



TAITON RESOURCES  
LIMITED

## QUARTERLY ACTIVITIES REPORT

ASX: T88

**31<sup>st</sup> October 2023**

### Highlights

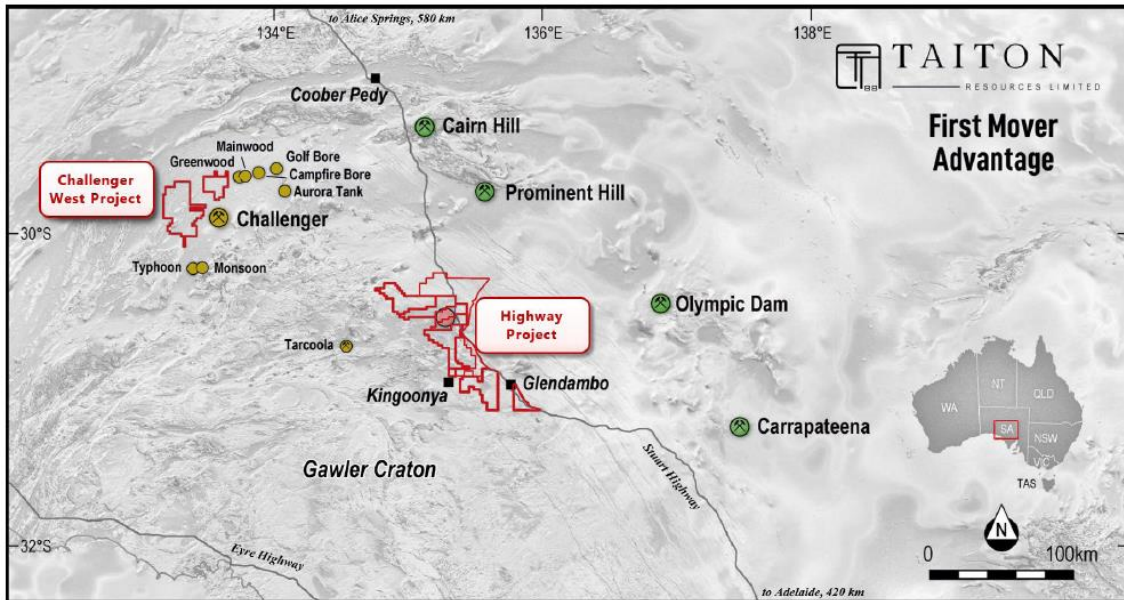
#### Highway Project

- **Heritage Survey Completed**
- **Maiden Drilling Completed**
- **2.5km Molybdenum Target identified by UltraFine Soil Survey**
- **Follow-up Drilling Approval**

Taiton Resources Limited (**ASX: T88, Taiton** or “**the Company**”) is pleased to provide a summary of activities completed during the Quarter ended 30<sup>th</sup> September 2023.

#### Highway Project - SA

The Highway Project with total land holding of 2,930 sq km is bisected by the Stuart Highway (A87). The Merino Prospect – within the Highway Project is situated approximately 590 km from the state capital of Adelaide and 186 km north of Port Augusta.



During the Quarter, the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) completed a heritage survey over the Merino prospect which allowed the Company to proceed with the UltraFine (UF) Soil Survey and the maiden drilling program.

The UF Soil Survey was completed in July 2023 consisted of 1,122 samples (exc. QAQC samples) covering an area of approximately 4km by 4.5km on nominal 100m by 100m and 200m by 200m grid spacing.

The purpose of the soil sampling program was to identify areas with geochemical anomalism to focus future drill programs on the most prospective areas due to the potential scale of the system.

Subsequent to the completion of the UF Soil Survey, approval from the South Australian Department for Energy and Mining (DEM) was received for the Company's maiden drill program over the Merino prospect.

Taiton completed its maiden drill program at Merino in September, which consisted of 3,062m drilled across twenty-two 22 RC holes. The program was designed to test Induced Polarisation (IP) anomalism identified from the IP survey completed earlier this year and to follow up shallow historical drill holes with molybdenum and base metal anomalism. All drill samples have been sent for testing and initial assays results are forthcoming.

