

# SEPTEMBER 2023 QUARTERLY REPORT

**GCX Metals Limited (“GCX” or “Company”)** is pleased to present its quarterly report for the quarter ending 30 September 2023. Highlights during and since the quarter include:

## Highlights

- Entered into a binding conditional agreement to acquire the Dante nickel-copper-platinum group elements (“Ni-Cu-PGE”) project (“Dante Project”) located in the West Musgrave region of Western Australia.
- The West Musgrave region is a major metallogenic province and emerging major mining hub with BHPs \$1.7 billion Nebo-Babel Ni-Cu-PGE mine development 15km to the south.
- The Dante Project contains advanced large-scale magmatic Ni-Cu-PGE targets and PGE-Au Reef targets, including approximately 23km of outcropping mineralised strike.
- A large-scale, 7km long by 1.5km wide magmatic Ni-Cu-PGE sulphide target, named the Cronus Prospect, has been defined at the Dante Project.
- Cronus is defined at surface by a large nickel, copper and PGE auger geochemical anomaly. Cronus is drill ready, with heritage clearances recently completed over initial drill targets.
- Historical drilling at Cronus intersected 310.5m of disseminated copper sulphides in the same rock type that hosts the nearby BHP-owned Nebo-Babel deposit. Review of the auger data shows that the areas of highest nickel, copper and PGE anomalism at Cronus remain undrilled.
- A general meeting of shareholders will be held on 25 October 2023 to approve the Company’s acquisition of the Dante Project.
- As part of the transaction, experienced geologist and resource company executive, Mr Thomas Line, will be appointed as Managing Director & CEO of the Company.
- Plans to drill test three IOCG targets in the northern area of the Onslow copper-gold (“Cu-Au”) project (“Onslow Project”) are well advanced with the final ethnographic heritage survey expected to be completed next week. A drilling contractor has been selected and drilling is expected to commence mid-November.

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## Introduction

During the quarter, the Company entered into a binding conditional agreement to acquire the Dante Ni-Cu-PGE Project located in the West Musgrave region of Western Australia. The Dante Project contains large-scale magmatic Ni-Cu-PGE targets, as well as extensive outcropping PGE-gold (“PGE-Au”) reefs and is situated in the same geological complex and in close proximity to one of the world’s largest mining development projects, BHP’s Nebo-Babel Ni-Cu-PGE mine development.

During the quarter, the Group continued exploration activities at its Onslow Cu-Au Project in the Pilbara region of Western Australia. Results from a regional ground-based gravity survey support compelling iron oxide copper-gold (“IOCG”) targets identified in the northern area of the Onslow Project. The Company plans to drill test three IOCG targets in the current quarter.



Figure 1: GCX current and proposed projects



## Dante Ni-Cu-PGE Project

The Dante Project contains large-scale magmatic Ni-Cu-PGE targets, as well as extensive outcropping PGE-Au reefs (refer to Figure 2) and is situated in the same geological complex and in close proximity to one of the world's largest mining development projects, Nebo-Babel (BHP).

The Musgrave block (140,000km<sup>2</sup>) in central Australia is located at the junction of three major crustal elements: the West Australian, North Australian, and South Australian cratons. It is a Mesoproterozoic, east-west trending orogenic belt and comprises a variety of high grade (amphibolite to granulite facies) basement lithologies overprinted by several major tectonic episodes. The discovery of the Nebo-Babel Ni-Cu-PGE sulphide deposit in the western portion of the Musgrave block (Western Australia), was considered to be the world's largest Ni-Cu-PGE sulphide discovery since Voisey's Bay, prior to the discovery of Julimar/Gonneville in 2018.

The Dante Project contains large-scale magmatic Ni-Cu-PGE targets, including outcropping PGE-Au reefs (refer Figure 2) and is considered highly prospective for Nebo-Babel style and Julimar/Gonneville-style magmatic Ni-Cu-PGE deposits.

