

Quarterly Report – June 2023

Variscan Mines Limited (ASX:VAR)

Further Milestones in Variscan Mines' San Jose Development Plan Delivered; Second Tranche of Capital Raising Completed

Highlights

- **Variscan Mines completes capital raising:**
 - The two-tranche capital raising was approved at Variscan's May 2023 EGM
 - Together both tranches will provide \$1.85m (before costs) in new funds
- **A comprehensive review of Variscan's San Jose Mine and extensive historical drill data results in:**
 - Construction of a detailed 3D mineralisation model for resource estimation
 - Identification of prospective in-mine and near-mine targets for future drilling
- **San Jose Phase 3 underground drilling campaign commences, which will:**
 - Comprise up to 1,000m of drilling
 - Test in-mine prospective zones identified from Variscan's 3D model of mineralisation and mine development
 - Target expanding zones of mineralisation via in-fill and step-out drillholes
 - Likely continue through until the end of calendar 2023
- **New Variscan Directors conduct site visit to Novales-Udias Project**

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company" or the "Group") is pleased to announce its Appendix 5B for the quarter ended 30 June 2023 and an accompanying operational update for this period.

Variscan's Managing Director & CEO, Stewart Dickson said, "Variscan Mines' June 2023 quarter was very productive, as the Company's number-1 priority of exploring and developing the San Jose Mine was further progressed. During the period, we completed a comprehensive review of our valuable drillhole and geological dataset for this exciting project. This leg-work has been used to help us select targets to be explored in the current San Jose Phase 3 underground drilling programme that started up late in the quarter. It was also pleasing to see the approval process for the second tranche of our capital raising receive strong support at May's EGM. We now look forward to soon providing investors with both an initial JORC-compliant resource estimate for the San Jose Mine and updates on results coming out of the Phase 3 drill campaign now underway".

ASX Code: VAR
ACN: 003 254 395
Issued Shares: 338m
Unlisted Options: 46.8m
Performance Rights: 2.5m

Directors
Anthony Wehby
Stewart Dickson
Nicholas Farr-Jones AM
Frank Bierlein

Company Secretary
Mark Pitts

Top Shareholders
Slipstream Resources
Zinc Group Co Pty Ltd
Citicorp Nominees
Delphi
Wainidiva Pty Ltd
FELDI Limited

Top 20 Shareholders: 64.0%

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At 30 June 2023
Cash Balance: \$1.0M

SECOND TRANCHE OF CAPITAL RAISING

During the June 2023 quarter, Variscan received approval for the second tranche of a capital raising (see ASX announcement dated 16 June 2023) that was first announced to the market in March 2023 (see ASX announcement dated 9 March 2023).

Completion of the second tranche will see the issue of an additional 51,388,889 second tranche shares, priced at \$0.018 per share. The Company will also have issued 51,388,889 unlisted options which are free-attaching on a 1-for-2 basis for the placement shares. These options are exercisable at 2.75 cents each (\$0.0275) on or before 15 March 2025.

In addition to the placement shares noted above, the Company has issued 1,527,778 Commission Shares at \$0.018 each to certain participants of the placement in lieu of fees totalling \$27,500.

Finally, the Company has issued 3,077,161 ordinary shares in lieu of outstanding fees to Directors totalling \$32,545.55.

OPERATIONS REVIEW

Variscan's exploration/development strategy continued to be advanced over the June 2023 quarter.

Spain – Novales-Udias Zinc Project

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities over the 9km Novales Trend which includes a number of satellite underground and surface workings.

This project, which is highly prospective across multiple fronts and located in close proximity to both major infrastructure requirements and zinc consumers, continued to be the major focus of Variscan's exploration activities over the three months to June 2023.

Over the past three months, Variscan has further progressed the multi-stage exploration strategy for its Novales-Udias Project which is centered on the former zinc producing San Jose Mine. Results flowing from these June 2023 quarter exploration activities, which are outlined below, will be incorporated into the initial JORC compliant Mineral Resource estimate for the San Jose Mine that is expected to be completed over the coming months.

