

# QUARTERLY ACTIVITIES REPORT

for the period ended 30 June 2023

28 July 2023



## June Quarter Activity

- ▶ Ekosolve™ DLE technology pilot plant test work at University of Melbourne achieves 95.8% lithium extraction efficiency from brines with average lithium concentration of 95.3 ppm lithium
- ▶ Lithium recovered from 95.3ppm Li in brine was 91.3 ppm Lithium
- ▶ Extensive Induced Polarisation geophysical survey carried out at Mayfield copper-gold exploration project
- ▶ Induced Polarisation geophysical survey identifies multiple high priority targets at Sampsons Tank copper exploration project

**C29 Metals Limited** (ASX:C29) ('C29 Metals', or 'the Company') is pleased to provide its quarterly activities report for the 3 month period ending 30 June 2023.

## Pocitos Lithium Brine Projects, Salta Province, Argentina

The Company held an option agreement to acquire up to 80% of Pocitos 7 and Pocitos 9 in the Salta province of Argentina.

As announced on 10 May 2023, The Company advised that the experimental results for the 10-stage counter-current extraction Ekosolve™ process showed the lithium extraction efficiency achieved was 95.79% after passing through a 10 pass extraction cycle.

A 10-stage bench-scale counter-current solvent extraction process was designed and conducted to simulate the lithium extraction in a pulsed solvent extraction column. The Pocitos 7 brine content prior to being processed (nine samples taken) was as follows:

**Table 1** Lithium concentrations of the salt lake brine samples from C29 Metals

	Sample Position	Dilution: 50 times; Unit in mg/L or ppm.	
		[Li]	Average (Ave)
Brine from C29 Metals	Bottom #1	91.21	88.26
	Bottom #2	82.84	
	Bottom #3	90.73	
	Middle #1	95.60	94.49
	Middle #2	95.27	
	Middle #3	92.60	
	Top #1	91.59	91.50
	Top #2	86.91	
Top #3	96.00		
<b>Average concentration</b>		91.42	

**Table 2** Concentrations of other cations in the salt lake brine samples from C29 Metals

	Sample Position	Dilution: 500 or 2500 times, depending on concentration range; Unit in g/L									
		[Na]		[Mg]		[Ca]		[K]		[B]	
Brine from C29 Metals	Bottom #1	90.77	111.59	0.91	0.96	1.46	1.12	1.57	1.91	0.18	0.17
	Bottom #2	157.00		1.09		0.47		2.64		0.15	
	Bottom #3	87.01		0.89		1.41		1.52		0.18	
	Middle #1	90.94	93.80	1.02	0.99	1.68	1.61	1.84	1.74	0.18	0.18
	Middle #2	91.15		0.99		1.64		1.77		0.18	
	Middle #3	99.33		0.94		1.51		1.62		0.18	
	Top #1	85.92	90.43	0.99	0.99	1.59	1.61	1.73	1.74	0.16	0.17
	Top #2	98.62		0.98		1.61		1.75		0.17	
Top #3	86.74	1.00		1.62		1.75		0.18			
<b>Average concentration</b>		98.61		0.98		1.45		1.80		0.17	

**Table 3** Concentrations of anions in the salt lake brine samples from C29 Metals

	Sample Position	Dilution: 500 or 2000 times depending on concentration range; Unit in g/L		
		[Cl]	[SO <sub>4</sub> ]	[NO <sub>3</sub> ]
Brine from C29 Metals	Bottom	121.39	3.48	0.30
	Middle	119.60	3.46	0.30
	Top	118.09	3.48	0.30
<b>Average concentration</b>		119.69	3.47	0.30

## ▶ **Mayfield Copper-Gold Project, Queensland**

Mayfield Copper-Gold Project is located in the highly prospective eastern fold belt of the Proterozoic Mount Isa Inlier in Queensland, and situated just 25km south of Carnaby Resources (ASX:CNB) recent discovery at Nil Desperandum and Lady Fanny and 50km from Hammer Metals (ASX:HMX) Kalman project.

