



27<sup>th</sup> April 2023

## Highlights

### Highway Project

- **Field evidence supports interpretations that Highway Project is prospective within regional-scale ore-forming tectonics of Meso-Proterozoic age, exemplified by the world-class Olympic Dam Iron-Oxide Copper Gold (IOCG) deposit with porphyry-style hydrothermal textures and alteration found at Merino Prospect**
- **Portable XRF and assays of rock chips indicated presence of Molybdenum and Silver in quartz veins hosted in brecciated and silicified host rocks**
- **Induced Polarisation Geophysics Survey Completed**
- **Heritage Survey Completed**

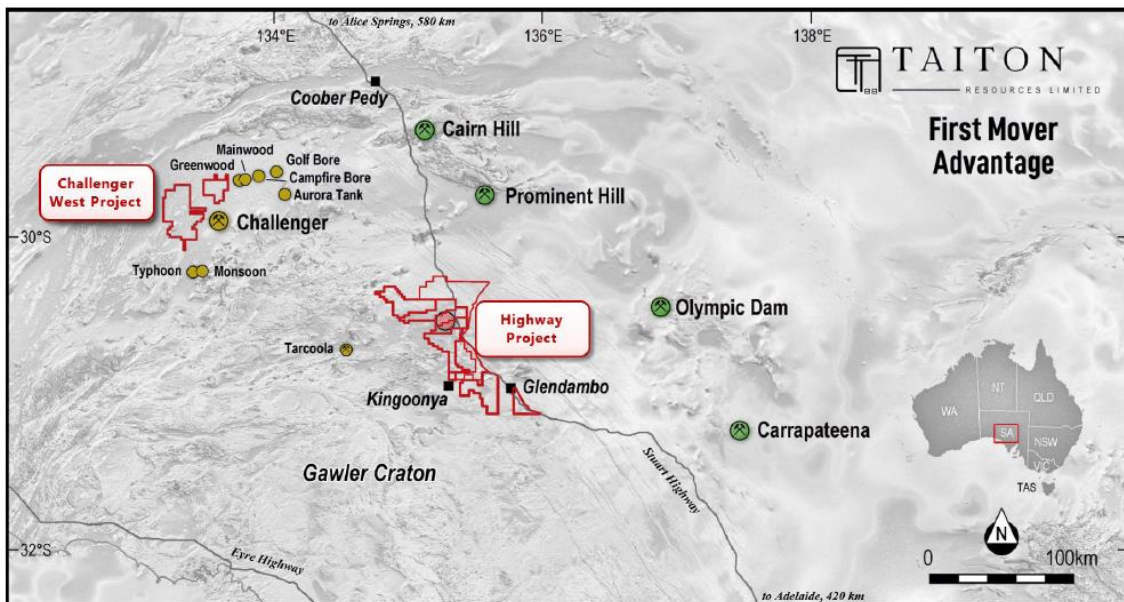
### Lake Barlee Project

- **Airborne Magnetic Survey completed at Lake Barlee**

Taiton Resources Limited (ASX: T88, Taiton or “the Company”) is pleased to provide a summary of activities completed during the Quarter ended 31<sup>st</sup> March 2023.

## Highway Project - SA

The Highway Project with total land holding of 2,980 sq km is bisected by the Stuart Highway (A87). The Merino Prospect – within the Highway Project is situated approximately 590 km from the state capital of Adelaide and 186 km north of Port Augusta.



During the Quarter, the Aboriginal Cultural Heritage Survey was completed which allowed field exploration and geological mapping activities to commence. Several field exploration trips were undertaken including one with the Executive Team of Taiton. Geological mapping resulted in discovery of veined and brecciated rocks in the vicinity of drillhole MER1, which was drilled in 1996 (MIMEX Technical Report 2729; source SARIG). Textures in the sub-cropping rocks are considered analogous to the stockwork of quartz veins produced around the upper levels of mineralised porphyry plutons.

Prior to commencing field activities, geochemical and geochronological analyses of zircons sampled from previously drill cores within Taiton's tenements suggest that much of the Highway Project area was tectonically active at the same time as the formation of significant mineral deposits including BHP's Olympic Dam and Oak Dam West, and Oz Mineral Limited's Carrapateena and Prominent Hill.

The interpretation from the zircon work is that the Highway Project area preserves evidence for extension in an intra-continental back-arc setting. The findings from the field mapping, including porphyry style textures and anomalous Mo and Ag conform to this interpretation.