Comprehensive review and validation of drill hole data base completed

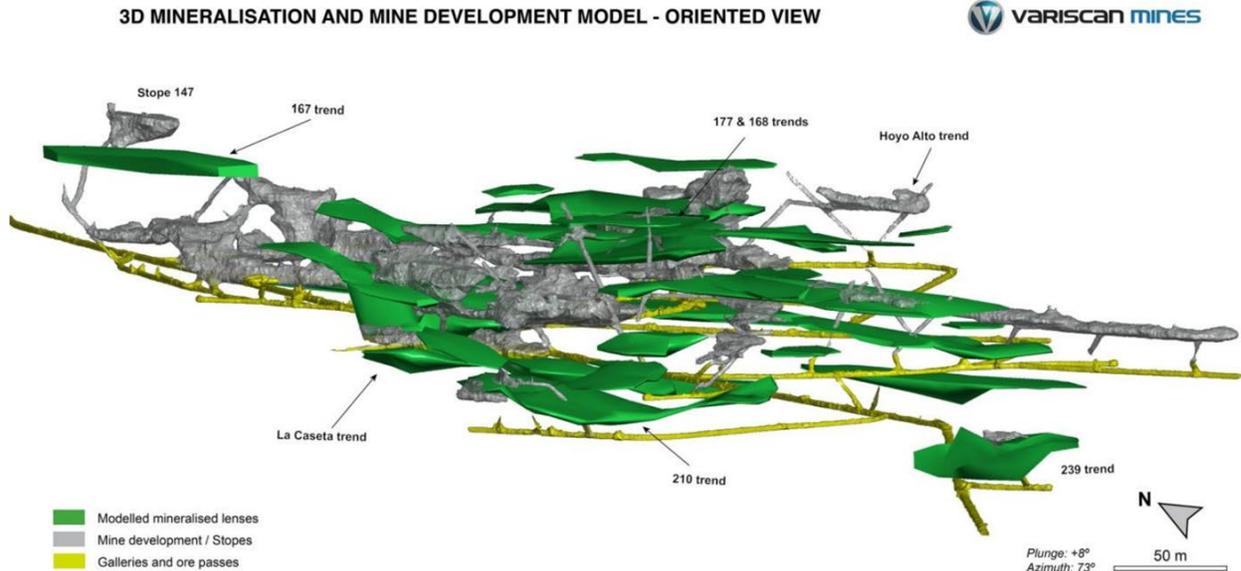
Variscan completed a comprehensive review of its San Jose Mine drillhole and geological dataset in the June 2023 quarter (see ASX announcement dated 25 May 2023).

This work saw the Company refine its geological understanding of this asset and construct a mineralisation model for resource estimation and identification of prospective in-mine and near-mine targets for future drilling.

These comprehensive efforts also resulted in Variscan's San Jose database being materially expanded, with the database now consisting of 983 drill-holes for 88,155m of historical and recent drilling.

From this database, a 3D wireframe-based model of mineralisation and mine development at the San Jose Mine has been constructed (see Figure 1). This modelling confirms the presence of numerous thick, high-grade, and potentially readily accessible sulphide zinc-mineralised lenses (Figure 2).

Figure 1. 3D Mineralisation and Mine Development Model of San Jose Mine



In the wake of this initiative:

- **In-mine:** underground targets are now being drill-tested as part of the Company's Phase 3 underground drill campaign at San Jose (Figure 3).
- **Near mine:** After earlier step-out drilling reported high grade zinc assay results, (ASX announcement 2 March 2023) Variscan's review of historical drilling indicated very promising exploration targets and confirmed the significant strike potential of the San Jose mineralised system towards the north-east.

