ASX Announcement

31 July 2023

JUNE 2023 QUARTERLY REPORT

HIGHLIGHTS

Salt Wells lithium-borate Project, Nevada, USA

- **Osmond entered into a Deed of Assignment and Assumption Agreement to assume exclusive earn-in rights to acquire the Salt Wells lithium-borate Project located in Nevada, U.S.**
- **Agreement framework allows for all expenditure to go directly towards exploration and testing, with no outgoing cash or shares as part of the acquisition and an ability to withdraw at any time.**
- **Salt Wells Project has an attractive profile being located close to the town of Reno, infrastructure, potential customers and the country's only producing lithium mine.**
- **Successful site visit undertaken in June 2023.**
- **Sourcing and review of historical data continues with MT and previous drilling information located. MT data highlights prospective targets.**
- **Input from local experts on geology, hydrogeology, environmental and drilling has been invaluable in defining and fast tracking exploration program.**
- **Osmond aims to rapidly design an exploration program designed to define drilling targets in 2H CY2023.**

Australian Projects

- **Approval to undertake helicopter supported geophysical (gravity) surveys has been received for both the Fowler Domain Project and Yumbarra Projects, South Australia.**
- **Finalisation of logistics to undertake the surveys is well advanced.**

Corporate

- **Osmond has raised approximately $1.93 million (before costs) completed in July 2023, by way of a non-renounceable rights issue and shortfall allocation, primarily to fund exploration of the Salt Wells Project.**
- **The Company has cash reserves as at 30 June 2023 of $4.156m.**

Osmond Resources Limited (ASX:OSM) (**Osmond** or the **Company**) is pleased to provide shareholders with the Company's Quarterly Activities Report for the period ending 30 June 2023.

In a significant move, in May it was announced that Osmond had entered into a Deed of Assignment and Assumption (**Agreement**) with 5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) (**5E**) to assume 5E's exclusive earn-in rights to earn-in and acquire the Salt Wells lithium-borate Project (the **Salt Wells Project** or the **Project**) located Nevada U.S. (see Figures 1 and 2) (**Acquisition**). (See ASX Announcement 22 May 2023.)

Following the announcement the Company completed a successful site visit to the Salt Wells Project, during which it was able to identify the existence of previously undiscovered geophysical data (Magnetotellurics (**MT**) surveys) and drilling information. (See ASX Announcement 13 June 2023.)

The entry into the Salt Wells Project marks an exciting new venture for Osmond as it provides a low cost entry into the USA lithium sector. The ability to leverage off of the previous exploration to accelerate Osmond's exploration provides a significant cost saving and also accelerates the time frame involved.

Salt Wells Lithium-Borate Project, USA

Background

The Salt Wells Project is located in Churchill County, Nevada, USA, within close proximity to major highways and within 25 kilometres of the town of Fallon that has a population of over 8,500 people. The Project consists of 276 mineral claims, covering an area of ~36km^2 with surface salt samples in the northern area recording up to 810ppm lithium, and 1% boron (5.2% boric acid equivalent) (see ASX:ABR Release 25 May 2018, *"American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA"*)[1]. Historically borates were produced at Salt Wells from surface salts in the 1800's from the northern part of the Project area.

The Project lies in what is believed to be an internally drained, fault bounded basin, covering an area of around 110 square kilometres, that appears similar to Clayton Valley, Nevada, where lithium is currently produced by Albemarle Corporation. With the exception of recent surface salt sampling from the northern area, and reconnaissance Magnetotellurics (MT) surveys limited modern exploration has been completed. The Project is prospective for lithium and borates in the sediments (salt horizon) and lithium and boron brines within the structures of the basin.

Currently, the Project is subject to an earn-in agreement between 5E and private company, Great Basin Resources, Inc. (**GBR**), in which 5E currently has an exclusive right to earn and acquire 100% of the Salt Wells Project (**Earn-In Agreement**). Under the Agreement, Osmond will assume 5E's obligations and acquire an 80% interest in the Salt Wells Project, with a limited right to acquire up to 100% from 5E. 5E is currently focussed on the upcoming first production of boric acid and lithium from their 5E Boron Americas Complex, located in southern California.

[1] ASX:ABR Release 25 May 2018, "American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA" (https://announcements.asx.com.au/asxpdf/20180525/pdf/43v9j20ty86dkw.pdf)

