Project Location¹

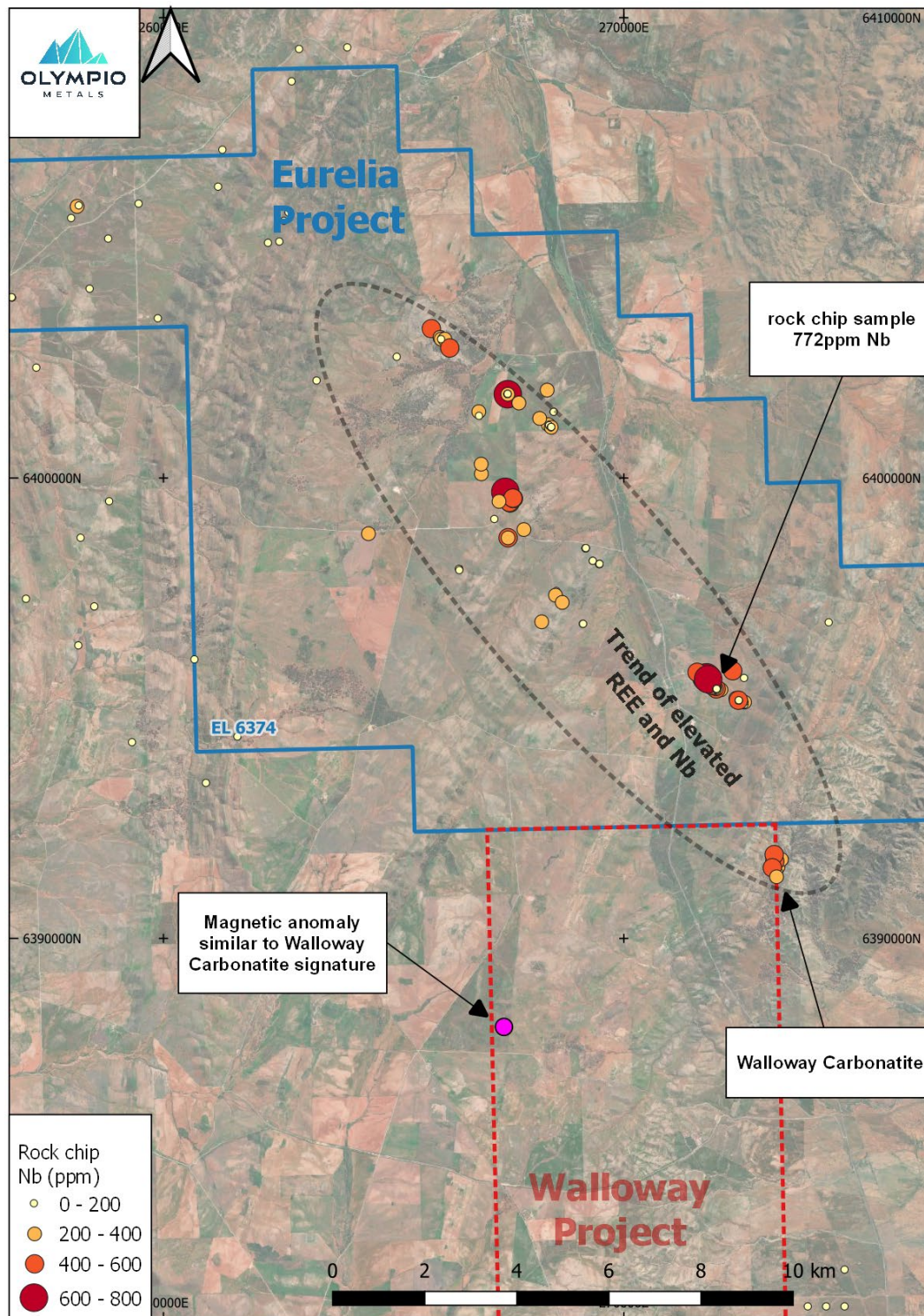


Figure 2. Niobium results for Eurelia rock chip samples¹