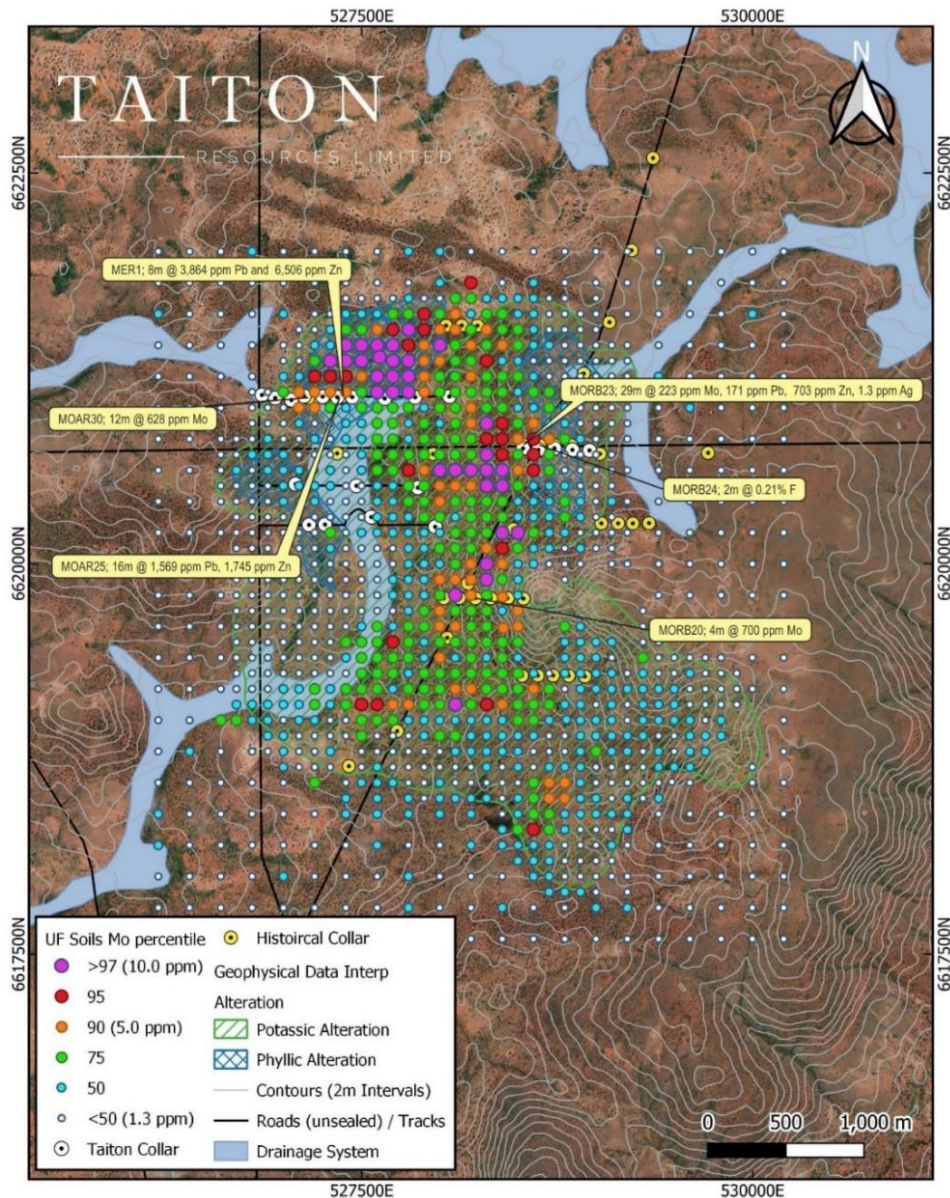


**Figure 1 - Chip trays from hole HRC23-008 illustrating areas of propylitic alteration (green minerals) within quartzite from 18m to 79m.**