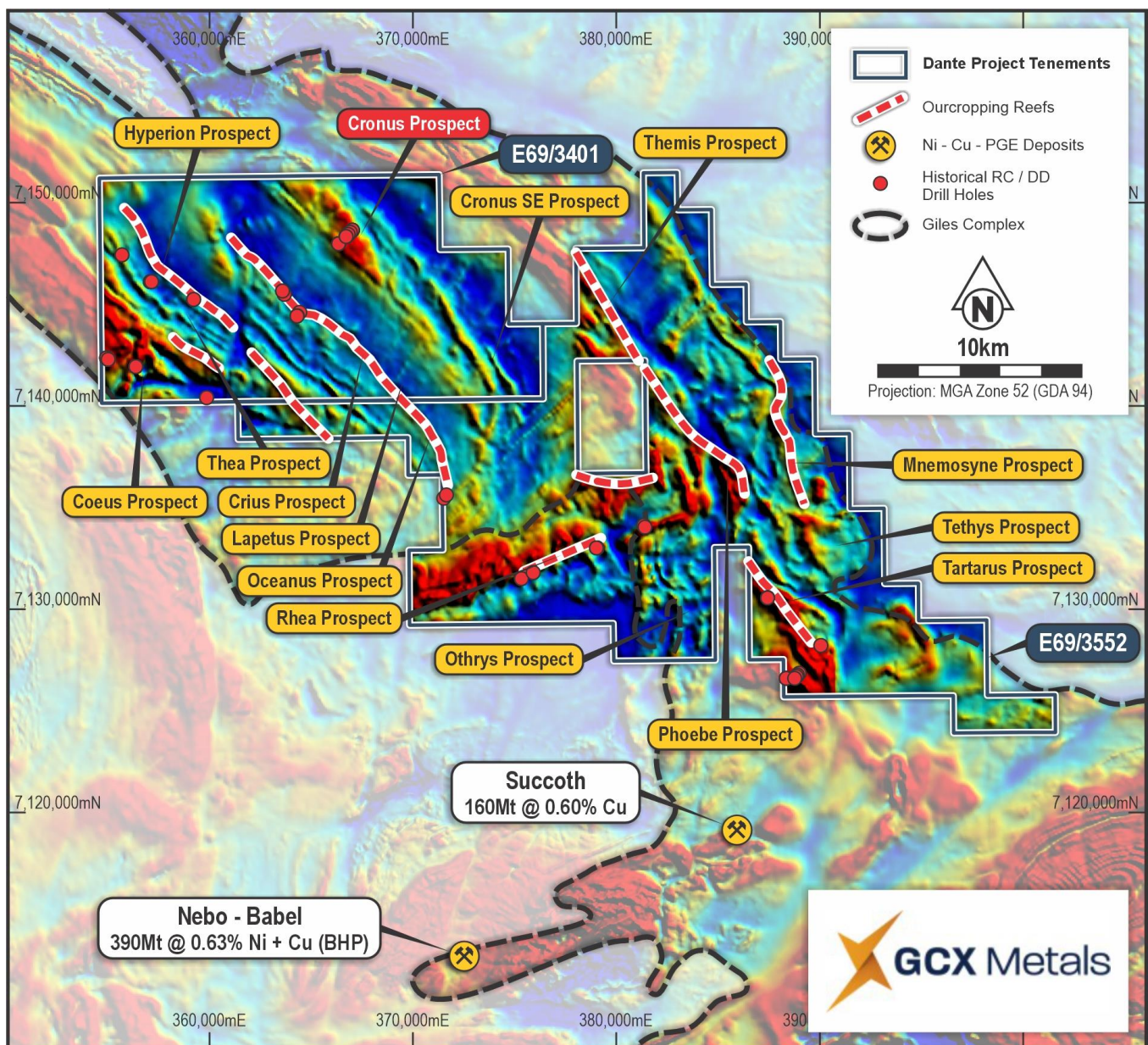


Figure 2: Dante Project prospects on TMI showing mapped outcropping reefs extending for 70km.