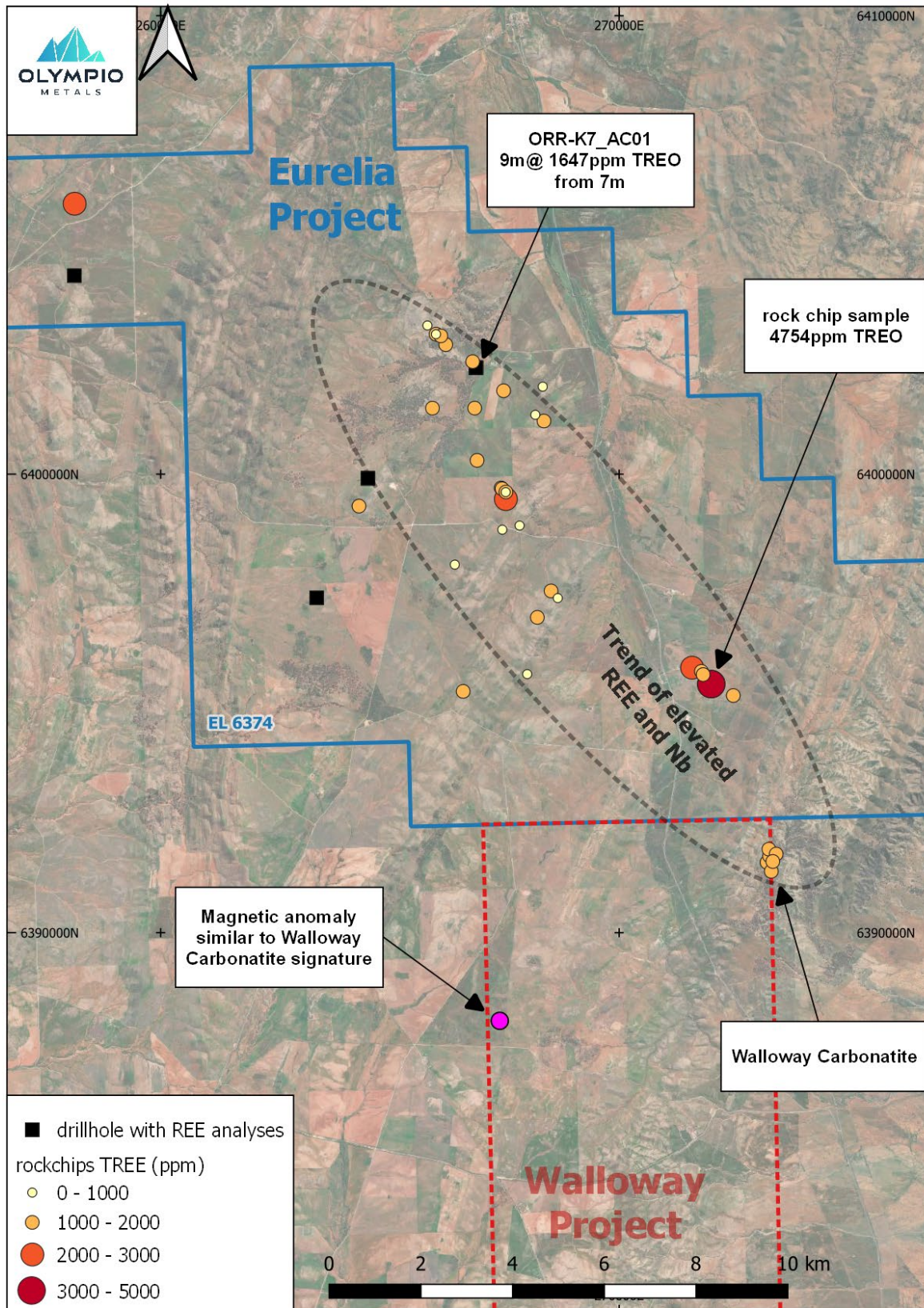


Figure 3. Total Rare Earth Oxide (TREO) results for Eurelia rock chip samples and drillholes¹

