



**Globe**  
Metals & Mining

Globe Metals & Mining Limited  
ABN 33 114 400 609  
ASX Code: GBE

# Quarterly Report

For the quarter ended  
31 March 2023

[globemm.com](http://globemm.com)



An African resources company, Globe's Kanyika Niobium Project in Malawi will produce niobium and tantalum products for fast-charging lithium batteries and strengthening steel.

## Highlights

- Globe and the Malawi Government have finalised the Mining Development Agreement for the development of the Kanyika Niobium Project.
- All relevant approvals are now in place allowing Globe to develop the Project and providing confidence to third parties looking to participate in the Project with financing and off-take.

# Kanyika Niobium Project

Ownership 100% | Malawi

The Kanyika Niobium Project is located in central Malawi. It is the first new niobium project globally in 50 years and will help meet the growing new demand for Niobium. Niobium is at the forefront of numerous new-age technologies including gas and wind turbines, medical imaging, particle accelerators, space travel, and in the manufacture of high-performance and ultra-safe, ultra-rapid rechargeable batteries for electric vehicles.

## Mining Development Agreement

During the quarter the Company finalised the Mining Development Agreement (**MDA**), through its ultimate wholly owned subsidiary Globe Metals and Mining (Africa) Limited, with the Government of the Republic of Malawi for the development of its Kanyika Niobium Project (Mining Licence LML0216/21) located in central Malawi, approximately 55km northeast of the regional centre of Kasangu (**Project**).



**Figure 1.** From left to right: Thabo Nyirenda (Attorney General); Hon. Monica Chang'anamuno, MP (Minister of Mining); Hon. Sosten Gwengwe, MP (Minister of Finance and Economic Affairs); Neville Huxham (Chairman of Globe Africa); Lisungu Chirwa (Finance Director of Globe Africa) at the MDA signing ceremony on 27 March 2023.

## Significance of the Mining Development Agreement

The approval of the MDA is a significant milestone in Malawi's history as it becomes the first company to execute an MDA with the Malawi Government since the enactment of the Mines and Minerals Act, 2018 (**Act**).

With all approvals in place, Globe is now accelerating its engagement with the Kanyika community to progress the development of the Project. Securing the final approval also provides confidence to third parties looking to participate in the Project in terms of financing and off-take.

The development of the Project carries broader implications for the Niobium market as it will facilitate the introduction of the fourth niobium mine in the world, and the first such mine into production in the last 50 years, and the first ever in Africa. It is expected that this will greatly alleviate the current geographic concentration of major niobium suppliers (with only 2 in South America and one in Canada) resulting in the mitigation of existing supply chain risks for the industry as a whole.

A formal application to the Commissioner for Mines and Minerals for an extension to the time limits from the date when the mining licence was registered, being: (i) 18 months for the commencement of substantial onsite mine development; and (ii) 60 months for the commencement of substantial mineral production, was lodged with the Ministry of Mines in February 2023.

Globe can now focus on the next key priority of raising development financing for this important mining project which stands as the only vertically integrated niobium producer outside the Americas. In addition to this, Globe can focus on finalising key milestone processes (*refer short and medium-term value drivers below*) such as entering contracts for the provision of mine plant and equipment, securing offtake agreements, concluding economic studies such as PFS/bankable DFS, securing finance and finalising engineering, and community engagement, including the relocation of members of the local community affected by the Project (**Project Affected Persons**).