## Cronus Prospect

A large-scale Ni-Cu-PGE target (refer Figure 3) named the Cronus Prospect has been defined at the Dante Project.

The definition is a result of a detailed review of historical datasets, which includes high resolution Auger geochemistry over the intrusion. Cronus is interpreted from magnetics and geochemistry to be an isolated intrusion of approximately 7km long by 1.5km wide, within the highly prospective Giles mafic-ultramafic complex of the West Musgrave region.

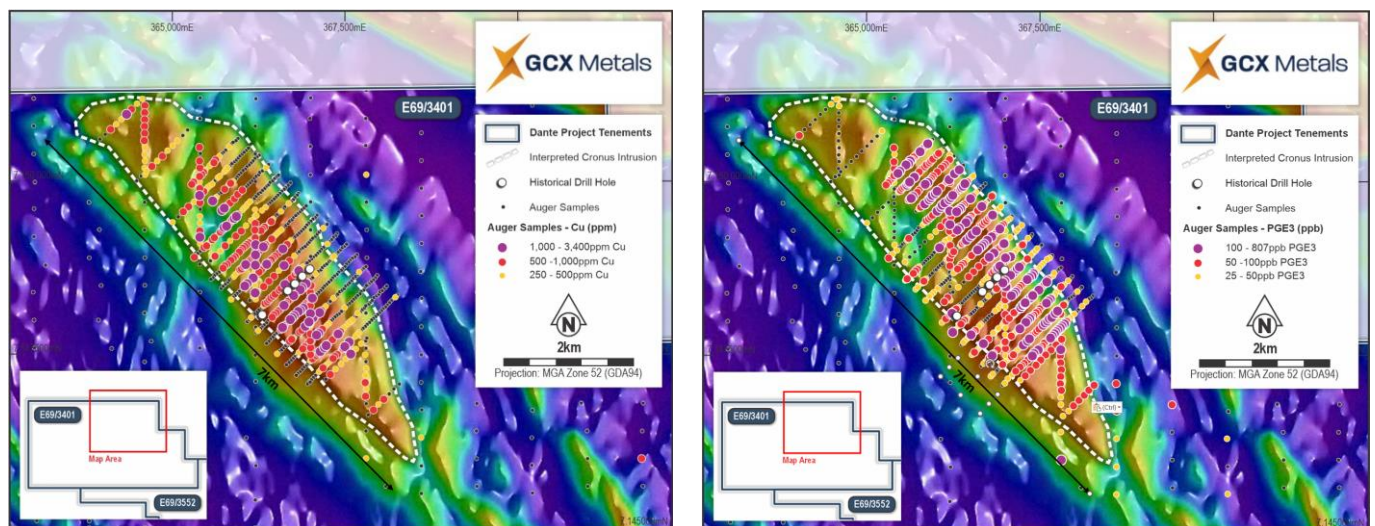
Historical drilling at Cronus intersected thick disseminated copper sulphides over 310.5 meters (interpreted true thickness), within mineralised gabbro (refer ASX announcement 28 September 2023). The Babel deposit, like many magmatic Ni-Cu-PGE deposits, contains a broad zone of weakly disseminated sulphides around the high-grade semi-massive sulphides, breccia-sulphides and massive sulphides.

In relation to the disclosure of visual mineralisation, the Company cautions that visual methods of sulphide identification and estimation of mineral abundance should not be considered as a proxy or substitute for laboratory analysis. Laboratory analysis is required to determine the widths and grades of the visible mineralisation reported herein. Visual information also potentially provides no information regarding impurities or deleterious physical properties relevant to valuations. The Company will update the market when the laboratory assay results are received.

Review of the auger geochemistry indicates that the none of the areas of Nickel anomalism at Cronus have been drill tested. Further, the auger geochemistry shows that the areas of highest copper and PGE anomalism also remain untested.

The Company will undertake systematic drilling across the Cronus Intrusion to characterise the various zones and mineralisation for further targeting. Reverse Circulation (RC) drilling will be employed initially to obtain a geochemical profile across the intrusion. Ground electromagnetic (EM) geophysics and high-resolution airborne magnetics is also planned over Cronus, and reprocessing of historical airborne EM data is currently underway.