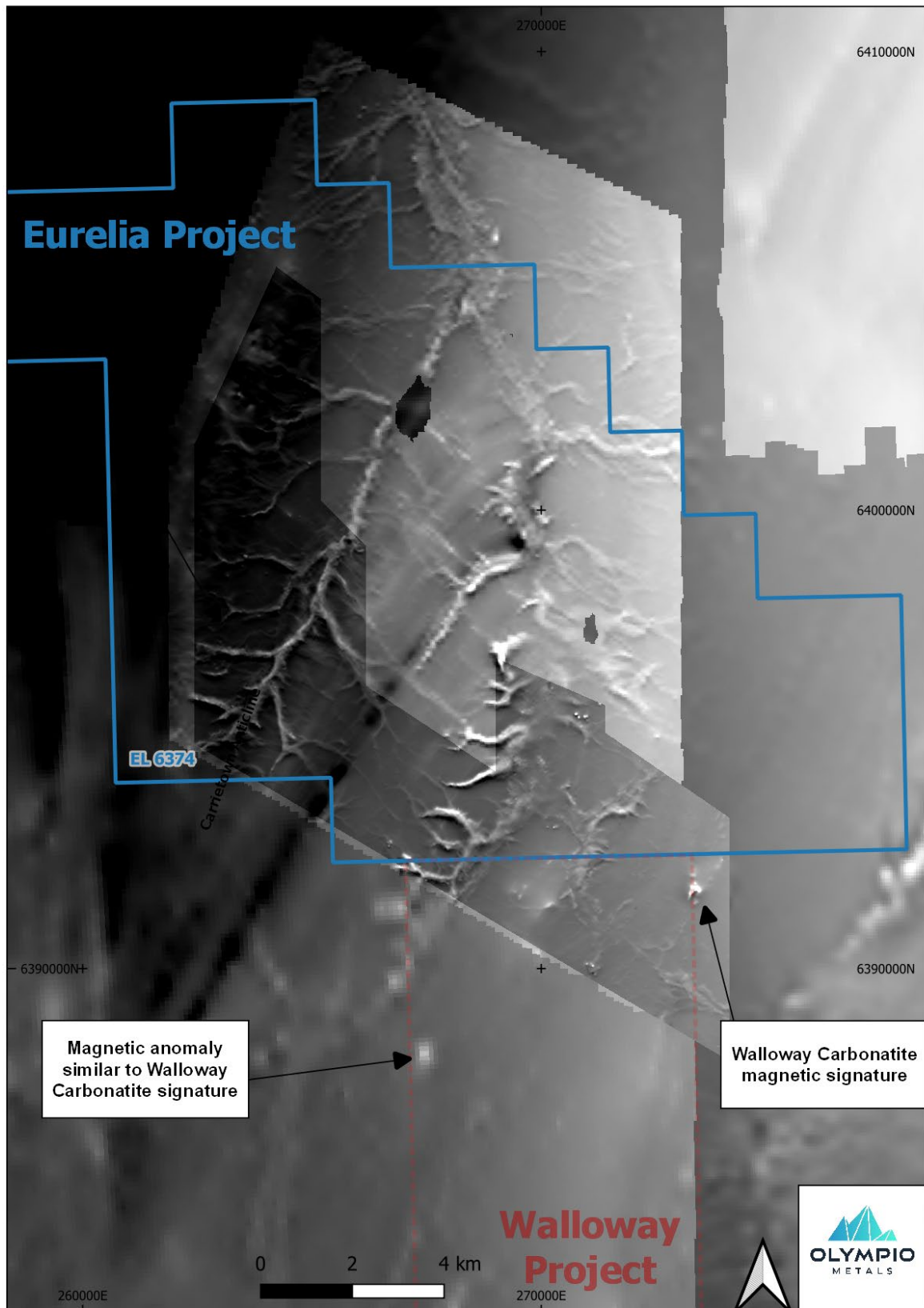


Figure 4. Aeromagnetics (TMI) highlighting circular magnetic features within Walloway Project area that are interpreted to represent carbonatites¹

Eurelia re-assaying program underway

Subsequent to the end of the reporting period³, Olympio gained access to more than two hundred historical samples from the Eurelia Project.