## Short and medium-term value drivers

Proposed Completion Date Quarter 2, 2023	Commentary
Sample collection from Kanyika	10 tonne ore collected from Kanyika and delivered to South Africa
Deloitte appointed to set up Transfer Pricing Protocol	Achieve one of the conditions to the MDA – a satisfactory ruling from the Malawi Revenue Authority in relation to the determination of gross revenue in respect of product produced from the mining and processing of ore at the mine
Commencement of metallurgical test program	Desktop test work (20kg composite sample) to finalise design of the Phase 1 plant for the full test work program
Conclusion of (i) Licensing and (ii) Test Work agreement with TCM Research	Metallurgical testwork to provide process parameters for a dry-chloride technology option for the extraction and refining of Kanyika concentrate material  Design, construction, and operation of a bespoke Phase 1 plant in support of the Scoping Study and the future Feasibility Study work
Finalise initial logistics quotation for transport of ore	Confirm the feasibility of moving concentrate from Malawi to Namibia
Improve Globe (Africa) capacity	Strengthen Board with strategic appointments Appoint mining consultants/staff (ongoing)
Proposed Completion Date Quarter 3, 2023	Commentary
Namibia site	Mutschler Consulting Services to determine Namibia site selection
Proposed Completion Date Quarter 4, 2023	Commentary
Update Preliminary Feasibility Study (PFS)	Update current PFS and financial model with NPV expected to be USD\$1bn, a gross margin of 67%, average annual free cash flow of USD\$150m and payback of 1.5 years at full production  Scoping Study to establish confident cost estimates for capital and operating expenses for an integrated Process Plant (Phase 1)  Detail design for selected long lead items
Proposed Completion Date Quarter 1, 2024	Commentary
Engineering design completed	Engineering, Procurement and Construction Management (EPCM) contract for the construction of the refinery

	EPC contract for the concentrator
Offtake agreements	Negotiate offtakes including battery producers and Nb and Ta metal refiners Separate and purify metals with >99.5% purity and 95% recoverability Confirm potential suite of finished products being Nb <sub>2</sub> O <sub>5</sub> , Ta <sub>2</sub> O <sub>5</sub> , ZrO, FeO Update PFS to Bankable Feasibility Study
Debt financing/investors	Introduce strategic investors such as EV brands, mining companies, battery producers, specialised metal refiners
Decision to mine	Secure project finance
<b>Proposed Completion Date Quarter 2, 2024</b>	<b>Commentary</b>
Relocation of Project Affected Persons	~340 homesteads, 1700 people plus 7 recognised graveyards
<b>Proposed Completion Date Quarter 3 and Quarter 4, 2024</b>	<b>Commentary</b>
First ore and delivery of mine equipment	First ore mined
Utilities in place	Powerline 500kVa (Q3 24) Solar farm (Q3 24) Wind turbine (Q4 24) Access & haul roads (Q3 24)
<b>Proposed Completion Date Quarter 2, 2025</b>	<b>Commentary</b>
Phase 1 Mine & Refinery	190 000tpa ore producing 720 tpa of Nb <sub>2</sub> O <sub>5</sub> and 36tpa of Ta <sub>2</sub> O <sub>5</sub> Average revenue USD\$42m pa, average free cash flow \$25m pa 4000ppm vs 3000ppm in first year due to weathering (1/3 better) (Heavier Niobium sinks while lighter rocks washed away) plus ball-mill efficiencies

### Key Contractual Terms of the MDA

- Globe has the right to mine niobium, tantalum, and deleterious uranium at the Project, and to establish and operate a grinding, crushing and concentrator facility located in the Project area.
- The MDA is subject to and conditional upon the Company obtaining:

- a satisfactory ruling from the Malawi Revenue Authority in relation to the determination of gross revenue in respect of product produced from the mining and processing of ore at the Project; and
- an extension to the time limits prescribed under the Act for the commencement of substantial mine development, and substantial mineral production, at the Project to ensure those time limits are consistent with the timeline contemplated in the MDA.
- Globe expects to agree these conditions during Q3 2023.
- Globe is required to make a decision to mine at the Project within 24 months of being granted the mining licence (which is expected to be extended to approximately 12 months from the date the MDA was agreed – 27 March 2023) for the Project and obtaining a credit approved term sheet from a third-party domestic project financier (**Project Lender**) to secure the funds required to develop the Project.
- Globe is obligated to spend at least US\$200 million to develop the Project and shall commence expenditure within 6 months of making a decision to mine.
- Globe is required to comply with all applicable foreign currency laws but is permitted to maintain one or more foreign currency accounts outside of Malawi to meet its foreign currency obligations to the initial Project Lender for a period of 7 years after the establishment of the relevant account or the date on which the Company has discharged all its obligations to the initial Project Lender. These obligations include (but are not limited to) the payment of interest and principal to the Project Lender, the payment of mandatory pre-payments to the Project Lender, and the establishment and maintenance of reserves as required by the Project Lender.
- The Malawi Government is to receive, at no cost, a non-diluting 10% equity interest in the Project, with an option to acquire up to a further 10% equity interest (Equity Option) upon completion of the construction, commissioning, and start-up of operations at the Project as approved by the Project Lender. The Equity Option is a fully contributory interest and is capable of being diluted if the Government does not meet any call by Globe for additional equity funding.
- The Malawi Government will receive a statutory royalty of 5% of all revenue earned from the mining and processing of ore at the Project. The Kanyika community will receive a royalty of 0.45% as prescribed under the Act. Globe is required to maintain a ratio of indebtedness to net worth that is equal to or lower than 3:1 at all times during the life of the Project.
- Prior to commencing construction of the Project, Globe must pay a \$1 million environmental bond to secure performance of its obligations to comply with all applicable environmental laws.
- Globe is responsible for the resettling of affected Malawi citizens in accordance with an approved resettlement framework.
- Globe shall commit to the preferential employment and training of Malawi citizens for operations and unskilled labour positions at the Project, and in the areas of financial, accounting, technical, administrative, supervisory, managerial, and executive positions (subject to applicants having the necessary skill and experience and being suitable for those roles).
- Globe shall preferentially procure goods and services from local Malawi businesses provided that those goods and services are at least comparable in terms of quality, delivery, service, quantity, and price.