Heritage clearances have recently been completed for planned drilling at Cronus, and the Company is now awaiting State Government approval for drilling after submitting a Program of Works (PoW) to the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS).



**Figure 3: Strong Cu and PGE3 geochemical anomalies over the interpreted Cronus Intrusion (dashed white), with historical RC and Diamond drillholes on total magnetic intensity (TMI) geophysics.**

## Magmatic Ni-Cu-PGE Sulphide Deposits

Magmatic Ni-Cu-PGE sulphide deposits, such as Nebo-Babel (West Musgraves region) Nova-Bollinger (Fraser Range region) and Julimar-Gonneville (Julimar region) are associated with large mafic-ultramafic intrusions and often develop in tube like intrusions referred to as chonoliths. Most major magmatic Ni-Cu-PGE sulphide deposits occur in areas of structural complexity, such as craton margins.

The West Musgraves region represents a unique structural setting ideal for the development of large magmatic sulphide deposits, being at the junction of 3 major crustal features; namely the West Australian, South Australian and North Australian Cratons.

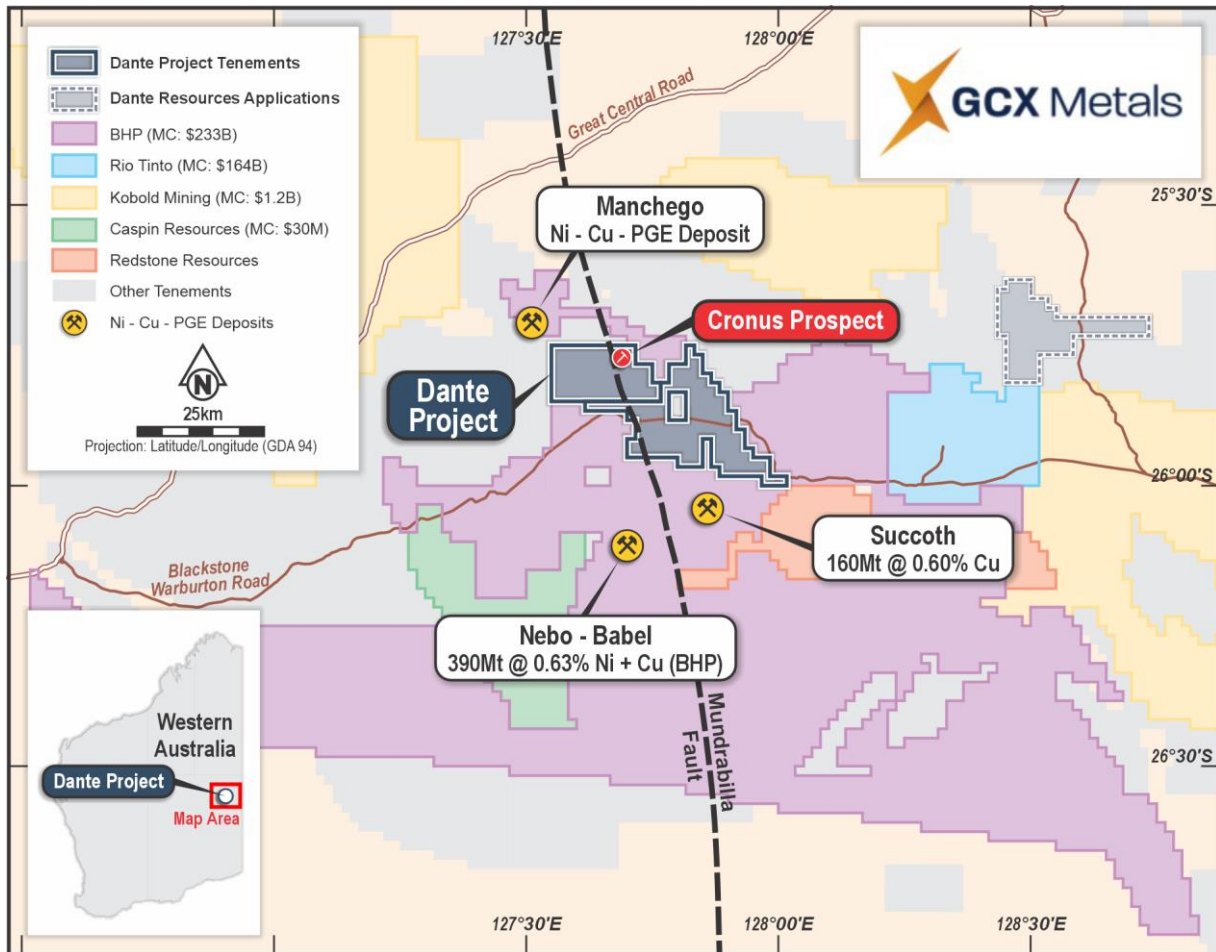


Figure 4: Dante Project location map displaying surrounding companies' tenure and major deposits, and the Mundrabilla Fault.

### Onslow Cu-Au Project

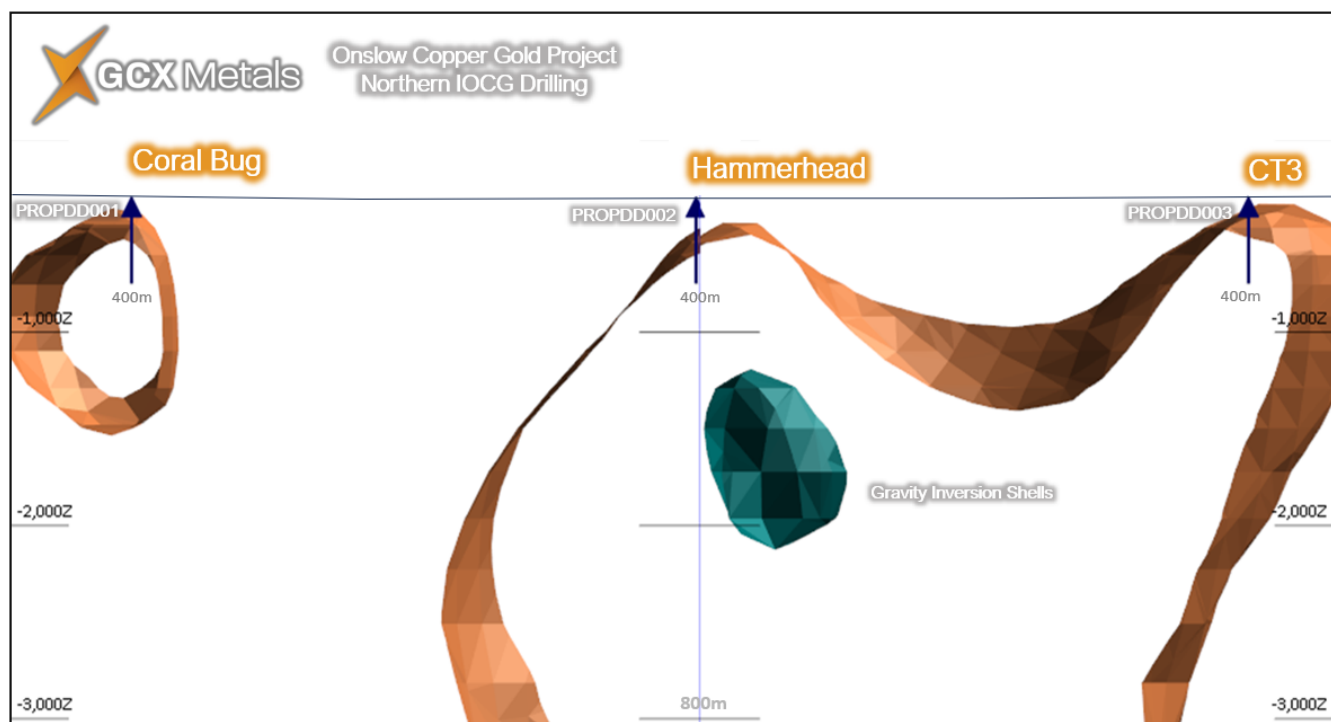
The Onslow Project is located in the northwestern extension of the Capricorn Orogen and is considered prospective for gold, copper, lead and zinc. Nearby historical exploration conducted by Western mining Corporation (WMC) in the 1990's identified the potential for banded-iron-formation hosted gold and iron-oxide-copper-gold (IOCG) mineralisation.