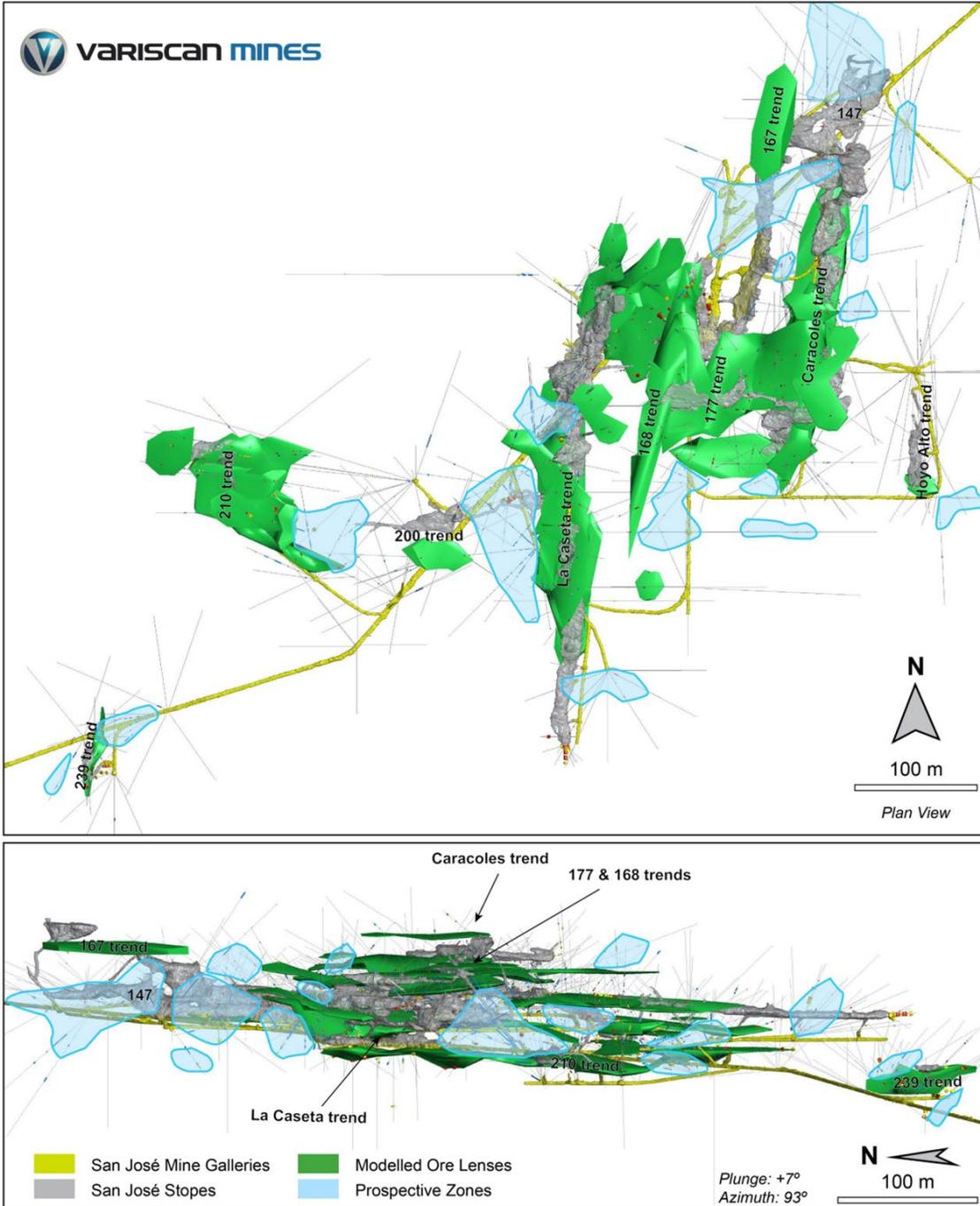


Figure 2. Plan and orientated view of the 3D Mineralisation (green) and historical Mine Development (grey and yellow) Model of San Jose Mine together with prospective target zones (blue)

Infill drilling targeting expanded mineralisation zones gets underway

Variscan commenced its Phase 3 underground drilling campaign at the Company's wholly-owned San Jose Mine in June 2023 (see ASX announcement dated 21 June 2023).

Figure 3. Underground drilling at San Jose Mine gets underway



This drill program will use information derived from the recently published 3D model of mineralisation and mine development (discussed earlier in this announcement 'report?'), which identified prospective zones for future exploration and resource tonnage potential within the San Jose Mine.

The Phase 3 underground drilling programme is also based on synthesised findings from the successful drilling campaigns previously conducted by Variscan, as well as other information sources, including a substantive historical dataset, available to the Company.

The programme will see up to 1,000m of drilling undertaken, as Variscan explores multiple zinc targets within the San Jose Mine.