**Rock chip sample from location MER1\_02. Early vein sets (e.g. blue dash) and altered brecciated groundmass are enriched in molybdenum. Later vein sets (e.g. red dash) are enriched in molybdenum and silver.**

During the Quarter, rock chip samples were dug from surface near previous drill hole MER1 and sent for assay. Results from assays included 1300 ppm Mo from MER1\_01\_2, and 1170 ppm Mo, 27.4 ppm Ag from MER1\_02\_2.

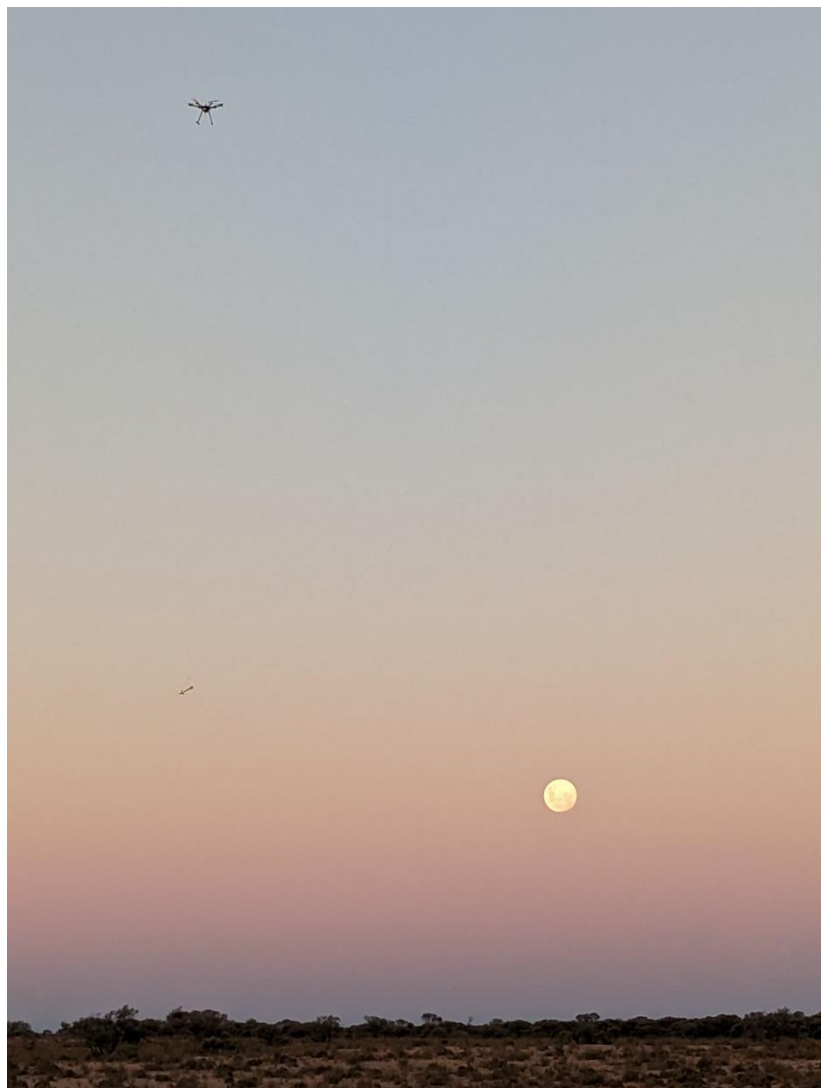


Taiton also undertook an Induced Polarisation (IP) and magnetotelluric (MT) survey to systematically assess areas of Merino Prospect. Details of the interpretation of the IP survey will be released soon.

### **Lake Barlee Project - WA**

The Lake Barlee Project measure 670 sq km in Western Australia lies approximately 65 km southeast of Youanmi and 293 km north of the mining town of Southern Cross.

During the Quarter, the Company undertook aerial magnetic survey via drone to cover approximately 518 km over parts of the tenements. The Company is currently awaiting interpretation of the data from the survey.



## **CORPORATE**

At 31 March 2023, Taiton has 73,009,544 shares on issue, 12,261,168 unlisted options and 6,000,000 unlisted performance rights. Cash at bank totalled \$5.266 M.

No further shares or options were issued during the March Quarter 2023.

## **ASX Additional Information**

### **Summary of expenditure items within Appendix 5B**

A summary of the expenditure and related party payments is set out below:

- 1.1 Receipt from customers relate to receipts from subletting of the rented property.
- 1.2(d) Staff costs relate to director fees and consulting services, and CFO salary.
- 1.2(e) Administration and corporate costs relate to costs for and associated with compliance costs (ASIC, ASX and share registry), audit, consulting fees, legal fees, investor relations, promotion & marketing, office costs, insurance, rental, web hosting, IT, and travel.
- 1.5 Interest paid of \$132,000 relates to accrued interest on Loan Facilities whereby the loans were fully repaid by the conversion to shares on the Company's admission to the ASX, upon which the loan facility agreements were terminated.