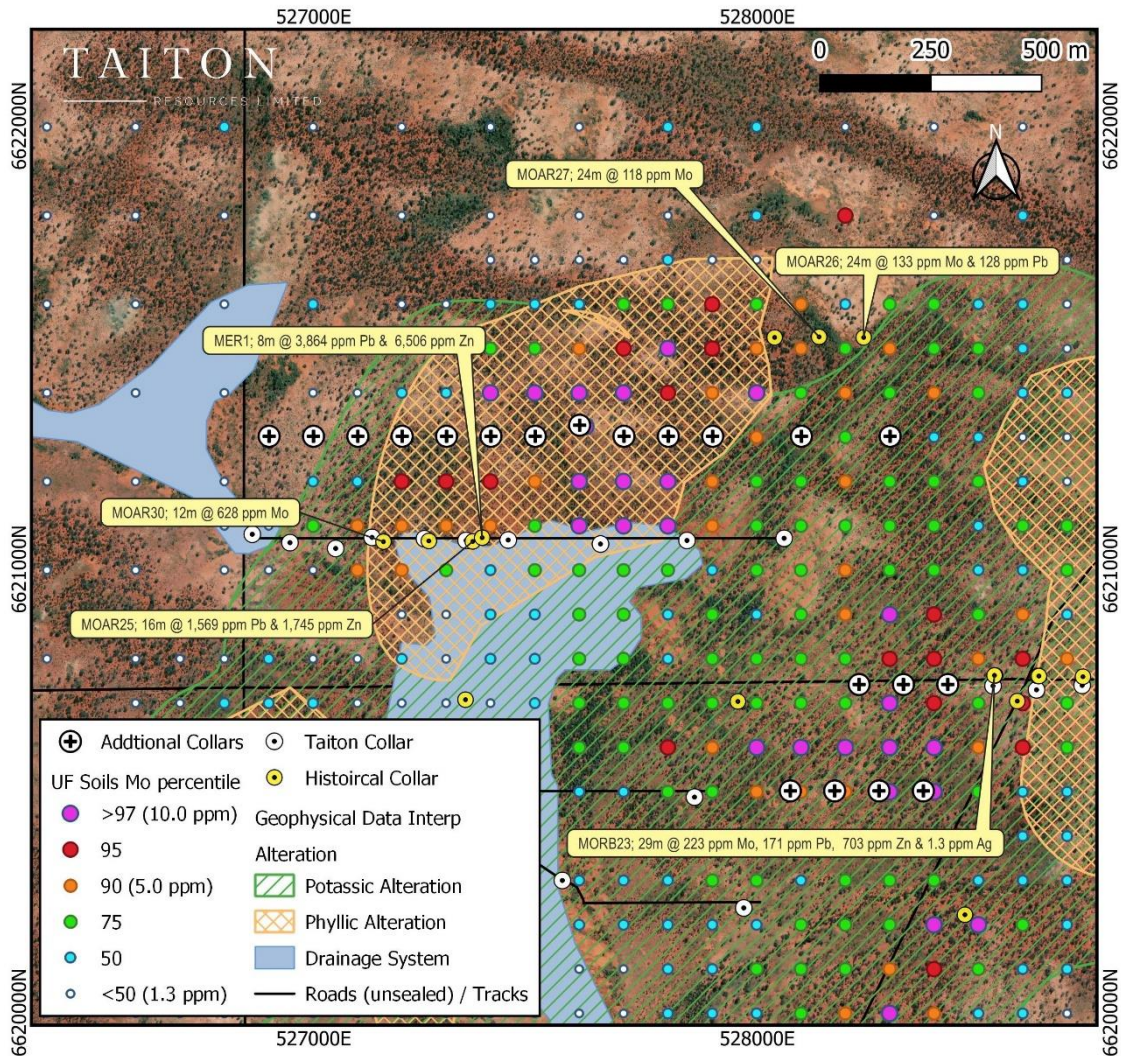
While undertaking the maiden drilling, the Company received the assays for the 1,122 sample collected under UF Soil Survey in July which identified broad molybdenum soil anomalism identified over 2.5km strike encapsulating multiple higher tenor molybdenum cores.