It will also continue to test and expand known zinc mineralised zones and prospective zinc-rich lenses that have been identified in our earlier drilling and exploration work. These zinc lenses are spread out along an in-mine strike length of over 2km, with the mine situated on the far more extensive 9km Novales-Udias Trend of mineralisation. The underground drilling program will generally consist of short holes (less than 30m) drilled from the main gallery system of the mine (or from the overlying stopes) directly into the underlying or overlying, undeveloped, laterally extensive mineralised lenses, the presence of which is supported by geological evidence, but that require confirmation drilling. The drilling campaign will be conducted by utilising a portable drill, owned and operated by Variscan, which confers cost-effectiveness, efficiency and flexibility.

New Directors conduct visit to Novales-Udias Project in northern Spain

Variscan's new directors (appointed in Q4 2022) visited underground and surface exploration areas over the licence areas during the quarter for meetings with technical and administrative staff, as well as due diligence, planning and strategy purposes. Additionally, meetings were held with representatives of the Government of Cantabria in Santander as well as the mayors of local municipalities in which the project is located, wherein they expressed support for the re-opening of the mine, and the community's desire to work with the company to achieve a positive development outcome for all stakeholders.

Figure 4. Variscan Directors underground at the San Jose Mine



LOOKING AHEAD & WORKPLAN

Looking ahead, the Company is now progressing the following activities, all of which are focussed on the San Jose Mine:

- Reporting results of Phase 3 underground infill and resource definition drilling
- Publishing a focused JORC-compliant maiden Mineral Resource Estimate
- Delivery of approvals to undertake further surface drilling in and around the San Jose Mine to test promising near-mine exploration targets
- Reporting a Mine Re-Start Concept Study
- In support of the above activities, the delivery of associated environmental, social and governance (“ESG”) initiatives.

The positive results being delivered from Variscan’s drilling and exploration activities at Novales-Udias have advanced the Company much closer to the delivery of development phase milestones at this project.

An eventual restart of zinc production at the San Jose Mine would provide local supply of critical raw material at a time when the European Union is seeking to secure its supply of such metals required for the energy transition process and move to Net Zero.

Spain – Guajaraz Zinc Project

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences. The project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised geological units globally and represents the internal zone of the prolific European Variscan Orogenic belt.

With the main focus being the exploration and eventual development of the Novales-Udias project, limited activities were undertaken by the Company in connection with Guajaraz over the June 2023 quarter. This said, with Variscan seeing the potential in the Guajaraz Project, the Company has an application pending for a three-year extension of its exploration licence there.

Chile – Rosario Copper Project

The Rosario Project is located approximately 120 kilometres by road east of the port city of Chanaral in the Atacama Region of northern Chile.

Chile is a proven mining jurisdiction and is the largest producer of copper globally. The Rosario project lies about 20 kilometres north of the El Salvador mine (owned by Codelco), which is one of the country’s larger copper operations, within a region of dense mining activity (all scales) and good copper endowment.

The Rosario project comprises three granted exploitation concessions, Rosario 6, Rosario 7 and Salvadora, one granted mineral exploration licence (Abandonara) and an exploration concession under application (Rosario 101). These concessions cover two outcropping copper trends (Zones A and B) over a combined strike length of approximately 6 kilometres.

No significant activities were conducted on the Rosario Copper project during the June 2023 quarter.

Australia

The Company continues to hold minority interests in several areas of eastern and central Australia. No specific activities were undertaken by the Company on these areas during the June 2023 quarter.

PROJECT SUMMARIES

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30 kilometres southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities for a number of satellite deposits based on underground and surface workings, our substantial database of some 88,000m of historic drilling and multiple areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has defined the NE-SW Novales Trend over 9 kilometres with a parallel mineralised trend over at least 3 kilometres of strike.

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km² (including several granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb^{1, 2})
- Novales Mine is within trucking distance (around 80km) of the Asturias zinc smelter
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as around 7% Zn³
- Simple mineralogy of sphalerite – galena – calamine
- Ore is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade ‘bolsas’ (ore bags) commonly 10-20% Zn and in some instances +30% Zn⁴
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb⁵
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

Spain – Guajaraz Zinc-rich Polymetallic Project

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences. The project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised geological units globally and represents the internal zone of the prolific European Variscan Orogenic belt.