The Onslow Project covers 548km<sup>2</sup> and comprises three tenements. The Company owns 100% of granted licence E08/3311 (115km<sup>2</sup>) and 80% of granted licence E08/3197 (188km<sup>2</sup>). The Company has also applied for E08/3462, comprising a further 245km<sup>2</sup> of prospective ground located adjacent to E08/3311.

Historical drilling on the tenements was almost exclusively focussed on the cover sequence in the search for pisolitic iron mineralisation and hence the proterozoic basement is considered to be essentially untested. A recent review of historic airborne electromagnetic surveys confirmed several anomalies that have never been drill tested.

### Regional Gravity Survey

Southern Geoscience completed a comprehensive project wide gravity survey across the Onslow Project to refine the drill-targeting for the large-scale IOCG/magnetic features in the north of the Onslow Project. Several intense and discrete density anomalies, coincident with magnetic and geochemistry anomalies are interpreted as potential intrusive bodies prospective for IOCG type deposits.



**Figure 5: Northern Onslow Project Area – Gravity inversion shells with proposed DD holes into three major IOCG targets.**

### Diamond Drilling IOCG Targets

The Company is finalising logistics for its Co-Funded DD drilling program under the WA Government's Exploration Incentive Scheme to test the northern IOCG targets on the Onslow Project. The EIS allows the Company to apply for a total refund of \$204,050 from up to 50% of incurred direct drilling costs, including mobilisation charges.

The Co-Funded drilling program will test three large scale magnetic, gravity and geochemistry targets with diamond drilling in the northern portion of the Onslow Project. The Company proposes to drill test the anomalies Coral Bug, Hammerhead and CT3 (See Figure 6).