- 2.1(b) Tenements relate to costs of tenement rents and rates.
- 2.1(c) Property, plant and equipment relates to equipment purchases and vehicle bull bars.
- 2.1(d) Exploration & evaluation relates to payments to Geologists for work activities, director consulting services, Fieldwork & supplies, Field travel, Heritage survey, Geophysics, IP Survey, Field mapping & Assays, Hire of equipment.
- 3.4 Costs relate to costs of the Offer being mainly underwriting fees paid of \$270,000, investigating accountant's fees of \$15,000 and other fees.
- 6.1 Payments to related parties relate to director fees and consulting services (\$114,000), rent paid on property rented from the Managing director (\$9,800), payment for media digital content, production, and promotion services of \$15,000 to an entity associated with the Managing director, and payment of accrued interest of \$132,000 to an entity associated with the Chairman.
- 6.2 Payments to related parties relate to director consulting services (\$23,000) included in exploration & evaluation payments.

There were no mine production or development activities during the quarter.

### **Use of Funds (Listing Rule 5.3.4)**

The Table below sets out a comparison of actual expenditure in the Use of Funds against estimated expenditure in the prospectus and explanation of any material variances.

<b>Use of funds – Year 1</b>	<b>Proposed \$ in IPO prospectus</b>	<b>Actual expenditure \$ to 31 March 2023</b>	<b>Variance under/(over) \$'000</b>
Exploration activities	\$1,900,000	\$431,184	\$1,469
Administration costs	\$799,000	\$577,095	\$222
Estimated expenses of the Offer	\$1,142,000	\$897,710	\$244
Working Capital	\$315,000	132,154*	\$182
Total Funds allocated – Year 1	\$4,156,000	\$2,038,143	\$2,117

*Note \*- Interest of \$132,000 paid on Loan Facility (refer note on item 1.5)*

The Company confirms that its use of funds has been consistent with the proposed use of funds in the Prospectus dated 23 September 2022 and any variances to the proposed expenditure are mainly due to timing differences given the short time it has been listed (company listed on 19 December 2022). It should be noted that as with any budget, the allocation and timing of the use of funds set out in the Table above may change depending on a number of factors, including market conditions, the progress of the Company's exploration and evaluation programs, economic conditions, and regulatory approvals.

## Tenements

Registered Holder	Tenement No.	Location	Project	Area (Sq km)	Total (Sq km)	Interest at the end of Quarter
Lake Barlee Gold Pty Ltd	E77/2700	WA	Lake Barlee	191.54		100%
Lake Barlee Gold Pty Ltd	E57/1158	WA	Lake Barlee	204.26		100%
Lake Barlee Gold Pty Ltd	E77/2715	WA	Lake Barlee	131.93		100%
Lake Barlee Gold Pty Ltd	E57/1168	WA	Lake Barlee	141.00		100%
					668.7	
Taiton Resources Limited	EL6658	SA	Highway	972.00		100%
Taiton Resources Limited	EL6706	SA	Highway	160.00		100%
Taiton Resources Limited	EL6784	SA	Highway	884.00		100%
Taiton Resources Limited	EL6857	SA	Highway	914.00		100%
					2,930.0	
Taiton Resources Limited	EL6785	SA	Challenger West	997.00		100%
					997.0	
					<b>4,595.7</b>	

There were no mining tenements acquired or disposed of during the quarter.

**This Report has been approved by the Board of Directors of the Company.**

### For further information, please contact:

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## COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Mr Noel Ong, an employee of the company. Mr Ong is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ong consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