Variscan believes Guajaraz represents an excellent, de-risked brownfield polymetallic project. Reflective of this belief in the prospectivity of this Project, the Company filed an application with the authorities in Castilla-La Mancha during the

¹ 1 Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., 2003 - Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain: in Econ. Geol. v.98, pp. 1371-1396.

² Cautionary Statement: references in this announcement to the publicly quoted resource tonnes and grade of the Project are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not completed sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

³ Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence supported with historical production data from the School of Mines in Torrelavega historical archives.

⁴ Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence supported with historical production data from the School of Mines in Torrelavega historical archives.

⁵ Refer to ASX Announcement of 19 December 2019

year for a 3-year extension of the current exploration licence over the Guajaraz tenement area. Variscan Mines' local Spanish subsidiary, Variscan La Mancha, has already validly fulfilled the requirements for an extension to the exploration permit, the initial 3-year term of which has expired. From the expiry date to the official extension date, the title is valid.

FINANCIAL & CORPORATE

CASH

Cash at bank at the end of the quarter was \$1.02 million.

During the quarter, Variscan Mines Cantabria (being the local subsidiary for the Novales-Udias project) received a tax refund of €162.230,55 (~A\$265,055) from the Spanish Tax Authorities.

SUMMARY OF EXPENDITURE ON EXPLORATION ACTIVITIES

For the quarter, the Group spent \$268,000 on exploration activities, substantively all of which related to the Group's Spanish zinc projects. These exploration activities related to:

- Surface and underground drilling;
- Geological mapping and modelling;
- Technical consulting fees;
- Tenement administration, reporting and management; and
- Directly-attributable corporate overheads and administration costs.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

SHARE CAPITAL

The total number of shares on issue at the end of the quarter was 338,003,630.

At 30 June 2023, a portion of the placement funds relating to the second tranche of the recent Capital Raising, totaling \$595,000 had been delayed. The Board has been advised by the subscriber that they are intending to complete. The Company proposes to issue the related shares and options on receipt of all outstanding funds.

DEFERRED SETTLEMENT SHARES

In accordance with the acquisition of the Spanish Zinc projects, the Company must issue additional shares upon the satisfaction of certain exploration milestones. These milestones are for the definition, in accordance with JORC 2012, of an Inferred Mineral Resource (or greater) of:

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn
- Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the "Hispanibal Option", for a total of 59,852,941 Ordinary Shares if both milestones are met.

There is currently no obligation to issue the milestone shares

BOARD CHANGE

Early in the June 2023 quarter, Variscan advised the market that the Board had accepted the resignation of Mr. Michael Moore as a Non-Executive Director of the Company (see ASX announcement dated 3 April 2023).

OTHER

During the quarter, the Company made payments to related parties of \$88,000, represented by remuneration paid to Directors.

ENDS

This ASX announcement has been authorised by the Variscan Mines Limited

For further information, please contact:

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About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

To learn more, please visit: www.variscan.com.au

For more information



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Visit our investor website: www.variscan.com.au

Variscan Mines Limited (ASX:VAR) is a growth-oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile, and Australia. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

COMPETENT PERSONS STATEMENT

The information in this document that relates to the Exploration Target, Exploration results and technical information about the Novales-Udias project is based on, and fairly represents information and supporting documentation reviewed by Dr. Mike Mlynarczyk, Principal of the Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). With over 10 years of full-time exploration experience in MVT-style zinc-lead systems in several of the world's leading MVT provinces, Dr. Mlynarczyk 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 December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Where Company refers to exploration results and historical data previously advised to the ASX it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