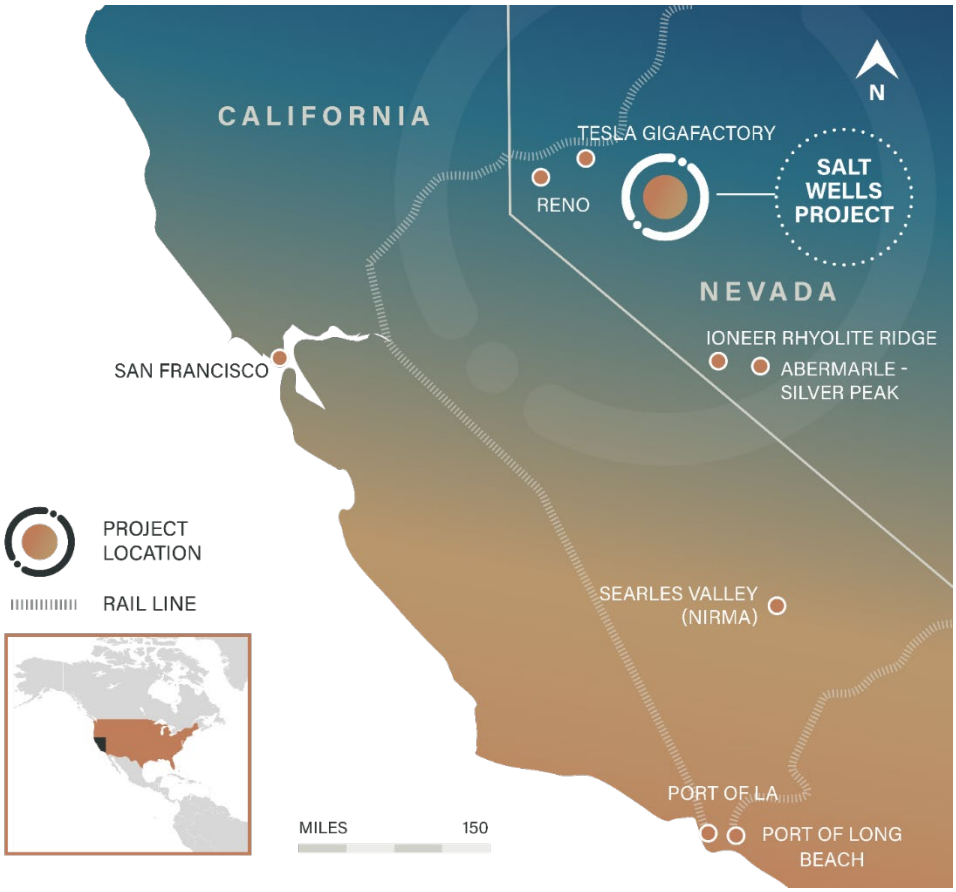

Figure 1: Location of the Salt Wells Project

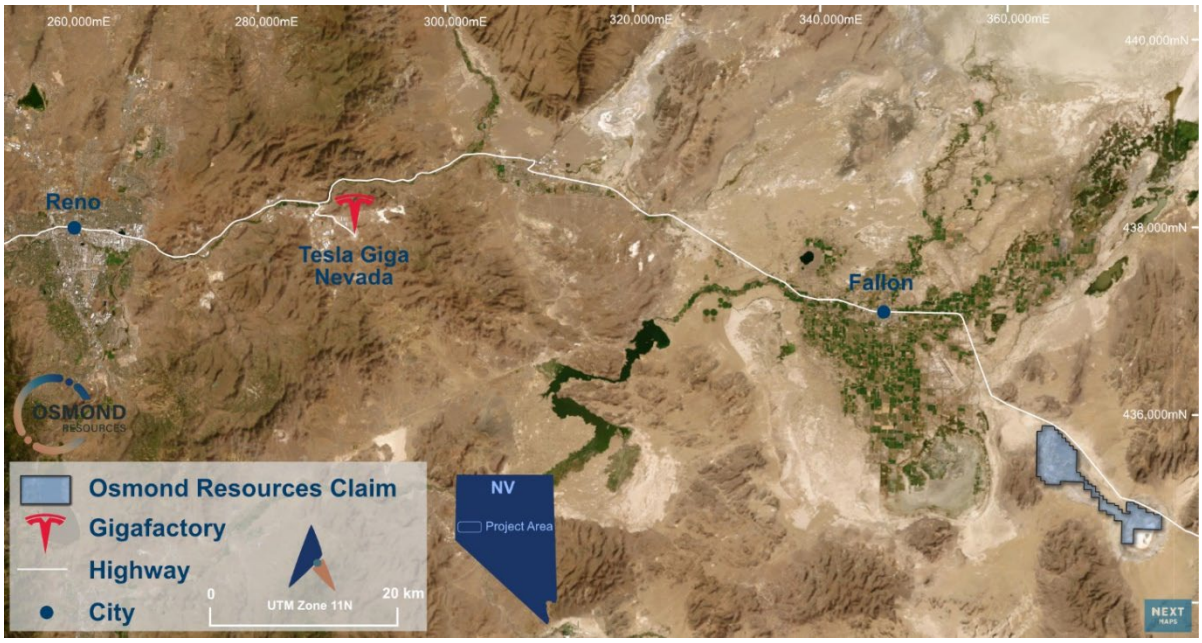

Figure 2: Location of the Salt Wells Project area relative to regional towns and industry

Figure 3: Salt Wells landscape

Site Visit

In June, the Company announced a successful site visit to the Salt Wells Project, during which it was able to identify the existence of previously undiscovered geophysical data (Magnetotellurics (**MT**) surveys) and drilling information. (See ASX Announcement 13 June 2023.)

The visit was invaluable for preparing to commence exploration by providing additional data and a deeper understanding of the project, leading to significant improvements in prospectivity modelling and highlighting the immense potential for lithium exploration.

Previously Osmond had identified that historic exploration included surface salt sampling from the northern area, and reconnaissance Magnetotellurics (MT) surveys. Following the site visit it is now apparent that in addition there was a limited drilling campaign undertaken. Whilst the drilling encountered a number of difficulties and the previous drill cuttings, core and original lab assay reports are still to be located; the lessons learnt for Osmond are invaluable in design the next drilling program.

Osmond has now identified an experienced network of available resources that are familiar with the project and the operating environment in Nevada. These include local consultants that will be able to assist in not only designing the exploration program but importantly navigate the permitting process. An important meeting was held on site with; the drillers that undertook the previous drilling, lithium experienced hydrogeologists, geothermal experts, environmental and permitting personnel. This allowed the discussion of not only the proposed drilling but also targeting of the exploration program to be completed.

Historical drilling, together with the suite of geophysical data, will be used to refine the exploration model and vector towards potentially economic concentrations of Lithium-Boron brines and clays.

Engagement with local experts on the geology and hydrology of the area has led to Osmond redefining the original target areas within the basin, to focus on areas of high geothermal gradient, high conductivity and also structural features. The presence of an existing geothermal plant located 1.8km to the south of the project area indicates that there is a probable heat engine, with the proposed model of circulating geothermal waters along the cross-cutting faults concentrating metals such as lithium and boron. An area of high conductivity on the MT profiles coincides with the inferred structures proposed by the geophysical consultants Terra Modelling Services for American Pacific Borate and Lithium. (see "MT Results" below)

Salt Wells Project: Previous Exploration

Upon entering into the Project in May 2018, 5E and its predecessor American Pacific Borates (ASX:ABR) undertook surface geochemical sampling and geophysics (Magnetotellurics - MT) programs. Since then there has been limited activity on the Project as 5E focused on the development of their flagship 5E Boron Americas Complex, located in southern California.

The geochemical assay results from the surface salt samples acquired over the northern section of the Project (see ABR ASX Release 25 May 2018, *American Pacific Borate and Lithium agrees earn in rights to acquire 100% interest in two Borate and Lithium exploration Projects in Nevada, USA*), demonstrated elevated levels of lithium and borates. The highest recorded lithium reading was 810ppm Li with several other readings above 500ppm recorded over a wide area (Figure 4). In addition, Boron was assayed for with the results reported with peak values exceeding 10,000pm (1%) boron (Figure 5).