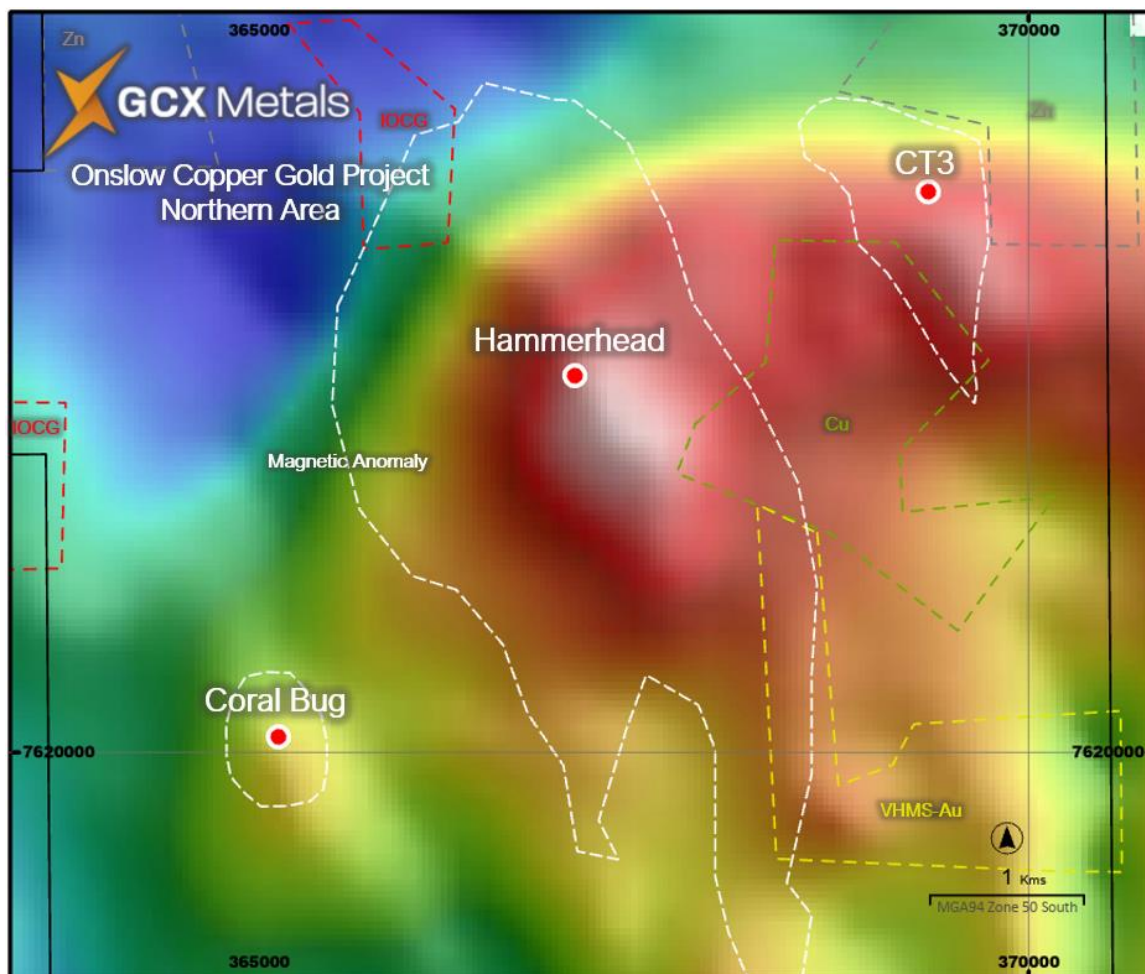
Results of the gravity survey along with existing magnetic data were utilised by Caldera Analytics, a geoscience machine learning consultancy, to generate IOCG prospectivity maps for the Onslow Project. The maps, generated from deep learning models trained to recognise hydrothermal magnetite and hematite footprints of potential IOCG deposits have assisted the Company in ranking the exploration targets.

Of particular interest is the Coral Bug anomaly which returned the highest ranked hydrothermal magnetite response from the machine learning model which encouragingly corresponded well with a moderate-high density gravity response.

Existing station tracks proximal to the proposed drill sites have recently been restored by the station manager, which enabled access for the Company to complete heritage clearance surveys over the area. An archaeological survey has been completed and an ethnographic survey is expected to be completed next week.

The Company has engaged a drilling contractor to complete the work which is expected to commence in mid-November 2023, subject to heritage clearance.





**Figure 6: Northern Onslow Project Area - Proposed DD holes location over Gravity showing coincident magnetic anomaly (white dashed lines) and geochemistry signatures.**

## Corporate

During the quarter, the Company entered into a binding conditional term sheet ("Agreement") to acquire 100% of the issued capital of Dante Resources Pty Ltd ("Dante") from the shareholders of Dante ("Vendors") ("Acquisition"). Dante, and its 100% owned subsidiary, 97992001 Pty Ltd, together hold, or have the contractual right to acquire, a portfolio of West Australian exploration assets, including its flagship Dante Project located in the West Musgrave region ("Projects").

Subject to shareholder approval, consideration for the acquisition comprises the issue of 50,000,000 ordinary shares in the Company, the issue of 60,000,000 performance shares in the Company which convert into ordinary shares subject to the satisfaction of certain performance milestones, and repayment of a total of up to \$350,000 in loans owed by Dante at completion. If Dante's subsidiary, 97992001 Pty Ltd, commences mining on E69/3401, then 97992001 Pty Ltd will pay a 1% net smelter royalty to the previous tenement owner in respect of any saleable minerals recovered from E69/3401.