The Company announced on 11 May 2023, that it has commenced an Induced Polarisation (IP) geophysical survey over its 100% owned Mayfield copper-gold exploration project located on the Mt Isa inlier in Queensland.

Targets were tested by completing 46.7 line km of dipole-dipole-induced polarisation survey work with a line spacing of 400m. This assisted in the identification of sulphide and silicic zones with the potential for mineralisation via both chargeability and resistivity data which highlight areas of potential mineralisation and quartz vein/silicic alteration intensity. This data is key for the completion of subsequent drilling planning and design.

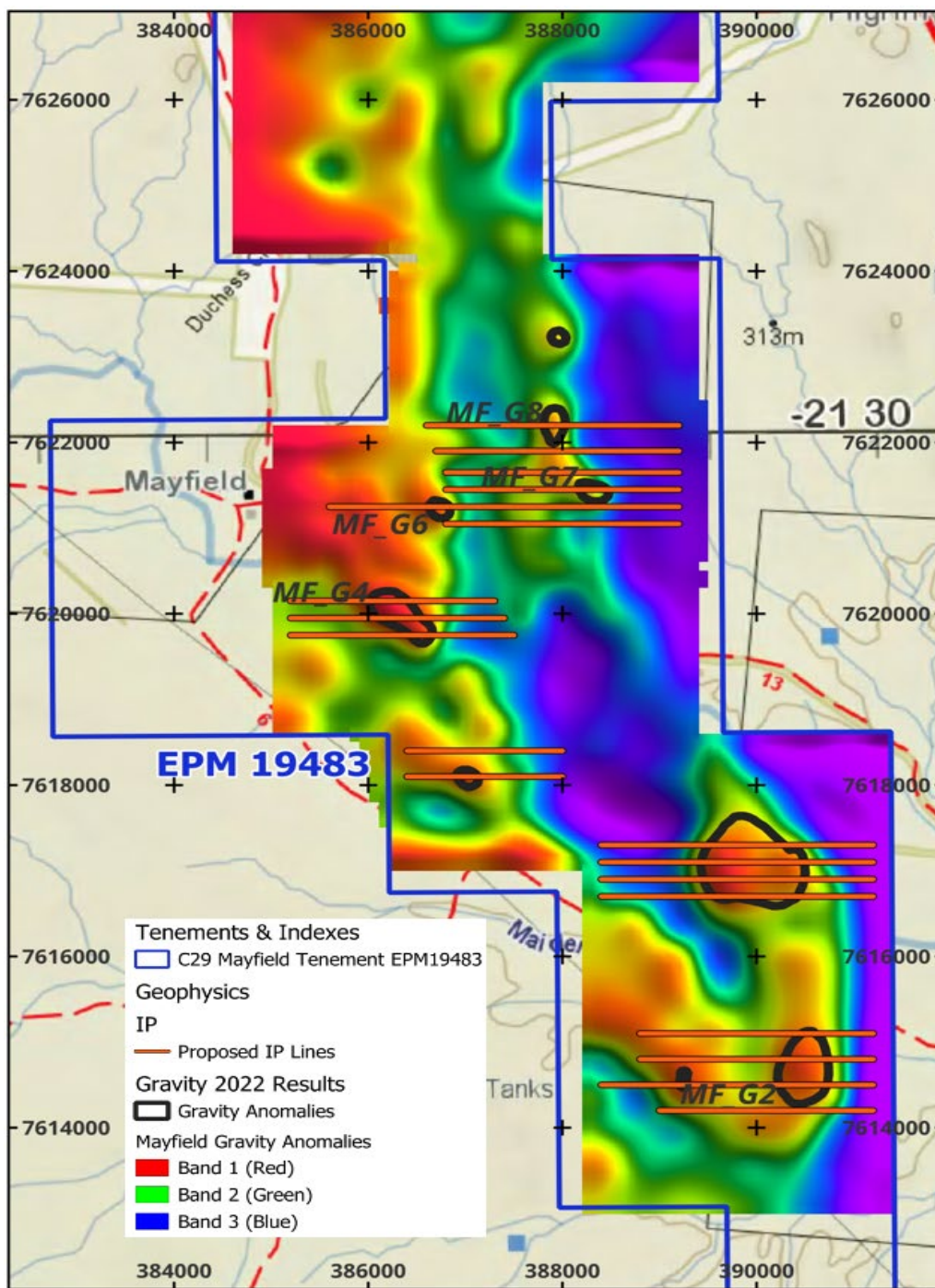


Figure 1. Mayfield gravity survey anomalies and planned induced polarisation lines

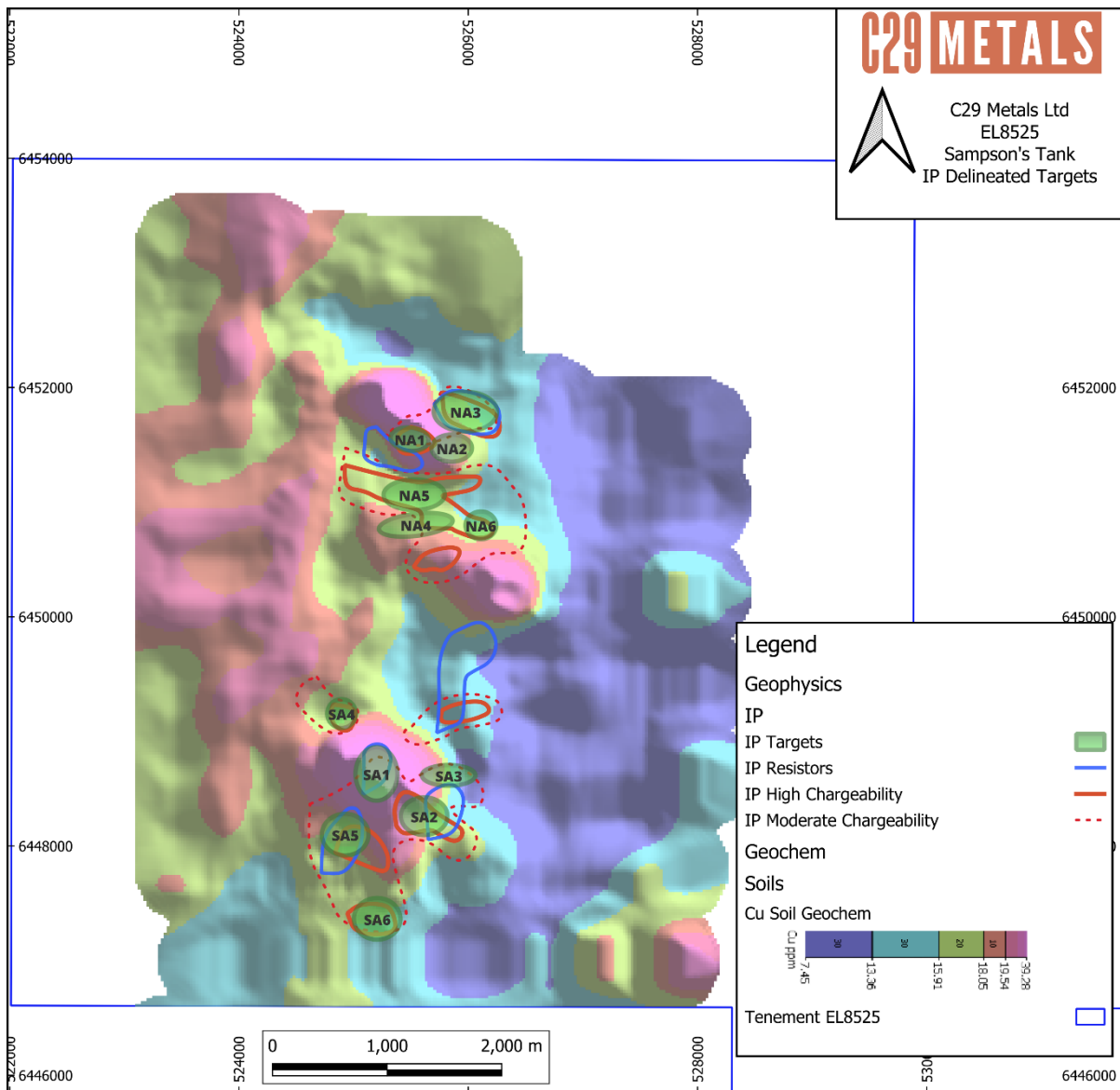
The Company intends to plan an appropriate drill program likely to commence in the 3rd quarter of 2023 following interpretation of the results of the IP survey.