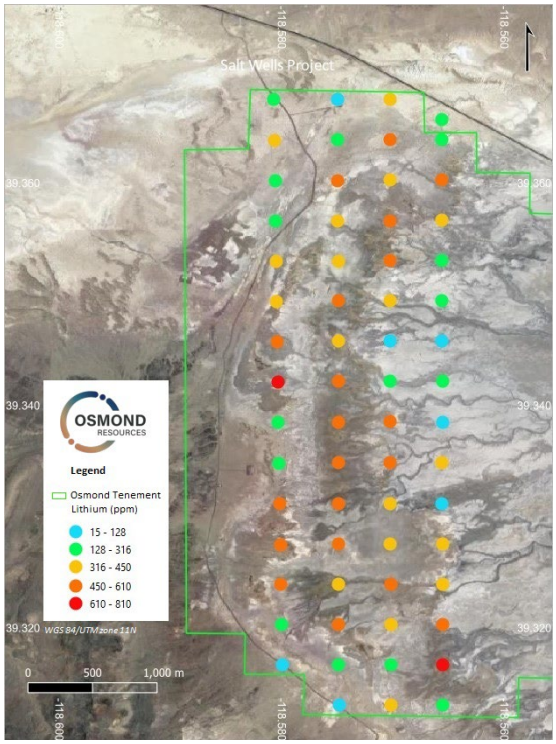

Figure 4: Lithium assay results in ppm from March 2018 geochemical sampling over the northern part of the Salt Wells Project area (ASX:ABR Release 25 May 2018) [1].

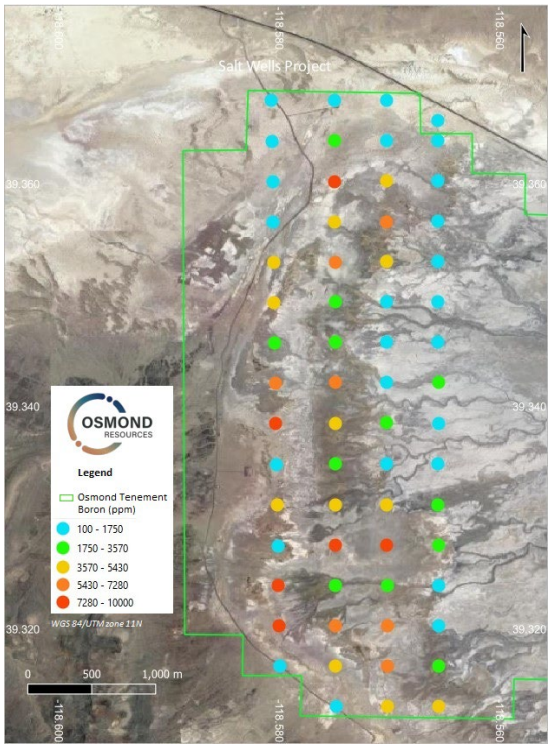

Figure 5: Boron assay results in ppm from March 2018 geochemical sampling (ASX:ABR Release 25 May 2018)[1]

Magnetotelluric (MT) Survey

In addition to the geochemical sampling 5E undertook a Magnetotellurics (**MT**) survey over the Salt Wells Project (see ASX release by ABR on 9 October 2018, titled "*Magnetotelluric (MT) survey completed on ABR's Salt Wells Projects*"). Figure 6 shows the location of the MT survey lines with respect to the claims. The survey was designed to determine the location of the basement rock and indicate the potential for brines within the Salt Wells Basin. The survey data is being made available to Osmond and will be used to assist in defining planned exploration.

Data was collected along 5 lines, 4 of which were oriented east-west and one oriented north-south. A total of 74 MT measurements were collected for 14.8 line kilometres of coverage.

The five MT lines show significant low resistivity layering with offsetting structures (Figures 7 to 11) that are consistent with known lithium brine sources in other locations. The low resistivity layer at surface represents the evaporitic salts and brines at the playa lake surface. The broader low resistivity zone at depth is inferred to represent a concentrated brine. The deep low resistivity zones (purple) are obvious targets for exploration drilling and all of which remain untested with drilling and brine sampling.

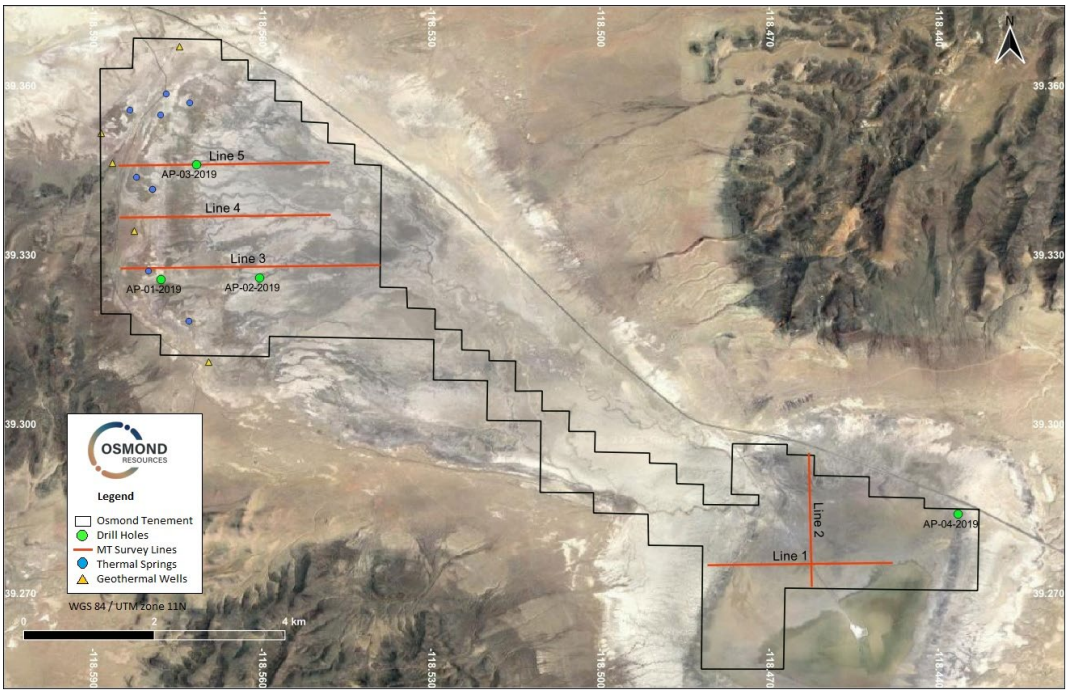

Figure 6: MT survey lines (red) (American Pacific Borate and Lithium Ltd (ASX:ABR) announcement 9th Oct 2018). Also shown are the location of the planned historic drill holes with only 2 holes undertaken(green dots). Blue dots represent geothermal springs

Previous Drilling

Drilling was conducted by local drill company Harris Drilling for American Pacific Borates and Lithium Ltd in October-November 2019. The drill program was initially laid out with 4 planned drill holes, AP-01-2019, AP-02-2019, AP-03-2019 and AP-04-2019 using RC-Air method (Figure 6). Drill holes were initially planned to a nominal depth of 500ft (approx. 152m) due to the capacity of the drill rig. The proposed targets were the highly conductive surface layers and the resistive layer below. Although it was mentioned that drilling to 1000ft (305m) would be beneficial to target the deeper conductive layer below the afore mentioned resistive layer.