- Globe will be exempt from import duty and import excise, and will be zero-rated for VAT, on the import of capital goods, consumables, and services throughout the life of the Project.
- Globe will enjoy the benefits of a stable tax regime for up to 10 years from the date of execution of the MDA.

## Niobium Market updates during the quarter

- 26 Jan 2023: “Dr Loubna El Ouatani, Chief Product Officer of Echion Technologies, said: “This demonstrator cell, developed and produced by EAS showcases performances enabled by XNO<sup>®</sup>, which are well matched to industrial and commercial applications with high duty cycles. By achieving over 300Wh/L energy density, 7C/7C charge/discharge with 95% capacity retention and very high cycle life, we have demonstrated how XNO<sup>®</sup> offers superior capabilities vs. LFP and LTO cells. By that I mean we have both a continuous and pulse charge that is superior to LFP. And an energy density level not matched” in LTO cells.”<sup>1</sup>

<sup>1</sup> [Echion’s XNO<sup>®</sup> achieves unmatched performances in 4690 cylindrical cell design — Echion Technologies](https://www.echiontech.com/news/echion-xno-achieves-unmatched-performances)  
<https://www.echiontech.com/news/echion-xno-achieves-unmatched-performances>

- 14 Feb 2023: “Echion’s niobium-based anode material, XNO<sup>®</sup> delivers lithium-ion battery performance highly suited for industrial, commercial, and high value applications that demand the highest up-time, lowest total cost of ownership and maximum performance. XNO<sup>®</sup> enables lithium-ion batteries that can safely charge in less than ten minutes, maintain high energy densities even at low temperatures, and deliver high power across a cycle life of more than 10,000 cycles. Applications powered by XNO<sup>®</sup> include battery electric and hybrid trains, mining haul trucks, high-demand buses and delivery vehicles.”<sup>2</sup>

<sup>2</sup> [Echion Technologies to supply LIRON Power with XNO<sup>®</sup> anode materials — Echion Technologies](https://www.echiontech.com/news/echion-technologies-to-supply-liron-power-with-xno-anode-materials)  
<https://www.echiontech.com/news/echion-technologies-to-supply-liron-power-with-xno-anode-materials>

- 13 Mar 2023: Post the announcement in 2022 of “Volkswagen Caminhões e Ônibus, a pioneer in the development and serial production of electric trucks in Latin America, and CBMM, world leader in the production and sale of Niobium products, (partnership to encourage electric mobility aiming to develop and apply ultra-fast recharge batteries for use in electric vehicles designed by the automaker). In line with global trends towards adopting more sustainable technologies and thanks to this partnership with CBMM, the initiative is also leading the way through the use of advanced materials with Niobium, which offers increased resistance and safety, as well as reduces the vehicle’s weight, making the VW’s truck more competitive than ever. This technological journey also includes possibility of adopting nanocrystalline materials (alloys that, when used together with Niobium, acquire a unique series of electromagnetic properties) that are applicable to electronics and components for the purpose of increasing energy efficiency during charging.”<sup>3</sup>

<sup>3</sup> [Volkswagen Caminhões e Ônibus - Press Room \(vwtbpress.com\)](https://en.vwtbpress.com/noticia/world-s-first-electric-hybrid-race-truck-set-to-debut-at-brazilian-competition)  
<https://en.vwtbpress.com/noticia/world-s-first-electric-hybrid-race-truck-set-to-debut-at-brazilian-competition>

# Corporate

## Cash at Bank

Cash at bank and term deposits at 31 March 2023 was \$0.543 million (31 December 2022: \$1.137 million).