## Sampson Tank Copper Project, New South Wales

- Three bedrock conductors were identified from the processing of the 507 line-kilometre VTEM™ Max survey (see announcement dated 24 August 2022)
- Further geophysical targeting methods are being considered with a view to ranking drill targets for 2023 campaign

As announced on 30 May 2023, C29 had received the results from the Induced Polarisation (IP) geophysical survey at its 100% owned Sampson's Tank copper exploration project in New South Wales. The IP survey had identified multiple chargeable and resistive targets within two main zones.

The Company's technical team is now reviewing the data in detail and will design a drilling plan to test the most compelling targets and unlock the mineralisation story indicated by the IP, magnetics, VTEM, geochemistry and current geological knowledge.



**Figure 2. The Sampsons tank IP survey chargeability zones and resistive zone and the copper soil geochemistry with the resulting drill target highlighted in green.**

## Post Quarter Events

On 5 July 2023 the Company announced the following:

1. C29 announced that it received the initial results from the Induced Polarisation (IP) geophysical survey recently completed at its 100% owned Mayfield base metals exploration project in Queensland. The IP survey has identified multiple chargeable and resistive anomalies over several of the previously delineated gravity and magnetic targets.
2. In total, 19 traverse lines of Induced Polarisation were collected in an East-West orientation spaced 400m apart using a 2D 100m Dipole – Dipole configuration. Given the results the Company announced that it will add another 11.3km over six additional Induced Polarisation lines to the survey to attempt to fully delineate the northern anomalies located thus far.
3. Following completion of due diligence on the drill results and the prospectivity of Pocitos 7 and 9 generally, it has elected not to proceed with taking up the option to acquire an interest in Pocitos 7 and Pocitos 9. Ultimately, the Company's concerns around minimum lithium grade and porosity of the aquifer zone encountered at Pocitos 7 have led to the conclusion that it is not in the interest of the Company to pursue acquisition and development of Pocitos 7 and 9.
4. Mr Tianjiao Yang resigned from the Board, effective immediately.

## Corporate

Cash on hand as the end of the quarter was \$1.30M.

### Exploration

*ASX Listing Rule 5.3.1:* Exploration and Evaluation Expenditure during the Quarter was \$326,000. Exploration during the quarter largely comprised of costs associated with Pocitos 7 Lithium Brine Project and the IP Survey at Mayfield.

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

*ASX Listing Rule 5.3.3:* Tenements held by the Company, at the end of the quarter are presented in Table 1.

The mining tenements relinquished during the quarter and their location: None

The mining tenement interests acquired during the quarter and their location: None

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter: N/A

Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the quarter: N/A

**Table 1 Details of Tenements Held at 30 June 2023**

Project	Tenement ID	Interest Held at Previous quarter	Interest acquired / disposed	Interest Held at 31 March 2023
<b>Reedy Creek</b>	EL8541	100%	-	100%
<b>Sampsons Tank</b>	EL8525	100%	-	100%
<b>Stadlers</b>	E 08/3122	100%	-	100%
	E 70/6334	-	100%	100%
	E 70/6335	-	100%	100%
	E 70/6336	-	100%	100%
	E 70/6337	-	100%	100%
	E 70/6338	-	100%	100%
<b>Torrens North</b>	EL6141	Under application	100%	0%
<b>Mulgaria</b>	EL6804	Under application	100%	0%
<b>Nilpena</b>	ELA2022/00004	+	Under application	+
<b>Yadlamalka</b>	EL6805	Under application	100%	0%
<b>Carriewerloo</b>	EL6740	Under application	100%	0%
<b>Mayfield</b>	EPM19483	100%	-	100%
<b>Pocitos Lithium Brines</b>	Pocitos 7 and 9	-	Option to acquire 80%	Option to acquire 80%