AP-03-2019 was the first hole drilled, with a total depth of 130ft (approx. 39.6m). The drill hole intersected two aquifers, one at 35ft and another at 70ft with free-flowing sands in both. Black-green organic clays were intercepted at the top of the drill hole and a hard siliceous band of sandstone was intercepted at 103m. Details of any samples are still to be verified by Osmond.

AP-02-2019 was the second hole drilled. The hole was drilled with RC and cased to 60ft (18.3m), then cored to 243ft (74.1m). from 243ft to 708ft (215.8m) the hole was drilled with rotary mud to test the possible lower saline aquifer. This was abandoned when the PVC could not be pushed passed 500 feet and the hole was gamma logged through the drill string. At 180 feet (54.9m) a prominent stiff clay was encountered in the core until below 480 feet (146.3m) where more distinct solid bedding occurs. A strong inflow of water was noted by the drillers at 620 feet (189m) with a kick up to 5 feet above the top of the drill string.

Lithology is typically multiple transgressions and regressions from low to high energy deposition. The drill hole appears as a "layer cake" of repeating clay/silt/sand beds. Occasionally more silty, firm beds are encountered, noticeably at 180ft (54.9m). Sand is typically medium to coarse grained sub-rounded, moderately well sorted with significant quartz and grey-green silt.

Details of any samples are still to be verified by Osmond.

Interpretation

Drill logs combined with the MT data indicate that the previous drilling did not intercept the low resistivity zones other than the surface brines in the west. Drill hole AP-03-2019 stopped short of intercepting the moderately conductive layer (Figure 9) and drill hole AP-002-2019 was too far west of the conductive zone inferred to be a saline aquifer (9).

The MT Section Line 3 (Figure 9) shows a possible convective cell of brines and geothermal activity, key components to Lithium-Boron brine models. Geothermal wells are located near the western end of the MT Section Line 3 which would act as a heat engine for the system, driving fluids upward along faults. Shallow, fresh meteoric waters entering from the west (blues and greens near the surface) and hot geothermal ground waters from below, move away from the heat source and elevated land surface, increasing in salinity eastward due to evaporation, until the brines are of sufficient density and cool temperature to begin to sink, preferentially travelling through the most permeable units until it is joins the geothermal circuit again, constantly upgrading dissolved Lithium-Boron through leaching by low pH/high temperature ground waters and surface evaporation.

Based on the preliminary interpretation Osmond feels that locating a new drill hole to the east of AP-002-2019, targeting the Conductive Layer and Possible Deeper Conductive Layer (Figure 9) would be more prospective for lithium-boron bearing brines.

Next steps

Following the site visit and the identification of historic data and the identification of skilled contractors the understanding of the Salt Wells Project has accelerated. This newfound knowledge will be instrumental in guiding our next steps. Our immediate focus involves gathering as much information as possible about previous drilling activities, including any available assay data and drilling samples.

Upon compiling all the relevant information, Osmond intends to conduct comprehensive geophysical assessments, with a strong likelihood of incorporating additional MT and Gravity surveys to define specific targets. Towards the end of summer in the Northern Hemisphere, we are planning to commence drilling operations. Meanwhile, we are continuously evaluating other projects as part of our ongoing assessment process

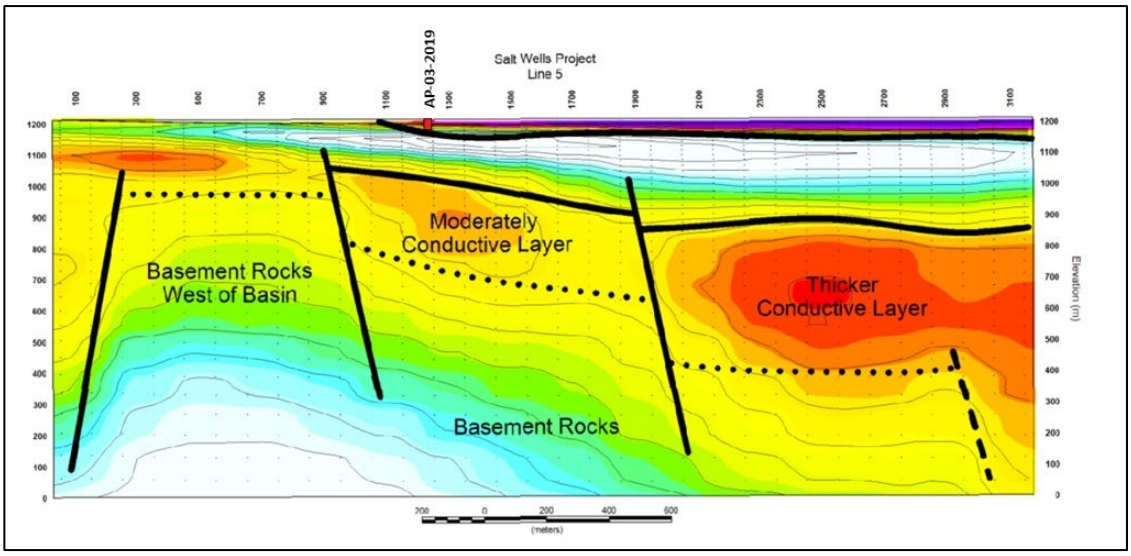

Figure 7: Structural interpretation by Terra Modelling Services of MT Section Line 5, also includes the location of failed RC drill hole AP-03-2019 (drilled to 140ft (36.6m))