LISTING OF TENEMENTS HELD AT 30 JUNE 2023

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN – Note 5			
<u>Cantabria</u>			
Buenahora Fraction 1	IP 16.662-01	100%	
Buenahora Fraction 2	IP 16.662-02	100%	
San José	EC 94	100%	
La Torra	EC 512	100%	
Tres Amigos	EC 1565	100%	
Torpeza	EC 2557	100%	
Andrea	EC5220	100%	
Andrea-demásía a	EC5374	100%	
Es	EC8049	100%	
Dudosa	EC8165	100%	
Cargadoiro	EC11589	100%	
Tres amigos-demásía a	EC11594	100%	
Flor del pueblo	EC12942	100%	
Torpeza-demásía a	EC12952	100%	
Torpeza-3ª demásía a	EC13079	100%	
Torpeza-2ª demásía a	EC13080	100%	
Flor del pueblo-demásía a	EC13154	100%	
Dudosa-demásía a	EC13170	100%	
Andrea-3ª demásía a	EC13175	100%	
Andrea-2ª demásía a	EC13176	100%	
Cargadoiro-demásía a	EC13260	100%	
Ampliación a Matilde	EC13641	100%	
Aumentada	EC14238	100%	
Campitos	EC14554	100%	
Campitos-demásía a	EC14640	100%	
Carmenchu	EC14945	100%	
Amelita	EC14949	100%	
Eloísa	EC14947	100%	
Ampliación a Matilde-demásía a	EC14948	100%	
Cargadoiro 2	EC14954	100%	
Amelita-demásía a	EC14979	100%	
Carmenchu-demásía a	EC14980	100%	
Eloísa-demásía a	EC14981	100%	
Carmenchu-2ª demásía a	EC14982	100%	
6º Aumento a porvenir	EC15672	100%	
Ampliación a Matilde-demásía a	EC13641-10	100%	
Campitos-segunda demásía a	EC14554-20	100%	

Tenement	Tenement No.	Interest	Joint Venture Details
Cargadoiro 2- demasía a	EC14954-10	100%	
Carmenchu-tercera demasía a	EC14980-30	100%	
6º Aumento a porvenir-demasía a	EC15672-10	100%	
Torpeza-tercera demasía a	EC2557-30	100%	
<u>Toledo</u>			
Guajaraz	IP 4.203	100%	

CHILE

Rosario			
Rosario 6 1-40	0310259624	10.4%	Note 4
Rosario 7 1-60	0310259632	10.4%	Note 4
Rosario 101	03102N2229	10.4%	Note 4
Salvadora	0310231355	10.4%	Note 4
Abandonara	0310248487	10.4%	Note 4

NEW SOUTH WALES

Willyama	EL 8075	0%	Note 1
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Native Dog	EL 8236	0%	Note 1
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only

SOUTH AUSTRALIA

Junction Dam	EL 5682	0%	Marmota acquired 100% ownership. See Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%

FRANCE

St Pierre	PER	100%	
Beaulieu	PER	100%	

- EL = Exploration License
- PER = Permis Exclusif de Recherche (France)
- IP = Investigation Permit (Spain)
- EC = Exploration Concession (Spain)

- Note 1: Under an agreement with Silver City Minerals Limited, Broken Hill Operations and Eaglehawk Geological Consulting Pty Ltd Variscan has converted its interest in parts of these tenements to a NSR (Net Smelter Return).
- Note 2: Marmota has earned 100% of the uranium rights only in EL 5682. Variscan has a 0.5% net profits royalty on production from a uranium mine.
- Note 3: The remaining exploration licenses owned by Variscan Mines SAS (excluding the Couflens PER) have been conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited. Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed, without prior consultation, the compulsory relinquishment of the remaining licenses. The Company has approved the relinquishment request and has yet to receive a response. The timetable for the completion of the relinquishment process is unknown.
- Note 4: On 1 July 2019 the Company announced it had successfully renegotiated the terms of the existing Option Agreement to provide the Company with a participating interest of 10.4%. The Company can earn up to 90% of the project through payment of amounts totaling approximately US\$2.25 million.

Appendix 5B

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

Name of entity

Variscan Mines Limited

ABN

16 003 254 395

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(16)
(b) development	-	-
(c) production	-	-
(d) staff costs	(57)	(289)
(e) administration and corporate costs	(99)	(370)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	10
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)	-	-
1.9 Net cash from / (used in) operating activities	(154)	(665)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(5)
(d) exploration & evaluation	(268)	(1,527)
(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)	-	-
2.6	Net cash from / (used in) investing activities	(268)	(1,532)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	255	1,255
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	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	255	1,255

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,183	1,946
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(154)	(665)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(268)	(1,532)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	255	1,255

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	12
4.6	Cash and cash equivalents at end of period	1,016	1,016

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,016	1,183
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,016	1,183

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	57
6.2	Aggregate amount of payments to related parties and their associates included in item 2	31

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 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)	(154)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(268)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(422)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,106
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,106
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.41
<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: Not applicable	
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: Not applicable	

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: Not applicable

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 July 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.