NOTE: + Tenement applications are subject to grant

*ASX Listing Rule 5.3.4: Use of Funds*

C29 provides the following disclosure as required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 1 November 2021 against the 'use of funds' statement in its prospectus dated 3 September 2021.

Use of Fund	Full Subscription (\$) (\$5m) Raised	Actual amount spent (\$) in the quarter ended 30 June 2023	Total Actual amount spent (\$) to date
Exploration at the Sampson Tank Project	1,180,000	117,986	497,935
Exploration at the Reedy Creek Project	800,000	22,025	598,457



Exploration at the Torrens Project	300,000	32,521	120,282
Exploration at the Stadlers Project	390,000	26,153	140,820
Mayfield Project Acquisition	-	83,100	273,938
Argentina Lithium Project	-	44,359	1,125,178
Estimated expenses of the Offers	567,095		590,215
Administration costs	1,080,000	164,946	634,543
<b>Total</b>	<b>4,317,095</b>	<b>491,090</b>	<b>3,981,367</b>

*ASX Listing Rule 5.3.5: Related Party Payments*

Pursuant to item 6 in the Company's Appendix 5B – Quarterly Cashflow Report for the Quarter ended 30 June 2023, the Company made payments of \$72,000 to related parties which relate to existing remuneration arrangements.

*Date of AGM and Closing Date for Director Nominations*

The Board of C29 advises that the Annual General Meeting of the Company will be held on Friday, 17 November 2023. A notice of meeting for the Annual General Meeting will be prepared by the Company and will be announced to ASX and provided to the Shareholders in due course.

The closing date for the receipt of nominations for the election of Directors is at least 35 business days prior to 17 November 2023. Any nominations must be received no later than 5:00pm (AWST) at the Company's Registered Office

-ENDS-

Authorised for release by the Board.

**For further information please contact:**

**Jeremy King**

*Executive Director*

**Email:** [info@c29metals.com.au](mailto:info@c29metals.com.au)

**Website:** [c29metals.com.au](http://c29metals.com.au)

## Competent Person Statement

*The information in this announcement that relates to the Argentine Li Brine project is based on, and fairly represents information compiled by Phillip Thomas, Technical Adviser of C29 Metals, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Thomas has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person 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 Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

*The information in this announcement that relates to the Australian Projects is based on, and fairly represents information compiled by Kerry Griffin, Technical Adviser of C29 Metals, who is a Member of the Australian Institute of Geoscientists.. Mr Griffin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person 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 Major consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

## Disclaimer

*In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.*

## Appendix 5B

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

Name of entity

C29 Metals Limited

ABN

47 645 218 453

Quarter ended ("current quarter")

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(517)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(142)	(828)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	14
1.5 Interest and other costs of finance paid	-	-
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>(140)</b>	<b>(1,332)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(230)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(326)	(1,296)
(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 (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 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>(326)</b>	<b>(1,526)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,100
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	-	(77)
3.5	Proceeds from borrowings	-	-
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>1,023</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	1,772	3,140
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(140)	(1,332)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(326)	(1,526)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,023

## 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 (12 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>1,306</b>	<b>1,306</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	1,306	1,772
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>1,306</b>	<b>1,772</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	(72)
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.*

## 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)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</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.		
N/A		

<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)	(140)
8.2 Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(326)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(466)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,306
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,306
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3</b>
<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: 28 July 2023

Authorised by: The Board of C29 Metals Limited  
(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.