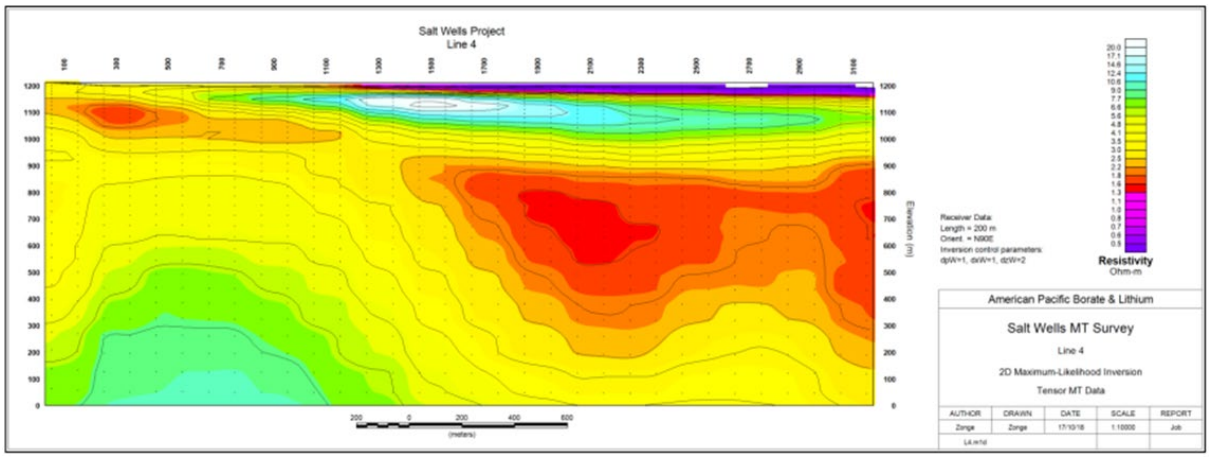

Figure 8: Salt Wells North MT Line 4 - 2D Inversion Resistivity Section

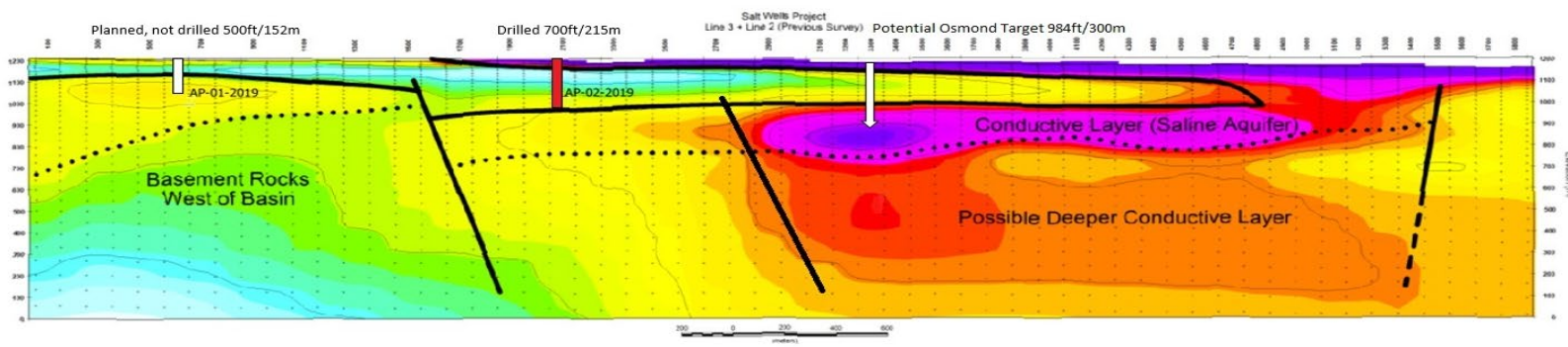

Figure 9: Structural interpretation by Terra Modelling Services of MT Section Line 3 (2D Inversion Resistivity Section), also includes the location of core drill hole AP-02-2019 (drilled to 708ft (215.8m)), shown as red. Also shown (in white) was ABR's proposed drillhole AP-01-2019 (not drilled), subject to the acquisition and interpretation of geophysical data, this could also be the site for Osmond's proposed drill hole.