The soil sampling program was successful in identifying a broad footprint of molybdenum anomalism encapsulating cores with a higher tenor molybdenum, particularly in the northern area where a

coherent molybdenum anomaly of an area approximately measuring of 600m by 400m as shown below.



**Figure 2 - Merino soil sampling locations coloured by molybdenum (Mo ppm) percentiles with drill collars including recent Taiton holes (awaiting assays) and historical collars with selected intervals. Note the cut-off ppm values for the Mo results in the legend are in brackets whilst the colour dots represent percentiles**



**Figure 3 - Map showing planned additional holes to be drilled with molybdenum soil sample locations collared by percentiles and existing collars both Taiton and historical.**

As a result of the assays from UF Soil Survey has indicated strong molybdenum anomaly to the north of the maiden drill program. An addendum to the approved EPEPR for the above additional drill collars was subsequently submitted to the South Australian Department for Energy and Mining (DEM).

Approval for the additional drilling was received subsequent to the Quarter and additional drilling is currently being mobilised.

### **Challenger West Project – South Australia**

During the quarter, the company continues with its desktop study.

### **Lake Barlee Project – Western Australia**

In the quarter, the company has been engaging First Nation groups to prepare a Heritage Survey to begin work on the ground. Due to the introduction of the new Aboriginal Heritage Legislation and subsequent changes, the progress has been slow.

The process is still in progress at the end of the quarter.

### **CORPORATE**

At 30 September 2023, Taiton has 73,009,544 shares on issue, 12,261,168 unlisted options and 6,000,000 unlisted performance rights. Cash at bank totalled \$3.535 M.

No further shares or options were issued during the September Quarter 2023.

## **ASX Additional Information**

### **Summary of expenditure items within Appendix 5B**

A summary of the expenditure and related party payments is set out below:

- 1.2(d) Staff costs of \$131K relate to director fees and consulting services, and CFO salary including superannuation.
- 1.2(e) Administration and corporate costs of \$150K relate mainly to costs for and associated with compliance costs (ASIC, ASX and share registry), consulting fees, legal fees, investor relations, promotion & marketing, office costs, insurance, rental, web hosting, IT, and travel.
- 1.8 Relates to costs of \$120K associated with identifying and reviewing acquisition opportunities.
- 2.1(c) Property, plant, and equipment of \$58K relates to purchases of XRF equipment, computer equipment and battery power pack.
- 2.1(d) Exploration & evaluation costs of \$617K relate mainly to payments to Geologists for work activities, Tenement rents, consulting services, Fieldwork & supplies, Field travel, Heritage survey, Ultrafine Soil Survey, Laboratory analysis, Drilling, Field mapping, Hire of equipment.
- 6.1 Payments to related parties relate to director fees and consulting services (\$100k), payment for media digital content, production, and promotion services (\$16K) to an entity associated with the Executive director, Hire of Ute and Camper from the Executive

Director (\$14.8K), payment of balance of IPO Underwriting fee (\$30K) to an entity associated with the Chairman.

6.2 Payments to related parties relate to director consulting services (\$23K) included in exploration & evaluation costs.

There were no mine production or development activities during the quarter.

### **Use of Funds (Listing Rule 5.3.4)**

The Table below sets out a comparison of actual expenditure in the Use of Funds against estimated expenditure in the IPO prospectus dated 23 September 2022 and explanation of any material variances.