The Company has initiated steps to raise further cash to fund its operations. The Company regularly evaluates market appetite for equity investment and manages its capital and operations accordingly. The Company anticipates it will be able to continue to access funding as required and, to this end, it is considering further fund raising from internal and external parties. The Company will update the market of any steps it decides to take with respect to funding at the appropriate time.

## New Loan Facility with Director Bo Tan

After the end of the quarter, the Company announced a further short-term loan facility of \$600,000 from Director Bo Tan (refer to ASX announcement made on 26 April 2023).

The key terms of the new loan facility are as follows:

- Facility Limit: A\$600,000
- Drawdowns: 3 x A\$200,000
- First drawdown: on or after 1 May 2023
- Interest Rate: 8.3% per annum
- Default Interest Rate: 20% per annum
- Maturity Date: 6 months after first drawdown
- Security: the loan is unsecured
- Repayment: At the lender's election – repayable in cash or, subject to shareholder approval, by the issue of fully paid ordinary shares at the lesser of:
  - a 15% discount to the 5-day VWAP immediately prior to the issue date; or
  - the issue price per share of the next debt or equity financing after the first drawdown date.

As announced on 19 April 2023, the terms of Mr Tan's previous loan facility of \$500,000 were varied to extend the due date for repayment, by a further 6 months, to 18 October 2023. The facility limit was also reduced to A\$400,000. All other terms of the previous loan facility remain the same.

## ASX Additional Information

ASX Listing Rule 5.3.1: There were no substantive mining exploration activities during the quarter. Work was confined to evaluation. The Company expended \$232,000 on evaluation activities (refer section 2.1(d) of Appendix 5B). The major cost areas were salaries: \$33,300; consultants: \$158,940; and miscellaneous items: \$39,760.

ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.



ASX Listing Rule 5.3.5: A total of \$81,000 was paid to related parties during the quarter comprising Non-Executive Directors' fees (including superannuation).

### ASX Announcements during the Quarter

The following announcements were lodged on the ASX Market Announcements Platform during the quarter:

Date	Description
31-Jan-23	Quarterly Activities/Appendix 5B Cash Flow Report
16-Mar-23	Half Year Report and Accounts
17-Mar-23	Notice of General Meeting/Proxy Form
17-Mar-23	Letter to Shareholders – Notice of General Meeting
27-Mar-23	Trading Halt
29-Mar-23	Malawi Government approves MDA for Kanyika Niobium Project

These announcements are available for viewing on the Company's website [www.globemm.com](http://www.globemm.com).

### Shareholding Information

At 31 March 2023, shares on issue totalled: 506,768,695. The number and distribution of holders at 31 March 2023 was:

Units	Number	Total Units	%
1 - 1,000	69	3,786	0.00%
1,001 – 5,000	46	160,714	0.03%
5,001 – 10,000	78	635,083	0.13%
10,001 – 100,00	313	14,233,930	2.81%
100,001 and above	145	491,735,182	97.03%
<b>Total</b>	<b>651</b>	<b>506,768,695</b>	<b>100.00%</b>