Completion of the acquisition is subject to several outstanding conditions precedent, including completion of due diligence by the Company and obtaining the necessary shareholder and regulatory approvals. If the conditions precedent are not satisfied (or waived) on or before 31 October 2023 (or such other date as the Purchaser and the Company agree) either party may give notice to the other party that the Agreement is terminated.

As part of the Acquisition, Mr Thomas Line will be appointed as Managing Director and CEO of the Company. Mr Line is an experienced geologist, project generator and executive with over 10 years' experience in mining, exploration and resource development including his most recent role as CEO of Taruga Minerals Ltd (ASX: TAR). As part of Mr Line's proposed remuneration arrangements with the Company, Mr Line (and/or his nominee(s)) will, subject to shareholder approval, be granted 7,000,000 performance rights in the Company which convert into ordinary shares subject to the satisfaction of certain performance milestones.

## ASX Additional Information

### Mining exploration tenements

As at 30 September 2023, the Company holds an interest in the following exploration tenements:

Mining exploration project name	Permit Number	Percentage Interest	Status
Onslow Cu-Au (Western Australia)	E08/3311	100%	Granted
	E08/3529	100%	Application
	E08/3197	80%	Granted
Southern Cross Li-REE (Western Australia)	E77/3009	100%	Granted
	E77/3010	100%	Granted
	E77/3011	100%	Granted
	E77/3012	100%	Granted

During the quarter, four licence applications were granted to the Company near Southern Cross in Western Australia.

### Mining exploration expenditures

During the quarter, the Company made the following payments in relation to mining exploration activities:

Mining exploration activity	A\$000
Geological consultants	65
Sample analysis	11
Tenement rents, rates and management	22
Field supplies, vehicles, travel and other	4
<b>Total</b>	<b>102</b>

There were no mining or production activities or expenses during the quarter.

### Related party payments

During the quarter, the Company made payments of approximately \$15,000 to related parties and their associates, for director's fees, superannuation, company secretarial services and provision of a fully serviced office.

### Competent Persons Statement

The information in this report that relates to Exploration Results for the Dante Project is extracted from the Company's ASX announcements dated 28 August 2023 and 28 September 2023 and the information in this report that relates to Exploration Results for the Onslow Project is extracted from the Company's ASX announcements dated 22 June 2023, 20 February 2023, and 27 April 2022 ("Original ASX Announcements"). These announcements are available to view at the Company's website at [www.gcxmetals.com.au](http://www.gcxmetals.com.au). The Company confirms that: a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

### Forward Looking Statements

Statements regarding plans with respect to GCX's projects are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.



This ASX announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Company Secretary.

For further information, please contact:

**Thomas Line**

Incoming CEO & Managing Director  
Tel: +61 8 9322 6322

**Greg Swan**

Company Secretary  
Tel: +61 8 9322 6322

## Appendix 5B

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

Name of entity

GCX Metals Limited

ABN

44 155 933 010

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter A\$000	Year to date (12 months) A\$000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(102)	(102)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(15)	(15)
	(e) administration and corporate costs	(81)	(82)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	31	31
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</b>	<b>Net cash from / (used in) operating activities</b>	<b>(167)</b>	<b>(167)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment:	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-

Consolidated statement of cash flows		Current quarter A\$000	Year to date (12 months) A\$000
	(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>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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):		
	(a) Loan to Dante Resources Pty Ltd	(314)	(314)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(314)</b>	<b>(314)</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	3,303	3,303
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(167)	(167)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(314)	(314)
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>2,820</b>	<b>2,820</b>



<b>5. 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	2,820	3,303
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,820</b>	<b>3,303</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
A\$000**

(15)

-

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. Financing facilities**

*Note: the term 'facility' includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end A\$000</b>	<b>Amount drawn at quarter end A\$000</b>
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.

<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)	(167)
8.2 (Payments for exploration & evaluation classified as investment activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(167)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,820
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,820
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	16.9
<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?

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?

Not applicable.

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?

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: 20 October 2023.....

Authorised by: Company Secretary.....  
(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.