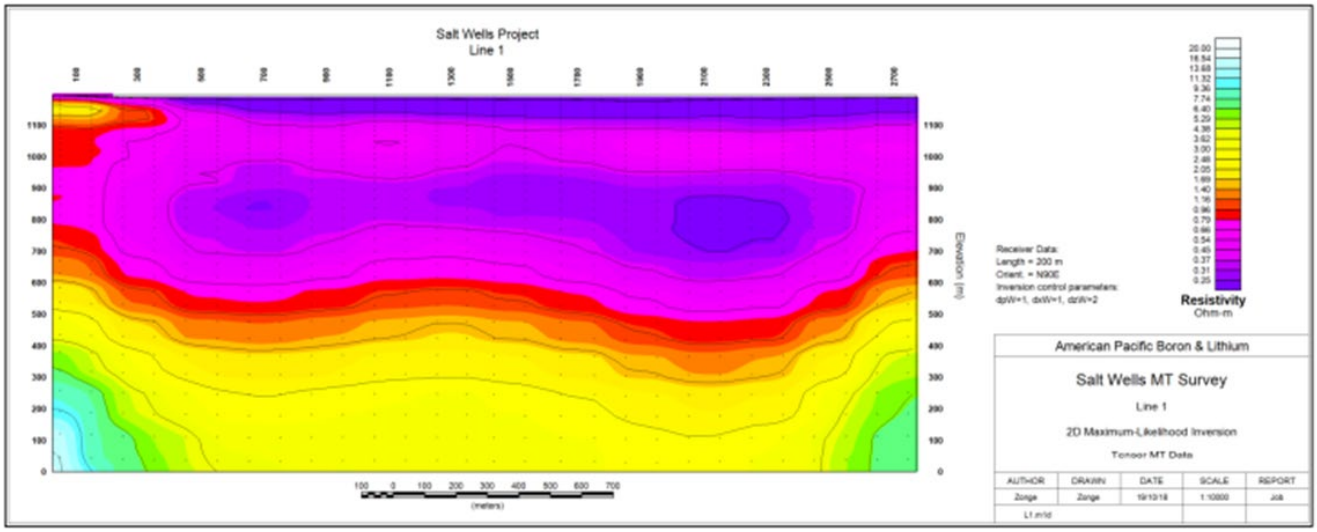

Figure 10: Salt Wells South MT Line 1- 2D Inversion Resistivity Section

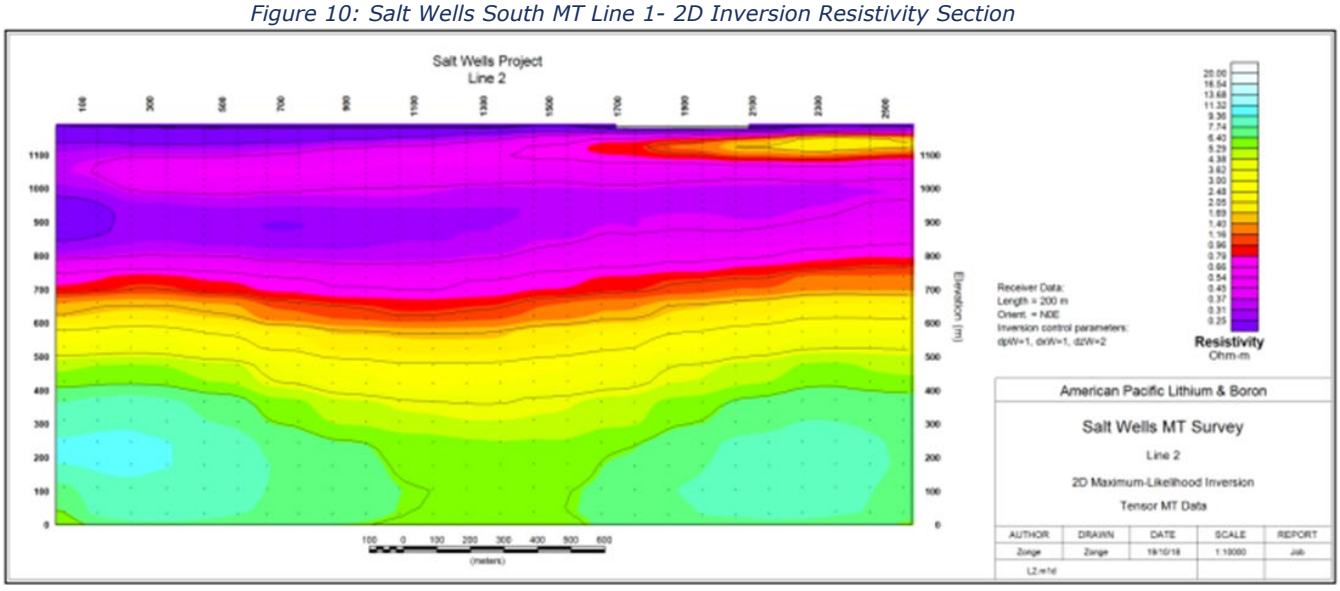

Figure 11: Salt Wells South MT sections 1 and 2- 2D Inversion Resistivity Section

Geological Model

The geological model for the Salt Wells Project is a closed basin setting where lithium enriched brines are developed due to the interaction between geothermally influenced inflow waters and basin fill sediments. This is the same setting as the Clayton Valley, Nevada, USA (Figure 13). Clayton Valley hosts the Albemarle producing Silver Peak Mine and other developers such as Pure Energy (**TSXV: PE**), Cypress Minerals (**TSXV: CYP**).

Clayton Valley, Nevada is the singular locality for closed-basin Lithium brine production in North America (Figure 1) and has been in production since the 1960s. The brine is dependent on inflow waters and sources of Li either outside and/or inside the basin. Clayton Valley is a topographically closed, half-graben basin, Quaternary alluvial fans rim the valley floor extending from basement fault blocks that structurally bound the basin on all sides.

There is a theory that the Li brine resources may regenerate in place by processes of subsurface leaching from Li-rich lacustrine sediments followed by long-term migration of brine into permeable

stratigraphic zones. This process may be enhanced by a high geothermal gradient that aids in Li leaching from the abundant lacustrine sediments in the subsurface.

Based on this model, OSM will be looking to target more permeable potential Li hosting stratigraphic layers at depth.

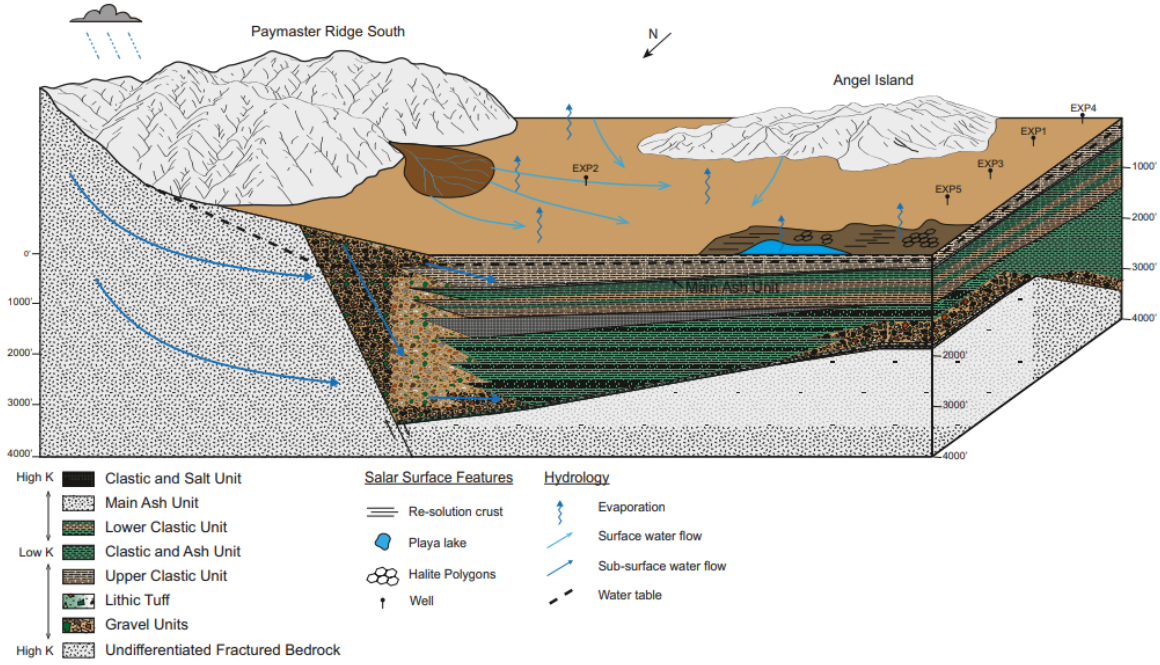

Figure 12: Conceptual three dimensional block diagram of the Clayton Valley subsurface and salar highlighting the lithospheric units. Relative hydraulic conductivity for each unit is shown as well as general hydrological features and process. From: Lithium Storage and Release From Lacustrine Sediments: Implications for Lithium Enrichment and Sustainability in Continental Brines. December 2021. D. M. Coffey, L. A. Munk, D. E. Ibarra, K. L. Butler, D. F. Boutt, J. Jenckes

Agreement Terms to Acquire Salt Wells Project

Osmond entered into an Agreement with 5E to assume 5E's obligations under the Earn-In Agreement for an exclusive earn-in rights to earn-in and acquire the Salt Wells Project.