### Top 20 Holders at 31 March 2023

Position	Holder Name	Holding	% IC
1	APOLLO METALS INVESTMENT COMPANY LIMITED	245,983,611	48.54%
2	AO-ZHONG INTERNATIONAL MINERALRE SOURCES PTY LTD	118,143,062	23.31%
3	TRIPLE TALENT ENTERPRISES LTD	24,480,883	4.83%
4	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	13,539,769	2.67%
5	CITICORP NOMINEES PTY LIMITED	8,439,371	1.67%
6	MR COLIN ROBERT SEARL & MRS CYNDA SEARL	6,144,771	1.21%
7	BNP PARIBAS NOMS PTY LTD <DRP>	4,953,316	0.98%
8	MR RICHARD ULRICK & MRS WENDY ULRICK <ULRICK SUPER FUND A/C>	3,459,607	0.68%
9	MR ANDREW CHARLES BALLARD	2,565,574	0.51%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,547,891	0.50%
11	GOENG INVESTMENTS PTY LTD <GOENG PENSION FUND A/C>	2,358,697	0.47%
12	M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>	2,177,999	0.43%
13	MR NOEL MALCOLM SCAMMELL	2,009,900	0.40%
14	MR DRITAN MEHMETI	2,000,000	0.39%
15	MR KELLY PETER BODMAN	1,980,022	0.39%
16	MR MARK ANDREW THOMSON	1,819,495	0.36%
17	MR MARK LEONARD SWANSON	1,725,000	0.34%
18	PRIMARY SECURITIES LTD <ANADARA ASX SP OPP FUND A/C>	1,600,000	0.32%
19	BENRET PTY LTD <COLIN SEARL FAMILY A/C>	1,469,182	0.29%
20	C & CR SUPERCO PTY LTD <C & CR SEARL SUPERFUND A/C>	1,430,078	0.28%
	<b>Total</b>	<b>448,828,228</b>	<b>88.57%</b>
	<b>Total Issued Capital</b>	<b>506,765,695</b>	<b>100.00%</b>

### Schedule of Mineral Tenements at 31 March 2023

Country	Project	Type	Status	Tenement	Interest held by Globe	
					31 Mar 2023	31 Dec 2023
Malawi	Kanyika	Mining Licence	Granted	LML0216/21*	100%	100%

There were no tenements acquired or disposed during the quarter.

\* Pursuant to the Mines and Minerals Act, the Malawi Government is entitled to a 10% free equity interest in LML0216/21 subject to formally notifying GMMA of its desire to take up its entitlement. As at the date of this report, neither Globe nor GMMA has received any such notice.

### Authorisation for Release

This report has been authorised for release by the Company's Chief Executive Officer, Grant Hudson.

For further information, please contact:

Grant Hudson  
Chief Executive Officer  
[gh@globemm.com](mailto:gh@globemm.com)

# Qualifying Statements

## Mineral Resources Estimates

The information in this report that relates to Mineral Resources is extracted from the report titled “Kanyika Niobium Project – Updated JORC Resource Estimate” released to the Australian Securities Exchange (**ASX**) on 11 July 2018 and available to view at [www.globemm.com](http://www.globemm.com) and for which Competent Persons’ consents were obtained. Each Competent Person’s consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 11 July 2018 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original ASX announcement.

Full details are contained in the ASX announcement released on 11 July 2018 titled “Kanyika Niobium Project – Updated JORC Resource Estimate” available to view at [www.globemm.com](http://www.globemm.com).

The information in this report that relates to Ore Reserves is extracted from the report titled “Kanyika Niobium Project – Project Feasibility and Economics” released to ASX on 19 August 2021 and available to view at [www.globemm.com](http://www.globemm.com) and for which Competent Persons’ consents were obtained. Each Competent Person’s consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 19 August 2021 and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original ASX announcement.

Full details are contained in the ASX announcement released on 19 August 2021 titled “Kanyika Niobium Project – Project Feasibility and Economics” available to view at [www.globemm.com](http://www.globemm.com).

## Disclaimer

This report has been prepared by Globe Metals & Mining Limited (**Company**). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and nether this release nor anything contained in it shall form the basis of any contract or commitment.

This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company’s business plans, intentions, opportunities, expectations, capabilities, and other statements that are not historical facts. Forward-looking statements include those containing such words as could-plan-target-estimate-forecast-anticipate-indicate-expect-intend-may-potential-should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and

unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the Company, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, the Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

The report has been prepared by the Company based on information available to it, including information from third parties, and has not independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.

The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral resources and Ore Reserves 2012 Edition (**JORC Code**), which governs such disclosures by companies listed on ASX.

### Appendix A: About the Kanyika Niobium Project

The Kanyika Niobium Project is located in central Malawi, approximately 55 kilometres northeast of the regional centre of Kasangu and secured by Mining Licence LML0216/21.

Drilling programs totalling 33.8 kilometres of percussion and core drilling have confirmed the extent of mineralisation. Structured and progressive engineering studies have resulted in the current (JORC 2012) resource statement (refer below) and given rise to significant improvements and simplifications in the process flowsheet from that first imagined.