The samples were collected as part of a diamond-focused exploration campaign and have never been assayed for rare earth elements (REEs) or niobium.

The samples, which have been carefully stored in Adelaide, were collected by previous explorers over the period from 2002 to 2010 as part of diamond-focused exploration campaigns.

The samples have never been assayed for REEs or niobium. The Company is currently sorting through the samples to be dispatched, with assays expected towards the end of February.



Figure 5. Identification, sorting and resampling underway in Adelaide

GOLDFIELDS PROJECT

Farm-out of Canegrass Project

In October, Olympio announced it has entered into A JV agreement with Zuleika Gold Limited (Zuleika) (ASX:ZAG), whereby Zuleika can earn an interest in the Canegrass Prospect (E29/1010), part of Olympio's Goldfields Project⁴.

Under the terms of the deal, Zuleika can earn an 80% interest by spending A\$400,000 on exploration within 3.5 years, with a minimum spend of A\$100,000 required within 18 months, prior to having the ability to withdraw from the transaction.

Upon obtaining the 80% interest, Olympio can either contribute pro rata to ongoing exploration or dilute using an industry standard formula.

The Canegrass tenement is contiguous with Zuleika's Goongarrie Project and is located to the east of Davyhurst. The remainder of Olympio's Goldfields Project is located to the west of Davyhurst at Mulline-Mulwarrie.

³ ASX Announcement 23 January 2023 – Eurelia Reassaying Program Underway

⁴ ASX Announcement 10 October 2022 – Farm-Out of Canegrass Project

MARCH QUARTER ACTIVITIES

During the March 2023 quarter, the Company has the following exploration plans:

- **Eurelia Project:** Re-assay samples from previous drilling at Eurelia, with results expected towards the end of February. Maiden drilling program anticipated to commence in early Q2 2023.
- **Mulwarrie Project:** Complete a significant auger soils sampling program to test the lithium potential of the Mulline and Mulwarrie prospects.
- **Halls Creek Project:** Drill priority targets following end of wet season.

CORPORATE

CASH

The Company's consolidated cash at hand was \$3.6m as at 31 December 2022 with no debt.

DECEMBER QUARTER ASX RELEASES

Additional details pertaining to information reported in this Quarterly report including JORC 2012 reporting tables, where applicable can be found in the ASX announcements lodged with the ASX during the quarter:

1. 10/10/2022 Farm-out of Canegrass Project
2. 09/12/2022 Acquisition of Eurelia Project
3. 20/12/2022 Eurelia Exploration Licence Renewed

ASX ADDITIONAL INFORMATION

The Company had the following interests in the following tenements.

| Project | Name | Tenement | Beneficial Interest at last quarter | Beneficial Interest at end of quarter |
|-----------------|--------------|---------------------------|-------------------------------------|---------------------------------------|
| Halls Creek | Woodward | E80/5034 | 100% | 100% |
| | Rubens | E80/5220 | 100% | 100% |
| | Mt Carmel | E80/5154 | 100% | 100% |
| | Dry Creek | E80/5148 | 100% | 100% |
| | | E80/5025 | 100% | 100% |
| | Slinkey Hill | E80/5149 | 100% | 100% |
| Goldfields | Mulwarrie | E30/511 | 100% | 100% |
| | | P30/1141 | 100% | 100% |
| | | P30/1142 | 100% | 100% |
| | | P30/1143 | 100% | 100% |
| | Mulline | E30/512 | 100% | 100% |
| | | E30/513 | 100% | 100% |
| | Canegrass | E29/1010 | 100% | 100% ¹ |
| | Emerald | M30/110 | 100% | 100% |
| | Camelot | E37/1417 | 100% | 100% |
| | | E37/1418 | 100% | 100% |
| South Australia | Eurelia | EL6374 | 0% | 0% ² |
| | Walloway | EL Application 2022/00114 | 0% | 100% |

¹ Subject to a farm out where Zuleika Gold Limited can earn an 80% interest by spending A\$400,000 on exploration within 3.5 years, with a minimum spend of A\$100,000 required within 18 months.