The counterparty to the Earn-In Agreement with 5E is Great Basin Resources Inc, (**GBR**), a company registered in Nevada, USA. Under the existing Earn-in Agreement, 5E has an exclusive right to earn and acquire 100% of the Salt Wells Projects by expending, as agent for GBR, a total of US$3,000,000 on the Salt Wells Project, inclusive of annual lease payments through to 31 December 2025 (**Expenditure Requirement**). 5E has partially satisfied the Expenditure Requirement by spending US$543,931.99. The remaining Expenditure Requirement is US$2,456,068, which is proposed to be assumed by Osmond.

Where, upon Osmond satisfying the remaining Expenditure Requirement on behalf of 5E under the Earn-In Agreement, Osmond shall be entitled to an 80% legal and beneficial interest in the Salt Wells Projects, whilst 5EA will retain a 20% interest. The Company will subsequently have an option to acquire the remaining 20% interest from 5EA.

Under the Earn-In Agreement and the Agreement, neither 5E nor Osmond has an obligation to incur the full US$2,456,068 and satisfy the Expenditure Requirement and the annual expenditure amounts (referred to below) are not contractual obligations. Subject to satisfactory results of the initial planned exploration program on the Salt Wells Project, Osmond may withdraw from assuming 5EA's obligations under the Earn-In Agreement and terminate the Agreement at any time.

The remaining expenditure to be assumed by Osmond under the Earn-In Agreement is a total of US$2,456,068 and to be incurred in annual instalments as follows:

- US$900,000 by 31 December 2023;
- US$800,000 by 31 December 2024; and
- US$756,068 by 31 December 2025.

Upon satisfying the Expenditure Requirement and Osmond becoming entitled to an 80% legal and beneficial interest in the Salt Wells Projects, 5E may elect whether or not to form an unincorporated joint venture with the Company to carry out joint venture activities at the Salt Wells Projects, where future funding will be contributed on a pro-rata basis, pursuant to which:

- in the event 5E elects to form an unincorporated joint venture with the Company, 5E and the Company will enter into a joint venture agreement formally document the terms of the joint venture; and
- in the event 5E elects not to enter into a joint venture agreement, the Company shall be entitled to acquire the remaining 20% legal and beneficial in the Salt Wells Projects from 5E by incurring a minimum of US$3,000,000 Project related expenditure.

Borate Sales

Under the Agreement, Osmond also will grant 5E a first right of refusal as its exclusive sales and marketing agent for the sale of borate produced from the Salt Wells Project on an open book basis; and payment of an appropriate industry standard sales and marketing fee to the assignor in relation to any sales of Salt Wells Borate, which is to be agreed by the parties in good faith, but which shall not exceed 5% (Fee). This sales and marketing agreement will not apply to the sale of lithium or any other minerals.

Australian Projects

Figure 13: Australian Projects

Yumbarra and Fowler Projects (South Australia)

The Exploration Program for Environment Protection and Rehabilitation (EPEPR) plans for helicopter supported geophysics (gravity) surveys over both the Yumbarra and Fowler project have now been approved by the Department for Energy and Mining (DEM).

Planning and logistics will now be implemented for the gravity survey with a view to completing the surveys in the current quarter. The gravity survey results will be used in conjunction with the existing magnetics and drilling data to define new drilling targets for nickel and gold.

Sandford Project (Victoria)

No new work was undertaken during the quarter on the Sandford Project. Osmond continues to evaluate the exploration results reported to date and determine future exploration plans.

Corporate

Rights Issue

In conjunction with the Salt Wells Project acquisition, Osmond undertook a pro-rata non-renounceable rights issue of one (1) fully paid ordinary share for every three (3) Shares held by shareholders registered at the Record Date, at an issue price of $0.14 per New Share, to raise up to $2.313m (before costs).

On 16 June, the Company advised that its Rights Issue had closed. The Company received applications to subscribe for 6,588,886 new Shares from Eligible Shareholders under the Entitlement Offer to raise approximately $922,444,80. This represents approximately 40% of all Shares offered under the Entitlement Offer.

The Company engaged Veritas Securities Limited to act as Lead Manager in respect of any shortfall under the Rights Issue. On 10 July a total of 7,207,145 shares were placed under the shortfall allocation for $1,009,000 before costs

The proceeds from the Rights Issue and associated short fall allocation will be predominantly allocated to the Salt Wells Project and working capital.

Business Development

During the quarter Osmond considered several project opportunities. Osmond continues to pursue and assess other new business opportunities in the resources sector over time, which complement its business.

Cash

The Company has cash reserves as at 30 June 2023 of $4.156m.

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company has advised in the Appendix 5B for the period ended 30 June 2023, that the only payments to related parties of the Company pertain to payments to Directors for fees, salary and superannuation.

Statement of Commitments

The current quarter is covered by the Statement of Commitments outlined in the Prospectus released on 20 April 2022.

A summary of expenditure to date is outlined below:

	Expenditure up to the Qtr ended 30 June 2023 ($'000) [iii]	Expenditure described in Use of Funds in Prospectus ($'000)[ii]
Year 1 [i]		
Exploration expenditure	757	1,121
General administration and working capital	532	877
Estimated expenses of the Offers	378	717
	1,667	2,715
Year 2 [i]		
Exploration expenditure	153	1,990
General administration and working capital	69	907
	222	2,897

(i) The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this, the Board reserves the right to alter the way the funds are applied.

(ii) Estimated in the "Use of Funds" statement in the IPO prospectus released to ASX on 20 April 2022

(iii) The reasons for the material variation in exploration expenditure are as follows. Since its admission, the Company has undertaken detailed reviews of the exiting historic geological and geophysical datasets, and in the case of the South Australian tenements the process has identified previously unreleased public data that is now assisting in the recalibration of the original planned exploration programs. With respect to the Sandford Project the Company has undertaken reconnaissance geochemical and geophysical surveys and is now evaluating the tenure of these results. More recently, the lack of availability of key consultants, contractors, Government regulatory resources and field crews has caused delays to further exploration works. A subsequent review of the technical data received to date has led the Company to broaden its exploration focus and include assessing other opportunities.

-Ends-

This announcement has been approved for release by the Board of Osmond Resources.

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ABOUT OSMOND RESOURCES

Osmond Resources Limited is a mineral and exploration company committed to increasing shareholder wealth through the exploration, development and acquisition of mineral resource projects.

Salt Wells Lithium-Borate Project, Nevada U.S.A.