In addition, Globe has undertaken substantial metallurgical optimisation work and commissioned the Phase 1 plant to demonstrate and further optimise metallurgical processes. Metallurgical optimisations 13 studies have improved recoveries from 62% in 2012 to 75% today, through simple novel patented metallurgical processes.

The Kanyika operations will produce a pyrochlore mineral concentrate that contains niobium in commercially valuable volumes to be shipped to a refinery for advanced processing into high purity materials.

A Mineral Resource Estimate for the Kanyika Niobium Project under the 2012 JORC guidelines was reported to ASX on 11 July 2018 as follows:

**Table 1: MRE for KNP using a 1,500 ppm Nb<sub>2</sub>O<sub>5</sub> lower cut**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm
Measured	5.3	3,790	180
Indicated	47.0	2,860	135
Inferred	16.0	2,430	120
<b>Total</b>	<b>68.3</b>	<b>2,830</b>	<b>135</b>

**Table 2: MRE for KNP using a 3,000 Nb<sub>2</sub>O<sub>5</sub> lower cut**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm
Measured	3.4	4,790	220
Indicated	16.6	4,120	190
Inferred	2.8	4,110	190
<b>Total</b>	<b>22.8</b>	<b>4,220</b>	<b>190</b>

## Appendix 5B

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

Name of entity

Globe Metals &amp; Mining Limited

ABN

33 114 400 609

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(361)	(1,244)
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	-	331
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(361)</b>	<b>(913)</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	-	(7)
(d) exploration & evaluation	(232)	(846)
(e) investments		
(f) other non-current assets		

## 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>
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>(232)</b>	<b>(853)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,039
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	-	(72)
3.5	Proceeds from borrowings	-	900
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,867</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	1,137	431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(361)	(913)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(232)	(853)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,867

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	(1)	11
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>543</b>	<b>543</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	543	1,137
5.2	Call deposits		
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>543</b>	<b>1,137</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

The payments made to directors of the entity and their associates reported at 6.1 were comprised as follows:

	A\$'000
Non-executive directors' fees	81
<b>TOTAL</b>	<b>81</b>



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<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	500	400
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>500</b>	<b>400</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>100</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.		
<p>On 27 September 2022, Director Bo Tan provided an unsecured short-term loan facility of \$500,000 of which \$400,000 was drawn down at 31 March 2023. Interest is payable on the outstanding balance at 8% per annum. On 19 April 2023, the Company reached an agreement with Mr Tan to reduce the facility limit to \$400,000 (previously \$500,000) and extend the repayment date to 18 October 2023. The Company may elect to repay the loan in cash or by the issue of fully paid ordinary shares at a price of 6.35 cents per share, subject to shareholder approval.</p> <p>After quarter end, Director Bo Tan provided a new short-term loan facility of \$600,000 (refer to ASX announcement made on 26 April 2023).</p> <p>The key terms of the new loan facility are as follows:  Facility Limit: A\$600,000  Drawdowns: 3 x A\$200,000  First drawdown: on or after 1 May 2023  Interest Rate: 8.3% per annum  Default Interest Rate: 20% per annum  Maturity Date: 6 months after first drawdown  Security: the loan is unsecured  Repayment: At the lender's election – repayable in cash or, subject to shareholder approval, by the issue of fully paid ordinary shares at the lesser of:</p> <ul style="list-style-type: none"> <li>• a 15% discount to the 5-day VWAP immediately prior to the issue date; or</li> <li>• the issue price per share of the next debt or equity financing after the first drawdown date.</li> </ul>		

<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)	(361)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(232)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(593)
8.4 Cash and cash equivalents at quarter end (item 4.6)	543
8.5 Unused finance facilities available at quarter end (item 7.5)	100
<b>8.6 Total available funding (item 8.4 + item 8.5)</b>	<b>643</b>

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8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.1
<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: Yes.		
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?	
<i>Answer: Yes. The Board regularly evaluates market appetite for equity investment and manages its capital and operations accordingly. The Board anticipates it will be able to continue to access funding as required and, to this end, it is considering further fund raising from internal and external parties. It will update the market of any steps it decides to take at the appropriate time.</i>		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, on the basis of 8.8.2 above.		
<i>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.</i>		

**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: 28 APRIL 2023  
 .....

Authorised by: GRANT HUDSON – CHIEF EXECUTIVE OFFICER  
 .....  
 (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

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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.