### References:

#### Taiton announcements

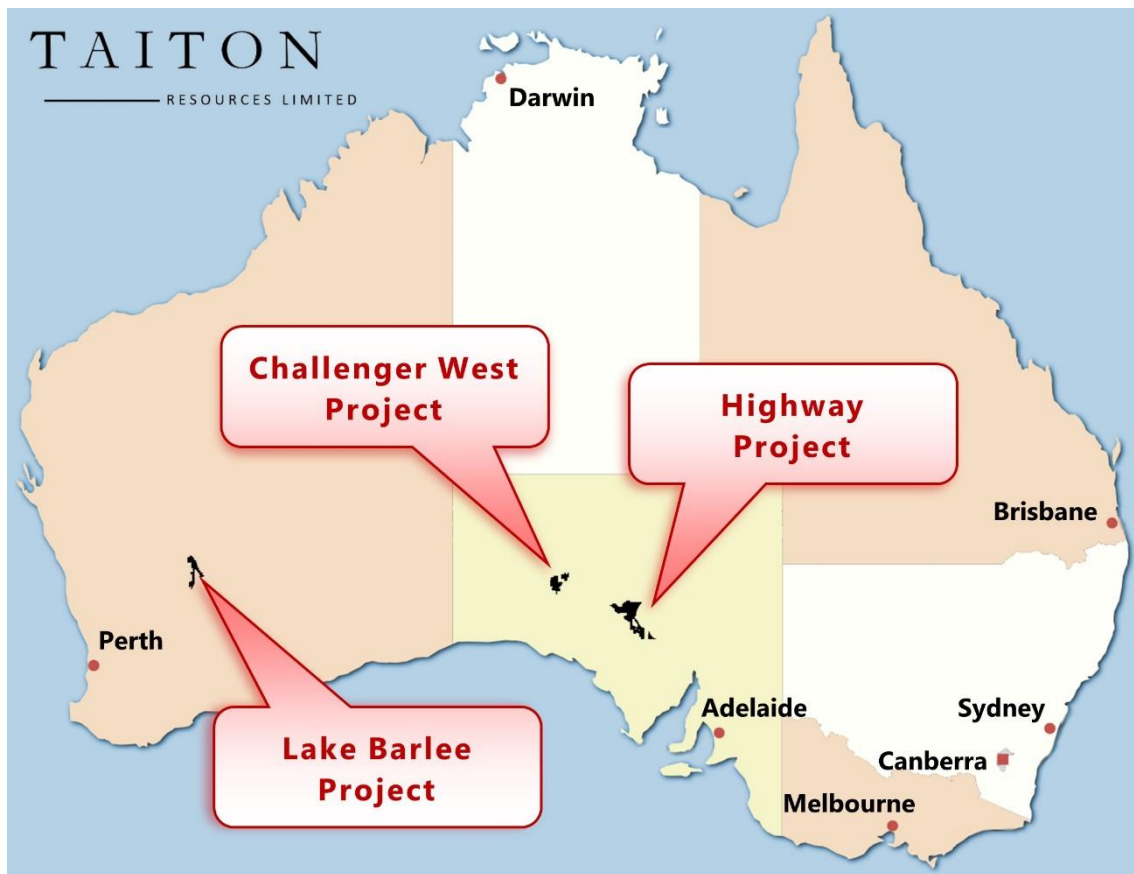
09/03/2023 Highway Project Rock Chip Assay and Lake Barlee update

20/02/2023 Evidence of Large Magmatic Hydrothermal System

03/02/2023 Highway Project Heritage Survey Completed

## About Taiton Resources Limited

Taiton Resources Limited (ASX: T88) is an early-stage mineral exploration and development company that has a Shallow Mineral System within the Olympic Dam Mineralising Event.



### Project location of Taiton Resources Limited.

Our dominant land holding at the Highway Project will allow us to potentially uncover the Next Elephant Deposit in Australia.

The Company has assembled a portfolio of projects across both South Australia and Western Australia comprising the following:

- (a) Highway Project – total land holding of 2,980 sq km, located in South Australia,



- (b) Lake Barlee Project – total land holding of 668.7 sq km, located in Western Australia; and
- (c) Challenger West Project – total land holding of 997 sq km, located in South Australia.

The projects have a range of exploration activities planned. The company will be undergoing a series of grassroots exploration and also several walk-up drilling targets.

## Appendix 5B

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

Name of entity

<b>Taiton Resources Limited</b>
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ABN

<b>41 062 284 084</b>
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Quarter ended ("current quarter")

<b>31 March 2023</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6	6
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(143)	(204)
(e) administration and corporate costs	(267)	(463)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	9
1.5 Interest and other costs of finance paid	(132)	(132)
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>(531)</b>	<b>(784)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements	(21)	(96)
(c) property, plant and equipment	(8)	(20)
(d) exploration & evaluation	(327)	(416)
(e) investments		
(f) other non-current assets		

## 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 (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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(356)</b>	<b>(532)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		7,004
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	(297)	(794)
3.5	Proceeds from borrowings		100
3.6	Repayment of borrowings		(50)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(297)</b>	<b>6,260</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,450	322
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(531)	(784)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(356)	(532)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(297)	6,260

## 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 (9 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>5,266</b>	<b>5,266</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	1,216	6,450
5.2	Call deposits	4,050	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,266</b>	<b>6,450</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	270
6.2	Aggregate amount of payments to related parties and their associates included in item 2	23

*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.*

## 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.</i>		
<i>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)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(531)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(327)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(858)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,266
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,266
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.14
<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: 27 April 2023

Authorised by: ....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.