In May 2023, Osmond entered into an agreement to acquire the Salt Wells lithium-borate Project located in Nevada, U.S. The Company entered into a Deed of Assignment and Assumption with 5E Advanced Materials, Inc. (Nasdaq: FEAM) (ASX: 5EA) to assume 5E's exclusive earn-in rights to earn-in and acquire the Salt Wells lithium-borate Project.

The Salt Wells Project is located in Churchill County, Nevada, U.S., within close proximity to major highways and within 25 kilometres of the town of Fallon that has a population of over 8,500 people. The Project consists of 276 mineral claims, covering an area of ~36km2 with surface salt samples in the northern area recording up to 810ppm lithium, and 1% boron (5.2% boric acid equivalent). Historically borates were produced at Salt Wells from surface salts in the 1800's from the northern part of the Project area.

The Project is prospective for lithium and borates in the sediments (salt horizon) and lithium and boron brines within the structures of the basin.

Australian Projects

Osmond was formed with the purpose of assembling a portfolio of projects predominantly located in the Gawler Craton region of South Australia and the Glenelg structural zone of western Victoria. (Please refer to maps below.) Since its incorporation, the Company has secured agreements in respect of a number of tenements that are considered highly prospective for gold, copper, nickel and REE. The Company is excited by recent exploration successes in these frontier areas for gold and base metals.

Osmond has entered into acquisition agreements in South Australia, with Fowler Resources Pty Ltd (Fowler) for exploration tenements EL6417 (Yumbarra Tenement), EL6615 (Tallacootra Tenement) and EL6692 (Coorabie Tenement) and with Kimba Resources Pty Ltd (Kimba) (being a wholly-owned

subsidiary of ASX-listed Investigator Resources Pty Ltd (Investigator)) for EL6603 and EL6604 (together, the Fowler Tenements); and in Victoria with Providence Gold and Minerals Pty Ltd (Providence), for EL6958 (Sandford Tenement).

PROJECTS

The Fowler Domain Projects straddle the boundary of this geological domain in far western South Australia. These major crustal scale domain bounding structures that traverse the tenements have potential to host structurally upgraded magmatic Ni-Cr-Cu-PGE; layered intrusive-hosted Ni-Cr-PGE; IOCG (Hiltaba Suite) deposits; intrusion-related (Tunkillia-type) Au; and orogenic Au. While the proximity of the Fowler Domain Projects to nearby mineral occurrences is no guarantee that it will be prospective for an economic reserve, recent discoveries by Western Areas Limited (ASX:WSA) in the Fowler Domain have indicated the nickel-copper sulphide pedigree of the region.

The Yumbarra Project located in the Nuyts Domain of the Gawler Craton contains a highly magnetic feature that is interpreted as a layered ultramafic intrusive. Historical drilling has reported a best intersection of Ni-Co anomalism in basement drilling of 1357 ppm Ni and 1066 ppm Co (further details provided on page 46 and 78 of the Independent Geologist Report in the Osmond Prospectus). There are also identified electromagnetic surveying targets yet to be drilled on this target.

The Sandford Project located in western Victoria is considered prospective for Avebury-style nickel; SEDEX base metals; porphyry Cu-Au; porphyry Mo-Au; (R)IRGS style deposits; and orogenic Au deposits related to major structures that pass through the tenement. In addition, rare earth element (REE) potential is recognised within the tenement, for clays developed at the base of the extensive duricrusts that formed from the deep weathering of basement granitoid bodies with elevated REE concentrations. Initial targeting on the Sandford Project has commenced and will seek to identify prospective regions for the formation of the REE hosted clays and also base and precious metal occurrences.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Charles Nesbitt. Mr Charles Nesbitt is a full-time employee of Osmond Resources Ltd. Mr Charles Nesbitt has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Charles Nesbitt consents to the inclusion of this information in the form and context in which they occur.

Tenement Schedule

In accordance with ASX Listing Rule 5.3.3, Osmond Resources Limited provides its list of exploration licenses with its June quarterly activities report (as at 30 June 2023).

Project/Tenement	Location	Interest at beginning of quarter	Interest at end of quarter	Joint venture Partner/ Farm-in Partner/Farm-Out Partner
Yumbarra Project				
EL6417	South Australia	51%	51%	Fowler Resources Pty Ltd Earning 80%
Tallacoota Project				
EL6615	South Australia	0%	0%	Fowler Resources Pty Ltd Earning 80%
Fowler Project				
EL6603 and EL6604	South Australia	0%	0%	Kimba Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Pty Ltd (ASX:IVR). Earning 80%
Coorabie Project				
EL6692	South Australia	0%	0%	Fowler Resources Pty Ltd. Earning 80%
Sandford Project				
EL6958	Victoria	51%	51%	Providence Gold and Minerals Pty Ltd. Earning 80%
Salt Wells Project				
Consists of 276 mineral claims	Nevada USA	0%	0%	Earning up to 80% by Deed of Assumption with 5E Advanced Materials, Inc. (ASX:5EA)

APPENDIX 5B

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

1.2 Name of entity

OSMOND RESOURCES LIMITED

1.3 ABN	1.4	1.5 Quarter ended ("current quarter")
96 649 477 734		30 June 2023

1.6 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 – including assessing new projects	(62)	(189)
	(b) development		
	(c) production		
	(d) staff costs (not included above)	(24)	(130)
	(e) administration and corporate costs	(129)	(356)
1.3	Dividends received (see note 3)		
1.4	Interest received	14	30
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other		
1.9	**Net cash from / (used in) operating activities**	**(201)**	**(645)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(156)	(606)
	(e) investments		
	(f) other non-current assets		

1.6 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 – Bank guarantee deposit		(50)
2.6	**Net cash from / (used in) investing activities**	**(156)**	**(656)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	922	922
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	(36)	(36)
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**	886	**886**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,627	4,571
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(645)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(156)	(656)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	886	886

1.6 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		
4.6	**Cash and cash equivalents at end of period**	**4,156**	**4,156**

5.	1.7 **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	1,126	611
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – short term deposits	3,030	3,016
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,156**	**3,627**

1.7.1

6.	1.8 **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	36
6.2	Aggregate amount of payments to related parties and their associates included in item 2	36

Payments in 6.1 and 6.2 relate to Director fees and salaries.

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.

7.	1.9 **Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* 1.10 *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	1.11 **Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(201)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(156)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(357)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,156
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,156
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	11.64

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.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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

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

1.12 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: .....By the Board.....
(Name of body or officer authorising release – see note 4)

1.13 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.