<b>Use of funds – Year 1</b>	<b>Proposed \$ in IPO prospectus</b>	<b>Actual expenditure \$ to 30 September 2023</b>	<b>Variance under/(over) \$'000</b>
Exploration activities <sup>a)</sup>	\$1,900,000	\$1,462,313	\$437
Administration costs <sup>b)</sup>	\$799,000	\$1,118,384	(\$319)
Estimated expenses of the Offer <sup>c)</sup>	\$1,142,000	\$927,710	\$214
Working Capital <sup>d)</sup>	\$315,000	275,761	\$40
Total Funds allocated – Year 1	\$4,156,000	\$3,784,168	\$372

The material variances note above are as a result of a number of factors, including:

- a) Exploration activities are in line with the exploration program and dependent on the progress and timing of regulatory approvals.
- b) The Company has incurred higher than anticipated Administration costs including higher spending on compliance



- costs, legal and professional costs, travel costs, and investor relations/media promotion costs.
- c) Estimated expenses of the Offer were less than actuals due mainly to less brokerage paid.
  - d) Working Capital includes interest paid on Loan facilities (\$155K) which were fully repaid by the conversion to shares on the Company's admission to the ASX; and costs expended on identifying and reviewing new acquisition opportunities (\$120K).

It should be noted that as with any budget, the allocation and timing of the use of funds set out in the Table above may change depending on a number of factors, including market conditions, the progress of the Company's exploration and evaluation programs, economic conditions, and regulatory approvals.

## Tenements

Registered Holder	Tenement No.	Location	Project	Area (Sq km)	Total (Sq km)	Interest at the end of Quarter
Lake Barlee Gold Pty Ltd	E77/2700	WA	Lake Barlee	191.54		100%
Lake Barlee Gold Pty Ltd	E57/1158	WA	Lake Barlee	204.26		100%
Lake Barlee Gold Pty Ltd	E77/2715	WA	Lake Barlee	131.93		100%
Lake Barlee Gold Pty Ltd	E57/1168	WA	Lake Barlee	<u>141.00</u>		100%
					668.7	
Taiton Resources Limited	EL6658	SA	Highway	972.00		100%
Taiton Resources Limited	EL6706	SA	Highway	160.00		100%
Taiton Resources Limited	EL6784	SA	Highway	884.00		100%
Taiton Resources Limited	EL6857	SA	Highway	<u>914.00</u>		100%
					2,930.0	
Taiton Resources Limited	EL6785	SA	Challenger West	<u>997.00</u>		100%
					997.0	
					<b>4,595.7</b>	

There were no mining tenements acquired or disposed of during the quarter.

**This Report has been approved by the Board of Directors of the Company.**

### For further information, please contact:

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 +61 3 8648 6431

## COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Mr Noel Ong, an employee of the company. Mr Ong is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ong consents to the inclusion in this report of the matters based on this information in the form and context in which they appear.

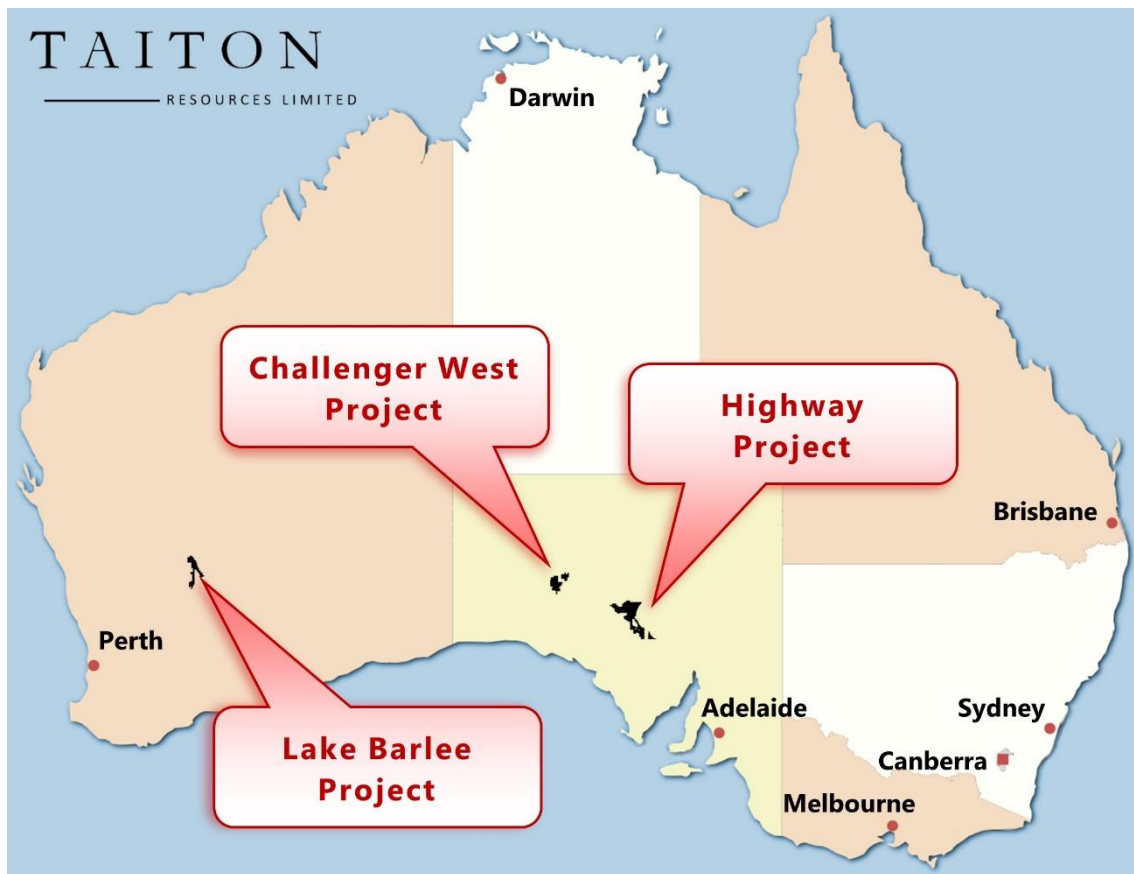
### References:

#### Taiton announcements

- 09/10/2023 Drilling Significant Molybdenum Anomaly identified by the UltraFine Soil Survey
- 26/09/2023 2.5km Molybdenum Target identified by UltraFine Soil Survey
- 15/08/2023 Taiton Maiden Drilling Completed
- 03/07/2023 Heritage Survey Completed and UltraFine Soil Survey to Start
- 04/05/2023 IP Survey supports the Magmatic Hydrothermal System
- 09/03/2023 Highway Project Rock Chip Assay and Lake Barlee update
- 03/02/2023 Highway Project Heritage Survey Completed

## About Taiton Resources Limited

Taiton Resources Limited (ASX: T88) is an early-stage mineral exploration and development company that has a Shallow Mineral System within the Olympic Dam Mineralising Event.



### Project location of Taiton Resources Limited.

Our dominant land holding at the Highway Project will allow us to potentially uncover the Next Elephant Deposit in Australia.

The Company has assembled a portfolio of projects across both South Australia and Western Australia comprising the following:

- (a) Highway Project – total land holding of 2,930 sq km, located in South Australia,



- (b) Lake Barlee Project – total land holding of 668.7 sq km, located in Western Australia; and
- (c) Challenger West Project – total land holding of 997 sq km, located in South Australia.

The projects have a range of exploration activities planned. The company will be undergoing a series of grassroots exploration and also several walk-up drilling targets.

## Appendix 5B

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

Name of entity

<b>Taiton Resources Limited</b>
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ABN

<b>41 062 284 084</b>
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Quarter ended ("current quarter")

<b>30 September 2023</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(131)	(131)
(e) administration and corporate costs	(150)	(150)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	(120)	(120)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(387)</b>	<b>(387)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(58)	(58)
(d) exploration & evaluation	(617)	(617)
(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(675)</b>	<b>(675)</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	(30)	(30)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(30)</b>	<b>(30)</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	4,627	4,627
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(387)	(387)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(675)	(675)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	(30)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,535</b>	<b>3,535</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	335	927
5.2	Call deposits	3,200	3,700
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,535</b>	<b>4,627</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	23

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



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</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.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

<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)	(387)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(617)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,004)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,535
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,535
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.5
<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?	
<p>Answer: N/A</p>	
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?	
<p>Answer: N/A</p>	

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

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

Answer: N/A

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

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....31 October 2023.....

Authorised by: ....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.