² Subject to a farm in where Olympio can earn a 90% interest by spending A\$1,000,000 on exploration within three years, with a minimum spend of A\$100,000 in the first 18 months.

ASX Listing Rule 5.3.4 – The Company provides the actual vs proposed use of Funds as outlined in Section 3.7 of the Prospectus dated 25 February 2022.

| Proposed Use of Funds | Proposed \$ | Actual \$ | Variance \$ |
|--|-------------|-----------|-------------|
| Exploration Expenditure | 3,200,000 | 677,196 | (2,522,804) |
| Directors Fees | 690,800 | 220,090 | (470,710) |
| General Administration and working capital | 1,703,130 | 871,243 | (831,887) |
| Future acquisition costs | 200,000 | 55,000 | (145,000) |
| Reimbursed to project vendors | 49,463 | - | (49,463) |
| Expenses of the Offer | 644,811 | 662,775 | 17,964 |
| Total | 6,488,204 | 2,486,304 | 4,001,900 |

1. Major variances in the above table relate to timing of the use of funds. The proposed use of funds is for a two-year period and the Company re-listed in May 2022.

ASX Listing Rule 5.4.5 – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B includes salaries, director fees and consulting fees paid to current Directors and associated entities of \$101,064.

This announcement is approved by the Board of Olympio Metals Limited.

For further information:

Sean Delaney

Managing Director

T: +61 409 084 771

E: sdelaney@olympiometals.com.au

Andrew Rowell

White Noise Communications

T: +61 400 466 226

E: andrew@whitenoisecomms.com

Competent Person's Statement

The information in this announcement that relates to exploration results is based on information compiled by Mr. Neal Leggo, a Competent Person who is a Member of the Australian Institute of Geoscientists and a consultant to Olympio Metals Limited. Mr. Leggo has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Leggo consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

ISSUED CAPITAL

Ordinary Shares: 53.7M

BOARD OF DIRECTORS

Sean Delaney, Managing Director

Simon Andrew, Chairman

Aidan Platel, Non-Executive Director

COMPANY SECRETARY

Peter Gray

REGISTERED OFFICE:

L2, 25 Richardson St,
West Perth 6005

Appendix 5B

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

Name of entity

Olympio Metals Limited

ACN

619 330 648

Quarter ended ("current quarter")

December 2022

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 4 | 14 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (267) | (678) |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | (44) | (166) |
| | (e) administration and corporate costs | (243) | (1,002)) |
| 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 (GST) | 95 | 95 |
| 1.9 | Net cash from / (used in) operating activities | (455) | (1,737) |

| | | | |
|-----------|---|------|------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) exploration & evaluation | | |
| | (e) investments | (55) | (55) |
| | (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 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) | | 47 |
| 2.6 | Net cash from / (used in) investing activities | (55) | (8) |

| | | | |
|-------------|---|-------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | 6,000 |
| 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 | (9) | (663) |
| 3.5 | Proceeds from borrowings | | |
| 3.6 | Repayment of borrowings | (6) | (24) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | (15) | 5,313 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 4,100 | 8 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (455) | (1,737) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (55) | (8) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (15) | 5,313 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 3,574 | 3,574 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 3,574 | 3,574 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,574 | 3,574 |

| 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 | (101) |
| 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> | | |

| | | | |
|-----------|---|---|--|
| 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 | | |
| 7.2 | Credit standby arrangements | | |
| 7.3 | Other (please specify) | | |
| 7.4 | Total financing facilities | | |
| 7.5 | Unused financing facilities available at quarter end | | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

| | | |
|---|--|----------------|
| 8. | Estimated cash available for future operating activities | \$A'000 |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (455) |
| 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) | (455) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 3,574 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 3,574 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 7.9 |
| <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 | | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | | |

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 January 2023.....

Authorised by:The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.